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# Senate Hearings

*Before the Committee on Appropriations*

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# Departments of Labor and Health, Education, and Welfare and Related Agencies Appropriations

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96*th* CONGRESS, FIRST SESSION

PART 5—(Pages 1–965)

NONDEPARTMENTAL WITNESSES

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# DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1980

## HEARINGS

BEFORE A

## SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

PART 5 (Pages 1–965)

NONDEPARTMENTAL WITNESSES

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# DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1980

WEDNESDAY, MARCH 28, 1979

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 10:30 a.m., in room S. 128, the Capitol, Senator Daniel K. Inouye presiding.

Present: Senators Inouye and Mathias.

## NONDEPARTMENTAL WITNESSES

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

STATEMENTS OF:
CARL AKINS, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS
MICHAEL FORD, NATIONAL COALITION FOR ADEQUATE ALCOHOLISM PROGRAMS
JOHNATHAN VIPOND, MENTAL HEALTH ASSOCIATION
VIRGINIA Q. BAUSCH, EXECUTIVE DIRECTOR, AMERICAN ACADEMY OF CHILD PSYCHIATRY
RODOLFO B. SANCHEZ, NATIONAL COALITION OF HISPANIC MENTAL HEALTH AND HUMAN SERVICES ORGANIZATIONS
CHRIS KOYANAGI, NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS, INC
MELVIN SABSHIN, AMERICAN PSYCHIATRIC ASSOCIATION

### BUDGET REQUEST

Senator INOUYE. The subcommittee will please come to order. This morning we will continue our public witness testimony, and we have five panels, some of them very large. Because of the restriction on our time, we've had to provide each panel about 20 minutes to present their testimony. We wish we could do much better than that, but we have a schedule to meet, and we have to report a bill.

And so I believe you've been requested to select either a spokesperson or divide your time among the panel members.

The first panel is on funding for the Alcohol, Drug Abuse and Mental Health Administration. And on behalf of the committee I'm pleased to welcome you here.

And how do you plan to present your testimony, sir?

Dr. SABSHIN. Our plan, Senator Inouye, is to have five of the organizations present a consolidated statement; the two other groups will give independent statements subsequently.

Senator INOUYE. All right.

STATEMENT OF DR. MELVIN SABSHIN

Dr. SABSHIN. Thank you, Senator.

My name is Melvin Sabshin, and I'm the medical director of the American Psychiatric Association, appearing to present the consolidated testimony on behalf of the APA, the National Association of State Alcohol and Drug Abuse Directors; Carl Akins, the executive director, is here; the National Coalition for Adequate Alcoholism Programs; Michael Ford, the legislative committee chairman, is here; the National Coalition of Hispanic Mental Health and Human Services Organizations; Rodolfo Sanchez is the national executive director; and the American Academy of Child Psychiatry, Virginia Bausch, executive director, there.

I might say that to bring those five groups together in consolidated testimony may be one of the most interesting developments. [Laughter.]

AMERICAN PSYCHIATRIC ASSOCIATION

I speak, first, in regard to the American Psychiatric Association.'s areas of interest. Our concern is quite broad in terms of service and research programs, but I'll confine my remarks today to the clinical and research manpower training funds within the National Institute of Mental Health. Our concern, shared by the other core mental health disciplines, psychology, social work, psychiatric nursing, relates to the clinical and research manpower training funds within the NIMH. The President has recommended a funding level of $89 million plus for training, representing a cut of $6 million for clinical training from the sums appropriated by Congress for fiscal 1979.

Our group and the Coalition for Health Funding, representing over 50 nonprofit health organizations, urge you to revise that figure upward to $110.7 million, $85 million for clinical manpower training and $25 million for research training.

PRESIDENT'S COMMISSION ON MENTAL HEALTH

One of the key recommendations of the President's Commission on Mental Health was "to increase the number of psychiatrists in training and to incorporate mental health concepts into other training programs for other health care specialists."

This type of recommendation will go largely unmet in fiscal 1979, and indeed, if the President's budget is adopted, there will be fewer manpower training opportunities. The National Institute of Mental Health manpower system is the key to providing quality mental health care to the 20 to 30 million Americans the President's Commission identified as in need of such services.

Manpower training represents the cornerstone upon which the programs of the organizations that are being represented here can build. We, for example, are concerned with the loss of available foreign medical graduates through Public Law 94–484 and the implications of that for the manpower system.

A few weeks ago, Dr. Pardes, Director of the National Institute of Mental Health appeared before your subcommittee, and noted the profound shortages, especially in the State and county systems. I might point out, Senator, that in this week's Time magazine—which I would commend to your attention—there is a story about psychiatry. It's rather flashy in some respects, but it does confirm the statement about shortages and states it rather dramatically.

The NIMH projects a shortage of over 10,000 psychiatrists in fiscal 1980. That was presented in our written statement now before you, sir. The National Institute of Mental Health provides training in the core mental health disciplines. It also provides training for paraprofessionals, provides training for research workers; and moreover the system provides training for the primary care physician in relation to his other activity in mental health.

This is a bridgebuilding mechanism which the President's Commission recommended, which in part is designed to relieve the strain on the mental health professions.

I would also call your attention to the need for support for research training. It goes hand in hand with the other manpower training and development. The research community also must encourage minorities to join its ranks. The $6.7 million increase above the President's recommended funding level for research training in 1980 that we recommended will provide the funds to train individuals who will help with these important problems.

Senator INOUYE. Excuse me. May I interrupt as we go along?

Dr. SABSHIN. Yes, sir.

SHORTAGE OF PSYCHIATRISTS

Senator INOUYE. If we restore the $6 million, would that have any significant effect on the shortage of psychiatrists?

Dr. SABSHIN. The $6 million for research services?

Senator INOUYE. No, clinical training, clinical manpower training.

Dr. SABSHIN. Yes, it will, especially if it's tied into programs of cooperation between the State and Federal Government in terms of emphasizing the needs of underserved populations.

Senator INOUYE. What would the numbers be?

Dr. SABSHIN. The numbers of increased psychiatrists? It won't meet the 10,100 shortage, but it would move in the right direction to accomplish that goal, sir. It depends on how the money is allocated.

Senator INOUYE. I see.

Please continue.

Dr. SABSHIN. The President has recommended that clinical manpower training for fiscal 1980 be reduced below the fiscal 1979 level. This reflects a retrenchment from congressionally expressed concerns. It con-

tradicts the recommendations of the President's Commission. It ignores the NIMH data which strongly stress the seriousness of manpower shortage across all mental health disciplines. It's contrary to the President's own budget recommendations for new initiatives.

Without such personnel, very few of these new initiatives can be met.

The President's Commission also talked about the need for appropriations for training at a level comparable to that appropriated in fiscal 1970. Translated into 1980 dollars, the level of training support would be about $150 or $160 million. We recognize that such can't be achieved at this point, Senator. We're recommending $110 million which we believe would strike a balance between the need for fiscal constraints and the need to provide these services.

The added funding of both clinical and research manpower training will specifically provide impetus to the NIMH to identify critical needs. It will increase mental health training and primary health care.

I would emphasize, sir——

Senator INOUYE. Excuse me. $110 million is for training?

Dr. SABSHIN. Yes, for training of clinical manpower and research manpower. It will also provide for increased training of minority professionals as well as ultimately for individuals serving minorities, provide an increase in programs which will permit special emphasis to be placed on meeting the needs of the chronically mentally ill, children, and the aged. We urge you to adopt a funding level of $110.7 million for this training.

I would like to go ahead, sir, to make a statement for the National Association of State Alcohol and Drug Abuse Directors. If I may, I'll call that NASADAD.

DRUG ABUSE SERVICES

NASADAD's appropriations request for drug abuse services for fiscal 1980 is based on the need for continued categorical support for Federal drug abuse treatment, preventive and rehabilitative services.

This includes two separate appropriations for community based drug abuse treatment centers: $164 million for treatment and $25 million for other programs and activities, including prevention and demonstration. These separate authorizations were established by Congress in Public Law 95-461. NASADAD strongly opposes the President's proposal to consolidate and reduce the State formula grant programs for alcoholism and drug abuse and mental health.

Hearings held in both the House and the Senate have confirmed any consolidation or adoption in the drug abuse formula grant program will result in fewer and more costly services being delivered to fewer persons.

NASADAD requests that $44 million be appropriated to the drug abuse formula program for fiscal 1980.

To insure that treatment programs are able to qualify for other public and private financial support through qualified treatment personnel, NASADAD urges the subcommittee to restore the training appropriation to $11 million. Here's another recommendation for training. And so that necessary research can be done in narcotic antagonists and

social issues related to the treatment of addiction, it is also recommended and even urged that the drug abuse research appropriation for fiscal 1980 be $50 million.

Clinical training and manpower system development efforts of NIAAA, the Alcohol Institute, NIMC all should be supported by restoration of the funds proposed for reduction in the President's budget. Action by your committee, sir, can direct the funds as they are now spent in part through the States so that a systematic and coherent program can at least be maintained.

NATIONAL COALITION FOR ADEQUATE ALCOHOLISM PROGRAMS

And now to bring in the statement of the National Coalition for Adequate Alcoholism Programs: This coalition is made up of 26 National nonprofit organizations dedicated to prevention and control of alcoholism and alcohol-related problems.

As I indicated before, the legislative committee chairman, Michael Ford, is here today.

In terms of morbidity and mortality, alcoholism has been placed as the No. 3 public health problem in the country today. Alcoholism and related problems, as you know, know no boundaries of age, class, race, sex, or occupation. When considered in the light of the direct effect of the Nation's 10 million alcoholics on their loved ones, associates, and fellow workers, it can be stated that some 40 million Americans, almost 20 percent of our population, live with alcoholism and its effects.

HEW's third report to Congress on alcohol abuse and alcoholism puts a $43 billion annual pricetag on alcohol related problems, including the expenditures for health care, the lost production, the social services, the accidents and costs to the criminal justice system.

The fact is, sir, that alcoholism and related problems are eminently treatable through appropriate means and appear to be eminently preventable. The Coalition hopes that the committee will emphasize to the Institute the need for a greater focus on preventive efforts, and a need to work closely with Coalition member organizations in the development of positive and effective approaches in prevention.

The Coalition recommends a $277 million budget for the National Institute for fiscal 1980. While the administration's small increase for research is welcome, it falls far short of the alcoholism research recommendations of the President's Mental Health Commission. That theme is being reiterated over and over.

There are still too many unanswered questions regarding alcohol's effects on the brain and the body. The Coalition is recommending a $45.4 million for NIAAA research, with $5.1 million for intramural research, $30.3 million for extramural research, and $10 million for the regional interdisciplinary National Alcohol Research Centers.

The Coalition objects to the doctrinaire slashing of the NIAAA training budget, and requests that the committee demand the administration's documentation that appropriate clinical and research personnel needs in the field have been met. Instead of phasing out alcoholism training, more dollars are needed, not only for specific training of those

in the field, but to provide additional training for those in all allied health fields.

The Coalition also suggests that this committee consider earmarking $200,000 for the operations of the National Credentialling Body for Alcoholism Counselors, to provide national standards of qualifications for this emerging and vital professional field.

Overall, the Coalition is recommending $5 million for research training and $10 million for clinical training.

We hope, sir, that the committee will disregard the administration's attempt to eliminate State alcoholism formula grants and propose instead that these grants be funded at $85 million. These grants go to every State through a formula based on each State's population characteristics and need for alcoholism services. These grants should not be combined with those for mental health and drug abuse, and the Coalition points out that the Senate authorizing committee has in fact put forward a reauthorization bill restoring the categorical alcoholism State grants.

The focus on alcoholism would be clouded by any merger, thus rendering the funds far less effective.

Finally, the Coalition asks for $120 million for the Institute's project grants and contracts. As you know, Secretary Califano will be announcing his special alcoholism initiatives May 1, with emphasis on women and youth, fetal alcohol syndrome, employee alcoholism programs, and domestic violence.

HEW's original request to OMB for these initiatives was $40.3 million. And the Coalition supports this figure. Additionally, the coalition recommends $80 million for the continuation of programs in progress and for the initiation of new approaches to deal with minority alcoholism, especially among native Americans, and to open greater avenues of third party payment for alcoholism treatment such as State based accreditation.

NATIONAL COALITION OF HISPANIC MENTAL HEALTH AND HUMAN SERVICES ORGANIZATIONS

Now, the National Coalition of Hispanic Mental Health and Human Services Organizations. There is some similarity in the testimony, but there are also some very special interests.

This group represents more than 180 agencies, 5 national organizations, hundreds of individuals working in research, training and service delivery in over 165 cities, 30 States, District of Columbia, and the Commonwealth of Puerto Rico.

And we do request that you give serious consideration to the following needs of Hispanic American communities as you determine fiscal 1980 appropriations, especially for HEW agencies, and that you specify the purposes for the use of these funds.

It's important to note that many of these same concerns are shared by other bilingual, bicultural minorities in this country. Adequate funds should be provided and allocated to assure that bilingual staff and printed matter are available in any public assistance, social service, and

public health service program that receive support from HEW and serve areas where the population includes at least 5 percent non-English-speaking persons or persons with limited English-speaking ability.

Throughout HEW funds should be targeted on areas of need identified by the President's Commission on Mental Health, again coming back to that theme of concern over loss of momentum from the President's Commission, especially here, the underserved racial and ethnic minorities, as well as special populations, et cetera, women, children, youth, the elderly, and rural populations.

And it's especially critical that this focus be evident in the allocation of ADAMHA. Sir, the need to mandate this funding is underscored by legislation introduced by you yourself, Senator. It establishes an office of minority concerns within ADAMHA to give heightened visibility and autonomy and funding to these programs.

Clinical and research training—and again we come to that subject in the core mental health disciplines—is a major Hispanic priority. There are severe shortages of trained Hispanics in these fields, and they're often overlooked, in large part because a pattern of supply and demand and distribution peculiar to special populations such as Hispanics is ignored.

We've provided figures in the back of our report about the low percentage of Hispanics in each of the core disciplines. Both the President's Commission and the HEW task force charged with implementing its report advocated that a major objective of the Federal mental health manpower policy should be to increase the number of qualified minority personnel in all of the mental health professions.

In fact, the President's Commission recommended a major target effort in this regard, beginning with high school and continuing through the postdoctoral level; and it also called for a new minority research training program.

Despite these stated priorities, the administration's budget seeks to increase and proposes no targeted allocation of existing funds for minority training; regardless of the level of training funds, minority oriented training should receive funding priorities.

The same issues pertain to research on Hispanic mental health and substance abuse. It is among the highest priorities. Without better knowledge of this problem, without better and more culturally and linguistically relevant diagnostic treatment and prevention strategies, Hispanic progress will be at a standstill.

We support the proposed increase in ADAMHA's research budget; however, a caveat here: A sizable portion of these increases, together with adjustments of current funding, should be allocated for ethnic and racial minorities, and for vulnerable minority populations, such as women, youth, the elderly, migrant families, and rural populations. Regardless of the budget size, unserved or underserved or inappropriately served populations should be a focus for ADAMHA's research priorities.

The emphasis on these populations should not only be tied to increased dollars—and the record will demonstrate some other focuses in this report.

AMERICAN ACADEMY OF CHILD PSYCHIATRY

Now, a brief comment from the American Academy of Child Psychiatry.

In that organization's recommendations, they have also focused upon the clinical training provisions in the fiscal year 1980 budget. They make comments about the shortage of psychiatrists, the shortage of child psychiatrists is really at the vanguard of shortage problems. Of the Nation's 88 million children and adolescents, 10 percent or 8.8 million are estimated, somewhat conservatively, to be in need of some kind of treatment for mental or emotional illness. There are only about 3,000 trained child psychiatrists to serve this population, while the most conservative estimates are that there is a need for 5,500.

Present resources are not correcting this situation. Only an estimated 200 child psychiatrists are now completing training each year. This is barely enough to maintain the existing manpower force.

Not only is there a shortage of child psychiatrists to serve these children in need, but also without growth in the manpower area, any legislative initiation, whether it be the Community Mental Health Systems Act or the child health assessment program, which we're also expecting, or National Health Insurance, it will place additional burdens on an already scarce resource.

There simply will not be sufficient numbers of professionals available to deliver the services that are contemplated. The President's Commission on Mental Health recognized the necessity of training more mental health professionals to work specifically with children and adolescents, a population which the Commission identified as underserved according to its needs.

In its report, that Commission recommended that psychiatry be designated as a medical shortage specialty, and that "The Department of Health, Education, and Welfare fund efforts designed to increase the number of mental health professionals trained to work with children, adolescents, and the elderly."

To implement its clinical manpower goals, the President's Commission recommended "funding for clinical and service manpower training programs of the National Institute of Mental Health be increased to $85 million in fiscal 1980," essentially the same figure I talked about previously. And the Academy supports that recommendation.

Thank you, sir, for the opportunity to present that statement. I think the themes of the various groups' testimony often merge, and I hope that the recommendations of the President's Commission can be given thoughtful attention and support by Congress, particularly since the President's own recommendations don't harmonize with those of the Commission.

HIGHEST PRIORITY

Senator INOUYE. Dr. Sabshin, according to what you just presented to us, I would gather that your highest priority is in training. HEW officials have suggested the highest priority should be in research. What is your comment, sir?

Dr. SABSHIN. On behalf of the APA, I can state that we would agree with HEW. There should be a higher priority on research. Our emphasis on training and that expressed by the Academy of Child Psychiatry, reflect the concern that within that priority there is insufficient attention to training. I certainly would agree that the need for more knowledge and the financial support for that ought to be given primary attention.

PRICE TAG FOR ALCOHOLISM AND DRUG ABUSE

Senator INOUYE. You have indicated that the price tag for alcoholism and alcohol abuse is $43 billion per annum; what is the price tag for drug abuse?

Dr. SABSHIN. Mr. Ford?

STATEMENT OF MICHAEL FORD

Mr. FORD. It's approximately $12 billion, sir.

Senator INOUYE. So it's $55 billion for the two?

Mr. FORD. Yes, sir.

Senator INOUYE. If we adopted the President's suggestions, what would the price tag be?

Mr. FORD. I think the price tag would go up because you're using the numbers for increased funding, and you end up with more expensive medical care eventually.

Senator INOUYE. Can you make a wild estimate what it would be?

Mr. FORD. No.

Senator INOUYE. But it would increase?

Mr. FORD. It would definitely increase. It would be a gradual increase over several years.

Senator INOUYE. I'm certain you noted that in all these items that we have there are what are known as State grants or State formula grants.

I should point out to you that there is a move in the Congress and in the executive body, primarily as a response to several States being overly critical of our spending programs here, and so we're saying all right; we'll begin cutting down. But I think the record should show that last year the Congress of the United States together with the executive appropriated $79 billion to assist the several States in their many programs around everything from medicaid to drug abuse.

And I've just been told that in the 1980 budget we still have $82.9 billion; do you think that this is a rational response to many governors who are suggesting that we hold a constitutional convention to cut down our expenses?

You see, if we cut out all of the aid programs to the several States, we can actually cut down taxes, because our deficit is about $34 billion, and if you cut out $34 billion, we'll balance the budget.

Dr. SABSHIN. Yes.

Senator INOUYE. But it would raise all kinds of havoc, and you'd have 50 States with unbalanced budgets. Right now 50 States have balanced budgets because of us.

Dr. SABSHIN. Yes.

Senator INOUYE. And to put it simply, we're taking all the rap.

Dr. SABSHIN. I do understand your wish to change the situation. I wonder if Mr. Akins would want to respond in terms of the State grants.

Senator INOUYE. You think the States can carry on without Federal assistance.

STATEMENT OF CARL AKINS

Mr. AKINS. Not in the alcoholism and drug abuse area, no. Many State programs depend almost solely on Federal funding. If these funds were eliminated, the expenditures would have to be increased. We have systems that are in place for the delivery of alcoholism services and drug abuse services. But these moneys were completely eliminated and then combined across the board with mental health, and the delivery systems are not exactly the same.

You would be in fact reinventing the wheel, which would cost a lot more money.

Senator INOUYE. Do the States identify those programs with Federal programs, or do they take the credit for it?

Mr. AKINS. The States identify them as Federal programs when they're solely funded with Federal dollars. In some instances it is a mixture of State and local money that provides some matching basis as part of the Federal requirement.

In other instances it's part of the State requirement to increase community involvement. They're identified as separate Federal and local programs.

EFFECT OF THE PRESIDENT'S BUDGET

Senator INOUYE. May I invite you, since we don't have the time at this moment—and I don't suppose you do have the information with you—what you would consider would be the effect in your interest if the President's budget were to be adopted by the Congress.

Dr. SABSHIN. What are the specific consequences? Should we submit something to you as quickly as possible? We will, sir.

Senator INOUYE. Such as, will the price tag go up?

Dr. SABSHIN. Right.

Senator INOUYE. If we cut down research what would it mean to this program, training, how many doctors would be involved, et cetera.

Dr. SABSHIN. Yes.

Senator INOUYE. I'm certain the committee would be interested in knowing that.

[The letter follows:]

# LETTER FROM CARL AKINS, PH. D.

April 4, 1979

The Honorable Daniel K. Inouye
105 Russell Senate Office Building
Washington, DC 20510

Dear Senator Inouye:

At the hearing of the Labor-HEW Appropriations Subcommittee on March 28, 1979, you requested further information on the impact on adopting the President's Alcoholism and Drug Abuse budget proposals.

This letter is in response to your request and I ask that it be made a part of the hearing record.

There are several areas in which the President's budget proposal is inadequate for alcoholism and drug abuse. In both fields it is inadequate in training, and in both fields it is inadequate in terms of the State formual grant programs. In addition, the funding to be provided for prevention and demonstration efforts in the drug abuse field is inadequate. The NASADAD statement previously submitted on March 28th provides detail on these inadequacies and presents requested appropriation amounts.

If the President's budget request were adopted for training, fewer persons would be trained. The result would be that alcoholics and drug abusers, because of too few persons trained, would be able to get care only after their health is further deteriorated and they are forced to deal with the physical health care system. Thus, short term savings will result in higher medicaid and other welfare costs. Even though the cuts appear to be small and minor, the long term costs for the health of the individuals involved and for society, which will have to pay for those health costs as well as losing the productivity of the individuals, will be great.

Likewise, the cuts in the prevention and demonstration budgets of NIDA will mean that more persons will be likely to enter into lives in which they abuse drugs, need treatment which is more expensive than prevention and ultimately to cause greater social costs than if prevention programs were adequately funded. Without adequate funding for demonstration projects, the new technologies developed through research can not be translated into practical terms so that treatment, prevention and other service programs can be improved and be even more cost effective.

The greatest disaster for alcoholism and drug abuse in the President's budget is his proposal to cut the formula grant funds by 10% and to consolidate those formula grant programs with a very dissimilar mental health State grant program. The programs were so different that the Administration has two months after the President's budget submission, not yet submitted draft legislation to the Congress for this consolidation.

Without a proposal for these legislative details you can appreciate how difficult it is for those of us in the field to estimate the impact of adopting the President's budget. At one time during the budget process, according to press reports, complete elimination of the formula grant

programs was under consideration. At that time, I requested that States provide impact statements and received responses from States which represent approximately 60% of the United States population. Based on those responses and extending the data received from them to provide an estimate for the entire United States, the following points could be the impact of the formula grant consolidation. This impact is based, in part, on the possibility that all the funds now available to these programs for alcoholism and drug abuse services would be diverted to other needed mental health services. If so, the results would be as follows:

- Approximately four thousand staff positions would be eliminated in State agencies and in service provision programs throughout the country.

- Approximately 500 alcoholism treatment programs might be completely eliminated and about 275 drug abuse treatment programs as well as approximately 250 combined alcoholism and drug abuse programs. Elimination of these programs could mean that more than 450,000 individuals who received some services from them would no longer be served.

- An additional 200-225 programs would be rendered ineffective by funding cuts. Approximately 150 prevention programs would be eliminated and approximately 60 training programs around the country might be eliminated as well.

- In addition, the number of persons trained would be reduced in a year by approximately thirteen to fourteen thousand persons.

Depending on the exact nature of the President's proposal, the cuts and problems outlined above might not be so drastic. Regardless of what the proposal is, even assuming that identical funds remained available for alcoholism and drug abuse, over 100 programs throughout the country might well be eliminated and many additional programs rendered ineffective because of the 10% funding cuts. In addition, the momentum which the formula grant programs have provided and which have encouraged the States to provide additional funding will be lost.

Overall, the Federal government through its alcoholism and drug abuse formula programs has invested during the 1970's almost a half billion dollars in developing strong systems. To cut off the funding for continuation of these systems would be a partial waste of the funding that has gone before and will mean that future costs will be great when once again the Administration realizes that the systems need to be redeveloped.

I have no doubt that there will be a recognition for the need to redevelop the systems, once that it becomes apparent that the social costs for both alcoholism and drug abuse would start increasing dramatically.

Not only are the social costs of over $43 billion for alcoholism and somewhere between $12-15 billion for drug abuse, increasing at the same rate as the general inflation, they would also increase by an additional 3-5%, compounded annually, because of the elimination of the formula grant programs.

The increases would come in the following areas:

- Treatment costs would go up because more expensive medical and hospital based treatment would have to be provided for more severe problems - problems which could have been treated when developing if there had been adequately funded treatment programs.

- In the alcoholism area, occupational programming might well suffer and thus productivity would be lost, welfare costs would go up, there would be problems with increased family costs. Industrial accidents would rise and because of highway safety programs being eliminated, the costs of traffic safety would also go up.

- In drug abuse, the cost of drug abuse-related criminal activity would be likely to increase as would treatment costs.

- In both areas the number of persons entering the systems because of inadequate prevention programs would go up and the number of adequately trained to provide services would go down.

Thus the President's budget proposal, though it may appear to save a few dollars in a short term, is in the long run a most ineffective and costly proposal.

I therefore request you and your colleagues on the Labor-HEW Appropriations Subcommittee to act in accord with the request previously transmitted to you for both NIAAA and NIDA budgets. If there are further questions, I will be happy to provide answers to them. Thank you for the opportunity to present this information to you.

Sincerely,

Carl Akins, Ph.D.
Executive Director

STATEMENT OF VIRGINIA Q. BAUSCH

Ms. BAUSCH. You know, it's important to understand in the training programs that the residents who are being trained offer a substantial service to the community. So not only are you cutting back on future manpower resources, but you have an immediate effect on the communities that are served by training programs.

So there's a long-range effect and also an immediate effect.

STATEMENT OF RODOLFO B. SANCHEZ

Mr. SANCHEZ. I would like, Senator Inouye, to voice my concern. I realize that research is very important. Minority communities are totally underrepresented. This goes for the blacks, the Pacific Asians, the Native Americans, and for the Hispanics. For instance, in the field of psychiatry we've estimated that the Spanish-speaking are at least 20 million in this country. Our psychiatry representation is 1.8. In the field of psychology it's 0.4 percent. It's not even 1 percent. We have a total of 140 to 160 Ph. D.'s in psychiatry for the whole country for the Spanish-speaking. In the field of psychiatric nurses we have—of the total field we have maybe—there's 197,000 nurses, and we have less than probably 2,000 or 3,000.

I don't have those figures exactly on that, but it's shocking when you look and see where minorities stand in this country in regards to training. When I hear the testimony being said that we have an overabundance of doctors or we have an overabundance of this, my question is always this: What about minorities? Where's the overabundance? We don't have it.

Senator INOUYE. Is it your contention that it would take a minority psychiatrist to deal with a minority patient?

Mr. SANCHEZ. I would say that we need to have some of our Hispanic people more into the profession of psychiatry. I would say that there

needs to be a definite, clear understanding, in the majority of cases of the culture and the values and mores of that society, of that subgroup.

Dr. SABSHIN. I would concur with that, sir, and use as an indication the needs of the outer islands in your State and the need to have people who understand what is culturally relevant in helping with psychiatric problems there.

Mr. SANCHEZ. It's difficult for us. When we're having—we have a 75 percent dropout rate out of high schools in certain areas. Overall, nationwide, we have 45 percent of the Hispanics dropping out of high school. So how can we even get them to be a nurse or a psychiatrist or a doctor? We're talking about—our first ambition is to get them to get a college degree and be paraprofessionals, MSW's, and nurses. You know, we have yet a long way for our people to join this association in numbers.

Senator INOUYE. Right.

Mr. SANCHEZ. That's why we're very supportive of the introduction of your bill.

Senator INOUYE. That's why I'm presiding today. [Laughter.]

Mr. SANCHEZ. Well, I'm telling you that I want you to help us to do it.

Dr. SABSHIN. May I remind you, sir, that there are two other groups that want to make brief statements also.

Senator INOUYE. Would you identify yourselves?

## STATEMENT OF CHRIS KOYANAGI

Mr. KOYANAGI. Thank you, Mr. Chairman.

I'd like to enter my entire statement in the record. Our organization represents providers of mental health services at the community level. Our membership includes over 650 community mental health centers.

It is very difficult to respond to the President's budget since his budget is based on the assumption that a bill which has yet to be introduced will pass through Congress and will be ready to be executed by the beginning of the next fiscal year.

I'd certainly like to see this happen, but it is totally unrealistic to think that such a complex piece of legislation can complete the legislative process in such a short period of time.

### COMMUNITY MENTAL HEALTH CENTERS

Last year $308.2 million was appropriated for commmunity mental health centers. This year we're asking for somewhat less, $299 million. This figure is broken down in my written statement. The National Institute of Mental Health advises us that an additional $31 million would be required for fiscal year 1980 continuation grants, should the administration release fiscal year 1979 new operation grant funds before the end of this fiscal year.

This would bring our request up to $230 million, which is only slightly above last year's appropriations. Again, the administration has produced a chaotic situation by not releasing funds which Congress has al-

ready appropriated on the theory that its proposed legislation, which is not yet introduced, will become law within the next few months.

Our Nation's continued progress in providing community care for the mentally ill demands immediate release of the $30.5 million appropriated for new operations grants.

Currently, 28 communities have NIMH approved but unfunded grants totaling over $19 million, which could bring services within reach of over 4 million persons.

A list of these grants is attached in my written statement, and these 28 communities have spent more than $3 million of Federal, State, and local tax dollars to reach the stage of approved application.

It appears that the administration has failed to live up to its legal obligations under the Congressional Budget Control Act of 1974, which was designed to handle such controversies. The administration has not sent a budget deferral notice to Congress as the law requires.

In addition, to test the feasibility of covering community mental health services under medicare, the HEW implementation task force proposed a major research and demonstration project beginning in fiscal year 1979 and 1980. This project is now in jeopardy due to the failure of OMB to approve research costs in the fiscal year 1980 budget. Modification of medicare toward compatibility with the CMHC legislation is urgently needed. And we urge the committee to include this additional $5 million in the NIMH budget.

We thank you for your continued support and reaffirm our desire to work with Congress to expand the community network so all Americans, regardless of their financial status, will have access to community mental health programs.

Senator INOUYE. We have been assured by HEW that funds that you speak of will not be deferred.

Mr. KOYANAGI. I certainly hope so. And——

Senator INOUYE. And they will be allocated during the fourth quarter. In fact, they intend to do so.

Before I proceed with our next witness, I'd like to request that all additional material be submitted by April 4, because we'd like to close our books at that time and begin preparing our report.

So it would be very helpful—and I'd like to invite all of you to submit to this committee whatever information you feel would shore up your case, because the stronger it is, the better.

You've been most helpful with the Hispanic argument. I didn't realize dropout conditions were that bad. You've got a few problems there.

Mr. SANCHEZ. I was going to tell you that if we're going to balance out how the States do it, I think that I would go on record saying that if you check the States that have the surpluses, as very well my dear State of Texas where I was born, had a $3 billion surplus last year or 2 years ago; if you look at those States, it's where a large concentration of minorities and poor people who don't have the political clout to receive—so the States will have a balanced budget because they don't have to respond to minority groups or the poor in this country.

And that's why they feel comfortable in advocating for a balanced budget.

Senator INOUYE. Like California?

Mr. SANCHEZ. I grew up in California. I was born in Texas and raised in California.

Senator INOUYE. Well, tell the governor, then. [Laughter.]

Mr. SANCHEZ. I certainly will.

STATEMENT OF JOHNATHAN VIPOND

Mr. VIPOND. Thank you. My name is Johnathan Vipond, and I'm here representing the Mental Health Association as a member of the National Committee on Legislation Services.

We are here representing the consumers of mental health services. I am a volunteer for Philadelphia and a former member of our house of representatives in that State, and president-elect of the association in Pennsylvania.

We realize this is a time of transition as the implementation of plans for the President's Commission on Mental Health are being formulated and drafted into legislation. However, we feel it's important that existing research and service programs at NIMH receive adequate, stable funding, at least until the new legislation is adopted.

We're encouraged by the administration's recognition of the critical need to up levels of funding for the mental health research effort because between 1966 and 1976 we saw very inadequate budget figures. The NIMH priority target area for the investment of new research dollars will include a major effort relating to the prevention of mental illness, a stepped up program to gather data on the incidence of mental health programs, and the use of mental health services research to determine more effective and economical ways to deliver and finance mental health services and an increased effort to understand the aging processes and the major mental illnesses of depression and schizophrenia.

Special attention in these projects will be given to the needs of underserved populations and geographic areas. We are particularly interested in research on prevention, mental health services, and projects. Overall, we think that there should be an allocation of about 5 percent of all public funds spent on treating mental illness for research.

We realize that that's an impossibility at the present time. That would indicate a level of $400 million, and we hope that someday we'll get there. We share your concerns about governmental expenditures, as you mentioned earlier, and we realize the enormous pressures you are under.

But we think that your past investment in these sorts of research projects has more than paid off. Our primary concerns are the continuation of the community mental health centers program to provide services so that services will be more accessible to previously underserved populations.

I'll just go back a moment. The level of—for research overall has been set in the President's budget at $162.2 million. We would recommend $165.4 million.

COMMUNITY SUPPORT PROGRAM

The community support program is a pilot services development program to provide grants to States for implementation of the institutionalization program for community-based service.

The President recommends a level of $7.6 million. We would like to see that at $8.6 million because it would otherwise result in no expansion of the program. We think 10 new projects could be funded. This is vital to the State's manpower training and particularly the State mental health manpower development program, as has been mentioned. And we would strongly support that at a level of $7.6 million.

This provides for retraining of State institution employees into the community, and if we're ever going to get a substantial deinstitutionalization program in many of our larger States, we're going to have to provide for that kind of retraining.

RESEARCH TRAINING

Research training has been set at $18.7 million in the President's budget request. We would like to see that at $25 million. There has been a great deal of instability in the funding of research and a generation of researchers will be attracted to other more stable fields if we don't give them some reassurance that their funding is going to continue.

Our recommendation at $25 million for research training is consistent with the President's Commission on Mental Health recommendation, based on a thorough study of research training needs.

We trust the President's recommendation to reduce the number of awards at the predoctoral level in favor of greater postdoctoral support will not have undesired effects in minority recruitment efforts, which my friend earlier has spoken about. We're highly concerned about that as well.

We thank you for your time. We feel we represent a little bit different perspective here because we're volunteers for consumers of mental health programs. And we thank you.

Senator INOUYE. Thank you very much, ladies and gentlemen. One of the questions I would like to have all of you respond to would be your thoughts on how well the States would assume the fiscal burdens if the Congress agreed with the President in eliminating the State grants. I believe there is some assumption there that the States would assume the responsibility and carry on some of these programs.

And we'd like to know whether that assumption is valid or erroneous.

I apologize once again to have to cut you so short, but we'd like to make the report a timely one.

[The statements follow:]

STATEMENT OF JOHNATHAN VIPOND III, MENTAL HEALTH ASSOCIATION, ARLINGTON, VA.

SUMMARY OF RECOMMENDATIONS

FY80 BUDGET OF THE NATIONAL INSTITUTE OF MENTAL HEALTH

| | | |
|---|---|---|
| A. | MENTAL HEALTH RESEARCH | $165.4 million |
| B. | TRAINING | |
| | 1. Research Training | $ 25.0 million |
| | 2. Clinical Training | $ 85.0 million |
| C. | COMMUNITY PROGRAMS | |
| | 1. Community Mental Health Centers | |
| | a. Continutation of all existing grants | $281.0 million |
| | b. New grants | |
| | (1) Planning | $ 1.5 million |
| | (2) Initial operations | $ 35.0 million |
| | (3) Consultation and Education | $ 8.0 million |
| | (4) Conversion | $ 1.7 million |
| | (5) Distress | $ 13.9 million |
| | subtotal CMHCs | $341.1 million |
| | 2. Community Support Program | |
| | a. Continuations of existing contracts | $ 5.6 million |
| | b. New contracts | $ 3.0 million |
| | subtotal (CSP) | $ 8.6 million |
| D. | PROGRAM SUPPORT | $ 37.4 million |

My name is Johnathan Vipond. I am a member of the National Committee on Legislation and Services of the Mental Health Association, a million-member organization representing consumers of mental health services across the country.

A resident of Philadelphia, I serve as legal counsel to the Court Administrator of Pennsylvania, directing the newly created Law Department for the state judiciary. My responsibilities include providing legal representation to all state and district judges, primarily in federal civil rights litigation

and in job discrimination cases. I am also involved extensively in mental health and retardation competency and commitment litigation.

As a member of the Pennsylvania House of Representatives (Lackawanna and Susquehanna Counties) in 1972-73, my concerns ranged from conservation and mining to prison reform and interim care facilities for the retarded. Currently, I am President elect of the Mental Health Association in Pennsylvania and Chairman of their Public Affairs Committee, Secretary of the Governor's Advisory Commission on Coalminer's Respiratory Diseases, faculty member of the Pennsylvania School of the Judiciary, and legal counsel to a Philadelphia community theatre.

I am appearing before you today to summarize the recommendations of the Mental Health Association for funding the programs of the National Institute of Mental Health (NIMH) in FY80. While we urge maximum support for all programs at the NIMH, I will focus my comments on the programs of most concern to our members nationwide - Mental Health Research, Research Training and Community Programs, including both the Community Mental Health Centers Program and the Community Support Program.

We realize that this is a time of transition as implementation plans for the President's Commission on Mental Health are being formulated and drafted into legislation. We feel it most important, however, that existing research and service programs which Congress previously mandated at the NIMH receive adequate and stable funding until new legislation is adopted by Congress.

Mental Health Research

We are extremely encouraged by the Administration's recognition of the critical need to increase the level and stability of our federal mental health research effort. We need to understand a great deal more about the mental illness, its causes and cost-effective treatments for the range of disorders appearing in society today.

The President's budget recommendation of $160.2 million to fund intramural and extramural research projects in FY80 will help continue the restoration of our nation's mental health research capacity, severely threatened by inadequate budget appropriations between 1966-76 and the further erosion of dollars by inflation.

The NIMH priority target areas for the investment of new research dollars will include: a major effort relating to the prevention of mental illness, a stepped up program to gather data on the incidence of mental health problems and the use of mental health services, research to determine

more effective and economical ways to deliver and finance mental health services - what exists now, what needs to be changed in the future. An increased effort to understand the aging process and the major mental illnesses of depression and schizophrenia is also planned and these will build on promising recent discoveries in neurobiology.

Special attention in these projects will be given to the needs of underserved populations and geographic areas.

The Mental Health Association recommends that $165.8 be appropriated for mental health research in FY80 and supports the research priority areas identified by the Institute. We are particularly interested in research on prevention, mental health services and projects aimed at developing programs for emotionally disturbed children and adolescents.

As a long-range policy, our Association believes that 5% of all public funds spent on treating mental illness should be invested in research. This would indicate a research investment of $400 million - which we recognize is neither fiscally possible nor administratively desireable at this time. However, this is a realistic goal and one which we must be moving towards. We share your concern about governmental expenditures. High quality mental health research is the best way of providing the information necessary to assure that our treatment and prevention dollars are wisely spent.

Your decisions to invest in research in the past have already paid off in many ways. For example;

- Psychopharmacology research has had significant effects on the service delivery system - shifting treatment from the far more expensive inpatient care to ambulatory settings

- Selective drug therapies for depression and schizophrenia, while still being refined to improve efficiency and remove unwanted side effects, are reducing the intensity and duration of suffering and often preventing future psychotic or manic episodes.

- Research on peer tutoring and peer interaction in alleviating social maladaptation has provided information to reduce the impact of developmental disabilities on children, a costly handicap both in human and financial terms.

- Advances in diagnostic techniques make it increasingly possible to distinguish mental depression from the senile dementia and thus guide appropriate treatment and frequently reduce the need for costly long-term hospitalization.

With an adequate and stable investment in research, we have every reason to expect that continuing refinement in diagnosis and advancements in knowledge will allow us to identify subgroups of mental disorders for which specifically targeted treatments and prevention programs can be devloped and implemented.

The tremendous promise of mental health research is a national resource which we cannot afford to neglect.

Community Programs

A. Community Mental Health Centers

The Mental Health Association has been a long-standing supporter of the federal Community Mental Health Centers Program. The Community Mental Health Centers Act amendments of 1978 (PL 95-622) gave the program greater flexibility to respond to the varied needs of individuals for mental health services. We share the concern of the President's Commission on Mental Health that services be more accessible to previously underserved population groups and geographic areas and feel that the Community Mental Health Centers program, as amended last year, makes this possible.

The President is expected to have introduced in Congress a new Mental Health Systems Act which proposes some additional changes in the way community mental health services are delivered. The Mental Health Association is reviewing that proposal and will comment on it once it is introduced. We will remain committed to the need for the development of comprehensive mental health services in a community, coordination of services within a community and community accountability through strong community-based governing boards.

The Community Mental Health Centers program meets these criteria and we recommend funding new Community Mental Health Centers in FY80 at the full authorization level of $35 million. Currently, 28 communities in 14 states are waiting to receive funds to begin delivering needed services. The Office of Management and Budget has ordered a delay until the fourth quarter in awarding the $30 million available this fiscal year for new Centers. Not only do we feel this is a violation of the Budget Impoundment and Control Act - as no deferral action has been filed with Congress - but we feel it is not a responsible management decision. The periodic disbursement of available funds for new Centers, as was done in the past, helps assure better management and oversight by NIMH of the start up of new Centers.

In addition to the 28 communities now waiting for available funds in FY79, 75 additional communities are expected to plan Centers, request funds

and be approved for funding by the end of FY80. A FY80 appropriation of $35,000,000 for initial operations of Centers will enable about 40 new Community Mental Health Centers programs to begin operation. $54,700,000 would be needed to fund all applications expected.

The 680 federally funded and operational Community Mental Health Centers bring services within reach of almost 100 million people and treat 2.7 million individuals each year. Federal participation in this program continues to encourage states and localities to match and even expand the federal investment. The federal share of support for Community Mental Health Centers has decreased from 38% in 1971 to 29% currently. State and local dollars continue to provide the largest share of support - 38% - and third party payments have risen to over 20%. Community Mental Health Centers offer a comprehensive range of services, including prevention and early intervention, outpatient, emergency, partial hospitalization, halfway house services, screening, inpatient and follow-up care. Wherever possible, CMHCs provide care on a less costly outpatient basis. In 1975, 80% of all CMHC care was outpatient. In addition, Centers provide specialized programs for children, elderly persons and for alcoholics and drug abusers.

The Mental Health Association urges funding new Community Mental Health Centers in FY80 at the level of $35 million to respond to the need that will be expressed by an additional 75 communities across the country for a range of comprehensive community mental health services.

B. Community Support Program (CSP)

This federal initiative is a pilot services development program of contracts with state mental health agencies to assist states and localities in the planning and implementation of deinstitutionalization programs. Awards are made for funding of state strategy development projects to help states plan a coordinated effort using available resources, and of state and local demonstration projects to help develop model programs that could be used elsewhere.

We believe this program holds great promise for developing and integrating the array of support systems needed by long-term mentally disabled persons living in the community. The President's budget recommends holding this program to the FY79 level of $7.6 million. This would allow continuation of the Community Support Programs in the 19 states and the District of Columbia with projects underway, and will allow 7 new demonstration projects to begin.

The Mental Health Association recommends a FY80 appropriation of $8.6 million for the Community Support Program to fund 10 new projects. Increased federal support of this program is needed to step up our efforts

to find creative ways to sustain the long-term mentally ill in the community in the least restrictive and least costly setting appropriate to their needs. The other two program areas in the NIMH budget, which we will address briefly, are Manpower Training and Program Support.

Manpower Training

The Mental Health Association recommends that Manpower Training be funded at a level of $110 million, $85 million for clinical training and $25 million for research training. These are consistent with recommendations of the President's Commission on Mental Health.

A. Clinical Training

In the area of clinical training, we support maximum funding of training for a variety of mental health personnel who continue to account for 1/3 to 1/2 of the health manpower needed in underserved areas of the country. In addition we recommend training support for primary care providers who often deal with mental and emotional problems in conjunction with or underlying the physical problems that are presented by the patient.

Of particular interest to us is the training of individuals in planning and administration of mental health services and research as well as state programs to develop mental health manpower. The President's recommendation reduces funds for state mental health manpower development $1,000,000 over the FY79 budget of $6,129,000. This would have a serious adverse effect on manpower in community mental health settings. In California, for example, this money is being used to retrain people who have worked in state hospitals to work in community settings like mental health centers and half-way houses.

If the President's budget recommendation for State Manpower development, $5,129,000, is adopted by Congress, 30 states and territories would have to cut their current programs. (Alabama, Arizona, California, Colorado, District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, South Carolina, Washington, Wisconsin, West Virginia, Virgin Islands) An additional 17 states, expected to receive approval for programs, will not receive needed funds to begin retraining personnel to work where a majority of the patients now are - in the community.

The Mental Health Association supports a FY80 clinical training budget of $85 million, $7.7 of which should be directed at the State

Manpower Development Program to train and retrain mental health personnel to work in community care settings with underserved populations.

As stated in our testimony last year, we support the concept of a pay-back provision for training support, requiring the individual to work in an organized care setting in the public service for a period of time commensurate with the time he received support.

B. Research Training

In the area of research training, the President recommends FY80 funding at the same level as FY79 - $18.7 million, assuming passage of a small supplemental appropriation this Spring. This will provide 4 fewer research training awards in FY80 than in FY79.

The training and support of research personnel are an essential part of our effort to restore an adequate and stable mental health research capacity. Without adequate support for research training, which the Mental Health Association suggests should be $25 million in FY80, we stand to lose a generation of researchers who are attracted to other fields with greater promise of stable support. Obviously, this would have an increasingly devastating impact on the future development of new knowledge to improve our mental health treatment and prevention efforts.

Because of inflation and the states' inability or unwillingness to increase support for higher education, it is not possible for most universities to replace losses in Federal support for research training in the mental health area.

Our recommended funding level of $25 million for research training in FY80 is consistent with the President's Commission on Mental Health recommendation which was based on a thorough study of research training needs. We urge that additional research training awards be made consistent with the Institute's priority areas in research (prevention, research on mental health services, research on the major mental illness, etc.) and special efforts be put into increasing the number of minority trainees and fellows. We trust that the President's recommendation to reduce the number of awards at the pre-doctoral level in favor of greater post-doctoral support will not have undesired effects on minority recruitment efforts.

Program Support

This activity in NIMH supports the Regional office and Headquarters staff responsible for the planning, development and administration of

the grants and contract programs of the NIMH. Also included are resources for overall management of the Institute, e.g., biometric and legislative services and rent paid to the General Services Administration for buildings occupied by NIMH Regional and Headquarter staff.

The Mental Health Association recommends FY80 funding for Program Support at $37.4 million to reflect increased staffing needs and activities to support the program increases we have recommended above. It is unreasonable to expect NIMH to provide leadership for expanding programs and monitoring responsibilities without commensurate increases in staff and support activities.

The President's budget recommendation of $35.9 million is not sufficient to ensure adequate staffing and management of the many programs for which NIMH has responsibility.

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This concludes the recommendations of the National Mental Health Association on the FY80 budget of the National Institute of Mental Health.

I appreciate the opportunity to present our statement today and trust that our recommendations will be given serious consideration when the subcommittee makes its budget appropriations in May.

## STATEMENT OF DR. MELVIN SABSHIN

Mr. Chairman, members of the Subcommittee, I am Dr. Melvin Sabshin, Medical Director of the American Psychiatric Association. In keeping with your request for consolidated testimony I am pleased to appear before the Subcommittee not only to address the American Psychiatric Association's particular concerns but also those of the National Association of State Alcohol and Drug Abuse Directors, the National Coalition for Adequate Alcoholism Programs, the National Coalition of Hispanic Mental Health and Human Services Organizations and the American Academy of Child Psychiatry regarding the President's proposed FY 1980 appropriations for the Department of Health, Education, and Welfare.

While the APA's interests in the HEW appropriations for FY 1980 are wide-ranging, including a deep and abiding commitment to research into the major causes and treatment of major mental illnesses and other aspects of NIMH activity, many of these issues will be discussed in my presentation on behalf of and by other panelists. Therefore, I will restrict the APA's statement to NIMH clinical and research manpower training funds.

The APA's particular concern, and one we know is shared by the other three core mental health disciplines — psychology, social work and psychiatric nursing, is clinical and research manpower training funds within the National Institute of Mental Health.

The President has recommend a funding level of $89,354,000 for clinical and research manpower training, representing a cut of $6 million in clinical training from the sums appropriated by Congress for FY 1979. The APA representing over 24,000 psychiatrists nationwide and indeed the Coalition for Health Funding, representing over 50 non-profit health organizations, urge the Committee to revise that figure upward to $110,700,000 — $85,263,000 for clinical manpower training and $25,437,000 for research training.

One of the key recommendations of the President's Commission on Mental Health and the special task force to implement such recommendations was to "increase the number of psychiatrists in training and to incorporate mental health concepts into training programs for other health care specialists." Such recommendation will likely go unmet in FY 1979, and if the President's budget — less than Congress appropriated in FY 1979 — holds, there will be even graver concern in FY 1980.

The NIMH manpower system is the key to providing quality mental health

care to the 20-32 million Americans the President's Commission on Mental Health identified as in need of such services. It represents the trained professional resources vital to the mental health of our nation — a matter of increased importance as the otherwise available foreign medical graduate (FMG) is lost as the result of PL 94-484. Indeed, Dr. Herbert Pardes, Director of the National Institute of Mental Health, when appearing before your Subcommittee several weeks ago, noted that there are no fewer than 3,200 psychiatric vacancies in State and county mental hospitals today. Identical statistic has been cited even more recently in this week's Time magazine. That cover story further noted that only 4-5% of medical school graduates go into psychiatry versus 12% in 1970, again related to the loss of FMGs and other provisions of PL 94-484 which segregate psychiatry from other medical specialties.

The NIMH training programs not only service the four core disciplines in the mental health field, but provide training for paraprofessionals and those whose ultimate goal is research. Moreover, the system trains the primary care physician and general medical student, not only to refer mental health problems for appropriate treatment, but also to detect, diagnose and manage in the physical health care setting. Such is a bridge-building mechanism, highlighted in the President's Commission on Mental Health report, designed, in part to relieve the strain on the small number of mental health professionals, and strengthen and improve the means of meeting the needs of the mentally ill throughout the nation.

There is a need for training support of researchers in the mental health field. The mental health system in this country cannot continue to be effective without continued production of a stable core of mental health researchers. Because of inflation, of stable or lessening university involvement in research support, and states' inability or unwillingness to support higher education, particularly in light of statewide cost control initiatives, it is not possible for states and universities to replace losses in Federal support for research training in the mental health areas. Research training must go hand-in-hand with manpower development — responding to the special research questions about the young, the old and minorities. The research community, too, must encourage minorities to join its ranks. The $6.7 increase above the President's budget for research training in FY 1980 which we recommend (from $18.7 million to $25.437 million) will provide the funds to train individuals who will answer these questions.

The President has recommended that clinical manpower training appropriations for FY 1980 be reduced below the FY 1979 level. Such recommendation reflects a retrenchment from Congressional concern and involvement in the area of mental

health in the past year. It contradicts the recommendations of the President's Commission on Mental Health Report, the Task Force on Personnel Report, and the Report of the Task Force to implement the recommendations of the Commission. It ignores NIMH data which attest to a serious manpower shortage not just in psychiatry, but across all mental health disciplines. Last it is contrary to the President's own budget recommendation for new initiatives in mental health. Without personnel, such initiatives will be meaningless and not susceptible to implementation.

For example, NIMH projections for 1980, based upon a 3.5 percent utilization rate, indicate a shortfall of approximately 10,100 psychiatrists. Such shortfall is consistent with our estimates presented in testimony last year. It is a conservative estimate, assuming relatively low population growth and projecting only minimal rates of attrition from the existing manpower pool. Without such personnel needs being met, it will be difficult, if not impossible, to meet the mental health needs of the unserved, underserved populations — in need of mental health care, notably the very old and very young in our nation.

The Task Force on Personnel of the President's Commission on Mental Health recommended that the Federal Government maintain the present level of the number of mental health professionals in proportion to the population by increasing the funding of training programs to the 1970 level (adjusted for inflation) and recommended that priorities include rectifying maldistribution, increasing the number of mental health professionals with special competence in the care of children, the elderly and minorities, and increasing the numbers of minority professionals in the area of mental health. The cost, reflecting the 1970 appropriation adjusted for inflation, is between $149 million and $161 million.

Ever mindful of the need for fiscal austerity, we believe our recommendation of $110,700,000 charts a course between the need for fiscal restraint and the need to provide services to those Americans least able to help themselves. The added funding in both clinical and research manpower training will specifically provide impetus to the NIMH identified critical needs: (1) increasing training in primary care providing training in mental health principles and skills to medical students, nurses and others; (2) increasing training of minority professionals as well as individuals ultimately providing services to minorities and; (3) providing an increase in all programs which will permit special emphasis to be placed on meeting the needs of the chronically mentally ill, children and youth and the aged.

Without adequately trained personnel to meet the mental health needs in our nation, we become poorer — losing able, contributing members of our society

to mental illness simply because qualified, trained personnel are not available to provide treatment, rehabilitation, and direction back to the mainstream of society.

On behalf of the APA, we urge you adopt a funding level of $110,700,000 for NIMH clinical and research manpower training, with $85,263,000 for clinical training and $25,437,000 for research training.

On behalf of the Academy of Child Psychiatry:

Because of the time limitations this morning, the American Academy of Child Psychiatry will limit its comments to the mental health clinical training provisions of the FY 1980 budget for the Department of Health, Education, and Welfare.

There is currently a severe shortage of child psychiatrists in the United States. Of the nation's 88 million children and adolescents, 10 percent, or 8.8 million, are estimated (conservatively) to be in need of treatment for mental or emotional illness. There are only about 3,000 trained child psychiatrists to serve this population, while the most conservative formula estimates the need for 5,500. Present resources are not correcting this situation, for only an estimated 200 child psychiatrists are now completing training each year. This is barely enough to maintain the existing manpower orce.

Not only is there currently a shortage of child psychiatrists to serve those children in need, but also, without growth in the clinical manpower area, any legislative initiative - whether it be a Community Mental Health Systems Act, Child Health Assessment Program or National Health Insurance - will pose additional burdens on an already scarce resource. There will simply not be sufficient numbers of mental health professionals available to deliver all the needed services which these initiatives warrant.

The President's Commission on Mental Health recognized the necessity of training more mental health professionals to work specifically with children and adolescents, a population which the Commission identified as underserved according to its needs. In its Report, the PCMH recommended that psychiatry be designated as a medical shortage specialty and that "the Department of Health, Education, and Welfare fund efforts designed to increase the number of mental health professionals trained to work with children, adolescents and the elderly..."

To implement its clinical manpower goals, the PCMH recommended that "funding for clinical and service manpower and training programs of the National Institute of Mental Health be increased to $85 million in fiscal year 1980". The Academy supports this recommendation. We urge Congress to do likewise.

47-710 O - 79 - 3

On behalf of the National Association of State Alcohol and Drug Abuse Directors:

NASADAD's appropriations request for drug abuse services for FY 1980 is based on the need for continued categorical support for Federal drug abuse treatment, preventive and rehabilitative services. This includes two separate appropriations for community-based drug abuse treatment services: $164.0 million for treatment, and $25.0 million for other programs and activities, including prevention and demonstration. These separate authorizations were established by Congress in P.L. 95-461.

NASADAD strongly opposes the President's proposal to consolidate and reduce the State formula grant programs for alcoholism, drug abuse and mental health. Hearings held in both the House and the Senate have confirmed that any consolidation or reduction in the drug abuse formula grant program will result in fewer and more costly services being delivered to fewer persons. NASADAD requests that $44 million be appropriated for the drug abuse formula program in FY 1980.

To ensure that treatment programs are able to qualify for other public and private financial support through qualified treatment personnel, NASADAD urges the Subcommittee to restore the training appropriation to $11 million. And, so that necessary research in narcotic antagonists and social issues related to treatment of addiction may be continued and enhanced, NASADAD urges that the drug abuse research appropriation for FY 1980 be $50 million.

Clinical training and manpower systems developments efforts of NIAAA, NIDA, and NIMH all should be supported by restoration of the funds proposed for reduction in the President's budget. Action by the Appropriations Committee can direct the funds, as they are now spent in part, through the States so that a systematic and coherent program can be maintained.

National Association of State Alcohol and Drug Abuse Directors, Inc.
FY 1980 Appropriations Request
(in millions)

| | |
|---|---|
| I. Drug Abuse: | |
| Research | $ 50.0 |
| Training | 11.0 |
| Services | |
| Project Grants & Contracts | 164.0 |
| Other programs, including prevention | 25.0 |
| Formula Grants to the States | 44.0 |
| Program Support | 21.0 |
| TOTAL | $315.0 |

On behalf of the National Coalition for Adequate Alcoholism Programs:

I AM ALSO SPEAKING TODAY ON BEHALF OF THE NATIONAL COALITION FOR ADEQUATE ALCOHOLISM PROGRAMS. THE COALITION IS MADE UP OF 26 NATIONAL, NON-PROFIT ORGANIZATIONS DEDICATED WHOLLY OR IN PART TO THE PREVENTION AND CONTROL OF ALCOHOLISM AND ALCOHOL-RELATED PROBLEMS. [THE COALITION ANNUALLY MAKES RECOMMENDATIONS FOR THE FUNDING OF THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, THE FEDERAL FOCAL POINT FOR ALCOHOLISM PROGRAMS.] THE COALITION'S LEGISLATIVE COMMITTEE CHAIRMAN, MICHAEL FORD OF THE NATIONAL COUNCIL ON ALCOHOLISM, IS HERE TODAY TO ANSWER ANY SPECIFIC QUESTIONS THE COMMITTEE MAY HAVE.

IN TERMS OF MORBIDITY AND MORTALITY, ALCOHOLISM HAS BEEN PLACED AS THE NUMBER THREE PUBLIC HEALTH PROBLEM IN THE COUNTRY TODAY. ALCOHOLISM AND RELATED PROBLEMS KNOW NO BOUNDARIES OF AGE, CLASS, RACE, SEX OR OCCUPATION. WHEN CONSIDERED IN LIGHT OF THE DIRECT EFFECT OF THE NATION'S ESTIMATED 10 MILLION ALCOHOLICS ON THEIR LOVED ONES, ASSOCIATES AND FELLOW WORKERS, IT CAN BE SAID THAT SOME 40 MILLION AMERICANS--ALMOST 20% OF THE POPULATION--LIVE WITH ALCOHOLISM AND ITS EFFECTS. HEW'S THIRD REPORT TO CONGRESS ON ALCOHOL ABUSE AND ALCOHOLISM PUTS A $43 BILLION ANNUAL PRICE TAG ON ALCOHOL-RELATED PROBLEMS, INCLUDING PUBLIC AND PRIVATE EXPENDITURES FOR HEALTH CARE, LOST PRODUCTION, SOCIAL SERVICES, ACCIDENTS AND FIRES AND COSTS TO THE CRIMINAL JUSTICE SYSTEM.

THE FACT IS THAT ALCOHOLISM AND RELATED PROBLEMS ARE EMMINENTLY TREATABLE THROUGH APPROPRIATE MEANS, AND APPEAR TO BE EMMINENTLY PREVENTABLE. THE COALITION HOPES THAT THIS COMMITTEE WILL EMPHASIZE TO THE INSTITUTE THE NEED FOR A GREATER FOCUS ON PREVENTIVE EFFORTS, AND A NEED TO WORK CLOSELY WITH COALITION MEMBER ORGANIZATIONS IN THE DEVELOPMENT OF POSITIVE AND EFFECTIVE APPROACHES IN PREVENTION.

THE COALITION IS RECOMMENDING TODAY A $277 MILLION BUDGET FOR THE NATIONAL INSTITUTE FOR FISCAL 1980. WHILE THE ADMINISTRATION'S SMALL INCREASE FOR RESEARCH IS WELCOME, IT FALLS FAR SHORT OF THE ALCOHOLISM RESEARCH RECOMMENDATION OF THE PRESIDENT'S MENTAL HEALTH COMMISSION. THERE ARE STILL TOO MANY UNANSWERED QUESTIONS REGARDING ALCOHOL'S EFFECTS ON THE BRAIN AND BODY, THUS THE COALITION IS RECOMMENDING A TOTAL OF $45.4 MILLION FOR NIAAA RESERACH, WITH $5.1 MILLION FOR INTRAMURAL RESEARCH, $30.3 MILLION FOR EXTRAMURAL RESERACH, AND $10 MILLION FOR THE [REGIONAL] INTERDISCIPLINARY NATIONAL ALCOHOL RESEARCH CENTERS.

THE COALITION OBJECTS TO THE DOCTRINNAIRE SLASHING OF THE NIAAA TRAINING BUDGET, AND REQUESTS THAT THIS COMMITTEE DEMAND THE ADMINISTRATION'S DOCUMENTATION THAT APPROPRIATE CLINICAL AND RESEARCH PERSONNEL NEEDS IN THIS FIELD HAVE BEEN MET. INSTEAD OF PHASING OUT ALCOHOLISM TRAINING, MORE DO-LARS ARE NEEDED NOT ONLY FOR SPECIFIC TRAINING OF THOSE IN THE ALCOHOLISM FIELD, BUT TO PROVIDE ADDITIONAL

TRAINING FOR THOSE IN ALL ALLIED HEALTH FIELDS. THE COALITION ALSO SUGGESTS THIS COMMITTEE CONSIDER LANGUAGE EARMARKING $200,000 FOR THE OPERATIONS OF A NATIONAL CREDENTIALLING BODY FOR ALCOHOLISM COUNSELORS, TO PROVIDE NATIONAL STANDARDS OF QUALIFICIATIONS FOR THIS EMERGING AND VITAL PROFESSIONAL FIELD. OVERALL, THE COALITION IS RECOMMENDING $5 MILLION FOR RESEARCH TRAINING, AND $10 MILLION FOR CLINICAL TRAINING.

THE COALITION HOPES THIS COMMITTEE WILL DISREGARD THE ADMINISTRATION'S ATTEMPT TO ELIMINATE STATE ALCOHOLISM FORMULA GRANTS, AND PROPOSES, INSTEAD, THAT THESE GRANTS BE FUNDED AT $85 MILLION. THESE GRANTS GO TO EVERY STATE, THROUGH A FORMULA BASED ON EACH STATE'S POPULATION CHARACTERISTICS AND NEED FOR ALCOHOLISM SERVICES. THESE GRANTS SHOULD NOT BE COMBINED WITH THOSE FOR MENTAL HEALTH AND DRUG ABUSE, AND THE COALITION POINTS OUT THAT THE SENATE AUTHORIZING COMMITTEE HAS PUT FORWARD A REAUTHORIZATION BILL RESTORING THE CATEGORICAL ALCOHOLISM STATE GRANTS. THE FOCUS ON ALCOHOLISM WOULD BE CLOUDED BY SUCH A MERGER, THUS RENDERING THE FUNDS FAR LESS EFFECTIVE.

FINALLY, THE COALITION ASKS FOR $120 MILLION FOR THE INSTITUTE'S PROJECT GRANTS AND CONTRACTS. HEW SECRETARY CALIFANO WILL BE ANNOUNCING HIS SPECIAL ALCOHOLISM INITIATIVES MAY 1ST, WITH EMPHASIS ON WOMEN AND YOUTH, FETAL ALCOHOL SYNDROME, EMPLOYEE ALCOHOLISM PROGRAMMING AND DOMESTIC VIOLENCE. HEW'S ORIGINAL REQUEST TO OMB FOR THESE INITIATIVES WAS $40.3 MILLION, AND THE COALITION SUPPORTS THIS FIGURE, WHICH EMCOMPASSES NEW EFFORTS IN RESEARCH, TRAINING AND PREVENTION AND TREATMENT IN EACH AREA. ADDITIONALLY, THE COALITION RECOMMENDS $80 MILLION FOR THE CONTINUATION OF PROGRAMS IN PROGRESS, AND FOR THE INITIATION OF NEW APPROACHES TO DEAL WITH MINORITY ALCOHOLISM, ESPECIALLY AMONG NATIVE AMERICANS, AND TO OPEN GREATER AVENUES OF THIRD PARTY PAYMENT FOR ALCOHOLISM TREATMENT, SUCH AS STATE-BASED ACCREDITATION.

On behalf of the National Coalition of Hispanic Mental Health and Human Services Organizations:

COSSMHO -- The National Coalition of Hispanic Mental Health and Human Services Organizations represents more than 180 agencies, 5 national organizations and hundreds of individuals working in research, training and service delivery in over 165 cities, in 30 states, the District of Columbia and the Commonwealth of Puerto Rico. We request that you give serious consideration to the following needs of Hispanic American communities as you determine fiscal 1980 appropriations for HEW agencies and as you specify the purposes for the use of these funds. Many of our concerns are shared as well by other bilingual/bicultural minorities in this country.

Improvements in HEW Programs Serving Bilingual/Bicultural Populations

Adequate funds should be provided and allocated to assure that bilingual staff and printed matter are available in any public assistance, social service, and Public Health

Service program receiving support from HEW and serving areas where the population includes at least five percent non-English speaking persons or persons with limited English-speaking ability. This is needed to overcome identified cultural and language barriers that impede our access to benefits and services.

Implementing Recommendations of the President's Commission on Mental Health

1. Throughout HEW, funds should be targeted on areas of need identified by the President's Commission on Mental Health (PCMH), especially underserved racial and ethnic minorities as well as special populations such as women, children and youth, the elderly, and rural populations. It is especially critical that this focus be evident in the allocation of funds by the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). The need to mandate this funding emphasis within ADAMHA is underscored by legislation introduced by Senator Inouye to establish an Office of Minority Concerns within that agency to give heightened visibility, autonomy, and funding to related programs.

2. Clinical and research training in the core mental health disciplines -- psychiatry, psychology, psychiatric nursing, and social work -- is a major Hispanic priority. Severe shortages of trained Hispanics in these fields are overlooked, in large part because the patterns of demand, supply, and distribution peculiar to special populations such as Hispanics are ignored. Professional Hispanic service providers and researchers rarely constitute more than 0.5% of the labor force in the core mental health disciplines.[1] For example, out of 29,356 registered practicing psychiatrists in the U.S., 535 are of Hispanic origin -- 1.8% of the total; out of 35,000-40,000 Ph.D.s in psychology, some 140-160 are of Hispanic origin -- 0.4% of the total.[2]

Both the President's Commission on Mental Health and the HEW Task Force charged with implementing its report advocated that a major objective of Federal mental health manpower policy should be to increase the number of qualified minority personnel in the mental health professions. The President's Commission recommended a major targeted effort in this regard, beginning in high school and continuing through the postdoctoral level, and also called for a new minority research training program. Yet despite these priorities, the Administration's budget request seeks no increase and proposes no targeted allocation of existing funds for minority training. However, regardless of the level of training funds, minority-oriented training should receive funding priority.

3. Research on Hispanic mental health and substance abuse is among our highest priorities. Without better knowledge of our problems, and without better and more culturally/linguistically relevant diagnostic, treatment, and prevention strategies, Hispanic progress is at a standstill. We support the proposed increases in ADAMHA's research budget. However, sizeable portions of these increases, together with adjustments of current funding, should be allocated for ethnic and racial minorities and

for especially vulnerable minority populations such as women, youth, the elderly, migrant families, and rural populations. But regardless of budget size, unserved, underserved, or inappropriately served populations such as these should be ADAMHA's research priorities -- emphasis on these populations should not be tied only to increased dollars.

Conclusion

For your further consideration, we would like to submit for the record a copy of the latest report on Hispanic priorities in mental health, drug and alcohol programs prepared by COSSMHO's National Hispanic Committee for the Implementation of the Reports and Recommendations of the President's Commission on Mental Health.

References

1. Report to the President's Commission on Mental Health from the Special Populations Sub-Task Panel on Mental Health of Hispanic Americans.
2. Figures are for 1978. Sources: American Psychiatric Association, membership figures; American Psychological Association, Department of Statistics.

STATEMENT OF JOSEPH BEVILACQUA, PH. D., DIRECTOR, DEPARTMENT OF MENTAL HEALTH, RETARDATION AND HOSPITALS, RHODE ISLAND

The directors of the mental health programs of the 54 state and territorial governments intend, at this time, to address only one funding issue before you -- the way in which federal funds should be employed in developing adequate manpower for services to the mentally ill.

I am representing today the National Association of State Mental Health Program Directors, the state government agencies responsible for the administration of the largest mental health treatment system in the world.

I will attach to this statement a description of the functions of the State Government member agencies of NASMHPD.

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FEDERAL TRAINING DOLLARS SHOULD BE ALLOCATED TO STATE GOVERNMENTS

Over the past 13 years the state-government mental health commissioners have come before this committee in support of a whole range of federal programs for the mentally disabled.

Today we come before you to address solely the problems related to mental health training and manpower development.

Those issues are so critical today we seek to focus on them and no others.

The time is upon us when the state-governments must insist that the state-government voice and the state-government role be enhanced in the development and utilization of mental health manpower appropriate to the public needs.

Psychiatrists, nurses, social workers and psychologists should not exclusively be trained with federal dollars without relationship to the needs for specialized mental health services throughout the land.

And throughout the land the system most capable of judging public mental health manpower needs at both community and institutional level is state-government.

The 54 state and territorial governments expend each year on mental disability programs about $8.2 billion dollars.

There are certain phenomena connected with this effort that this year deserves the special attention of this committee:

First...each year a greater-and-greater proportion of the above cited sum is devoted by the states to services for the mentally disabled at the community level, a movement away from large institutional care. (In 6 states this year the budgets for care of the mentally ill in the community are now larger than for care in institutions.)

Second...as the heavy swing to community treatment intensifies, the need compounds for specially-trained personnel.

Third...most of the needed personnel, newly-trained or re-trained, will NOT receive their required education through the conventionally supported federal professional clinical training programs (psychiatry, psychology, social work and nursing).

Fourth...the federal government contributes only minimal support to the staggeringly difficult mental health training effort of the 54 state government mental health

agencies. (Only 8% of the FY 1979 NIMH mental health training budget is allocated to assist the states in meeting the enormous manpower development task confronting them --- $6.1 million out of $74.3 million.)

For FY 1979 the Congress appropriated to the National Institute of Mental Health a sum of $74.3 for clinical training in the mental professions (severely reduced from previous years). For FY 1980 the Administration has proposed $70.7 million, another cut of $6 million in present programs ($2.4 million has been added by the administration for a new program for "primary care" physicians).

The Administration budget request of $70.7 million for clinical training is, in the judgement of the state government mental health directors, wholely unacceptable.

$70.7 million represents a $6 million cut in vital mental health training programs --- by far the deepest of which is a 16% cut in state government mental health manpower development programs.

The $70.7 million Administration training budget is predicated upon these training program cuts:

- state government manpower development programs.....16%
- nursing..... 9%
- psychiatry..... 8%
- psychology..... 8%
- social work..... 7%

The rationale behind singling out "state government" for the most drastic training cut eludes us, Mr. Chairman, especially since, in our judgement (in this era of (a) maldistribution of treatment personnel and (b) transition from "institutional" to "community" treatment programs) the state training effort is the most dynamic and most essential of new training concepts.

We want to be sure this arbitrary reduction is not only rectified for this coming fiscal year, but also we want solid assurance that in the future the Administration cannot discriminate against the state governments by arbitrarily applying to us an unfair and disproportionate change in the NIMH training budget.

We would support at this time restoring all the cuts in the training budgets for the various disciplines.

This means a restoration of $6 million to the NIMH clinical training budget.

But we also reiterate our request made to this committee 2 years ago, that regardless of what level the Administration and the Congress sets the NIMH clinical training budget NO LESS THAN TEN PERCENT (10%) be allocated to the state governments to support their mental health manpower development efforts.

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In summary, Mr. Chairman, here are the two things NASMHPD calls for in relation to the clinical training budget for the National Institute of Mental Health.

1. we ask this committee to restore the $6 million that has been cut by the Administration from the sum appropriated by the Congress for this fiscal year; this would mean a total clinical training appropriation of $76.7 million.

2. we also ask that Congress stipulate that no less than 10 percent of whatever amount is appropriated for mental health clinical training be allocated to "state government mental health manpower development".

Justification follows for the foregoing request for a deliberate and steady increase in emphasis on state government mental health manpower development:

Accountability Through State Government.....

The critical question to which the Congress must address itself in mental health training is this: -- what is the most effective way, with the highest degree of accountability, that the congressionally appropriated money can be allocated?

The state-government mental health programs submit, that the needs for manpower in the public sectors (both community and institutions), are so over-riding, a major proportion of the federal training funds in the mental health professions must now be allocated to the states on a formula basis, to be used to build a training capacity in state-government, with re-allocation according to established needs and plans to training and education facilities, programs and individuals within the state.

Obviously, this proposed change in the focus of the program from "project" grants (a frequent cause of mal-distribution of personnel) to "formula" grants (re-distributed by state-government to fill known local manpower needs) must be effected over a number of years.

The state mental health commissioners ask this committee, to provide (at least in its "committee report" accompaning the appropriate bill) directive-language that will mandate that, of any monies appropriated for "clinical services manpower training" administered by NIMH, no less than 10% in FY 1980 allocated to state-governments to be utilized in the development of mental health manpower training capacity in accordance with appropriate needs of mental health services in each state, and the balance of the grants in each state be made only after review and approval of the state mental health program director.

We would consider this 10% a start in a movement that would eventually see a major part of the federal mental health training money granted to state-governments for re-distribution in accordance with local needs.

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REDUCE THE MAL-DISTRIBUTION OF MENTAL HEALTH PROFESSIONALS BY BUILDING A STATE CAPACITY FOR MENTAL HEALTH MANPOWER DEVELOPMENT. . .

The major emphasis of the federal government since 1948 has been the support of training for psychiatrists, clinical psychologists, social workers and psychiatric nurses.

This program of support for professional training has been directed to the universities and colleges with almost no attention to the agencies that must use the graduates.

There has been increasing criticism of this program by mental health administrators, by the Administration and by the Congress.

While this program has greatly increased the numbers of mental health professionals, it is still true that there are serious manpower shortages in state mental hospitals, in rural areas, and in ghetto areas; there are still insufficient persons to do childrens work and to do geriatric psychiatry.

There is also evidence that much of the available mental health manpower is not efficiently used.

While the federal government has been almost totally preoccupied with training activities, the state and local programs have been struggling with a wide range of other manpower issues such as recruitment, retention, distribution, utilization, career systems, and uses of paraprofessionals.

Looking at the state more broadly than just the state mental health agency, it is evident that there are still other state level manpower programs such as the licensure boards, the Merit Systems, and the boards of higher education which have an impact on the mental health delivery system.

While the states have been very substantially involved in all of these varied manpower activities, it is also evident that virtually none of the states have fully conceptualized all of these pieces as a comprehensive manpower system.

This is where the states now need federal assistance. The federal government must now shift its emphasis from one of support for training programs to one of support for overall state manpower development programs.

Training might be one of the items that a state mental health manpower development program would wish to support, but very likely with certain modifications to better meet the service needs of that state.

The state mental health commissioners would like to identify for the Congress the composition of the state mental health manpower programs:

I. Mental Health Manpower Planning and Evaluation

- A. Mental Health Manpower Data Systems
- B. Mental Health Manpower Policy Development
- C. Mental Health Manpower Needs Assessment and Projections
- D. Mental Health Manpower Planning
- E. Mental Health Manpower Program Evaluation

II. Mental Health Manpower Administration

- A. Recruitment of Mental Health Manpower
- B. Distribution of Mental Health Manpower
- C. Utilization of Mental Health Manpower
- D. Career Systems and Retention of Mental Health Manpower
- E. Minority Issues in Manpower

III. Mental Health Manpower Training

- A. Educational Planning
- B. Pre-service Professional and Paraprofessional Education
- C. Continuing Education of Manpower
- D. Experimental Education

IV. Regulations and Sanctions Affecting Mental Health Manpower

- A. Licensure and Certification
- B. Standards regarding Mental Health Manpower
- C. Judicial Activities
- D. Unions
- E. Legislation and Regulations
- F. Payment Patterns for Mental Health Services
- G. Personnel Policies and Practices
- H. Status Considerations

Much of the responsibility for making a manpower development program operational should be carried out at the state level, but the federal government should provide leadership and assistance to the states in conceptualizing and implementing such comprehensive mental health manpower development programs.

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PRINCIPLES THAT UNDERLIE A STATE-GOVERNMENT MENTAL HEALTH MANPOWER DEVELOPMENT PROGRAM . . . . . .

There are several principles that underlie the concept of a state level mental health manpower development program. Among them are:

1) The full spectrum of mental health manpower activities must be conceptualized and programmed as a flexible but related system. Mental health manpower policy planning, manpower administration, training of manpower and regulations and sanctions regarding manpower must all be related to each other, and all of these must be related to the service delivery system.

2) Because the basic unit for the planning and administration of mental health services, training programs and regulatory mechanisms in the United States is the state, the most appropriate location for a mental health manpower development program is at the state level.

3) A systematic and coordinated program of mental health manpower development activities within a state can increase the productivity and the effectiveness of mental health manpower in the state.

4) A state-level mental health manpower development program includes both a planning component and an action component. It is not sufficient to have static manpower studies or plans; there must be leadership to bring about action based on these plans and to keep the plans flexible and current.

5) A state-level mental health manpower development program includes attention to all professions and technologies in the mental health manpower system, wherever they are needed or used in the mental health delivery system -- state or local, public or private. There must also be appropriate concern for mental health workers who are employed in educational institutions, in other human service agencies and even in federal agencies such as the Veterans Administration and the Public Health Service which have mental health service programs located within the states.

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OBJECTIVES OF A STATE-LEVEL MENTAL HEALTH MANPOWER DEVELOPMENT PLAN

1) Maximize the productivity and effectiveness of manpower used in the delivery of mental health services throughout the state.

2) Prepare future mental health workers according to planned fully developed policies and schedules based on assessment of mental health service needs.

3) Provide a mechanism for bringing together the major leaders from the component pieces of the state's manpower system (e.g., the state mental health agency, the personnel and merit system, the licensing boards, the professional schools, the professional societies, the higher education coordinating agency, the community mental health programs, alcohol and drug programs)

4) Provide an information system about manpower availability, needs, uses, training resources and problems, and staff to analyze the data, prepare reports and plans, and assist in implementing actions.

5) Formulate overall mental health manpower policies and plans and recommend specific manpower activities or actions to be undertaken by various component agencies of the overall mental health manpower system in order to achieve a more effective service delivery system.

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SOME MANPOWER DEVELOPMENT PRINCIPLES ON WHICH THE STATE MENTAL HEALTH COMMISSIONERS AND THE NATIONAL INSTITUTE OF MENTAL HEALTH MIGHT CONCUR . . . . . .

1) An adequate supply of mental health specialists -- professional and paraprofessional -- to provide mental health services to this and future generations; and not a "de-professionalization" of the service delivery system with the care of complex problems left only to generic or unqualified service providers who are not up to it.

2) An assurance that the existing capacity of educational institutions and medical schools developed over the past 30 years is maintained and strengthened through continuing support and an orderly transition of priorities; and not an undermining of the educational and training system in this country through precipitous policy changes at the Federal level.

3) A manpower services strategy that is based on a clearly articulated and anticipatory national mental health service strategy; and not a services manpower strategy that is nonadapting, that fails to take account of new scientific developments, or that makes manpower education and development subservient to the inadequacies of the here and now.

4) A productive working relationship between Federal and State and local governments.

5) Collaboration between educational institutions and State and local governments.

6) A one-class system of mental health care in which every citizen is entitled to quality services delivered by appropriately trained specialists.

7) Meeting the mental health needs of minority populations, with a high priority on appropriate manpower development programs for minority groups.

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NEW INITIATIVES NEEDED . . . . . .

The state-government mental health programs call upon the Congress to direct the Dept. of H.E.W. toward new initiatives in training that will be responsive to the service delivery needs as determined jointly by the state and federal governments.

In making FY 1980 appropriations to NIMH for mental health manpower purposes, the Congress should attach these directives to its dollars:

THAT . . . . .

1) NIMH revitalize its fiscal and philosophic support of basic training in the core mental health disciplines: psychiatry, psychology, social work and psychiatric nursing; re-emphasizing the vital role of the core professions, with expertise in the social and behavioral sciences, as the necessary underpinning of the mental health service delivery system, but with assurances that one objective of the training program will be curing the problem of mal-distribution of mental health manpower.

2) NIMH develop an accelerated manpower development program focused on State and local manpower planning, with new forms of collaboration between educational institutions and State and local governments.

3) NIMH expand the range of experimental research and development activities in the sphere of basic mental health manpower development.

4) NIMH will proceed to support research and development on manpower issues in the sphere of primary care.

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SUMMARY.....

Mr. Chairman, the state-government mental health programs urge this Congress to appropriate $77 million for clinical mental health training programs, providing such training programs are responsive to the service delivery needs of the nation.

We submit that one way that the nation's service delivery needs will be given maximum consideration and attention will be to begin to move the mental health training dollars through the principal delivery system for mental health services in this country -- state and local government.

As a start, Mr. Chairman, we ask that 10% of the FY 1980 NIMH training appropriation be earmarked for allocation to state governments for the singular purpose of building state capacity to develop mental health manpower programs.

The heavy mandates on state mental health programs that grow out of PL 93-641 (The Health Planning Act) and PL 94-484 (The Health Manpower Act) make it imperative that state governments begin to address their manpower shortages and deficiencies in public mental health areas (including hospitals, clinics, and centers) and begin to develop a capacity to deal with these manpower crises.

If this is done, Mr. Chairman, the state-governments mental health agencies are prepared to demonstrate to Congress and H.E.W. that state-training and manpower activities are responsive to service delivery needs.

We will be prepared to show the Congress that thru state manpower development programs needed personnel and professionals will end up working in jobs in areas where mental health services are most needed -- including state institutions, forensic facilities and under-served rural and urban communities.

Thank you Mr. Chairman, for your courtesy today in hearing the representatives for state-government mental health programs.

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## STATEMENT OF THE NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS

The National Association of State Alcohol and Drug Abuse Directors (NASADAD) is pleased to have this opportunity to present a statement for the Subcommittee hearing record on FY 1980 appropriations for alcohol abuse and alcoholism and drug abuse. This statement includes as well a request for a supplemental appropriation for the National Institute on Drug Abuse for FY 1979. NASADAD is a non-profit organization whose membership is comprised exclusively of the officially designated State Alcoholism Authorities and the Single State Authorities for Drug Abuse Prevention established under Public Laws 91-616 and 92-255.

Supplemental Appropriations Request
for FY 1979 for the National Institute on Drug Abuse

NASADAD urges the Subcommittee to consider a supplemental appropriation for the National Institute on Drug Abuse (NIDA) for FY 1979. The President requested no funds for NIDA in his recommendations on supplemental budget appropriations for FY 1979. Although NIDA continues to receive funds to carry out its programs through the authority of a continuing resolution, this funding is based on FY 78 needs and service support levels, and falls short of current service needs, especially in the areas of prevention and demonstration.

While the authority of the continuing resolution extends for the entire fiscal 1979 period and is legally sufficient for NIDA to continue business until the FY 1980 appropriations act, funding for NIDA under this mechanism amounts to ignoring the 1978 amendments to the drug abuse authorities which were adopted by Congress on October 14, 1978 in Public Law 95-461, and which contain a needed innovation in authorized funding for community treatment. This law establishes two separate authorizations for funding under Section 410 of the drug abuse law: one for treatment services, authorized at a level of $153 million; and one for prevention, demonstration and other activities, authorized at a level of $24 million. Congress intended this as a means of assuring that adequate funds were available to the Institute for other treatment related activities, including prevention and demonstration, without detracting from the provision of ongoing treatment services. Therefore, NASADAD urges that this Subcommittee consider appropriations based on the authorities of P.L. 95-461 in the first supplemental appropriations bill this year in the following amounts:

| | |
|---|---|
| Project Grants and Contracts | $153 million |
| "Other Programs," | |
| Prevention, Demonstration | 24 million |
| Research | 7 million |
| Formula Grants to the States | 40 million |
| TOTAL | $224 million |

The Federal budget proposed by the President for FY 1980 is a disappointing one to the fields of alcoholism and drug abuse in several respects. First, it proposes consolidation of the State categorical formula grants programs for alcoholism, drug abuse and mental health, and a reduction of support for these programs which is both unrealistic in terms of implementation and threatening to service delivery systems and treatment capabilities which have been

established in the States and local communities throughout our country. In addition, the President proposes less than a survival budget for the support of treatment services. In order to meet current treatment needs, dollars will be taken from drug abuse activities in areas such as prevention. Drastic cuts are proposed in the Federal support for clinical training programs, which will dramatically affect treatment programs' ability to garner public and private resources because personnel training and credentialling activities will be greatly reduced or eliminated. While certain increases are proposed in research areas, they are disproportionate to the size of the existing research programs, so that alcohol and drug abuse research, which have the smallest on-going programs, receive the smallest increases. Finally, under the President's budget, prevention programming, which is such a vital need in the health care fields today, will go wanting.

NASADAD opposes the President's proposals which will reduce Federal support for alcoholism and drug abuse services and opposes the proposal to consolidation and reduction of State formula grant programs. The following are important for Subcommittee consideration with regard to the Federal budget for fiscal year 1980:

- There is currently no legislative authority for consolidation of formula grants to the States in alcohol, drug abuse and mental health nor has a legislative proposal been submitted by the Administration. Meanwhile, bills have been introduced in both the Senate and the House to extend the categorical formula grant programs. Hearings held by the Subcommittees with jurisdiction over alcoholism and drug abuse issues indicate that there is strong opposition throughout the fields to the consolidation and reduction of these programs.

- Separate categorical Federal support for the alcohol, drug abuse and mental health programs has developed over a period of years because of an inability or unwillingness of the larger public health system to respond to the needs of the alcoholic, drug abuser or mentally ill person.

- The alcohol and drug abuse State formula grant programs are different in structure and purpose from the mental health planning grant. In FY 78, $56.8 was appropriated to the State Alcoholism Authorities for their use. Of this, 81% was spent for the provision of treatment, preventive and interventive services. In the same year, $40.0 million was appropriated to the Single State Agencies for Drug Abuse Prevention, of which 68% was used for treatment and prevention services. In contrast, barely $13 million was appropriated under PHS Act Section 314g to State Mental Health Authorities to minimally support administrative and programming activities. To consolidate these formula grant programs is to combine "apples and oranges".

- Consolidation of the formula grant would impact negatively on State efforts to resist absorption of alcohol and drug abuse programs into a more costly "mental health model" of treatment.

- A reduction in the formula grant programs for alcoholism and drug abuse will result in sharply reduced support for services by States and local government. The Federal formula grant programs represent important financial incentives for the growth of State and local treatment systems to care for the alcoholic and drug abuser. If the formula grants are reduced or eliminated, hundreds of needy persons will be denied services, especially in small or rural States.

- The costs of treatment range from one-half to less than one-fifth of the costs of medical treatment or placement in other social service institutions, or of incarceration in jail or prison. A simple cost comparison shows that the alcoholism and drug treatment system are more effective by a ratio from 2:1 to 5:1.

In hearings before this Subcommittee on March 5, 1979, the Administration in effect admitted the validity of these points, stating that while States were expected to save through reduced Federal requirements of planning and reporting, in practice the cut would be borne by providers of alcoholism and drug abuse treatment services.

Deficiencies in the Budget Proposed for Alcohol Abuse and Alcoholism

Although the project grant and contract budget proposed for NIAAA shows an increase of $14.6 million, this does not mean that new treatment projects will be started, or even that there will be surplus dollars for continuation of current projects. The $14.6 million increase is to be added to funds taken from other programs within the Institute for $35 million in funding for HEW's new initiatives in alcoholism. While the new support for incentive projects is welcome, the net increase in dollars which are available is negligible compared to the needs for treatment in this country today.

The President's budget for NIAAA also requests a minimum increase in research which will be used for the extramural program in most cases. Only $1.25 million is budgeted for increased support for the Alcoholism Research Centers while almost $2 million is budgeted for increases in extramural research activities other than the ARC's.

Overall, the FY 80 budget proposed for NIAAA is a disappointing one in several aspects. The increases in research and in the project grant category are welcomed ones, but are offset by proposals to cut the formula grant (and change it to a block grant) and to cut the funding for clinical training.

Deficiencies in the Budget Proposed for Drug Abuse

The proposed budget for NIDA is even more discouraging than that for NIAAA because there are no Administration initiatives proposed to soften

the blows to the fields of reductions in clinical training funds and of folding the formula grants into the combined block grant. To fund community drug abuse treatment programs, the President proposes only a 3.6% increase over the FY 79 base. This means that programs will fall far behind the actual rate of inflation and as a result services will be sacrificed to the impact of inflation upon treatment costs.

In the area of research, NIDA would suffer in its intramural activities and it would lose more than 20 staff positions under the President's budget proposal. Although extramural activities would receive an increase of almost $7.9 million in 1980, this increase is more apparent than real because the extramural program will have to absorb approximately $1.5 million of the cost of research treatment which previously had been funded from the community programs appropriations.

The Administration continues to ignore the interest which Congress has expressed in demonstration and prevention projects by refusing to request a separate appropriation for prevention and demonstration, in accordance with the amendments passed by Congress last year for the National Institute on Drug Abuse Public Law 95-461. Prevention and demonstration both would receive major cuts if Congress chose to enact the President's budget as proposed. Prevention would be cut by almost $1.4 million from the previous year. For demonstration, the cuts are even more drastic--$3.25 million for FY 79 to FY 80.

In general the alcohol and drug abuse budgets proposed are disappointing.

NASADAD recommends that the Subcommittee appropriate the following sums for alcohol abuse and alcoholism and drug abuse treatment:

| | |
|---|---|
| I. Drug Abuse: | |
| Research | $50.0 |
| Training | 11.0 |
| Services | |
| Project Grants & Contracts | 164.0 |
| Other programs, including prevention | 25.0 |
| Formula Grants to the States | 44.0 |
| Program Support | 21.0 |
| TOTAL | $315.0 |
| II. Alcohol Abuse and Alcoholism: | |
| Research | $45.4 |
| Training | 15.0 |
| Services | |
| Project Grants & Contracts, including prevention | 120.0 |
| Formula Grants to the States | 62.5 |
| Program Support | 11.6 |
| TOTAL | $254.5 |

(Dollars in Millions)

NASADAD's appropriations request for drug abuse services for FY 1980 is based on the need for continued categorical support for Federal drug abuse treatment, preventive and rehabilitative services. This includes two separate appropriations under Section 410 of this Act for community-based drug abuse treatment services; one for treatment and one for other programs and activities, including prevention and demonstration. This new budget authority for "other programs" (P.L. 95-461) not only states the Congress' desire for increased emphasis and programming in prevention, but ensures that funds used for these necessary service-related activities will not be at the expense of existing treatment support. NASADAD urges that modest increases be granted in these vital health care services. Federal investment in human services is one of the most cost effective in that a relatively small initial investment can bring years of restored productivity to a human life, without costly medical treatment or high costs to society.

NASADAD urges that funds be increased for the treatment of alcoholism and for the development of needed prevention services. The amount requested by NASADAD includes $12.0 million for prevention programming. Senate bill

440 now pending, to extend the authorities for NIAAA, recommends that 8% of the amount appropriated for treatment be used specifically for prevention.

NASADAD urges restoration of training funds in order to assure that programs are able to access other public and private funding sources, and hopes that the Subcommittee will adhere to the stated desire of the Congress for a solid Federal commitment to the prevention of alcoholism and drug abuse.

Deficiencies in the Manpower Development and Training Process Budgets

The reductions proposed for clinical training in the budgets of NIAAA, NIDA, and NIMH are all especially shortsighted. Without sufficient funding for developing manpower systems, as is now being done through State support programs of all three Institutes, there is a possibility of inadequate training for paraprofessionals and other effective but less costly personnel. The result will be greater costs than necessary in the future.

The training budget proposed for alcoholism training is devastating to ongoing training efforts and training needs. Programs are aggressively seeking support from third party payors for their services and often that support is contingent upon the credentials of personnel delivering these services. NASADAD strongly urges that Federal support for clinical training and manpower programs be continued and increased.

In the drug abuse training area, the President is proposing a $1.4 million decrease in clinical training. The Federal investment in the training of drug abuse treatment personnel is a good one, and more qualified personnel are needed to assist programs in gaining support from local and private resources for the future. NASADAD urges the Subcommittee to restore these needed training and manpower development dollars.

In mental health NASADAD is especially concerned that sufficient funding be allocated by the appropriations process for state manpower development programs. These programs must be continued with adequate funding if the important shift from institutional service to effective community based service is to continue. The attached statement of our colleagues in NASMHPD clearly describes the needed action.

STATEMENT OF NATIONAL ASSOCIATION OF STATE MENTAL HEALTH PROGRAM DIRECTORS

The 54 state and territorial governments expend each year on mental disability programs about $8.2 billion dollars.

There are certain phenomena connected with this effort that this year deserves the special attention of this committee:

First...each year a greater-and-greater proportion of the above cited sum is devoted by the states to services for the mentally disabled at the community level, a movement away from large institutional care. (In 6 states this year the budgets for care of the mentally ill in the community are now larger than for care in institutions.)

Second...as the heavy swing to community treatment intensifies, the need compounds for specially-trained personnel.

Third...most of the needed personnel, newly-trained or re-trained, will NOT receive their required education through the conventionally supported federal professional clinical training programs (psychiatry, psychology, social work and nursing).

Fourth...the federal government contributes only minimal support to the staggeringly difficult mental health training effort of the 54 state government mental health agencies. (Only 8% of the FY 1979 NIMH mental health training budget is allocated to assist the states in meeting the enormous manpower development task confronting them --- $6.1 million out of $74.3 million.)

The directors of state programs for the mentally disabled respectfully request the Senate Appropriations Committee to allocate to "state manpower development" 10% of the clinical training program dollars appropriated to the National Institute of Mental Health.

The state mental health directors also recommend that the $6 million that was cut by the administration from the FY 1979 level of mental health clinical training be restored in full.

The attached statement by the National Association of State Mental Health Program Directors is in support of the two recommendations proposed above and is identical to the position taken by the state agencies before the Congress at this time last year.

## STATEMENT OF THE NATIONAL COALITION FOR ADEQUATE ALCOHOLISM PROGRAMS

The National Coalition for Adequate Alcoholism Programs comprises 26 national, non-profit organizations dedicated wholly or in part to the prevention and control of alcoholism and alcohol-related problems. No other subject than this dread disease would bring together so many diverse organizations as our membership represents. Our common purpose is to present to the public a case for rational public policy towards the eradication of a disease afflicting some 10 million Americans, their families, friends and co-workers.

In terms of mortality and morbidity, alcoholism has been placed as the number three public health problem in the country today. A chronic, progressive and potentially fatal disease, alcoholism knows no boundaries of age, class, race, sex or occupation. When considered in light of the direct effect of the nation's 10 million alcoholics on their loved ones, associates and fellow workers, it can be said that some 40 million Americans--nearly 20% of the population--live with alcoholism and its effects. While no value can be placed on human suffering and death associated with this disease, and while its undeniable pervasiveness may be incalculable, some measurement of its magnitude is available. HEW's Third Report to Congress on Alcoholism estimates astounding $43 billion annual cost to society for alcoholism and alcohol-related problems. These public and private expenditures are drained by health care, lost production, social services, accidents and costs to the criminal justice system.

The characteristics of alcoholism and of the alcoholic individual cry for greater attention and action as major problems. The alcoholic person often has or will eventually develop cirrhosis of the liver, hepatitis, gastritis, hypertension, gall bladder disease and a variety of respiratory and musculoskeletal disorders. These are not the symptoms of alcoholism--these are the results. But the alcoholic individual who seeks or receives treatment is often treated primarily for one of these secondary ailments. Our health care system seems unprepared or unwilling to deal directly with alcoholism as a diagnosable disease entity, resulting in an elliptical and, thus, largely ineffective approach to treatment and rehabilitation.

Here is an outline of the Coalition's specific funding recommendations for the various NIAAA activities:

Research

The Coalition recommends $45.4 million for NIAAA research. This request comprises $35.4 million for the Institute's regular intra- and extramural research grants and contracts and $10 million for National Alcoholism Research Centers (NARCs). In 1976, the President's Panel on Biomedical Research commented that alcoholism research was in a "primitive state." While there has been encouraging progress, especially due to the creation of the regional alcoholism research centers, we still have a long, long way to go to acquire a better understanding of the nature of alcoholism and its causes, to identify those populations at high risk for development of the disease, and to discover the prevention and treatment approaches necessary to abate the spread of alcoholism.

Only through a commitment of higher appropriations can the Institute develop new knowledge with practical applications for the alcoholism field. The research centers program has breathed new life into the nation's alcoholism research effort. Nine centers operating across the country are providing a broad, interdisciplinary approach to alcoholism research and attracting new and vital researchers to the field. An appropriation of $10 million for these centers would permit no letdown in the momentum they have established in developing knowledge on alcohol and the central nervous system, socio-cultural studies of alcohol, alcohol and genetics, alcoholism and family dynamics, etiological and biological predisposing factors of alcoholism, and the fetal alcohol syndrome.

The Coalition recommends $30.3 million for extramural research grants and contracts, and $5.1 million for intramural research, totalling $35.4 million for NIAAA's regular research programs. Such an appropriation would allow, support for new

extramural research grants, new research scientists, additional research contracts and expansion of the present intramural effort.

This necessary expansion could create new and applicable knowledge in several essential areas:

-- Fetal Alcohol Syndrome. (a pattern of fetal deformity as the result of heavy alcohol consumption during pregnancy). Are there safe levels of consumption during pregnancy? Is there a pharmacological method of prevention? Can an effective prevention program be developed? These questions cannot be answered without additional research.

--Genetic research. Is there a predisposition to alcoholism? What are the inheritable factors? Who is at high risk?

--Epidemiological studies and expansion of surveillance, medical epidemiology and social epidemiology. Only through the creation of a documented data base can we understand the prevalence and incidence of alcoholism, frequency and impact of secondarily-contracted disorders, and specific risk factors, prevention techniques and acceptable treatment outcomes for special populations.

--Diagnostic tests. Can alcoholism be determined through an objective, laboratory test? Can we assess drinking history, organ damage and other identifying factors by establishing biological indicators?

--Screening techniques. Is it possible to develop a screening technique to readily identify the incipient alcoholic? Are there biomedical tests which correlate alcoholism and motor performance, perception, and cognitive effects?

--Other research areas of importance to the alcoholism field include those in endocrinology, central nervous system, metabolism, pathology (cirrhosis of the liver remains the number 5 cause of death among Americans aged 21-65, and the majority is alcoholism-related), and nutrition.

Training

The Coalition recommends an appropriation of $15 million in FY 1980 for NIAAA-supported training in the alcoholism field. There are still too many medical and professional schools with little of no curricula in the area of alcoholism. As a result, all too many times a primary diagnosis of alcoholism is overlooked. It is not just physicians who lack alcoholism identification and treatment training, but other professionals and paraprofessionals, including clinicians, psychologists, social workers, nurses, and others who are important contributors to our health system. As well, we see the need for community-based, supplemental training for what we call society's gatekeepers: attorneys, clergy, police, community organization representatives, teachers, and other agents frequently sought out for sound advice or referral who often come into direct contact with alcoholic individuals.

A new profession which has come to the forefront in alcoholism treatment is the professional alcoholism counselor. Our Coalition supports expanded development of these dedicated professionals as effective and efficient providers of care and guidance. A credentialling mechanism is needed through which to bestow a standard of certification for these counselors. We wish to see these counselors brought in from the periphery of the health care system in order to reduce a treatment approach dominated by more expensive and frequently less effective purely medical methods. The Coalition recommends that $200,000 be earmarked for the operations of a counselor credentialling body at NIAAA.

Of the $15 million for training, we would like to see $10 million dedicated for clinical training and $5 million for research training. Such an appropriation would permit the award of grants to support new career teacher programs in medical schools and university continuing education programs for health personnel, and training programs for degreed and non-degreed professionals, law enforcement and judicial officials and family therapy programs. In addition, the Institute could support new programs at non-profit institutions for alcoholism research

training programs while supporting predoctoral and postdoctoral fellowships in the biological, psychological and social science research areas.

Project Grants and Contracts

The Institute's community-based programs represent the vanguard of its efforts. Project monies support efforts in the areas of community-based treatment, rehabilitation and prevention. The President's budget does contain an increase in this area, earmarked for special alcoholism initiatives to be announced by HEW Secretary Califano on May 1. These initiatives are intended to provide new directions in the areas of women and youth, domestic violence, employee alcoholism programming and the fetal alcohol syndrome. HEW originally requested $40.3 million for these initiatives, and the Coalition supports this original figure. As well, the Coalition seeks another $80 million to fund ongoing programs and provide relief to the tremendous backlog of approved but unfunded programs. Important programs include those directed at early intervention and treatment programs specifically tailored to meet the special needs of high-risk populations, such as Native Americans and other ethnic minorities and women; programs designed to affect drinking drivers, public inebriates, the elderly and those involved with the criminal justice system.

Included in this line item are incentive grants to states which have implemented the principles of the Uniform Alcoholism and Intoxication Treatment Act which decriminalizes chronic public inebriety by providing health services rather than a jail sentence. It is important that a level of support be appropriated to allow the continuation of these grants to the 25 states which have implemented the Uniform Act and to new states which may pass the Act this year.

Project areas of particular importance to the Coalition include:

--Occupational Alcoholism Recovery programs. Programs directed at employed alcoholics have been hailed as among the most effective methods of early identification, intervention and referral to care. Once started up with federal seed money, these programs pay for themselves rapidly in terms of restored production, fewer accidents and better and lower-cost insurance. Most alcoholics are employed, thus, it has been estimated, that some 6% of most any employee population is alcoholic. Identification, referral and treatment are sensible cost-effective and humane alternatives to dismissal of the alcoholic employee. Alcoholism is our nation's number one occupational disease and, in addition to the need for more programs, we need to aggressively market the facts on the efficacy of occupational programs in order to create a greater interest in this vital area. We would like to see $15 million dedicated to this area for continuations and new programs.

--Women and Youth. Despite Congressional mandates, too few NIAAA programs are presently directed at women and youth. The President's budget allows expansion of these efforts but does not go far enough. Additional women's grants could provide service delivery in communities including support for public inebriate programs, halfway houses, family therapy and outreach and intervention. New Youth programs could include demonstrations of prevention, intervention, and treatment techniques and approaches, building upon established youth service systems such as social service providers, boys' clubs, scouts, 4-H and school counselors.

--Poverty Programs. These are directed largely at Black and Spanish-speaking citizens and rural areas. The Coalition recommends that sufficient funds be earmarked for new poverty programs in FY 1980 to fulfill the Congressional mandate of greater emphasis in this area.

--Indian Programs. It is a well-known fact that alcoholism has reached epidemic proportions among the American Indian population. It has been estimated that the majority of reservation suicides, murders, accidental deaths and injuries are associated with alcoholism, as are many cases of infection, cirrhosis and malnutrition. Despite the availability of services, programs for Indian alcoholics and their families are not well coordinated with inadequate communication among the various programs and agencies. Intermittent community education programs, undertrained counselling staff and

scarce evaluation programs combine to create tremendous barriers to effective prevention and treatment of Indian alcoholism. After 6 years of NIAAA support and technical assistance, "mature" Indian programs are transferred to be administered and funded by the Indian Health Service. However, of great concern to the Coalition is that fact that when an Indian program is transferred, it does not leave behind a funding "slot" at NIAAA to start up a new program; instead, the Indian budget is diminished. The Coalition believes that Congress should appropriate in FY 1980 at least the same amount for Indian alcoholism programs at NIAAA as it did for FY 1979. Further, we are hopeful that the Committee will consider report language to the effect that when "mature" Indian alcoholism programs are transferred to the Indian Health Service, there will remain a funding "slot" at NIAAA to start up a new program.

--Prevention Programs. Effective prevention models and resultant efforts hold the greatest promise of reducing the enormous private and public expenditures on alcoholism and alcohol-related problems. Alcoholism can often lead to serious secondary complications including cirrhosis of the liver, hepatitis, gastritis, hypertension, gall bladder disease and a variety of respiratory and musculoskeletal disorders. In this light, the economic sense of alcoholism prevention cannot be overstated. The Coalition recommends a prevention budget of $12 million to accommodate new prevention programs. We recommend new awards to test prevention strategies for specific, high-risk groups; gain better understanding of the social and environmental influences on alcoholism; provide for longitudinal follow-up of prevention program participants; and the development of models and programs to provide a distinct approach to alcohol-specific education.

Throughout the treatment and rehabilitation projects, we hope the Committee will stress the importance of the utilization of alcoholism halfway houses. The Coalition fully supports the halfway house concept and movement. We hope this committee will recognize, as we do, that this Nation's network of halfway houses is a vital, essential and unique component of the continuum of care available to alcoholic individuals and their families. We call your attention to the fact that many alcoholic persons have achieved recovery through halfway houses at very low cost, thus rendering an irreplaceable and cost-effective service to their communities and to the public at large. We are hopeful that this Committee will endorse the community-based and personal appraoch uniquely exemplified by halfway houses and will specifically designate funds for start-up, administration and demonstration of alcoholism halfway houses.

Formula Grants to States

The Institute administers a program of grants to states, based on a specific incidentce-related formula, in order to give states discretion to tailor alcoholism programs to the state alcoholism plan and to the overall state health plan. The Coalition strenuously objects to the Administration's doctrinnaire elimation of this program, and suggests, instead, that the state formula grants be funded at $85 million in FY 1980. Such an amount would provide the states with more flexibility and authority to implement programs directed to their specific needs. While the Administration says that "flexibility" would be added under its proposal to merge alcoholism, drug abuse and mental health grants to states through one bloc mechanism, the Coalition feels the focus on alcoholism would be irreparably clouded by such a merger, thus rendering the funds far less effective. It should be noted that the Senate authorizing Committee has produced a reauthorizing bill which restores the state formula grants.

Program Support

In order to effectively administer new initiatives, mandated by Congress, HEW and suggested by the Coalition here today, the NIAAA needs to increase its staff capabilities. A GAO report on the Institute correctly pointed out that the present staff size is inadequate and in desperate need of expansion. For example. the Interagency Committee for Federal Activities on Alcohol Abuse and Alcoholism, a central coordinating body mandated by Congress, is in need of 6 full-time staff to competently coordinate the many and varied Federal alcoholism programs administered by as many as 10 agencies. The President's budget contemplates no expansion of Institute staff. The Coalition recommends the appropriation of $11.6 million

for program support to expand the staff. Such an appropriation would permit the Institute to more effectively administer the broad range of programs under its legislative authorities.

Summary

In conclusion, the National Coalition for Adequate Alcholism Programs respectfully recommends to the Committee an appropriation of $277,005 million for the National Institute on Alcohol Abuse and Alcoholism in fiscal 1980. To reiterate, this is $45.4 million for research; $15 million for training; $120 million for project grants and contracts; $85 million for formula grants to states; and $11.6 for programs support. If ever we are to prevent and control alcoholism and the resultant hardship it represents on our society and our economy, now is the time.

Thank you, Mr. Chairman, for this opportunity to testify before the Committee. We respectfully request that this prepared statement be made a part of the permanent hearing record.

## STATEMENT OF VIRGINIA Q. BAUSCH

Mr. Chairman and Members of the Committee, the American Academy of Child Psychiatry is a national professional organization of over 2,100 child psychiatrists whose expertise and interests focus on the mental health of the nation's children. In order to assure that the mental health needs of these children can be met, sufficient numbers of trained manpower must be available. Through the Division of Manpower and Training Programs of the National Institute of Mental Health, such manpower can be provided. However, recent appropriations for NIMH clinical training have not been sufficient, and as a result, there is currently a severe shortage of mental health professionals trained to work with children and adolescents. Our comments below will focus on the necessity of appropriating sufficient mental health clinical training funds in the fiscal year 1980 Labor-HEW Appropriations legislation to begin to offset this manpower shortage.

Of the nation's 88 million children and adolescents, 10 percent, or 8.8 million, are estimated (conservatively) to be in need of treatment for mental or emotional illness reflected by disturbed or disturbing behavior. There are only about 3,000 trained child psychiatrists to serve this population while the most conservative formula estimates the need for 5,500 (see figures in attached document). Many community mental health centers and other psychiatric facilities serving children and adolescents have had to leave positions for child psychiatrists unfilled for many years because of this shortage.

The new Education for All Handicapped Children Act, the pending amendments to the Early and Periodic Screening, Diagnosis, and Treatment Program, and the prospect of a Community Mental Health Systems Act all increase the demand for child psychiatrists. Whatever form national health insurance may someday take, increasing numbers of emotionally disturbed, mentally retarded, and developmentally disabled children and adolescents will be identified and will need treatment. There are at present an estimated 200 child psychiatrists completing training each year; this is barely enough to maintain the existing manpower force. Without growth in the clinical manpower area, legislative initiatives, such as those just enumerated, will pose additional burdens on this already scarce resource. Thus, there will not be sufficient numbers of mental health professionals available to deliver all the needed services which these initiatives warrant.

The demand for more child psychiatrists is further highlighted by today's approach to delivering medical care, an approach based on the concept of the primary care physician. It should be realized that the child psychiatrist alone has training in both the physical and psychological development of children and is in a unique position to help the primary care physician understand the child's psychiatric and emotional disorder and the impact of the illness on the child's development and on his/her family.

The President's Commission on Mental Health recognized the need to train more mental health professionals to work specifically with children and adolescents, a population which the Commission identified as underserved according to its needs. In its Report issued on April 27, 1978, the PCMH recommended that psychiatry be designated as a medical shortage specialty and, in its comments on "Personnel for Unmet Needs", stated the following:

> The Commission is particularly troubled by the lack of people trained specifically to work with children, adolescents, and the elderly. These groups comprise more than half the Nation's population, but they are among those receiving the fewest mental health services. Since the interplay between socioeconomic, cultural, biological, and psychological factors is so profound during these life stages, those who provide care must have highly specialized knowledge and skills. Mental health care to children, adolescents, and the elderly often requires professionals who can work well with paraprofessionals, volunteers, and individuals working in the other human services. Few educational programs exist to train such people, and the result is a shortage of specialists. The Commission therefore recommends that:
>
> > The Department of Health, Education, and Welfare fund efforts designed to increase the number of mental health professionals trained to work with children, adolescents, and the elderly with the provisions that:
> >
> > a) programs include training in supervision, administration and consultation as well as in diagnosis and treatment;
> > b) a reasonable amount of faculty supervised training be given in such facilities as schools, hospitals, clinics, nursing homes, and senior citizen programs; and
> > c) students receiving scholarship or loan support be required to repay them by service in publicly funded facilities or other shortage areas.

To implement its clinical manpower goals, the President's Commission on Mental Health recommended that "funding for clinical and service manpower and training programs of the National Institute of Mental Health be increased to $85 million in fiscal year 1980."

Despite these facts, the President's proposed FY 1980 budget for HEW cuts FY 1979 appropriations for clinical training by $3.6 million. This reduction would result in a loss of nearly $2 million to the Psychiatry Education Branch of NIMH. Child psychiatry training programs, which are funded through this branch, would be forced to survive at last year's level of funding. Program support would, in actuality, be reduced, because no allowance is made for increased costs due to inflation. The effect of the President's budget request would be to allow no opportunity for expansion, to thwart all efforts to offset the child psychiatric manpower shortage, and to undermine the goals of the PCMH.

For FY 1979, Congress provided an additional $6 million for clinical training over the President's static budget request of that year. This was an improvement over appropriations of the recent past. Yet even with this increase, the Psychiatry Education Branch was able to meet only one-third of its needs for new and continuing clinical manpower programs in FY 1979. It is essential that more financial resources be made available if we are to begin to offset the child psychiatric manpower shortage.

Therefore, the American Academy of Child Psychiatry urges Congress to provide funding for NIMH clinical training programs at the $85 million level recommended by the President's Commission on Mental Health. The thrust of the Commission was recognized by both the House and Senate Appropriations Committees in their Committee Reports on the

FY 1979 Labor-HEW Appropriations legislation. These Reports expressed Congressional intent that a greater portion of clinical training funds be directed to train specialists to work with underserved populations. The Academy applauds this action. We hope that this year, Congress will carry this thrust one step further - including in the Committee Reports which accompany FY 1980 Labor-HEW Appropriations legislation, language expressing Congressional intent that one-half of new training monies be directed to programming focused on children and youth. It is only through increased support that the shortage of mental health specialists trained specifically to work with this underserved population can begin to be offset. The availability of such specialized manpower is essential to enabling these youngsters to receive the mental health services they vitally need and rightfully deserve.

While our comments this morning have addressed only one portion of the FY 1980 budget for the Department of Health, Education, and Welfare, the Academy wishes to express its concern that all programs and research which affect the delivery of services to children and adolescents be funded at levels sufficient to insure that every child be provided with those resources necessary to his/her maximum developmental realization. Thus, a comprehensive array of services - including prenatal health care, facilities and personnel to insure infant vitality during and at birth, early detection and prevention services, age-appropriate treatment services, appropriate family support systems, alternative child care systems such as day care centers, and enrichment programs such as Head Start - must be available to all children if their physical and mental needs are to be met. We wish to draw particular attention to the new adolescent pregnancy program to be administered by DHEW's Public Health Service. If properly funded, this program has the potential of providing the necessary health, education, and social services to meet the critical needs of pregnant adolescents. The Academy urges Congress to act favorably on the President's FY 1980 budget request of $60 million for this program.

## LETTER FROM VIRGINIA Q. BAUSCH

May 11, 1977

Daniel F. Whiteside, M.D.
Director, Bureau of Health Manpower
Federal Center Building No. 2, Room 422
3700 East-West Highway
Hyattsville, Maryland 29782

Dear Dr. Whiteside:

I am writing in response to the Notice of Intent of Federal Register, Volume 42, No. 55, 15433-15438, and in regard to the criteria for determining manpower shortage areas.

It is the purpose of this communication to try to establish the entire United States as an area in which there is a shortage of child psychiatrists in crisis proportions. The Health Professions Educational Assistance Act seeks to establish criteria for manpower shortage by special populations, facilities, and geographical locations. The American Academy of Child Psychiatry maintains that all mentally ill children are a special population whose needs are not being served. We hope that through this legislation a plan can be developed to begin addressing this need.

In children, mental illness often impedes and always complicates child development. Today with continued emphasis on primary care, it should be realized that the child psychiatrist alone has training in both physical and psychological development in children and is the only specialist that can help the primary care physician to understand the childs psychiatric and emotional disorder and the impact of the illness on the child and his/her family.

The AACP concurs in the recommendation of the American Psychiatric Association in Melvin Sabshin's, April 21, 1977 letter to you.

In an effort to document the child psychiatrist manpower shortage the AACP has developed several shortage criteria formulae all based on the most minimal care. In the most cooservative formula the need for child psychiatrists is 5,500. Today there are only 2,500 child psychiatrists with an estimated 200 completing training each year, barely enough to maintain the manpower force.

The different criteria which could be used for determining the child psychiatrist manpower shortage are:

A. Need Estimates.
There has been much speculation but little data on the number of children in need of service, as compared with the number of children that actually receive services. The Mental Health Association estimates that "5 million children have some form of mental disturbance and probably twice that many." If each of these 5 million children were evaluated and the evaluation and treatment plan then supervised by a child psychiatrist for one hour and the plan was reviewed for one hour in 6 months in terms of treatment adequacy, prognosis, and future treatment, it would require 11,000,000 child psychiatry hours or 5,500 child psychiatrists, (2,000 hours/child psychiatrist year).

***B. If we only look at the children actually receiving services in public institutions, (community mental health centers and state hospital) then we arrive at the following figures.

1. State Hospitals.
There are approximately 60,000 children under 21 in state and county mental health hospitals. These are the severely ill children requiring extensive long term treatment. The most severely disturbed children with the worst prognosis are the hospitalized; these should receive treatment from the most highly trained professionals. Medical supervision of treatment of the severely mentally ill child falls to the child psychiatrist because many of the direct treatment professionals are from non medical backgrounds. These children should be seen by child psychiatrists for medication and intensive psychotherapy. If we assume that each should see a child psychiatrist for 4 hours per week, then one child psychiatrist would be needed for 10 patients or 6,000 child psychiatrists just for the actual state hospital population of children. These figures do not reflect the additional time needed for court procedures, outpatient evaluations, admissions, treatment plans, or parent consultations.

2. Community Mental Health Centers.
In 1975 there were 300,000 children under 21 seen in community mental health centers. If we assume that each received only two hours for supervision and consultation about treatment plans, there is a need for 300 full time child psychiatrists working only in community mental health centers. If we attempt to establish a more realistic standard for treatment we arrive at the following.

- 2% of the admissions are severely psychotic and should be seen for treatment supervision 1 hour per week. (6000children x 50 hours/year = 300,000 child psychiatric hours per year.)
- Half of the admissions should have a 4 hour evaluation or be reviewed by a child psychiatrist for treatment planning and medication needs, an additional need of 600,000 child psychiatry hours.
- 1/5 of the admissions will each require 25 hours per year (1,500,000 child psychiatrist hours per year).

Using the above as an indication of the minimal needs of the actual patient population, community mental health centers today SERVING ONLY 40% OF THE POPULATION REQUIRE 2,415 CHILD PSYCHIATRISTS. Therefore, the total number of child psychiatrists needed in the public sector JUST ACCORDING TO ACTUAL UTILIZATION IS 8,415 (patient needs in community mental health centers added to patient needs in state hospitals). THIS FIGURE DOES NOT INCLUDE COMMUNITY CHILD PSYCHIATRIC SERVICES FOR THE 60% OF THE POPULATION WHICH IS NOT WITHIN A COMMUNITY MENTAL HEALTH CENTER CATCHMENT AREA.

C. Another method of determining criteria is to state that there should be at least 2 child psychiatrists per community mental health center catchment area (planned catchment areas serving populations of 75,000 - 200,000). There are 1,400 designated

areas of the United States. Thus the community mental health center system alone would require 2,800 child psychiatrists.

D. The National Institute of Mental Health currently estimates a need for 10,000 more psychiatrists. If we accept that children are 40% of the population, then at least 4,000 of these should be child psychiatrists.

E. Another method of determining shortage is to use the APA's criteria of 1 psychiatrist per 10,000 population. If the child population is 88,000,000 then there is a need for 8,800 child psychiatrists.

F. Finally, present legislation emphasizes and supports the concept of the primary care practitioner. Today there are 23,000 pediatricians and 12,000 family practitioners. If each were to consult with a child psychiatrist for only one hour per week, it would require 925 full time child psychiatrists, 1/3 of the total just to support the primary care concept.

Enclosed is a list of specific changes recommended for regulations of this legislation and a breakdown by geographic distributions of Academy members correlated to state childrens population.

All of the above attempts to illustrate that in the specialty of child psychiatry, the problem of distribution of manpower cannot be adequately dealt with until there is a plan to encourage child psychiatric manpower development. AACP studies show that 75% of our members are involved in community services, administration, teaching and consultation.

We hope that through regulations for the Health Educational Assistance Act serious attention can be addressed to the mental health manpower needs of the children of the United States.

If you have any questions concerning the above, please do not hesitate to contact the Academy.

Sincerely,

Virginia Q. Bausch

Virginia Q. Bausch
Executive Director

Public Law 94-484

Issues of Concern

page 2250, Sec 708, (b), (2): "...analytic and descriptive studies of the health professions... by specialty and geographic location". It will be important to clearly separate out mental health needs as separate from health needs. Similarly, one must separate out child mental health needs from general health or mental health needs. Unless this is done, the recognition of child mental health needs will be diluted out or camouflaged.

page 2270, Sec 332(a): This section defines "health manpower shortage areas". Again, it will be important to clarify the child mental health needs for similar shortage areas as separate from general health needs. Perhaps the focus should explore the numbers needed for the population and/or number needed to support a specific number of primary care physicians.

page 2270, Sec 332(b): This section focuses on the criteria for determining the numbers of health manpower needed for specific areas of need based on specific health-related indicators. Similar indicators of child mental health needs must be identified. Different criteria for determining manpower needs in the child mental health area should be developed.

page 2277, Sec 337(a): There will be a National Advisory Council on the National Health Service Corps. We might seek representation through part (1); viz. the National Consortium of Child Mental Health Services.

page 2280, Sec 749(a): Both here and throughout, psychology and psychiatric nursing are not mentioned. Should be concerned.

page 2285, Sec 752(b)(5): The maximum delay before payback time is 3 years. One needs 5 years to complete child psychiatric training.

page 2294, Sec 771(b)(2): If the Feds define what percent of house staff must be in primary care they also indirectly define what percent can be in non-primary care specialties. Will psychiatry and child psychiatry be competing with the surgical and medical specialties for housestaff positions? If so, these training programs might be too weak to successfully compete. Will Deans "encourage" psychiatry and child psychiatry training programs to move out into affiliate programs so as to not count as medical school housestaff. If so, this will effect training.

page 2300, Sec 601(a): There will be a marked decrease in the number of FMG's. This means that many general psychiatry and some child psychiatry training programs will close. What effect will this have on future manpower needs? On service needs at site of training?

page 2302, Sec 601(d)(4)(D): FMG's can stay for a maximum of 3 years. Child psychiatry training requires 5. If we are to train child psychiatrists for underdeveloped and other needing countries we must have an adequate number of FMG's from these countries coming for the full 5 years of training.

page 2306, Sec 795 (1): This section defined "allied health professional" using a health/medical model. How do we define allied mental health professional? Will this include psychology, social work, psychiatric nursing? If so, we must clearly define who we are so that we can then define what is "supporting, complementing, or supplementing".

page 2312, Sec 781 (a) and (c,1) and (d,2): We must alert and educate child psychiatry programs in medical centers to get involved in the health education center programs. These programs could be a source of monies for undergraduate, graduate, and continuing educational programs.

page 2316, Sec 786 (a) (1): Funding will be available to family medicine. Child psychiatry will need to be taught to the family medicine residents. By working with these departments it might be possible to obtain funding for child psychiatric faculty needed to provide this training.

General Concerns:

1. For individuals serving in the Corp:
   a) How best to provide support and continuing education.
   b) Could they, under a sponsored program, receive partial credit toward their child training.
   c) How best to help those who, on completion, want to move into academic child psychiatry or administrative child psychiatry.

(The esitmates have been rounded to the nearest thousand without being adjusted to group totals, which are independently rounded. Includes Armed Forces personnel residing in each state.)

| States | Number of Child Psychiatrists that are members of AACP | Number of children up to and including age 21 (in thousands) |
|---|---|---|
| Alabama | 3 | 1380 |
| Alaska | 1 | 172 |
| Arizona | 12 | 876 |
| Arkansas | 0 | 765 |
| California | 180 | 7571 |
| Colorado | 19 | 969 |
| Connecticut | 47 | 1076 |
| Delaware | 2 | 218 |
| District of Columbia | 68 | 238 |
| Florida | 43 | 2375 |
| Georgia | 26 | 1910 |
| Hawaii | 11 | 345 |
| Idaho | 1 | 327 |
| Illinois | 83 | 3988 |
| Indiana | 10 | 1986 |
| Iowa | 7 | 1037 |
| Kansas | 21 | 807 |
| Kentucky | 7 | 1272 |
| Louisiana | 20 | 1546 |
| Maine | 6 | 394 |
| Maryland | 66 | 1515 |
| Massachusetts | 139 | 6206 |
| Michigan | 56 | 3475 |

| States | Number of Child Psychiatrists that are members of AACP | Number of children up to and including age 21 (in thousands) |
|---|---|---|
| Minnesota | 30 | 1483 |
| Mississippi | 2 | 956 |
| Missouri | 32 | 1691 |
| Montana | 0 | 285 |
| Nebraska | 7 | 566 |
| Nevada | 2 | 226 |
| New Hampshire | 4 | 299 |
| New Jersey | 61 | 2545 |
| New Mexico | 8 | 484 |
| New York | 272 | 6177 |
| North Carolina | 35 | 2091 |
| North Dakota | 2 | 247 |
| Ohio | 51 | 3937 |
| Oklahoma | 2 | 980 |
| Oregon | 15 | 812 |
| Pennsylvania | 114 | 4042 |
| Rhode Island | 6 | 320 |
| South Carolina | 18 | 1116 |
| South Dakota | 1 | 260 |
| Tennessee | 14 | 1511 |
| Texas | 82 | 4778 |
| Utah | 7 | 541 |
| Vermont | 7 | 180 |
| Virginia | 42 | 1843 |
| Washington | 12 | 1297 |
| West Virginia | 5 | 639 |
| Wisconsin | 21 | 1713 |
| Wyoming | 0 | 327 |
| TOTAL | 1681 (U.S. members of AACP) | 82082 |

Estimates of the population of states, by Age July 1, 1975 and 1976, U.S. Dept. of Commerce, Bureau of Census, Series P-25, No. 646, issued February 1977.

## Statement of the National Coalition of Hispanic Mental Health and Human Services Organizations

COSSMHO--The National Coalition of Hispanic Mental Health and Human Services Organizations represents more than 180 agencies, five national organizations, and hundreds of individuals working in research, training, and services delivery in over 165 cities in 30 States, the District of Columbia, and the Commonwealth of Puerto Rico. Our membership encompasses Cuban, Latino, Mexican American, and Puerto Rican communities. We request that you give serious consideration during your deliberations to the following needs of our Hispanic American communities. Many of our concerns are shared by other bilingual/bicultural minorities in this country.

Improvements in HEW Programs Serving Bilingual/Bicultural Populations

Adequate funds should be provided and allocated to assure that bilingual staff and printed matter are available in any public assistance, social service, and Public Health Service program receiving support from HEW and serving areas where the population includes at least five percent non-English speaking persons or persons with limited English-speaking ability. This is needed to help overcome identified cultural and language barriers that impede our access to benefits and services in these programs.

Implementing Recommendations of the President's Commission on Mental Health

1. Throughout HEW, and especially in ADAMHA, funds should be targeted on needs identified by the President's Commission on Mental Health (PCMH), in particular, the needs of underserved ethnic and racial minorities as well as special populations such as women, children and youth, the elderly, migrant families, and rural populations. The need to mandate this funding emphasis within ADAMHA is underscored by legislation introduced by Senator Inouye to establish an Office of Minority Concerns within that agency to give heightened visibility, autonomy, and funding to minority programs.

2. Clinical and research training in the core mental health disciplines -- psychiatry, psychology, psychiatric nursing, and social work -- is a major Hispanic priority. Severe shortages of trained Hispanics in these fields are overlooked, in large part because the patterns of demand, supply, and distribution peculiar to special populations such as Hispanics are ignored. Professional Hispanic service providers and researchers rarely constitute more than 0.5% of the labor force in the core mental health professions (Report to the President's Commission on Mental Health from the Special Populations Sub-Task Panel on Mental Health of Hispanic Americans, 1978). For example, out of 29,356 registered practicing psychiatrists in the U.S. in 1978, 535 were of Hispanic origin -- 1.8% of the total; neither the number nor the percentage of Hispanic psychiatrists has changed since, according to figures provided by the American Psychiatric Association. In psychology, out of a total of 35,000-40,000 Ph.D.'s in this country in 1978, some 140-160 were of Hispanic origin -- 0.4% of the

total (figures provided by the American Psychological Association, Department of Statistics).

The President's Commission on Mental Health advocated that a major objective of Federal manpower policy should be to increase the number of qualified minority personnel in the mental health professions. The Commission recommended a major targeted effort, beginning in high school and continuing throughout the postdoctoral level, and also called for a new minority research training program. Yet despite these priorities, the Administration's budget request seeks no increase and proposes no targeted allocation of existing funds for minority training. However, regardless of the level of training funds, minority-oriented training should receive funding priority.

3. Research on Hispanic mental health and substance abuse is among our highest priorities. Without better knowledge of our problems, and without better and more culturally/linguistically relevant diagnostic, treatment, and prevention strategies, Hispanic progress is at a standstill. We support the proposed increases in ADAMHA's research budget. However, sizeable portions of these increases, together with adjustments of current funding, should be allocated for ethnic and racial minorities and for especially vulnerable minority populations such as women, children and youth, the elderly, migrant families, and rural populations. But regardless of budget size, ADAMHA should place serious and concerted emphasis on the special needs of these underserved populations.

Conclusion

For your further consideration, we would like to submit for the record a copy of the latest report on Hispanic priorities in mental health, drug and alcohol programs prepared by COSSMHO's National Hispanic Committee.

Thank you.

. STATEMENT OF JOHN C. WOLFE, PH. D., EXECUTIVE DIRECTOR, NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS, INC.

THANK YOU, MR. CHAIRMAN. I AM JOHN WOLFE, EXECUTIVE DIRECTOR OF THE NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS. OUR ORGANIZATION REPRESENTS PROVIDERS OF MENTAL HEALTH SERVICES AT THE COMMUNITY LEVEL. OUR MEMBERSHIP INCLUDES OVER 650 COMMUNITY MENTAL HEALTH CENTERS.

IT IS VERY DIFFICULT FOR ME TO RESPOND TO THE PRESIDENT'S BUDGET SINCE HIS BUDGET IS BASED ON THE ASSUMPTION THAT A BILL WHICH HAS YET TO BE INTRODUCED WILL PASS THROUGH CONGRESS AND WILL BE READY TO BE EXECUTED BY THE BEGINNING OF THE NEXT FISCAL YEAR. I CERTAINLY WOULD LIKE TO SEE THIS HAPPEN, BUT IT IS TOTALLY UNREALISTIC TO THINK THAT SUCH A COMPLEX PIECE OF LEGISLATION CAN COMPLETE THE LEGISLATIVE PROCESS IN SUCH A SHORT PERIOD OF TIME.

I KNOW OF NO ONE IN THE MENTAL HEALTH FIELD, NEITHER IN THE GOVERNMENT NOR IN THE PRIVATE SECTOR, WHO ACTUALLY BELIEVES THAT THE PRESIDENT'S PROPOSAL WILL GET THROUGH CONGRESS BEFORE THIS COMMITTEE MARKS UP ITS APPROPRIATIONS BILL IN MAY. YET, THIS IS THE PRECISE ASSUMPTION ON WHICH THE ADMINISTRATION IS BASING ITS BUDGET REQUEST. IT IS A DANGEROUS ASSUMPTION. SHOULD MONEY BE APPROPRIATED FOR A NEW MENTAL HEALTH PROGRAM, AND THAT PROGRAM IS NOT AUTHORIZED, OUR EXISTING MENTAL HEALTH SYSTEM WILL RECEIVE NOTHING.

IN 1975 CONGRESS OVERRODE A PRESIDENTIAL VETO AND PASSED PUBLIC LAW 94-63 TO CONTINUE THE CMHC PROGRAM. THE PREAMBLE TO THAT LAW STATES: "THE CONGRESS FINDS THAT COMMUNITY MENTAL HEALTH CARE IS THE MOST EFFECTIVE AND HUMANE FORM OF CARE FOR A MAJORITY OF MENTALLY ILL INDIVIDUALS."

IF THE TREND TOWARD DEINSTITUTIONALIZATION AND THE HUMANE TREATMENT OF THE MENTALLY ILL IS TO CONTINUE, THIS COMMITTEE MUST BE PREPARED TO APPROPRIATE THE NECESSARY FUNDS TO CONTINUE THE COMMUNITY PROGRAM. THIS MUST BE DONE REGARDLESS OF THE PROBABILITY THAT NEW MENTAL HEALTH LEGISLATION WILL BE PROPOSED BY THE WHITE HOUSE IN THE NEAR FUTURE. MR. CHAIRMAN, I WILL NOT BELABOR THIS POINT ANY FURTHER BECAUSE I BELIEVE THIS COMMITTEE DEALS WITH REALITIES AND WILL NOT APPROPRIATE FUNDS FOR A PROGRAM THAT DOES NOT EXIST AND MAY NEVER EXIST.

LAST YEAR $308.2 MILLION WAS APPROPRIATED FOR CMHCs. THIS YEAR, WE ARE ASKING FOR SOMEWHAT LESS -- $299 MILLION, BROKEN DOWN AS SHOWN IN TABLE 1.

THE NATIONAL INSTITUTE OF MENTAL HEALTH ADVISES US THAT AN ADDITIONAL $31 MILLION WOULD BE REQUIRED FOR FY 1980 CONTINUATION GRANTS SHOULD THE ADMINISTRATION RELEASE FY 1979 NEW OPERATIONS GRANT FUNDS BEFORE THE END OF THIS FISCAL YEAR. THIS WOULD BRING OUR REQUEST UP TO $330 MILLION, WHICH IS ONLY SLIGHTLY ABOVE LAST YEAR'S APPROPRIATION. AGAIN, THE ADMINISTRATION HAS PRODUCED A CHAOTIC SITUATION BY NOT RELEASING FUNDS WHICH CONGRESS HAS ALREADY APPROPRIATED ON THE THEORY THAT ITS PROPOSED LEGISLATION -- WHICH HAS NOT YET BEEN INTRODUCED -- WILL BECOME LAW WITHIN THE NEXT FEW MONTHS.

TABLE I *($ in millions)*

| | NCCMHC Recommendation | No. Applicants Funded | Population Served |
|---|---|---|---|
| Planning | 1.0 | 18 | N/A |
| Initial Operations | 35.0 | 40 | 6 million |
| C&E | | | |
| *New* | 8.1 | | |
| *Continuing* | 11.9 | | |
| *Subtotal* | 20.0 | 215 | 32 million |
| Distress | | | |
| *New* | 12.2 | | |
| *Continuing* | 12.8 | | |
| *Subtotal* | 25.0 | 62 | 9 million |
| Continuations for Operations, Staffing & Children | 214.5 | approx. 726 | 90-100 million |
| Conversion | | | |
| *New* | 1.7 | | |
| *Continuing* | 1.8 | | |
| *Subtotal* | 3.5 | 17 | 2 million |

OUR NATION'S CONTINUED PROGRESS IN PROVIDING COMMUNITY CARE FOR THE MENTALLY ILL DEMANDS IMMEDIATE RELEASE OF THE $30.5 MILLION APPROPRIATED FOR NEW OPERATIONS GRANTS. WITHHOLDING THESE FUNDS NOT ONLY DEPRIVES MILLIONS OF PERSONS ACCESS TO COMMUNITY SERVICES, BUT ALSO EFFECTIVELY NEGATES PROGRESS MADE BY COMMUNITY GROUPS AND DEMORALIZES THOSE WHO HAVE WORKED SO HARD TO DEVELOP THESE MENTAL HEALTH RESOURCES.

IN YEARS PAST, CMHC AWARDS HAVE BEEN RATIONALLY APPORTIONED AND FUNDED THROUGHOUT THE YEAR. MOREOVER, WHILE RECOMMENDING EXPANSION OF COMMUNITY SERVICES, THE PRESIDENT'S COMMISSION ON MENTAL HEALTH ALSO STATES THAT "UNTIL THIS NEW PROGRAM [OF SERVICES] IS ENACTED, THE MOMENTUM TOWARD COMMUNITY MENTAL HEALTH SERVICES GENERATED BY THE CENTERS PROGRAM SHOULD BE MAINTAINED."

CURRENTLY, 28 COMMUNITIES HAVE NIMH "APPROVED BUT UNFUNDED" GRANTS TOTALING $19,830,166, WHICH COULD BRING SERVICES WITHIN REACH OF OVER FOUR MILLION PERSONS. A LIST OF THESE GRANTS IS ATTACHED AS EXHIBIT 1. SOME COMMUNITIES HAVE BEEN

WAITING OVER A YEAR FOR THEIR FUNDING, WITH SUBSTANTIAL INVESTMENTS OF VOLUNTEER TIME, LOCAL AND STATE FUNDING FOR FACILITIES, RESEARCH, DATA COLLECTION AND SYSTEMATIC PROGRAM PLANNING, AS WELL AS SUBSTANTIAL INVESTMENTS OF FEDERAL RESOURCES IN TERMS OF GRANT REVIEWS AND TECHNICAL ASSISTANCE. THESE 28 COMMUNITIES HAVE SPENT MORE THAN $3 MILLION IN FEDERAL, STATE AND LOCAL TAX DOLLARS TO REACH THE STAGE OF OBTAINING AN APPROVED APPLICATION. IN ADDITION, MANY AREAS HAVE INVESTED SUBSTANTIAL SUMS IN BUILDINGS (ONE CENTER IN OHIO HAS TWO NEW STATE-FUNDED FACILITIES COSTING OVER $2 MILLION WHICH NOW STAND EMPTY AWAITING A PROGRAM).

THE DEFERRAL IS PREVENTING SERVICES AND DENYING JOBS. IT IS ALSO DISRUPTING THE ORDERLY START-UP PROCESS AND MAKING IT MORE DIFFICULT FOR NIMH TO RESPONSIBLY MANAGE THE PROGRAM. SINCE 60 MORE CENTERS ARE EXPECTED TO BE APPROVED BY THE END OF FY 1979, THE EFFECT OF RELEASING $30 MILLION IN THE FINAL QUARTER WILL BE CHAOTIC, AT BEST, AND MOST LIKELY ONLY PART OF THE MONEY WILL BE OBLIGATED BECAUSE OF THE INHERENT COMPLEXITIES OF THE BUREAUCRATIC PROCESS. MOREOVER, THIS ACTION DISCOURAGES OTHER COMMUNITIES IN AREAS WHICH NOW HAVE NO MENTAL HEALTH SERVICES FROM DEVELOPING APPLICATIONS FOR ANY FEDERAL MENTAL HEALTH GRANT. FAILING TO FUND SUCH GRANTS IN AN ORDERLY MANNER IN ACCORDANCE WITH THE AUTHORIZING LEGISLATION AND THE CONGRESSIONAL APPROPRIATION OF FUNDS NOT ONLY SERVES AS A DISINCENTIVE TO POTENTIAL APPLICANTS, BUT ALSO DISCREDITS THE ENTIRE FEDERAL MENTAL HEALTH SERVICES PROGRAM.

WE UNDERSTAND THAT THE RATIONALE FOR THE FOURTH QUARTER APPORTIONMENT IS PREDICATED UPON THE ADMINISTRATION'S DESIRE TO IMPOSE ON NEWLY FUNDED CMHCS CERTAIN NOT YET ESTABLISHED STANDARDS WHICH ARE TO BE CONSISTENT WITH LEGISLATIVE PRO-

POSALS CURRENTLY UNDER DEVELOPMENT. IT CAN BE QUESTIONED WHETHER THE ADMINISTRATION CAN ALTER THE FUNDING CRITERIA FOR NEW CMHC FUNDS APPROPRIATED BY CONGRESS, AND FURTHERMORE, WHETHER THE ADOPTION OF THE FOURTH QUARTER DEFERRAL PLAN HAS MET THE REQUIREMENTS OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

IT APPEARS THAT THE ADMINISTRATION HAS FAILED TO LIVE UP TO ITS LEGAL OBLIGATIONS UNDER THE BUDGET AND IMPOUNDMENT ACT, WHICH WAS DESIGNED TO HANDLE SUCH CONTROVERSIES. THE ADMINISTRATION HAS NOT SENT A BUDGET DEFERRAL NOTICE TO CONGRESS AS THE LAW REQUIRES. THIS WITHHOLDING CLEARLY FALLS WITHIN THE DEFINITION OF "DEFERRAL OF BUDGET AUTHORITY" AS IT APPEARS IN 31 U.S.C. SECTION 1401:

> (1) 'DEFERRAL OF BUDGET AUTHORITY' INCLUDES --
>
> (A) WITHHOLDING OR DELAYING THE OBLIGATION OR EXPENDITURE OF BUDGET AUTHORITY (WHETHER BY ESTABLISHING RESERVES OR OTHERWISE) PROVIDED FOR PROJECTS OR ACTIVITIES; OR
>
> (B) ANY OTHER TYPE OF EXECUTIVE ACTION OR INACTION WHICH EFFECTIVELY PRECLUDES THE OBLIGATION OR EXPENDITURE OF BUDGET AUTHORITY, INCLUDING AUTHORITY TO OBLIGATE BY CONTRACT IN ADVANCE OF APPROPRIATIONS AS SPECIFICALLY AUTHORIZED BY LAW.

ACCORDINGLY, WE HOPE THAT AN APPROPRIATE MODIFICATION OF THE FUNDING PROCESS FOR NEW CMHCS CAN BE MADE WHICH ALLOWS THE 28 APPROVED BUT UNFUNDED CENTERS TO RECEIVE IMMEDIATE FUNDING, AND WHICH ALLOWS OTHER SUCCESSFUL APPLICANTS TO RECEIVE FUNDS IN AN ORDERLY PROCESS OVER THE REMAINDER OF FY 1979.

THE PRESIDENT'S COMMISSION ON MENTAL HEALTH RECOMMENDED COVERAGE OF OUTPATIENT SERVICES OF COMMUNITY MENTAL HEALTH CENTERS UNDER MEDICARE. CURRENTLY, THERE IS NO APPROPRIATE

PROVIDER CATEGORY FOR CMHCs, AND CENTERS CAN ONLY COLLECT FOR OUTPATIENT SERVICES IN AN INDIRECT MANNER. THIS IS ACCOMPLISHED BY STAFF PHYSICIANS WHO BILL FOR CENTER AND PRIVATE PATIENTS TOGETHER AND THEN REIMBURSE THE CMHC. THIS IS NOT GOOD BUSINESS PRACTICE, NOR IS IT PROGRAMMATICALLY SOUND SINCE CMHCs UTILIZE TEAMS OF PROFESSIONALS AND CANNOT MEET THE RESTRICTIVE DEFINITION OF SUPERVISION BY A PHYSICIAN, AS SPECIFIED UNDER MEDICARE.

IN ADDITION, TO TEST THE FEASIBILITY OF COVERING CMHC SERVICES UNDER MEDICARE, THE HEW IMPLEMENTATION TASK FORCE HAS PROPOSED "A MAJOR RESEARCH AND DEMONSTRATION PROJECT" BEGINNING IN FY 1979-80. THIS PROJECT, HOWEVER, IS NOW IN SOME JEOPARDY DUE TO THE FAILURE OF OMB TO APPROVE RESEARCH COSTS FOR IT IN THE FY 1980 BUDGET. AN ADDITIONAL $5 MILLION IS NEEDED IN THE NIMH SERVICES RESEARCH BUDGET FOR THIS PROJECT. WITH MORE AND MORE CMHCs GRADUATING FROM THE FEDERAL GRANT PROGRAM TO DEPENDENCE UPON THIRD-PARTY PAYMENTS, MODIFICATION OF MEDICARE TOWARD COMPATIBILITY WITH THE CMHC LEGISLATION IS URGENTLY NEEDED. WE URGE THE COMMITTEE TO INCLUDE THIS ADDITIONAL $5 MILLION IN THE NIMH BUDGET. WE ARE CONVINCED THAT PROVIDER STATUS IS A COST EFFECTIVE WAY TO INCREASE REVENUES TO CMHCs FROM MEDICARE AND TO INCREASE THE AVAILABILITY OF AMBULATORY MENTAL HEALTH SERVICES FOR THE ELDERLY.

THE COMMUNITY MENTAL HEALTH PROGRAM IS A PROGRAM OF WHICH THE CONGRESS AND NATION CAN BE PROUD. HERE, FEDERAL MONEY HAS BEEN USED WISELY, AND ALTERNATIVE FUNDING HAS BEEN SOUGHT TO RELIEVE THE FEDERAL GOVERNMENT OF THE ENTIRE BURDEN OF SUPPORT. CURRENTLY, FEDERAL GRANTS CONSIST OF ONLY 27% OF THE BUDGETS FOR FEDERALLY FUNDED CMHCs. MOREOVER, OVER 100 CENTERS WHICH UTILIZED FEDERAL FUNDS TO GET STARTED NOW OPERATE WITHOUT ADDITIONAL FEDERAL GRANTS. CONSEQUENTLY, AN EXCEL-

LENT WORKING RELATIONSHIP HAS DEVELOPED BETWEEN LOCALITIES AND THE FEDERAL GOVERNMENT. NO LONGER DO COMMUNITIES HAVE TO BE TOTALLY DEPENDENT ON STATE MENTAL HEALTH SYSTEMS WHICH ARE OFTEN INSENSITIVE TO THEIR NEEDS AND UNRESPONSIVE TO THEIR PROBLEMS.

THE COMMUNITY MENTAL HEALTH PROGRAM WHICH WAS STARTED BY PRESIDENT KENNEDY IN 1963 IS JUST BARELY HALF COMPLETE. WE NEED THE ASSISTANCE OF THIS CONGRESS TO KEEP THE PROGRAM GOING UNTIL ADEQUATE MENTAL HEALTH CARE IS AVAILABLE TO ALL AMERICANS. DESPITE THE PRESIDENTIAL VETOES AND IMPOUNDMENTS OF THE PAST, THE COMMUNITY PROGRAM HAS STAYED ALIVE BECAUSE OF CONGRESS' CONCERN, COMMITMENT AND DEDICATION TO THE TREATMENT OF THE MENTALLY ILL IN UNCONFINED COMMUNITY SETTINGS. WE THANK YOU FOR YOUR CONTINUED SUPPORT AND REAFFIRM OUR DESIRE TO WORK WITH CONGRESS TO EXPAND THE COMMUNITY NETWORK, SO THAT ALL AMERICANS, REGARDLESS OF THEIR FINANCIAL STATUS, WILL HAVE ACCESS TO COMMUNITY MENTAL HEALTH FACILITIES.

* * *

APPROVED BUT UNFUNDED
INITIAL OPERATIONS GRANTS FOR COMMUNITY MENTAL HEALTH CENTERS
(as of 2/9/79)

| Approved/Unfunded CMHC | Community | Amount |
|---|---|---|
| *REGION I* | | |
| Greater Lawrence Mental Health Center | Lawrence, MA | $ 888,805 |
| Kent County Comprehensive CMHC | Warwick, RI | 400,000 |
| Pawtucket Central Falls CMHC | Pawtucket, RI | 404,845 |
| Northern Rhode Island CMHC | Woonsocket, RI | 422,596 |
| Tri-City Mental Health & Retardation Association, Inc. | Malden, MA | 943,000 |
| United Counseling Service of Bennington | Bennington, VT | 289,178 |
| *REGION II* | | |
| Dutchess County CMHC | Poughkeepsie, NY | 930,423 |
| *REGION III* | | |
| Alexandria County CMHC | Alexandria, VA | 576,604 |
| Beth Johnson CMHC | Orlando, FL | 498,913 |
| Griffin-Spaulding County CMHC | Griffin, GA | 565,051 |

| | | |
|---|---|---|
| Joseph W. Johnson, Jr., MHC | Chattanooga, TN | 448,357 |
| Miami Beach CMHC, Inc. | Miami, FL | 643,863 |
| Mobile Mental Health Center | Mobile, AL | 765,225 |
| Montgomery Area Comprehensive CMHC | Montgomery, AL | 550,000 |
| North Florida CMHC | Lake City, FL | 806,552 |
| St. Vincent's CMHC | Jacksonville, FL | 650,000 |
| Southside CMHC | Jacksonville, FL | 450,000 |
| Southwest CMHC | Orlando, FL | 486,108 |
| Tri-County MHA | Bennettsville, SC | 501,278 |
| Ware County Mental Health Center | Waycross, GA | 616,793 |
| Waccamaw Center for Mental Health | Conway, SC | 798,093 |
| *REGION V* | | |
| Community Mental Health Services of Belmont & Harrison & Monroe Counties | Saint Clairsville, OH | 891,125 |
| Dunn MHA, Inc. | Richmond, IN | 1,100,877 |
| McHenry County Comprehensive Mental Health Service System | Crystal Lake, IL | 1,190,990 |
| Spoonriver CMHC | Galesburg, IL | 641,066 |
| The Center for Mental Health | Anderson, IN | 1,094,598 |
| *REGION VI* | | |
| Northwest Okla. Human Development Services | Vinita, OK | 1,285,826 |
| Oklahoma Mental Health Council | Oklahoma City, OK | 990,000 |
| | *TOTAL: 28 centers* | *$19,830,166* |

SUMMARY OF RECOMMENDATIONS
OF NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS
Presented in Testimony before
Senate Labor-HEW Subcommittee on Appropriations

March 28, 1979

1. Last year $308.2 million was appropriated for community mental health centers. This year we are asking for $299 million. If the Administration releases FY 1979 new operations grant funds before the end of this fiscal year, our request would rise to $330 million.

TABLE I *($ in millions)*

| | NCCMHC Recommendation |
|---|---|
| Planning | 1.0 |
| Initial Operations | 35.0 |
| C&E | |
| *New* | 8.1 |
| *Continuing* | 11.9 |
| *Subtotal* | 20.0 |
| Distress | |
| *New* | 12.2 |
| *Continuing* | 12.8 |
| *Subtotal* | 25.0 |
| Continuations for Operations, Staffing & Children* | 214.5 |
| Conversion | |
| *New* | 1.7 |
| *Continuing* | 1.8 |
| *Subtotal* | 3.5 |

* An additional $31 million would be needed in FY 1980 if $30.5 million in new operations grant funds is released this fiscal year.

2. Our nation's continued progress in providing community care for the mentally ill demands immediate release of the $30.5 million appropriated for new operations grants. Withholding these funds not only deprives millions of persons access to low cost community services, but also negates progress made by community groups and demoralizes those who have worked hard to develop these mental health resources.

3. An additional $5 million is needed in the NIMH services research budget for a HEW recommended demonstration project to test the feasibility of covering CMHC services under Medicare.

## Health Resources Administration

STATEMENTS OF:

DAVID RABIN, PRESIDENT-ELECT, ASSOCIATION OF TEACHERS OF PREVENTIVE MEDICINE

BRADFORD BEEBE, AMERICAN MEDICAL STUDENT ASSOCIATION

DR. JOSE OLLER, PRESIDENT, PRIVATE DOCTORS OF AMERICA

ANTHONY M. RACHAL, EXECUTIVE VICE PRESIDENT, XAVIER UNIVERSITY OF LOUISIANA

Senator Inouye. Our next panel will discuss the budget for the Health Resources administration. I believe we have Dr. David Rabin of the Association of Teachers of Preventive Medicine, Mr. Bradford Beebe, American Medical Student Association, Dr. Jose Oller, President of the Private Doctors of America, and Anthony M. Rachal, the executive vice president of the Xavier University of Louisiana.

You're all here. Gentlemen, welcome.

STATEMENT OF DR. DAVID RABIN

Dr. RABIN. Mr. Chairman, ladies and gentlemen, my name is David Rabin, professor of community and family medicine at Georgetown. I'm president-elect of the Association of Teachers of Preventive Medicine.

The prevention of disease rather than the treatment of it, is becoming recognized today as the most effective and humane approach to health care. From individual jobbers to large third party health insurers, there is a growing interest today in prevention.

We are witnessing today what could become a revolution in the way we approach health. We applaud the administration with the step it has taken to emphasize the importance of preventive measures, both within the framework of existing Federal programs and under it's proposed fiscal 1980 budget.

PREVENTIVE HEALTH SERVICES

Increased emphasis has been placed on the delivery of preventive health services. At the same time, we are distressed by the lack of and a strong administrative commitment to the development of the health manpower bases which will be responsible for designing and implementing the expanded programs to deliver preventive health care services.

Insufficient attention continues to be given to prevention, and in the context of medical training, specifically support of medical school departments of medicine and residency programs in preventive medicine. The total dollar amount which would be necessary to put projects in these areas is extremely small at the present time, approximately $3 million, by our estimate.

PREVENTIVE HEALTH TRAINING

We find ourselves in a very peculiar situation where we're being asked to provide a different and a more effective means of health care. It's as if we're trying to fight a war with the provision of a large number of soldiers, but with no idea of how those soldiers are to be deployed. The Washington Post just a couple of days ago eloquently in an editorial, indicated the large number of physicians that we are training.

We are at the same time training a minute number of people who would have an understanding of how those physicians can effectively be deployed and how they can carry out the Federal programs which are increasingly being mandated.

For fiscal 1980 the administration has proposed that public health traineeships under section 748 be funded at last year's level of $7 million. Approximately 10 percent of section 748 total appropriations was allocated for preventive medicine residency training.

However, since 1977 appropriations for public health traineeships have been reduced by over 20 percent while the number of schools for public health where much of this occurs have increased.

Since 1978, increased competition for a shrinking number of federally sponsored traineeships has forced DHEW to grant only continuation support for preventive medicine residents. No new slots have been funded. Consequently, support has decreased from $700,000 for nine programs in 1977 to $300,000 for six programs in 1979—90 percent of residency programs received no support.

Program directors throughout the country indicate they are forced to turn away potential residents because of the shortage of funding for their programs. This choking off of funding will inevitably lead to a drastically reduced output from residency programs which train our Nation's preventive medicine practitioners.

Practice settings for such specialists are at the community rather than at the patient care level. Such professionals administer public health programs, such as those supported in other portions of the administration's budget request. Many are teachers of preventive medicine in schools of medicine and public health. It is they who provide that portion of the medical curriculum which focuses on the preventive approach to health care.

Preventive medicine residents are as unique in their need for Federal support as they are in the role that they fulfill in the health arena upon graduation. Unlike more traditional residency programs, preventive medicine programs require an additional post-M.D. year of academic training. In addition, because the residents are not hospital based, there is little opportunity for them to provide services for which remuneration, offsetting part of their training expense, can be justified. Upon graduation, the majority of preventive medicine specialists occupy salaried positions at a remuneration level far below that of most physicians in private practice.

With these prospects, few will train themselves to go into preventive medicine and indeed, that is what is happening.

Senator INOUYE. Where would these doctors eventually end up?

Dr. RABIN. They'd end up in a variety of places. They would end up working with the Federal Government in terms of administering and conceptualizing public health and health care programs. They'd work with State and local governments. They would work within medical schools, and they would work in neighborhood health centers and in the community programs that deliver community-based program care.

Senator INOUYE. Private or only the public service?

Dr. RABIN. Almost exclusively in public service in the sense of education or employment in some sort of a public agency and at salaries which are increasingly lower proportionately than what other physicians can earn in private practice.

Senator INOUYE. What sort of remuneration would a physician in this category see, let's say, 5 years after graduation?

Dr. RABIN. I can speak clearly for people in medical schools. Five years after graduation they would have a remuneration level of physicians around $35,000. And that would compare with people in practice at that point, 5 years after their clinical training, who would probably have an average salary at double that or close to double that.

Senator INOUYE. Then you feel it's ample justification for Government support because this is primarily, as you say, an almost solely public service.

Dr. RABIN. That's right.

Senator INOUYE. I concur with you.

You need just 26 more votes here. [Laughter.]

Dr. RABIN. I'll give you just a couple of figures in this regard, that the fact that there are very few people—our task force on education and training of health manpower has found that the output of residency training programs in general preventive medicine should be approximately 160 residents per year. Presently there are only 45 being trained. This shortage of graduates has already begun to have an effect upon existing public health programs.

Currently 20 preventive or community medicine department chairmanships and 50 faculty positions are unfilled.

In addition, shortages of trained preventive medicine specialists have resulted in numerous vacancies in public health departments and community-based programs.

Senator INOUYE. Dr. Rabin, if we were to adopt your program of 160 residents per year, how much more would we have to appropriate?

Dr. RABIN. About—I think we can do it in one step, so we're asking to go from the $300,000 this year to a million, which would be earmarked for those residents, and I think over 2 or 3 years we would get up to a level where the 160 slots would be filled and obtained.

Senator INOUYE. With $1 million, how many do we add to the 45?

Dr. RABIN. With the $1 million, we would roughly, probably double the 45 which would get us up to 90.

Senator INOUYE. With $1 million?

Dr. RABIN. With $1 million. We're talking about supporting programs for teachers as well as people within those particular programs in a course of training.

And we—to accomplish this we are recommending fiscal year funding at $10 million for traineeships under section 748, coupled with the request that the committee direct DHEW to allocate $1 million of this amount for support of preventive medicine residency training.

In regard to special projects, we're pleased with what the section 788 currently authorizes. Its request this year is primarily in the area of primary care special projects in four distinct areas, one of which is preventive medicine. We applaud this development and support it. And it will enable departments of preventive medicine to continue to expand and sustain current efforts which are aimed at, among other things, a fuller integration of preventive medicine within medical school training.

And I thank you very much for the oportunity to present this and to talk with you.

Senator INOUYE. Obviously preventive medicine would reduce the cost of health service delivery. Do you know what the price tag would be, the reduction?

Dr. RABIN. It's really very, very difficult to put an overall price tag. The way it's been calculated by and large is by individual categorical

programs, and I've never seen a figure in terms of the net impact, if we funded preventive health programs, like immunization programs and disease control programs, infectious disease control programs, and training programs, and effectively got people to have disease prevented rather than treated at a time when it's developed.

The only figures that I've seen are for individual diseases which we control, such as venereal disease. They would cost the public a great deal less in the long run for curing rather than for caring.

So I don't know that figure.

Senator INOUYE. I think it would serve to support your program, suggesting that with a $1 million investment you can save the people of the United States *x* billions of dollars. I think it would look good.

Thank you very much, Dr. Rabin.

Mr. RACHAL. We're speaking individually.

Senator INOUYE. Go ahead, Mr. Beebe.

STATEMENT OF BRADFORD BEEBE

Mr. BEEBE. My name is Brad Beebe. I'm a second year medical student at George Washington University here in the District, and I'm speaking on behalf of the American Medical Student Association.

I'd like to diverge from my prepared testimony and enthusiastically support Dr. Rabin's feelings about preventive medicine. They echo our same feelings.

Senator INOUYE. Without objection, all of your statements will be placed in the record in total.

Mr. BEEBE. Thank you.

AMERICAN MEDICAL STUDENT ASSOCIATION

The American Medical Student Association is the largest independent medical student organization in the United States, representing 25,000 students in over 120 allopathic and osteopathic medical schools. We thank you for this opportunity to present here before the subcommittee our national position on the President's proposed Health Resources Administration budget for fiscal year 1980.

AMSA appreciates the frustrations encountered by Congress and the administration in dealing with the health manpower needs of the Nation as well as with the financial plight of medical students.

Senator INOUYE. May I ask a question: What is allopathic?

Mr. BEEBE. Allopathic medicine is a term used to describe what you would think of as medical schools, as opposed to osteopathic, which are students trained in a slightly different discipline. Our membership includes both types.

Senator INOUYE. Thank you.

ADMINISTRATION'S FUNDING RECOMMENDATIONS

Mr. BEEBE. Let us first say that AMSA wholeheartedly supports the emphasis indicated by the administration's increase of $7 million for primary care postgraduate training and $15 million for family medicine

departments in medical schools. These are two excellent methods for helping to solve the problems of geographic and specialty maldistribution of physicians.

We have reservations, however, with the administration's perception of the consequences of the proposed $282 million decrease in funding for health professions educational assistance over fiscal year 1979 appropriations.

Specifically, we feel sure that the proposed termination of $135 million in capitation grants will create undue hardships on medical students already burdened by increasing tuitions. Dr. Henry Foley, director of HRA, stated on March 20 before the House subcommittee that termination of capitation can be expected to increase tuitions by as much as $1,338 per year per student, more than doubling some tuitions.

If our present system of equal opportunity education is to survive, and in view of cuts in direct student assistance, capitation moneys must be sustained. For example, minority enrollment in medical schools has been decreasing steadily over the last several years. The President's proposals, although well intentioned in an austere fiscal environment, will increase cost to the student through tuition and simultaneously decrease direct assistance provided by HPSL and the EFN first-year scholarships and will do nothing short of accelerating the trend toward a medical elite of the wealthy.

This proposed cancellation of future funding for both the health professions student loans and exceptional financial need scholarships will reduce by $17 million from the fiscal year 1979 appropriations the direct assistance specifically targeted for minorities and the financially indigent, thus directly decreasing the medical school enrollment of these traditionally under-represented populations.

By cutting funds for these programs which are already directed at those students of exceptional financial need, those most deserving of additional support to allay the tuition increases concomitant with no capitation will have less next year with which to pay those increases.

MINORITY RECRUITMENT

AMSA supports the increased representation of racial minorities in medical schools and urges that special attention be paid to their financial needs. The President does at least propose a 4-percent increase in funding of minority recruitment programs. However, in light of the elimination of $7 million in EFN first year scholarships, 42 percent of which go to minority students, the elimination of $10 million in continued funding of HPSL's and the availability of less than 11 percent of National Health Service Corps scholarships for first-year students, strong disincentives will exist toward enrollment in medical school for those students whose recruitment is so vigorously funded.

COST OF MEDICAL SCHOOL

Senator INOUYE. Mr. Beebe, what does it cost a student at GW in the medical school?

Mr. BEEBE. The tuition for first year students now is $11,000–$10,800.

Senator INOUYE. $10,800 a year?

Mr. BEEBE. Every year. And the financial aid office projects the total cost of that, student cost at $17,500——

Senator INOUYE. $17,500.

Mr. BEEBE. Each year.

Senator INOUYE. That's what you would need if you wanted to go to GW.

Mr. BEEBE. That's what I do need to go to GW. [Laughter.]

Senator INOUYE. Do you receive any outside support?

Mr. BEEBE. Yes, I——

Senator INOUYE. Would the $17,500 be sufficient to get your degree?

Mr. BEEBE. Four years at $17,500, and I would have my doctorate degree.

Senator INOUYE. As you know, Congress has just rescinded $27 million in capitation grants. How would that affect a GW student?

Mr. BEEBE. The $27 million cut, I believe, all of this is all in the schools of osteopathy, dentistry, and medicine, the $27 million. And that represents approximately 20 percent, I think, of the total capitation funds, so I would expect to pay 20 percent of the $1,338 extra tuition next year.

Our school receives no funding from the District of Columbia.

Senator INOUYE. I can see where poor folks just can't make it.

Mr. BEEBE. Yes. Not in this city, anyway.

Senator INOUYE. Is that the most expensive in the city?

Mr. BEEBE. No, it's not. Georgetown is higher. It's $13,500 a year, and there are other schools in the country that are even higher. A student from out of State going to the University of Colorado, I believe, pays $14,500. I may be slightly off on that. That was a year ago.

Senator INOUYE. No wonder my aspirin has gone up. [Laughter.]

Mr. BEEBE. That's exactly my point.

Senator INOUYE. Please proceed.

Mr. BEEBE. Therefore, we feel that the present level of funding for capitation should continue, and further we believe that additional quid pro quo's can and should be linked to these funds in order to direct physician training toward more efficiently meeting national health manpower objectives.

The quid pro quo's already tied to these grants have successfully demonstrated the effectiveness of this policy.

The NHSC scholarships are one of the few sensible options left to students unable to finance their own education. Unfortunately, the fiscal year 1980 funding for this program has only been increased by $4.5 million over fiscal year 1979 levels, an increase designed to just keep pace with the President's very optimistic 6-percent rate of inflation, but insufficient to match the real inflationary spiral of many institutions.

With the cutting of capitation, the inevitable increase in tuition will not only completely eliminate any growth factor in the NHSC but will actually lead to program cutbacks.

Thus, the $79.5 million proposed for fiscal year 1980 will be clearly inadequate to accommodate the large number of students unable to generate sufficient funds because of the cancelled assistance programs. AMSA strongly supports the NHSC and its objectives and would urge that the level of funding match the student demand and the national need.

Senator INOUYE. Mr. Beebe, I think the record should show that 4 years ago we appropriated less than $25 million for this national health services scholarship. In fiscal year 1978 it was $60 million. In fiscal year 1979, the one we're in now, it's $75 million. So I think it has gone up.

Mr. BEEBE. Yes; it has.

Senator INOUYE. And in the next fiscal year it's $79.5 million.

Mr. BEEBE. We appreciate the emphasis in the President's budget shown by this, being one of the few programs that does increase. However, I make the point that the increase is barely sufficient to meet the inflationary spiral. And I think that you could appreciate it if capitation funds are cut and all tuitions across the country go up $1,338, that even fewer students would be able to participate in the National Health Service Corps. It ceases to be an alternative form of funding for the students.

The remaining financial options available to students are predominantly the restricted ceiling, high interest HEAL loans. I would direct the members of the subcommittee to the charts on pages 6 to 8 of this testimony. As you can see, this program presents students with the prospect of facing payments during their residencies which consume a large portion of their modest incomes.

We believe this will be a prime motivation for young physicians to enter high-paying subspecialties in urban areas and will be counterproductive to the avowed goals of Congress and this administration to increase the proportion of primary care physicians and alleviate maldistribution.

As financial assistance decreases, health professions schools will be forced to reconcile their limited fiscal resources with the student's inability to pay for his or her own education. Financially blind admission programs may become historical remnants. This predicament is no more poignantly elucidated than by a letter which we have seen from a New England dental school which stated: "We are pleased to inform you that the admissions committee has selected you as a student they would like to invite to become a member of the class of 1982. Ordinarily, we would be sending you a letter of provisional acceptance; however, we do have concern in your ability to pay for the program. Unless you can demonstrate you can more nearly meet the program costs, it is impossible for us to send a formal invitation to admission."

This letter stands as a caveat on the hazardous future of equal opportunity education.

AMSA feels that the President's budget proposals will worsen the already bad situation in regard to minority enrollment and specialty and geographic distribution, and hopes that the Congress will restore funding to levels adequate to meet our pressing national needs.

Thank you.

Senator INOUYE. Your HEAL loans——

Mr. BEEBE. Yes.

Senator INOUYE [continuing]. At the current Treasury interest rate?

Mr. BEEBE. I believe that the legislation authorizing the HEAL loans sets a maximum of 25 percent. And I'm not sure. The program just started this year, and I don't know any students personally who are on it.

Senator INOUYE. Is it by legislation the interest rate is set?

Mr. BEEBE. It's set at a maximum of 12. But it is subject to whatever the market rate is, the current Treasury. The ceiling is 12.

Senator INOUYE. And the law says we have to apply the——

Mr. BEEBE. No; there are students already authorized. I just don't know any.

Senator INOUYE. We have been providing many millions of dollars of loans to other countries at concessionary terms at 3 and 4 percent. I will instruct the staff to look into the possibility of providing that type of loan here. Then it might be within your grasp.

Mr. BEEBE. One of the loan programs administered by the HEAL, which is a revolving fund, $10 million were appropriated for 1979. They were rescinded by the President. This program, we think, is a good program and has the merit of growing in its funds. It has a 7-percent interest rate which is deferred during medical school, unlike the HEAL program where you have to pay interest while you're going to school.

Senator INOUYE. Sir, my sympathies are with you. I wanted to be a medical student myself. [Laughter.]

Mr. BEEBE. Thank you.

Senator INOUYE. I don't think I can afford it now. $11,500. No, that's obscene.

All right, who is next?

## STATEMENT OF ANTHONY M. RACHAL

Dr. RACHAL. I'm Tony Rachal, executive vice president of Xavier University in New Orleans. Accompanying me here today, but not a member of this panel, is Dr. Hines, who is the provost and executive vice president of Meharry Medical College in Nashville, Tenn.; and Dr. Walter Bowie, dean of the school of veterinary medicine at Tuskegee Institute, Tuskegee, Ala.

The statement I make is really on behalf of the three of us since the problem which we bring before you today is one which bears a common thread shared by all in varying degrees.

The Congress has declared that the availability of high quality health care to all Americans is a national goal. The Congress has further found that the availability of high quality health care is, to a substantial extent, dependent upon the availability of qualified health professions personnel, and through the enactment of Public Law 94-484 declared that the health professions personnel are a national resource and that it is therefore appropriate to provide support for the education and training of such personnel.

I am here then to plead the need for the Federal Government to provide assurance that the high quality training of physicians, dentists, veterinarians, and pharmacists at Xavier, Meharry, and Tuskegee will be maintained and strengthened.

This assurance is necessary to assist us because of our commitment to the training of economically disadvantaged students, both white and black, who come from low-income families.

The specific concern which we share is that the intent of the declarations of Congress have not been met adequately in the three nonprofit, private, predominantly black institutions represented here today. We are not able to continue to maintain quality educational programs because of inadequate funding. While the various programs of the Health Professions Manpower Act have been helpful to us, the mechanisms of funding the specific and important needs of our institutions have not been sufficiently encompassing to address the issues of financing our unique institutions.

We find ourselves in the uncharacteristic position of being a national resource in providing health professions manpower from among the minority and disadvantaged populations of this country without having the economic and financial base to underwrite the cost of this substantial endeavor.

Xavier, for example, still trains approximately 60 percent of all black students enrolled in all of the independent colleges of pharmacy of the Nation; Tuskegee trains 99 percent of all black veterinarians in the south and 85 percent of those trained in the country as a whole; Meharry Medical College still retains an enviable record of having trained 43 percent of all living black physicians and dentists practicing in the United States.

It is likewise important to recognize that 38 percent of all entering students in the medical schools of the South and that 49 percent of all black dental students are at Meharry Medical College.

When these conditions are coupled with the reality that a declining number of minorities are now entering the health professions from the peak period 1973 to 1974, the under-representation of minorities and disadvantaged groups in the health professions still remains a critical national issue.

Blacks still account for less than 3 percent of physicians in practice, only 1.5 percent of dentists, less that 2 percent of veterinarians, and 1.7 percent among pharmacists.

Yet each of us is struggling to survive under the mounting pressures of increased costs without concomitant assistance from local, State, or Federal resources. It is imperative that concerted action be taken to provide us with a period of certainty and readjustment in order to guarantee and secure the future.

Each of us has participated in varying degrees in the health manpower program since its inception in 1970. We have been institutions in financial distress. The original legislative intent was to provide funds to assist those institutions in severe financial difficulty, or those threatened with loss of accreditation.

With mounting inflationary trends, with increased necessity to improve our educational base in order to remain accredited institutions, and in view of higher expectations and demands among minorities, and disadvantaged for access to the health professions careers, we find ourselves in the untenable position in which income from traditional sources, tuition, endowment, public fund raising, and the like, is simply not sufficient to sustain our institutions in a viable and meaningful manner in today's economy.

The pressure of reduced funding against rising costs has created financial hardships which none of us fend off nor meet with certainty.

Indeed the very mechanism which has purported to be of assistance to us has caused us to sink deeper into debt because the mechanism requires deficit spending before eligibility is recognized for participation in the program. One of the detrimental consequences of this particular section of the regulations is that an institution must first plan a deficit budget without certainty of assistance being forthcoming from the Federal Government; and secondly, we must borrow money at high rates of interest to maintain our operational programs until such time as funds are received.

The latter adds more cost to education and the former creates an atmosphere of uncertainty and timidity in deciding what are the advantageous steps necessary to retain a quality program and to be assured of continued national recognition by the accrediting agencies.

Senator INOUYE. Can you give an example of that, sir?

Dr. RACHAL. Well, before we can begin to participate in a program, budgets must be developed in anticipation of the costs for that year. And application at a certain level is approved by the council.

Then we must proceed to operate during that year without being able to receive the funds which would be granted until June, the last month of the fiscal year.

This means with a limited cash flow we must go to the banks, borrow money at the prevailing rates, and those interest rates are added to our operational costs, and this can be substantial when you talk in terms of $300,000 to a million dollars deficit in a year's time. And so what we need—we don't know if we're going to get that—but what we really need is more assurance at the beginning of the year at the time the budget is approved by the council, that we can be assured that funding will be forthcoming.

This way, after borrowing money to cope with cash flows, we still don't know whether we'll get funded or not, and we may therefore go into an accumulated deficit in the next year. So this uncertainty is disconcerting, to say the least.

PERCENTAGE OF APPLICANTS TURNED DOWN

Senator INOUYE. What percentage of the applicants have been turned down?

Dr. RACHAL. In financial distress? I can't give you that number. I do know that in our case that we are the only college of pharmacy that has gotten a financial distress application, a grant, that is, which has much

to say about the quality of what we are offering and the justification that we are able to give for our costs.

In the medical school, I'm not sure of that percentage; it is a small percentage of those that actually apply to seek the funding. And we all share in that concern. But with a limited endowment, our concern for borrowing is much greater.

We have as a condition for getting the grant—there are various steps that we must take, and we have addressed the issues for setting our institutions—we have followed the recommendations of the council, each of us that I represent here, and we have been found justified. In fact in a recent review of our institutions on requests for the money, it has been found justified.

It is not a question of the quality of the institution nor of our justification of the costs. The problem is the need for adequate amounts as well as assurance from the beginning.

REQUIREMENTS OF PRESENT LEGISLATION

The other problem which faces us is the fact that the present legislation requires in the following year an institution get no more than 75 percent of what it received in previous years, and this too has a negative effect upon our feeling of stability.

And we come to you today saying that what we need is a period—we say 5 years—that we can get assistance from the Federal Government, assistance very similar to that which was instituted in 1971 by the Congress to assist the medical and dental students in the District of Columbia. A similar kind of help would be the kind of assistance that we need.

And this could be done as an amendment to the HEW budget which specifically identifies these institutions, Xavier, Meharry, and Tuskegee, with a maximum fixed amount to be certified by the Secretary as necessary and warranted each year that would give us a new perspective to that future.

With the assistance of such a committee we can be assured that these institutions will remain open and continue to play a vital role in the development of the leadership so necessary in many communities across the Nation.

I thank you for the opportunity to present these proposals to you. And we will have additional documentation and details. I excerpted from my prepared statement for the sake of time.

LENGTH OF FEDERAL SUPPORT

Senator INOUYE. From your statement, sir, I would gather that Federal support would be necessary for an indefinite period.

Dr. RACHAL. We're asking for a 5-year period with plans to help us in our fundraising efforts. It would help to stabilize us, to help us in our development and hopefully during this period of time we hope to have increased support from private sources, from alumni—from which we find the contributions are increasing each year because of the return

that comes from the graduates in these fields, which is substantially greater than graduates in the arts and sciences and in other areas.

Senator INOUYE. Have you considered federalizing your institutions as Howard University has?

Dr. RACHAL. We have not, although I suppose asking for assistance is—opening the door to that consideration. But we were thinking of remaining private while providing health professions education, and we think it's justified by the manner in which they serve, you know, throughout the country, an increasing number of minorities in clinics and in hospitals and in Federal agencies as well.

Senator INOUYE. How much does it cost a first year student at Meharry Medical College?

Dr. RACHAL. $4,000, which is the tuition cost and is approximately, I would say, 30 percent of what the actual cost to train that student is. But the tuition to the student is $4,000.

Senator INOUYE. And the rest is covered by endowments?

Dr. RACHAL. And private gifts. And there has been help to some extent from Federal grants as well as endowments, yes. But other private gifts, alumni contributions, and various fundraising, traditional fundraising at the college gives us——

Senator INOUYE. What would it cost a student at Tuskegee Veterinary School, a first-year student?

Dr. RACHAL. Is it $3,000, Dr. Bowie?

Dr. BOWIE. Yes.

Senator INOUYE. What about Xavier?

Dr. RACHAL. $2,200 this year for tuition costs, which is about one-third of the expense of educating them. And this is where the capitation—and what we ask would make up the difference for what the student costs. And tuition cost is a prime consideration at our institutions because of the economic background of our students. For example, 85 percent of the students at Xavier are in financial need and qualify for student financial assistance. So the raising of tuition is not the sole means—it is not a major means of increasing our income in order to overcome costs.

Senator INOUYE. I should congratulate you after listening to GW. [Laughter.]

You've done very well so far.

Dr. RACHAL. And this is part of our problem. We're not able to establish those kind of tuition costs, and it adds to our burden of providing education.

Senator INOUYE. If you had started with that kind of tuition costs, you——

Dr. RACHAL. I wouldn't be here.

Senator INOUYE. You would cut down your school population by what, 85 percent?

Dr. RACHAL. Oh, yes. Yes, well, I was thinking of not being here in another way, but I would cut it—our enrollment now is 50-percent black. We probably would eliminate all of the blacks and 50 percent of the whites who are there because our white students are in financial need as well.

STATEMENT OF DR. JOSE OLLER

Dr. OLLER. Senator Inouye, it's a pleasure to be here today and especially since we're a 100-percent minority delegation. I am Puerto Rican and Hispanic and Dr. Wesley is a practicing pediatrician for the last 40 years in New Orleans.

And we will present the concerns and point of view of the Private Doctors of America, Senator, the largest association now of private doctors, 43,000 in 49 States.

HEALTH PLANNING AND RESOURCES DEVELOPMENT

In view of the time, our comments are directed very briefly to health planning resources development, health maintenance organizations, and PSRO's, and perhaps comment on public health service hospitals. That's in the front of our testimony. It covers HSA's and so forth.

For the record, the first document is on HSA's and this printed document which is appended gives our research for the last 10 years. We have been a member for 8 years and this represents our experience.

The second document refers to PSRO's and what our position as doctors is and the history of PSRO's, which in our view is essentially one of fraud, failures, and coverups. And we list 11 consecutive experiences and one of these, as to whether PSRO programs which $100 million is not projected as $1.25 billion.

The third document I will leave with you, which you did not have, is our research on the health maintenance organizations. This is a study which we have presented for another committee on our study of HMO's for the last 10 years.

Very briefly, No. 1, on the HSA's, our position is simply that it appears, you know, in a way that we're bringing gifts to this committee, Mr. Chairman. We're trying to find a way to trim our budget and our trillion dollar debt nationally. And our recommendations today are against it. Perhaps we should get rid of these deadheads which constitute most of these agencies. Our experience with area planning, so-called health planning, comprehensive planning, now HSA, is in our resolution on the last page. Essentially it is for voluntary planning, but there has been nothing accomplished to our knowledge for the hundreds of millions of dollars spent in planning.

HSA'S IN NEW ORLEANS

As briefly as we can put it, in New Orleans, we're now receiving $600,000 for HSA's. We're asking for a million for next year, doubling it, and we see no results whatsoever, year after year after year, except rubber stamping volumes of a thousand pages and having committees where the community gets together, and never anything gets accomplished.

As practicing doctors studying the HSA's for 11 years, we have seen nothing accomplished, and we would plead with this committee to very seriously consider getting rid of these, what we call parasitology in medical terms.

PSRO'S

The other program, PSRO's, we know very well. We visited the PSRO's. We were in San Francisco, New Mexico, over the years, Utah, and so on; we're always asking for documentation of effectiveness. We've done this for years. They tell us to come back next year. The computer will be in working order. We'll give you documents.

To this date, Mr. Chairman, we do not have substantiation of these factors on PSRO's. But what we have seen is fraud and coverups. In the last HCSA report they said they had a few PSRO's at which—and it's done with mirrors.

They sent a message out that if they can decrease 1 percent in the denial of utilization—the national PSRO council sent a letter which we have here—if you can decrease 1 percent the denials of services, you can be called cost effective and the program will survive.

So, what do you know, Congress put these PSRO's on notice, and all of a sudden at the end of the year they are cost effective. They have cost reductions of 1 percent. This is in our view a parasite system. It doesn't work; it never did work, and all they're doing is surviving to get funding.

We have seen nothing accomplished with PSRO's. We are submitting also for the record the Attorney General's letter to the President and the various State Governors and attorney generals in which he says inflation and excessive bureaucratic regulation is what we are determined to fight.

You can strike effectively by accepting the recommendation that PSRO's be nonfunded, and this is our recommendation.

RECOMMENDATIONS OF APPROPRIATIONS COMMITTEE

I would also like to bring to your attention very briefly the recommendations of the appropriations committee of the House last year. For the record, I quote: "The basic question is whether the program works any better than other, less expensive systems." For the organization review—we've been doing reviews for years for free. Now we have a program that according to the Appropriations Committee of the House is now soon reaching $500 million just from the current concept of full implementation.

Since the time of our review, the PSRO's in our view have continued to fail.

HEALTH MAINTENANCE ORGANIZATIONS

Our brief statement on health maintenance organizations, Mr. Chairman; we have been tracking the HMO's for many years. They started in 1929. It's been around—it's almost every year considered a brand new way of delivering health care, but we've had these for 40 years.

There's nothing new in HMO's. What we see, however, is that they're rejected by the people. The HMO's, as you know, always come to a very small segment of the population, and in Louisiana we have one HMO.

So, what happens then? PSRO—HMO's are the fastest growing failure industries in this country. The only reason they're surviving is because of the infusions of Federal money. And we bring to your attention that we have a couple hundred HMO's in this country. They've been financed on an experimental basis by Congress and refinanced last year.

But we're saying it's time—if they can provide better service at a lower cost, isn't it time that they stand on their own two feet?

I would like to see the HMO, if in fact it's a better mousetrap, we would like to join them, if they can prove effectiveness without millions of dollars of subsidies.

But we believe if it is a better system, let them stand on their own two feet. And I would very seriously urge this committee that the HMO appropriation be stopped and let it grow up as an adult human being and put up or shut up instead of coming back to Congress every year: we need another $147 million, et cetera, et cetera, because we don't have 50,000 in relief. Most of them have 2,000 or 3,000 and they disappear as soon as the Government money disappears.

And then the new ones come up and respond strictly—that's just not because of success, but because of—I'm certain you're familiar—the expensive fraud and failure is that the HMO's essentially are not providing services after 5 o'clock in the afternoon and not being available.

PUBLIC HEALTH SERVICES

So in summary, I would like to make one statement on public health services. We have visited them. We've found that patients stay there from 30 days to 15 years. We find empty beds. We find the tremendous inefficiency, in one word.

And we will before April 4, if we're allowed, send you our study on Public Health Service hospitals. We find that a few legitimate consumers of the Public Health Service system can be served very well by the community hospitals that we have without any strain whatsoever, do it effectively, and at a lower cost.

I understand that the Public Health Service is a political thing, but we do think that from visiting them there seems to be very little justification. Politically it may be so, but in terms of requiring money, we could do better if these would be served by community hospitals. It would probably be more efficient.

So I would suggest that let's give this money to the private hospitals so when the ship leaves—so our recommendations are essentially a good thing to stop the proliferation of paperwork. We've been doing it, Mr. Chairman, for 15 years. They fail; they change their names and double the budget. I think it's time that we do some clean surgery. HSA's didn't work. Regional medical planning didn't work. PSRO's are a boondoggle. It's a coverup. It's a fraud. And the HMO's—isn't it time if they're a better mousetrap that they stand up on their own two feet?

So I would suggest less the funding, see what we can do with cutting the funding. We hope you seriously consider the repeal of each of these.

I appreciate the time very much.

Senator INOUYE. Thank you very much, doctor. Can you share with us your reports on the HSA's, HMO's, and PSRO's?

Dr. OLLER. Yes, I will leave this with Janet, and the Public Health Service study. We will submit it to you in the next few minutes.

Senator INOUYE. Well, gentlemen, I thank you once again, and if you have any additional information you'd like to submit, April 4 will be the deadline.

[The statements follow:]

# STATEMENT OF JOSÉ L. GARCÍA OLLER, M.D.

I am Dr. José L. García Oller, President of Private Doctors of America. With me is Dr. Wesley N. Segre, Founder Vice President. We testify in behalf of Private Doctors of America, the nation's largest association representing only privately practicing doctors. PDA was founded in 1968 as the Council of Medical Staffs, and our current voting membership is 43,000 doctors in 49 states, Puerto Rico and the Virgin Islands. I have practiced neurosurgery in Louisiana for the past 29 years. Dr. Wesley Segre is a practicing pediatrician for 40 years and past-president of the Louisiana Medical Association, the black physicians of Louisiana.

Mr. Chairman, I am pleased to present for your Subcommittee's evaluation:

## HEALTH SERVICE AGENCIES

1. PDA Resolutions for Staffs on HSA, opposing the HSA bill and asking for repeal.
2. Dornan Amendments which we support.
3. PDA Statement on National Guidelines.
4. New Orleans Area PDA Statement on National Guidelines for specialty care and treatment units.

I submit the PDA Testimony in the form of a printed booklet for the record, entitled "Health Systems Agencies: HSA's".

## PSRO

A. PDA Newsletter January-February 1978, with:
   1. OMB decision to oppose PSRO Budget Funding.
   2. Our letter to President Carter requesting nonfunding.
   3. OPEL, IOM and Arthur D. Little Reports on PSRO failure.

B. PDA Fact Sheets,
   pg. 1: Why Non-Delegation PSRO: why we oppose the program as not in the best interest of patients.
   pg. 2: List of 11 PSRO failures as documented in government studies and the courts.
   pg. 4: PDA Staff Resolution opposing PSRO funding.

C. The House Committee on Appropriations Report of June 1, 1978, pg. 65-66

PDA fully agrees with their evaluation of PSROs which reflects two areas of concern:

1. "The costs of the program are out of control... " the total cost exceed $400 million to $500 million annually.

2. The "basic question of whether the program works any better than others, less expensive, systems of utilization review. A number of critical studies have raised serious questions about the effectiveness of the PSRO system. Most notable of these is a $1 million evaluation of the program completed by the Health Services Administration in the fall of 1977. This report, which was done early in the program's implementation suggested that PSRO's in the aggregate may have little impact on hospital admission rates or average length of stay. Other studies seriously question whether PSRO's, no matter how successful individually, can significantly effect the cost of federal health care programs."

The PSROs continue to fail. In response to the limitation of budget and the warning that the program funding could be discontinued, the PSRO office issued urgent bulletins warning that (1) reviews be limited, in fact, abandoning the PSRO concept of concurrent review of all records and doing "spot reviews" called "focused reviews" and (2) advised PSROs that a denial of "1% - 2% utilization" could save sufficient money to establish the PSROs as "cost effective". (See appended communications National PSRO Council Minutes of July 10 and September 11, 1978.)

Is it any surprise that PSROs have followed the urgent recommendations, increased denial sufficient to "justify" their funding? HCFA's report proclaiming their "cost effectiveness" is simply "selective statistics" of those PSROs who saw the handwriting on the wall and started denying reimbursements to our hospitals and services to our patients. After 10 years of PSRO failures, fraud and coverup, this Committee should not allow PSROs yet another coverup of not doing reviews and adjusting denials to save their jobs.

Mr. Chairman, we respectfully request nonfunding of the PSRO failure and coverup. It is time we halt the 10 years of PSRO non-documentation and waste of taxpayers' funds.

PDA has done extensive study of PSROs for 10 years, and stands ready to answer any questions.

Senator Nunn's 1978 Report on Prepaid Health Plans from the Subcommittee on Investigations clearly sets out the widespread failure and fraud among HMOs. Mr. Chairman, the Surgeon General has reported to us that there is no single HMO yet free standing and successful after the original federal funding was terminated. We urge that this fastest growning, national failure not be nurtured by the taxpayer's funds, but allow it to seek its place by unsubdized market place competition.

I submit for the record a copy of ou Statement on HMO.

Thank you, Mr. Chairman.

PDA PRIVATE DOCTORS OF AMERICA T.M.

Est 1968 CMS

José L. García Oller, M.D.
President and Editor

NEWSRELEASE

FOR IMMEDIATE RELEASE
Sunday, January 21, 1979

Contact: Sue Molaison
504-486-5891

**HSAs & NHI: NATIONAL HEALTH RATIONING**

Private Doctors of America, the nation's largest association representing only private practicing doctors (42,000 doctors in 49 states) challenged today the conclusions of federal Health Service Agencies - such as the New Orleans Area - Bayou River HSA against duplication of hospital services published in the AP newsrelease yesterday.

"The people should know that the federal government is now rationing health care in a massive scale, denying or limiting hospital services to patients: new technology (CAT scanners), specialty surgery (heart surgery), specialty diagnosis and care (neonatal units) and treatment (cobalt x-rays treatment), and last week even good drugs (Califano generics). The HSAs are using their federal power to turn the clock back 30 years by creating monopolies in health care, forcing patients away from their local hospitals and into "centers". This will cause massive increase in health costs, not decrease, as we create shortages and monopolies. Patients will get treatment by interns and residents in the center, not by specialists in their local hospitals as they now receive."

"The money spent in the New Orleans HSAs alone ($600,000 this year) is enough to buy a CAT scanner for six hospitals in New Orleans every year; or cobalt x-ray machines, or Kidney dialysis ... and by duplication lower the cost of equipment and make it available to all hospitals. The CAT Scanner cost has been reduced from $500,000 to $85,000 - by duplication. Any hospital can now afford one. This is the American dream," said Dr. José L. García Oller, President of Private Doctors of America (PDA), "to equip all our hospitals with CAT Scanners, Cobalt x-ray for cancer, kidney dialysis for poisoning, cardiac surgery facilities. We can afford it by closing the HSAs nationwide. Also, by repealing other federal rationing (PSROs) which cost $1 billion a year to limit services."

Medical progress now has made available treatment by nearly all specialties close to our patients' homes: plastic surgery, neurosurgery, vascular surgery, cardiac surgery can now be done without transporting and disrupting the family which would cause great additional cost to our families in loss of hours of work, etc. HSAs would turn back the clock and transport to a "center".

The suggestion that we should close all heart surgery units "except Ochsner" - close Charity, Baptist, Touro, Tulane, Hotel Dieu; or all x-ray Cobalt units except Mercy, Gulf South, Dr. Duhe and Dr. Schlosser; or cardiac catheterization or neonatal unit, is preposterous and dangerous.

That "Quality" of treatment depends on the number of procedures done in our hospitals is ridiculous. It is only true of "centers" where new interns and residents teams have to be trained every few months and where the surgery is done by doctors undergoing education. In private hospitals surgery is done by trained, experienced specialists with proven skills. A few operations by the skilled and experienced specialist are far superior in results to the hundreds of operations done as training and teaching exercises in the "centers". It is the training and expertise of the doctor that counts, not "the hospital numbers game".

"Bureaucratic overregulation is strangling our hospitals, adding $40 a day to costs. HSAs planning agencies are applying a defunct, unworkable and expensive "crystal ball" process.

(M O R E)

10 years ago the planning agencies were crying "crisis" over the bed shortage in New Orleans, with full sections in our newspapers carrying the stories. Now health planners say "we have too many beds". 20 years ago planners said we need more OB beds - today, that we need to "close OB" because the planners did not foresee "the birth control pill". "Iron lungs" wards recommended by planners were closed by the polio vaccine - but may be needed for the federal planners' Guillian Barré paralysis from their swine flu vaccine fiasco.

"Those who say 'restrict progress to the health center' are regressing 30 years, leading us to a bankrupt system of anticompetitive socialized, monopoly medicine, as in foreign countries. But the Carter, Califano, Kennedy policy is to ration and deny care - so they may be able to 'afford' NHI. NHI will be National Health Rationing," said the PDA spokesman, "and we'll all be like England or Russia: 5 years wait for your hernia operation for the worker, or for the hip surgery for the senior citizen, or tonsillectomy for the child. Let's close the HSAs instead as was recently done in Los Angeles and Puerto Rico. Let the goal of the American medical system be: let every hospital share in our miracles of technology, and make available the best surgery and medicine in hospitals close to where our patients live. Duplication, competition and availability is the key to higher standards of health Care.""

* * *

# High Health Costs Tied to Duplications

Times Picayune, New Orleans, January 21, 1979

By The Associated Press

Higher medical costs and lower quality care are two potential problems in New Orleans hospitals that have duplicated equipment and such services as open heart surgery, neonatal care, certain cancer treatment and dianostic procedures for heart disease.

The conclusion was contained in a report by the New Orleans Area - Bayou-River Health Systems Agency, a regional health planning group under the state Department of Health, Education and Welfare. The planning agency serves 11 parishes.

In its report, the agency said only Ochsner Foundation Hospital meets the minimum number of 200 open heart surgeries annually, which is the medical standard of proper use.

The other area hospitals which perform open heart surgery are Charity, Southern Baptist, Touro Infirmary and Tulane Medical Center. An agency spokesman said all five hospitals also perform pediatric open-heart surgery, but at a rate lower than the accepted annual number for such operations. The report said infrequent performance of a surgical procedure may mean that medical skills do not stay honed. Expensive equipment may stand idle or be used when not medically necessary.

It recommended that hospitals which perform less than a standard number of procedures in a specific field — within three years after such services have begun — should stop the practices.

The report is a series of proposed additions to the agency's 1978 health plan, covering problems and priorities in the 11-parish area.

Times Picayune, New Orleans, January 22, 1979

# Doctors Dispute Agency Report 1-22-79

By THERESE L. MITCHELL

Private Doctors of America Sunday challenged the local health systems agency's conclusion that duplication of hospital services is driving up medical costs.

"It is a hoax to tell people that duplication is expensive and rationing will lower costs," Dr. Jose L. Garcia Oller, president of the national organization, said of the New Orleans Area-Bayou River Health Systems Agency report.

"The HSA is using their federal power to turn the clock back 30 years by creating monopolies on health care," Dr. Oller said in an interview with The Times-Picayune.

"This will cause a massive increase in health costs, not a decrease," he added.

The report, which was released last week, concluded that local hospitals are overly equipped for the needs of the patients. It also recommended that hospitals which perform less than a standard number of procedures in a specific field — within three years after such services have begun — should stop the practices.

Because a specific number of procedures are not performed, the report concluded, the medical skills of the physicians do not stay honed.

Dr. Oller said for the HSA to conclude that "quality depends on the number of procedures done is ridiculous."

He added that the HSA recommendation for the development of health care centers would probably mean the surgery patient would be cared for by interns and residents who "have to be trained every few months.

"In private hosptials, surgery is done by trained, experienced specialists with proven skills. It is the doctor that counts, not the hospital numbers game," Dr. Oller said.

Dr. Oller, representing 42,000 doctors from 48 states, also took issue with the HSA's charge that duplication of such equipment as the CAT scanner or Cobalt X-ray is driving up costs.

"The CAT scanner cost has dropped from $500,000 in 1976 to $85,000 in 1978," he said. "The money spent by the local HSA alone is enough to buy a CAT scanner for six hospitals, a Cobalt X-ray, or a kidney dialysis unit every year.

"By duplication, the cost has lowered and the CAT scanner service is available to patients in eight local hospitals."

Dr. Oller claims that "bureaucratic overregulation is strangling our hospitals, adding $40 a day to costs. Planning agencies are applying a defunct, unworkable, expensive and crystal ball process to medicine."

The New Orleans Area-Bayou River HSA is a regional health planning group under the aegis of the state Department of Health, Education and Welfare. It serves an 11-parish area.

STATEMENT BY THE AMERICAN COUNCIL OF MEDICAL STAFFS
ON THE PROPOSED NATIONAL GUIDELINES FOR HEALTH PLANNING

FR 42, no. 185, 9-23-77
FR 42, no. 225, 11-22-77

December 8, 1977

Dear Mr. Secretary:

I. There appears to be no such thing as a failure of a Federal program in Washington. When a program does not work, we change its name, we double the personnel and double the budget. Such is the history of the failure of health Planning.

A. In 1946, Congress decided we needed to build more hospitals. The Hill-Burton program for hospital construction was instituted and hundreds of hospitals built.

The Congress now finds that we have "too many hospital beds".

The Congress found, in 1970, a doctor shortage. Never mind that government's own publication showed we had more doctors per capita than the European countries, except Austria (and Israel). Expansion of our medical schools was demanded and imposed by federal financing regulations.

Today we are told we have too many doctors.

Government planners said we had a postwar baby boom, we needed to build more obstetrics and pediatrics wards. Planners and social engineers did not foresee the development of "the pill". Today the Secretary of HEW decrees we must close OB and Pediatric wards.

Planners didn't visualize the medical breakthrough of the polio vaccine, and demanded more "iron lungs" and rehabilitation centers. Today, polio is nearly a disease of the past, the centers closed.

The point, Mr. Secretary, is that interventional Health Planners have been an expensive failure, because bureaucracy's solutions come too late, and are soon made obsolete by medical progress by doctors working for a cure of the problem.

B. If a "voluntary" government program fails, we tend to make it compulsory and to override the power of the states.

1. The Comprehensive Health Planning Program (CHP) of 1966 was a failure. The money misspent in planning could have paid for the expensive technology it purported to ration, - enough money to buy all the Cobalt machines, instead of denying those services. In our own experience in the New Orleans Area Health Planning Council since 1968, nothing was accomplished in eight years other than an astronomical waste of physicians' and community leaders' time. We know of no accomplishment during those years, except "to comply" in order to obtain more "federal dollars".

AMERICAN COUNCIL OF MEDICAL STAFFS
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2. The Regional Medical Program of 1965 was designed to create Regional Centers for Heart Disease, Cancer and Stroke. With few worthwhile exceptions (stimulating availability of intensive care and dialysis units, etc.) the RMP failed.

3. Because CHP and RMP failed, Congress created a compulsory, huge health rationing device which overrides the proper regulatory powers and authority of states, and eliminates the power and authority of hospital boards in our communities: "The National Health Planning and Resources Development Act of 1975", Public Law 93-641, which was enacted against the unanimous opposition of the medical profession.

C. The National Guidelines provide for Rationing of Hospitals and Medical Services. The Health Planning Act gives HEW the power to ration and dismantle the best hospital system in the world, and to deny access to quality medical care to those most in need, the poor and the rural areas. In the opinion of the Council of Medical Staffs, the proposed National Guidelines would not only deny services, but are incompatible with high quality and compassionate care delivered at the point of need.

There are four forms of rationing now used, requisite for political imposition of socialized medicine (national health insurance):

1. Close Hospital Beds - no more hospitals to be built. No more beds added. This system is exemplified by the British National Health Service. The public suffers by a long waiting line for care: 2 1/2 years for a hip operation in a senior citizen, years for a tonsillectomy in a child, or a hernia in a worker. We do save "excess beds" - "money is saved" - but the patients suffer denial of services.

   Empty beds, Mr. Secretary, are essential for prompt, quality medical care. If the firemen in the Firehouse are idle most of the day, do we then fire the firemen, to call them only when there's a fire? Government planners "foresee" a swine flu epidemic, yet want to close hospitals. Where are we going to admit the patients in an epidemic, in a disaster?

   No hospital can function efficiently at 80% occupancy - it's simply overloaded, and quality suffers.

2. Deny services as "unnecessary", by creating the artificial concept of "medical necessity". Medical care is a service aimed at improving the quality of life. It is "desirable", but not a "necessity" service. It is provided therefore when the suffering patient seeks it as an individual decision. The guidelines propose that a physician delivering under 500 babies a year in a rural area should be obsoleted. Yet excellent care can be provided if only 100 are delivered, and it's all "necessary", from the rural mother and doctor's standpoint.

3. Deny equipment: the "reduplication" rationing. This country's leadership was built and is daily surviving by our ability

to "reduplicate". Expensive technology becomes cheap only when it it becomes reduplicated. The $100,000 automobile prototype becomes the $5,000 family car. The $500,000 CAT Scanner can now be had for $95,000 - a miracle of "reduplication" - in just one year! While the politicians were busy arguing the guidelines to obstruct availability, free enterprise has solved the problem once again.

The intensive care unit, once esoteric technology, is now available, in rural areas, thanks to reduplication.

What is expensive and is not fruitful is the reduplication of the planning agencies and bureaucrats, which stultify progress in technology and in delivery of care. What we need is a law and guidelines to prohibit reduplication of bureaucratic failures. We also need guidelines for the accountability for the cover-ups of the planners.

4. Geographical Rationing: "Regionalized care" which takes doctors and hospital facilities away from where patients and their families live and work. The "less expensive treatment" at a "regional center" is in fact a great expense to the patient. He is away from his loved ones, the family assumes additional travel expenses, plus the cost of having someone to attend home and the children. The loss to patients, and to their families, their finances, their work - this is never mentioned in the Guidelines, Mr. Secretary, but that is what illness is all about, and what we, as doctors, care most about: individualized patient care.

The CMS recommends, therefore, that the current proposed Guidelines be withdrawn, and a new set of guidelines be issued on the concept of patient and the family as the geographical center of planning and the benchmark of access and quality - not the convenience of the "health center" or of the health bureaucrat. That should be the basic reference standard against which to issue the guidelines as required by S. 1501 (b)(1) of P.L. 93-641, "standards respecting the appropriate supply, distribution and organization of health resources".

The proposed Guidelines, Mr. Secretary, are further subject to the following criticisms.

1. They set raw numbers as the answer to problems. A central computer can now do the entire national planning, relocate all hospitals and services.

2. State planning and Health Service Agencies are rendered obsolete by the guidelines.

3. The Guidelines give HSA's and the federal government the power to regulate and control the entire private health and medical industry. This is not "planning". This is control.

4. Rural services by doctors and hospitals will be seriously diminished.

5. Relocation and referral patterns of doctors practices would be drastic-

ally changed by federal edict, instead of by evolutionary response to the needs of the sick.

6. Federal hospitals, public health service hospitals should be the primary testing areas for all "health planning". Only if they work in "federal" hospitals, should the experiment be cautiously expanded.

7. The Guidelines represent a clear incentive for overutilization. "Heart units" will obviously strive to attain their "200 operations" "to stay alive". Patients will be shuttled accordingly, for the convenience of the quota. When the quota of "200" is reached, the patients' operation may then be conveniently postponed to the following year's quota. Is this, we ask you, quality - producing guidelines?

8. The "quota" system for babies, for children, and for technology, etc. disregards the central fact that quality is not responsive to numbers. Generally, quality suffers as quotas for utilization lead to assembly line treatment, losing out in patient observation and care, because the "efficiency" engineer is watching. Medical care is an art. One heart operation can be a masterpiece; 200 may all be second-rate. Medical care and surgery is not just technology. The design of that care, the gentleness and after-care and dedication and timeliness of every facet of pre and postsurgical care will produce a brilliant result when tailored for an individual. Patients will be lost, however, if we substitute the quest for quotas and efficiency engineering. These national quota guidelines for medical services are a plague visited upon medicine and must be withdrawn, and identified as bureaucratic meddling, not "planning".

9. If we are to encourage medical services to small communities the CMS recommends:

   a. exempt doctors from income tax for three years if they work in underserved areas;

   b. encourage, not restrict, full availability of services: OB, pediatrics, etc.

10. An "80%" average occupancy rate standard will increase costs, not lower them. It becomes an incentive to the hospitals to:

    a. Keep patients longer - just like the Public Health Service hospitals, whose attention to their bed occupancy leads to lengths of stay up to 15 years (see CMS monograph on the New Orleans PHS Hospital).

    b. Admit patients who may be treated as outpatients - as the PHS hospitals and Veterans hospitals admit patients just for "Barium Enemas", just to keep up their occupancy rates and justify their existence.

11. These Guidelines, by eliminating the smaller and the rural hospitals, will create a Health Monopoly under the Secretary of HEW Health Czar.

    The majority of this country's hospitals have 100 beds or less, yet give excellent care. The guidelines would have many of these fine hospitals eliminated or taken over by large hospitals.

12. Because of HSA rationing of beds, already large hospitals are seeking out Pediatric "Children's Hospitals" or OB Hospitals to take over - as the Planners in HSA's do not allow hospitals to expand. By incorporating these other specialty hospitals, more general beds are freed in the institution. But this is not progress, this is a forced relocation of services without regard to better care for the patients in the smaller specialty hospitals.

    The community and patients suffer when the goals of the large general hospital overshadows those best for the patients of the specialty hospital.

13. The HSA Guidelines create health monopolies and abolish competition. Competition is essential to progress, yes - especially in hospitals, regardless of what "planners" pontify.

14. The larger the hospital, in general, the less its efficiency. My 13 years experience as a neurosurgeon at a then 3000 bed hospital (Charity Hospital of Louisiana) showed the huge odds against efficiency in large hospitals. 200-300 bed size hospitals should be encouraged for better patient care, because patient care depends on personal care and attention, hardly the landmark of bureaucratized hospitals.

15. If doctors decide to practice in rural area hospitals, according to the Guidelines - without obstetrics, pediatrics, intensive care, adequate x-ray - the doctor will deteriorate to the level of technicians, the "barefoot doctors" in China and "feldschers" in Russia. Is this "quality"? Today, many rural hospitals give care equal or better than university hospitals.

    The central fact, Mr. Secretary, is that modern medicine cannot be practiced without hospitals, and we need more rural and more suburban hospitals to help our sick, not mammoth academic health monopolies in the cities.

16. It is government regulation and inept planning that is pushing up costs: Utilization review regulations, at $34,000 to find a single patient who overstays a few days; millions of doctor hours wasted on paper review; the cost of HSA's and PSRO implementation is sufficient to provide all hospitals with a free CAT Scanner each year. (See CMS Testimony on Hospital Cost "CAP" Legislation.) As CMS has stated, "more of the cause is not the cure". The central crisis in health care today is a crisis of bureaucratic overregulation, which will be multiplied by the HSA's and the guidelines.

17. The miracle of modern medical technology is the true saver of money and of priceless lives. A CAT Scanner will now save 27% of patients from operations no longer needed after the CAT's diagnosis. The CAT Scanner will again pay for itself in patients not hospitalized, thanks to the CT diagnosis. As a neurosurgeon, I received last week an offer for a high quality new scanner for $95,000. Compare this to the $500,000 it cost just one year ago!

18. The Guidelines quotas per hospital per unit for service - 200 cases for heart surgery, etc. - ignore the central fact that the expertise is in

the physician or surgeon, not in the "hospital heart unit", albeit recognition of "team experiences."

A heart surgeon or a neurosurgeon working in several hospitals may do "x" operations a year. The guidelines will now force him to do all these operations in one hospital. Good for the hospital! Convenient to the doctor! But, is the forced travel, inconvenience and disruption better for the patient and the family? No! And as the "units" work to capacity and "occupancy" goals, lives will again be lost in the waiting list. Recall the 700,000 patients in the waiting lists each year in England and all socialized countries, whose beds are "always full" at the "centers" which are "well planned".

19. Planning by the "local" HSAs can never succeed. Only with the full knowledge within a given institution's board and medical staff, with appropriate consultation, can reasonable planning decisions be made. The "Planning Boards" are essentially political bodies where the needs of patients are soon lost to "statistics". Just compare the empty beds of the VA and PHS hospital, despite the long length of stay of the political hospitals.

    As an example, hospitals were "denied" cobalt units by the planning agency in many areas. The hospital that built them anyway soon had more work than they could handle. A second cobalt unit was then needed.

    That is the story of area planning in Louisiana. Furthermore, when HSA's are successful in initially denying hospital expansion, they end up in huge escalation of the cost when the facility is constructed later due to the delays of the HSA.

20. How can we reconcile the rationing and reduction of services resulting from the guidelines, (fewer beds, fewer services, fewer diagnostic and treatment units) with the avowed aims of HEW and Congress towards "preventive medicine"?

21. The current high cost of hospitalization is partially a result of the patients' demand to return to work with as short a hospitalization as possible. Diagnostic tests are therefore done with great efficiency in a very short time, but this does drive up costs per diem. But this is not due to "increasing costs of hospitalization" - it is a deliberate artifact of "intensive services per day" - efficiency! Yet, doctors and hospitals are being penalized by punitive regulations which disrupt our hospitals, because of the "higher costs". It's less cost to the patient!

22. Ambulatory care is not necessarily more desirable from the patient's standpoint. Numerous tests in a short hospitalization can result in quicker diagnosis and prompter treatment - at savings to the patient's health, family, finances, and job security. This is important to the patient.

23. The miracle of modern drugs have emptied thousands of beds. Tranquilizers emptied mental hospitals; antibiotics and chemotherapy, tuberculosis hospitals etc. Therefore, in planning to reduce the costs of

hospitalization by planning guidelines, the use of high quality and effective drugs is essential. The Guidelines should require that drugs be available as prescribed by the physician, not second-rate generic drugs, not drugs rejected by the military, not drugs limited by a hospital administrator's list, or a Medicaid state list. Patients who do not recover because of poor quality generic drugs become long-stay patients, at huge and yet unmeasured costs in lives and dollars.

24. Guidelines should include the revaluation of cost-effectiveness of many government imposed services and financial practices in hospitals, which have driven up costs and artificially created huge new industries. Hospital's actively pursue, at government prodding, much superfluous home health care, rehabilitation, inhalation therapy, expanded pharmacy services, public relations departments, leasing practices; use of loans to use government money instead of hospital capital; all these government inducements have escalated costs.

25. As an example of the "obstetrics guidelines" application, there are only five hospitals in the entire state of Louisiana which deliver 2000 babies. Should all other "SMSA" hospitals close their OB units?

26. These Guidelines make regulators out of the HSA's - not planners; they establish "top-down" planning, not "grassroots" community input.

27. The National Planning Act aims to force the medical profession and our hospitals into becoming "regulated public utilities" - an euphemism for socialization and state control. The National Guidelines confirm the intent of central regulation by the Secretary of HEW, the antithesis of local health planning.

Our hospitals will sink into mediocrity, and our citizens will suffer second class assembly line medical care, as they await their turn to be bused to the distant approved regional center hospital emerging from these Guidelines.

Sincerely,

FOR AMERICAN CMS,

José L. García Oller, M.D., President

Robert J. Meade, M.D., Vice President

Wesley N. Segre, M.D., Vice President

December 8, 1977

# Letter to Congress from PDA

MAY 12, 1978

## HSA'S WAR AGAINST PATIENTS

Dear Congressman:

**"CMS - Private Doctors of America"** represents 42,000 doctors from 48 states. Our "Letter to Congress" program is a Fact Sheet from our socioeconomic research on issues vital to our member doctors in your state.

Last month in our first letter, we extensively documented how the government's cost control program for medical are, "PSRO" (P.L. 92-603), will cost $1.24 billion when fully implemented, yet not saved a penny since 1972. We asked that you vote not to fund PSRO in the budget bill now in Congress.

This month's **Letter** spotlights the colossal error we believe the Dept. HEW PHS have made in declaring war against technology thru the local HSA's (Health Service Agencies) under the aegis of "cost control" and "certificate of need". I will give you a precise example of how disastrous this certificate of need policy is for your constituents. I will demonstrate how the **free market** has made a phenomenal breakthrough in cost control, making rationing by HSA's moot. The example is the **"CAT Scan"** – which I am sure you have seen on TV and other media – that remarkable marriage of computer to x-ray which provides cross section views of the human body without risk. And we hope that you will vote against the Rogers bills (H.R. 6575 & H.R. 11488) or the Kennedy bills (S. 1391 & S. 2416) sections requiring such "certificates of need".

As a private neurosurgeon with subspecialty in x-ray studies for the past 25 years, I realized instantly when it was invented in 1972, that "CAT Scan" was the most revolutionary breakthrough since x ray was introduced. Its promise has now been fulfilled: many thousands of lives are saved, unnecessary surgery avoided, suffering alleviated. Today it is **indispensable to the daily practice of neurosurgery. It has saved millions of dollars in unnecessary hospitalization, truly lowering the cost and increasing quality of medical care thru technology, not rationing.**

One would think that after this dramatic scientific advance, government would have promptly assisted to expand access to every corner of our land. Instead, Mr. Califano, the HSA's, the PHS and Mr. Nader have **waged war against the Scanner, as a "too expensive technology" that must be rationed** and denied thru "certificate of need". The FTC should take note that **HSA's, in denying this equipment except to a "few Hospitals", are restraining trade, establishing monopolies and engaging in price fixing!**

In England, **where the CAT Scanner was invented,** the national health insurance (NHS) system has allowed only a few scanners for all Britain!

In the U.S. 470 scanners were sold in 1976, 240 in 77 – but government now wants to stop the free market. Let's look at the economic miracle performed by a free industry: in the past three years, while HEW, HSA'S and Congress were trying to stop the scanner to lower costs by **prohibition, the cost of the Scanner has fallen from $500,000 to $85,000. The problem has been solved by free enterprise, competition, and duplication.** When PDA testifed before the Kennedy Subcommittee on Hospital Costs last year, we remarked that the cost of the PSRO program would pay for a free CAT scan to every hospital every 3 years – that same week the cost went down to $225,000 – enough for 5555 hospitals of the 5,977 private hospitals in the U.S. (of total 7,174). Last week in New Orleans at the neurosurgical convention, I was offered a total body scanner for $85,000!

### MIRACLE OF FREE MARKET: CAT SCAN COSTS

A. Head Scanner

| | | |
|---|---|---|
| 1976 | | $500,000 |
| 1977 | May | $255,000 |
| 1977 | June | $225,000 |
| 1978 | Feb. | $120,000 (new) |
| 1978 | April | $ 96,500 (new) |

B. Total Body Scanner

| | | |
|---|---|---|
| 1976 | | $500,000 |
| 1977 | Sept. | $195,000 (reconditioned) |
| 1978 | April | $ 85,000 (reconditioned) |

Would you rather see every hospital and radiologist be thus equipped to save lives, than denied? If you agree, please vote against the Rogers – Kennedy planning bill amendments which require a "certificate of need" for scanners for either hospitals or doctors. Mr. Congressman, the Scanner story again merely restates the caveat: **Freedom in medicine saves lives, lowers costs.**

**Please share with me, if your time allows, your questions or comments, and any suggestions that could make this Letter to Congress effort more helpful to you.**

Sincerely,

José L. Garcia Oller, M.D.
President, CMS-PDA

cc: Members of Congress, Major Media outlets, U.S.
PDA Doctors in each Congressman's State

Secs. 110, 122

DORNAN AMENDMENTS

AMENDMENT TO H.R. 11488

OFFERED BY MR. ROBERT K. DORNAN

[LOBBYING]

Page 89, insert after line 16 the following:

(e) Section 1513(a) is amended by adding after the first sentence the following: "A health systems agency may not use any funds provided under this title or title XVI to, directly or indirectly, influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency or to influence the passage, amendment, or defeat of any legislation by the Congress or by any State or local legislative body, except that this sentence does not apply to the use of such funds by a health systems agency in making its views known on any matter upon the request of any Member of Congress, committee of Congress, or any other Federal, State, or local governmental authority."

Page 119, insert after line 8 the following:

(g) Section 1523 is amended by adding at the end the following: "(d) No funds made available under a grant under section 1525 may be used by a State Agency to, directly or indirectly, influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency or to influence the passage, amendment, or defeat of any legislation by the Congress or by any State or local legislative body, except that this subsection does not apply to the use of such funds by a State Agency in making its views known on any matter upon the request of any Member of Congress, committee of Congress, or any other Federal, State, or local governmental authority."

Sec. 115

AMENDMENT TO H.R. 11488, AS REPORTED

OFFERED BY MR. ROBERT K. DORNAN

[HIPPOCRATES]

Page 97, insert after line 24 the following:

(i) Section 1513(b) is amended by adding at the end the following: "(5) The HSP of a health systems agency shall include a statement of the effect that achievement of the goals of the HSP will have on the requirements placed on the practice of medicine by the Oath of Hippocrates (as restated in Geneva, Switzerland, in 1948 by the World Medical Association), and the AIP of a health systems agency shall include a statement of the effect that achievement of the objectives in the AIP will have on such requirements."

PDA

Est. 1968 CMS

MAIL TO: Private Doctors of America, 3422 Bienville Street, New Orleans, LA 70119

PRIVATE DOCTORS
OF AMERICA™

## MEDICAL STAFF RESOLUTION ON HEALTH PLANNING AGENCIES

WHEREAS, PDA has, since 1969, favored voluntary planning as an advisory and cooperative activity among all medical and health care facilities and resources; but opposed "fiscal control" planning wherein the independent authority of each institution is superseded by withdrawal of funds as a result of imposition of central planning, resulting in monopolies and anti-competitive practices as is now represented in the HSA's (Health Systems Agencies) of the National Health Planning Act, which law expired as of December 1978; whereas this PDA policy of non-participation in "fiscal control" HSAs, as a society, has also been adopted by the Louisiana State Medical Society,

IT IS THEREFORE RESOLVED THAT this Medical Staff:

1. opposes the National Health Planning Act of 1979 (H.R. 11488) because it creates agencies (HSAs) which supersede and control the authority of private hospitals' boards of trustees and rations and controls the practice of medicine; and
2. opposes the HSA numerical guidelines for hospital beds for specialty care units (neonatal, cardiac surgery and diagnosis, and cancer therapy) inasmuch as the U.S. has fewer beds per thousand than Great Britain, Sweden, Germany, France and Italy; and therefore
3. opposes the Certificate of Need for hospital expansion; and
4. opposes any HSA control by a Certificate of Need of expenditures by private physicians of their own capital resources for their medical equipment or office facility; and
5. supports Representative Dornan's Amendments to H.R. 11488 to prohibit the use by HSA's of planning funds for lobbying of legislation; and
6. supports the Dornan Amendment to evaluate the impact of HSA goals and actions on the requirements placed on the practice of medicine by the Oath of Hippocrates; and
7. that copies of this Resolution be sent to: Private Doctors of America, the State's Congressional Delegation, Members of the Interstate and Foreign Commerce Subcommittee on Health and the Environment, Congressman Robert K. Dornan and the local Health Systems Agency.

ACTION: ( ) Motion Approved ( ) Motion Not Approved

FROM: _____ Medical Staff. Date Voted: _____, '79

BY: _____, ( ) Chief of Staff ( ) Secretary

### ADDRESSES

The Honorable _____
United States Senate
Washington, DC 20510

The Honorable _____
House of Representatives
Washington, DC 20515

HOUSE OF REPRESENTATIVES Committee on Interstate and Foreign Commerce, Subcommittee on Health and the Environment – Members.

| Democrats | | Republicans |
|---|---|---|
| Henry A. Waxman, (CA) Chairman | | Tim Lee Carter (KY) |
| Richard C. Shelby (AL) | Barbara A. Mikulski (MD | William E. Dannemeyer (CA) |
| Andrew Maguire (NJ) | John M. Murphy (NY) | Edward R. Madigan (IL) |
| Richardson Preyer (NC) | Thomas A. Luken (OH) | Dave Stockman (MI) |
| Doug Walgren (PA) | William Philip Gramm (TX) | Gary A. Lee (NY) |
| G. T. (Mickey) Leland (TX) | David Satterfield (VA) | Samuel L. Devine (OH) Ex-Officio |
| Harley O. Staggers (WV) Ex-Officio | | |

PDA PRIVATE DOCTORS OF AMERICA T.M. FACT SHEET

## WHY NON–DELEGATION PSRO

1. FEDERAL RULEBOOK UNACCEPTABLE – PSRO rejects professional individual judgement and substitutes a committee rulebook.

2. MEDICAL NECESSITY UNDEFINABLE – The basis for PSRO denial of services is "medical necessity". This cannot be defined. PSRO politically creates a rationing rulebook of criteria, norms and standards to be applied to review of medical records. Such statistical definitions do not relate to care of individual patients.

3. PSRO IS UNETHICAL – A doctor's contract in private practice is with the patient. It is a conflict of interest for doctors to serve as government agents, to serve the government's interest of cost control, and to ration and limit services based on the government rulebook.

4. PSRO IS A MALPRACTICE TRAP – If doctors approve the political, cost-control "criteria norms and standards" rulebook, rather than community standards based on individualized judgement of all doctors, we create a new legal standard of practice and, by definition a standard for malpractice, which does not fit the reality of medicine. It is a malpractice trap.

5. PSRO IS NOT PEER REVIEW BY THE PROFESSION – PSRO IS GOVERNMENT REVIEW, REGULATION AND CONTROL OF THE PRACTICE OF MEDICINE.

   Senator Carl T. Curtis (R-NE) phrased the definition of PSRO Fiscal Review properly when he stated in his address to PDA, February 5, 1974:

   "Many people were drawn into supporting PSRO because they felt they were supporting a proposal for peer review in the medical profession."

   "PSRO is not 'peer'. It is government review, regulation and control of the practice of medicine . . . We have marked . . . where the Secretary of Health, Education and Welfare is authorized to take action to make a decision or formulate regulations. These delegations of power in the 17 pages number 68.

   Now when the power is delegated to the Secretary of HEW, it is well known that the Secretary cannot personally exercise that power. It means the delegation of power to an unnamed, unelected, and oftentimes uncontrollable bureaucracy."

6. PSRO IS RATIONING OF MEDICAL CARE – Rationing of Medical Care is necessary for National Health Insurance. No country can afford unlimited demand for services which appear "free" at the point of service.

7. PSRO DOES NOT IMPROVE QUALITY – Fiscal review by "Foundations", "PSRO's", is 95% computer and nurse review for cost decisions of "pay-no-pay." This is sham review: a device to avoid true peer review.

8. PSRO COST CONTROL DOES NOT WORK – 6 Government studies: PSRO IS A FAILURE. (See PDA Newsletters Jan. & Aug. 78)

9. PSRO IS A BLUEPRINT FOR FRAUD – ITEM: 34 of 39 PSROs investigated by government have "inadequate accounting of its funds and property". (HEW Inspector General, Nov. 1977 Report.)

   ITEM: The Nashville, Tenn. PSRO is being probed by the Grand Jury for possible fraud. Its funds were discontinued by HEW. PSRO hired Jim Neal, nationally known criminal lawyer, for defense.

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3422 BIENVILLE STREET • NEW ORLEANS, LOUISIANA 70119 • TEL. 504–486-5891

10. DELEGATION: THE FRIENDLY COMMITTEE PLOY – It is privately argued that federally delegated committees on the staff will be friendly, but dishonest, committees that will not implement HEW criteria. What is not mentioned is that the friendly committee is liable for prosecution for fraud if it ignores the guidelines in a spirit of "friendship" to the hospital or doctor.

    The Senate Finance Committee Report on the Law reads: "Equivocation, hesitance, half-hearted compliance will negate the intended results from delegation... The Inspector General for Health Administration will give special attention to monitoring and observing the establishment and operation of the PSRO's to assure conformance and compliance with congressional intent." SCF Report 92-1230 9/26/72

11. WHO SHOULD IMPLEMENT PSRO? – The PSRO Law prefers Non-Delegation:

    – The PSRO should do its own review. (Non-Delegation) (S. 1155 (a)(1))

    – Staff doctors should not ordinarily do the review. (S. 1155 (a)(5))

12. NON-DELEGATION, BECAUSE:

    – doctors continue their practice as usual

    – the hospital gets paid as usual

    – the patient's bill is paid as usual

    – doctors paid under direct billing as usual

    – PSROs must prove they can lower costs and increase quality

    – PSRO by staffs is voluntary

    – doctors must not volunteer to be government agents and adjustors to make decisions on payment of federal insurance.

## PSRO IS A FAILURE

LIST OF GOV'T STUDIES '76–'78

1. IOM Report, Nov. 77 – No evidence of savings
2. Bonner Study, Feb. 76 – UPRO no impact from concurrent review
3. Arthur D. Little Gov't Study on UPRO, 1976 – "No program effect on medical cost and utilization"
4. OPEL, 1977 – No significant overall PSRO effect
5. OMB, Dec. 77 – PSRO funding should be stopped
6. HEW Audit Agency, Nov. 77 – Review of 34 of 39 PSROs shows inadequate accounting
7. OPEL Final Report, Feb. 78 – No significant PSRO effect
8. Sanazaro, New Eng J. of Med, May 25, 78 – 24 hospitals - 5 PSROs area "They are not certain that this large effort enhanced the quality of care."
9. GAO, Ahart Testimony to Oversight Subcommittee (Ways & Means), June 78 – PSRO savings generally unsubstantiated
10. GAO, Aug. 78 – Review all PSROs 72-77, "Most of the nation's physicians have not enrolled in the program."
11. Nashville, Tenn Foundation PSRO, Sept. 78 – Criminal lawyer hired by PSRO to defend against GAO and Grand Jury probe of possible fraud, overbilling government $200,000. Funding stopped as of Oct. 78.

KEEP FREEDOM IN MEDICINE

VOTE! NON – DELEGATION

PRIVATE DOCTORS OF AMERICA T.M.

EST. 1968

October 21, 1978

## ALERT TO ALL DOCTORS IN LOUISIANA

Dear Doctor:

**IT IS URGENT THAT IN THE NEXT 30 DAYS EVERY MEDICAL STAFF MEET AND VOTE TO REJECT PSRO AS PER ENCLOSED MOTION BY**

- **VOTING FOR "FULL NON-DELEGATION"**
- **NOT JOINING PSRO**

### POLICY

The Motion expresses the 10 year Policy of PDA, Louisiana State and all Parish Medical Societies in Louisiana. The Policy is:

1. DO Quality Peer Review for educational purposes, but do not report to third parties or government.
2. DO NOT perform fiscal PSRO review for financial interests of government.
3. VOTE NON-DELEGATION and Non-Membership in PSRO.

Doctors must never volunteer as PSRO Government agents to act as insurance adjustors for payment. Judge Gesell ruled this year that PSROs are government agencies. Hold the PSRO responsible for its failure. Doctors must not be the scapegoats.

### WHY THE EMERGENCY?

All PSRO's now stand rejected by LA doctors. On September 29th, however, HEW "appointed" them!

For 6 years (1972-78) we have successfully held off PSRO in Louisiana by saying NO! All failed in obtaining membership needed to qualify as PSROs representing practicing doctors. The government officially lists LA as a State with formal opposition to PSRO review by the profession.

This September 29, however, HEW announced in the Federal Register, that it was appointing the practicing-physician-rejected-PSROs as government-designated "alternate conditional" PSROs.

These physician-rejected, government appointed PSROs on October 3rd began writing letters to hospital administrators (SE LA PSRO: Oct 3) and Chiefs of Staffs asking them to join PSRO and do "delegated" PSRO review as a staff, contrary to the "Non-delegation" policy of the LA Medical profession. There is danger that some will compromise if not immediately alerted. Please read this material carefully, call your Chief of Staff and ask for a meeting for a Non-Delegation vote within 30 days. To remain free, the profession must not implement bureaucratic schemes certain to fail and certain to enslave.

For the freedom of private practice,

José L. García Oller, M.D.
President

PRIVATE DOCTORS OF AMERICA, INC.
3422 BIENVILLE STREET • NEW ORLEANS, LOUISIANA 70119 • TEL. 504-486-5891

PDA

PRIVATE DOCTORS OF AMERICA™

## MEDICAL STAFF MOTION FOR

## NON-MEMBERSHIP, FULL NON-DELEGATION PSRO

This Motion implements the official Policy of PDA, LA State & all Parish Medical Societies, and LA Medical Association

WHEREAS, this Staff has a choice between Delegated and Non-Delegated status in PSRO, and this choice will not affect the payments to the patient, the hospital or the doctor, and

WHEREAS, PSRO is the rationing and limitation or denial of services to our patients, based on a federally mandated rulebook under control of the Secretary of HEW, whether delegated or non-delegated, and

WHEREAS, PSRO creates a huge and expensive and unnecessary bureaucracy that increases costs, reduces quality, decreases access to services, and constitutes a blueprint for fraud in the bureaucracy, as well as creates a malpractice trap, for which this medical staff does not wish to become responsible,

IT IS THEREFORE RESOLVED THAT, the allocation of medical resources should be based on individual professional judgement with freedom of choice by patient and by doctor and not by PSRO committee decisions. Therefore:

1. This Staff chooses Full Non-Delegation Status in PSRO, and
2. Staff members are urged to individually not join PSRO, and to resign if they have done so, and
3. The Medical Staff shall continue its true Peer Quality Review function, not reporting to third parties or PSRO, and
4. The Area PSRO shall be directly notified by letter, within 48 hours of this staff's choice of "Non-Delegation" status. The Report of the Vote and copy of the letter to PSRO shall be sent to Private Doctors of America, with copies to the local and state medical societies.

Mail to: Private Doctors of America, 3422 Bienville Street, New Orleans, LA 70119

ACTION: ( ) Motion Approved ( ) Motion Not Approved

FROM: _____ Medical Staff. Date Voted: _____, 1978

BY: _____, M.D. ( ) Chief of Staff ( ) Secretary

## LETTER TO PSRO

Dear PSRO: *(To be sent Certified Mail, Return Receipt Requested)*

This is to certify that the enclosed Motion of the Medical Staff of _____ Hospital was approved at the Staff Meeting of _____, 1978. Please send us written acknowledgement that this Medical Staff has chosen Full Non-Delegation Review.

cc: Hospital Board, PDA, LSMS, Local Society

### LA PSRO ADDRESSES

Area 1 North LA Med. Rev. Assoc., 1600 Fairfield, Suite 210, Shreveport, LA 71101
Area 2 SW LA Med. Rev. Assoc., 224 St. Landry Street, Lafayette, LA 70506
Area 3 LA Med. Standards Rev. Foundation, 7465 Exchange Place, Suite 201, Baton Rouge, LA 70806
Area 4 SE LA Med., Qual. Rev. Foundation, 2620 Jena Street, Suite 200, New Orleans, LA 70115

NATIONAL PSRO COUNCIL
MINUTES JULY 10, 1978

Evaluation

Dr. Alan Dobson presented the status of the 1978 PSRO evaluation to be performed by HCFA. The Undersecretary of HEW has issued a November 1 due date for the evaluation report. Dr. Dobson will be in charge of the entire evaluation and all inquiries can be addressed to him. Although the evaluation is for the year 1978, the most recent available data will be from 1977. Thus, in any report it is crucial to point out that the evaluation is based on data obtained before the effects of such new program initiatives as objective setting, focusing, and cost reduction have had a chance to be measured.

While the format of the report will be similar to last year's format, there will be several improvements in methodology and changes in emphasis. Last year's study asked whether the program had a dramatic impact on utilization. This is not a sensitive approach. This year's study will seek to determine what the impact on utilization has been over time. In addition, this year's study will concentrate more heavily on disaggregated analysis to pinpoint those PSROs which have had the greatest impact.

Another major methodological change is in the area of cost containment. The previous study asked only whether PSROs have a dramatic impact on cost containment. This year a more focused question will be asked - can the PSRO cover its own costs. It is estimated that only a 1 or 2% reduction in utilization would cover the costs of PSROs.

Other changes include an accounting of the number of days of hospital care which result from waiting for placement at a lower level of care and the addition of a number of new variables which attempt to more fully explain the program.

Finally, the attempt to use comparison areas will be discarded and a methodology will be developed which each PSRO area will control for itself.

Dr. Dobson invited the Council to select representatives to join the Technical Advisory Group, which will have a significant role in the development, review, and report of the evaluation study.

The Council emphatically expressed a desire not only to have an opportunity to review and comment on a draft report, but to participate in the selection of appropriate methodologies as well. Toward that end, Drs. Platt and Lucas will serve on the Technical Advisory Group with the possibility of another Council member being added at a later date.

that the voice of the Council is needed in decision making and that their decisions concerning the PSRO program are enriched by a wide knowledge of the context in which the program sits.

Dr. Smits concluded her remarks by urging both the Council and those who regularly attend the meetings to submit ideas about what the Council should be doing over the coming year.

Progress Report on Operations

Dr. Goran updated the Council on a number of important items with respect to program funding. Two recent pressures on the PSROs are: 1) the need to establish specific definitive review objectives, and 2) the reductions in hospital review budgets resulting from the anticipated fiscal year '79 funding. It is expected that only $8.70 per hospital patient will be available in the coming year.

As a result of these two pressures, several transmittals - one on objective-setting and one on the reduction of costs of hospital review - were prepared. These two transmittals are intimately related, especially in light of the PHDDS reports which indicate wide disparity in hospital utilization practices from one part of the country to another. Both the transmittals and OPSMO discussions with PSROs attempted to express the preference that relatively more of the limited review dollar go to PSROs with the greatest utilization problems and least control over their hospitalization practices.

With the cooperation of AAPSRO, several steps are underway to deal with the PSROs regarding the budgetary situation. There will be a meeting on September 18 and 19 with all the PSRO officers around the country to discuss the implications of the budget situation and how such should influence project officer/PSRO discussions over upcoming renewals for the next year. In addition, AAPSRO is scheduling an impact workshop to help PSROs understand the relationship of the aforementioned pressures. Lastly, at the AAPSRO annual meeting, three or four workshops will attempt to bring directly to the PSROs the information that is being shared with the Project Officers.

By the end of the Fiscal Year, most of the country will have a conditional PSRO responsible for review in its area. Dr. Goran gave the estimated end-of-year numbers: 178 conditional PSROs, 15 planning PSROs, and 2 areas uncovered (Nebraska and a small area in Illinois). In order for these numbers to be realized, Texas will have to become a planning PSRO, three Louisiana planning PSROs will become conditional and two new planning contracts will have to be negotiated in Florida within the next several weeks.

PRIVATE DOCTORS OF AMERICA MEMBERSHIP - MARCH 1979

| | CHAPTER | NO. OF STAFFS | VOTING MEMBERS |
|---|---|---|---|
| I. | ALABAMA | | |
| | 1. Northern Alabama | 1 | 93 |
| II. | ARIZONA | | |
| | 2. Central Arizona | 1 | 458 |
| | ARKANSAS (see Gr. Memphis) | | |
| VI. | CALIFORNIA (V-7194) | | |
| | 3. San Diego Imperial | 2 | 205 |
| | 4. Southern California | 50 | 6,989 |
| V. | COLORADO | | |
| | 5. San Luis Valley Area | 1 | 18 |
| VI. | FLORIDA (V-3608) | | |
| | 6. Florida West Coast | 6 | 641 |
| | 7. Ft. Lauderdale Area | 2 | 436 |
| | 8. Mid East Florida Area | 6 | 684 |
| | 9. South Florida Area | 12 | 1,847 |
| VII. | GEORGIA (V-579) | | |
| | 10. Ctl. Savannah River | 2 | 242 |
| | 11. Northeast Georgia Area | 1 | 11 |
| | 12. Northern Georgia Area | 1 | 326 |
| VIII. | ILLINOIS | | |
| | 13. Northern Illinois Area | 9 | 1,210 |
| IX. | INDIANA (V-241) | | |
| | 14. Northeast Indiana Area | 2 | 85 |
| | 15. South Ctl. Indiana Area | 1 | 43 |
| | 16. Southern Indiana Area | 2 | 113 |
| | IOWA | | |
| | 17. Black Hawk Area | 2 | 61 |
| XI. | KANSAS (see Mid America) | | |
| XII. | KENTUCKY (V-273) | | |
| | 18. Bluegrass Area | 1 | 19 |
| | 19. Green River Area | 2 | 108 |
| | 20. Northern Kentucky Area | 2 | 140 |
| | 21. Pennyrile Area | 0 | 6 |
| XIII. | LOUISIANA (V-2957) | | |
| | 22. Acadiana Area | 4 | 81 |
| | 23. Baton Rouge Area | 3 | 234 |
| | 24. Ctl. Louisiana Area | 1 | 30 |
| | 25. Greater Monroe Area | 3 | 184 |
| | 26. Lake Charles Area | 5 | 210 |
| | 27. New Orleans Area | 37 | 1,960 |
| | 28. Shreveport Area | 1 | 258 |
| XIV. | MASSACHUSETTS | | |
| | 29. Merrimack Valley Area | 7 | 642 |
| XV. | MICHIGAN (V-5697) | | |
| | 30. Albion Area | 1 | 42 |
| | 31. Greater Detroit Area | 49 | 5,347 |
| | 32. Jackson/Hillsdl/Lenawee | 7 | 292 |
| | 33. Northern Michigan | 1 | 16 |
| XVI. | MINNESOTA | | |
| | 34. South Ctl. Minnesota | 1 | 9 |
| XVII. | MISSISSIPPI (V-424) | | |
| | 35. Central Mississippi | 2 | 273 |
| | 36. Northern Mississippi | 1 | 9 |
| | 37. Northwest Mississippi | 1 | 22 |
| | 38. Southeast Mississippi | 3 | 120 |
| XVIII. | MISSOURI (V-1,789) | | |
| | 39. Gr. St. Louis (IL) | 9 | 1,296 |
| | 40. Mid America (KS) | 2 | 493 |
| XIX. | MONTANA | | |
| | 41. Montana Area 2 | 3 | 152 |
| XX. | NEW HAMPSHIRE | | |
| | 42. New Hampshire Area | 1 | 172 |
| XXI. | NEW JERSEY ((V-1243) | | |
| | 43. Northern New Jersey | 7 | 994 |
| | 44. Southern New Jersey | 2 | 249 |
| XXII. | NEW MEXICO | | |
| | 45. New Mexico Area | 4 | 78 |
| XXXIII. | NEW YORK | | |
| | 46. Nassau-Suffolk | 6 | 1,113 |
| XXIV. | NORTH CAROLINA (V-627) | | |
| | 47. Clinton-Fayetteville | 1 | 29 |
| | 48. Kinston Area | 1 | 71 |
| | 49. Rocky Mount Area | 2 | 98 |
| | 50. Winston-Salem Area | 2 | 497 |
| XXV. | OHIO (V-4301) | | |
| | 51. Eastern Ohio Area | 6 | 767 |
| | 52. Mid Ohio Area | 17 | 1,338 |
| | 53. North Central Ohio | 2 | 145 |
| | 54. Northeast Ohio | 12 | 1,135 |
| | 55. Northwest Ohio | 10 | 762 |
| | 56 Southwest Ctl. Ohio | 1 | 154 |
| XXVI. | OKLAHOMA | | |
| | 57. Oklahoma City Area | 0 | 8 |
| XXVII. | OREGON | | |
| | 58. Portland Area | 1 | 82 |
| XXVIII. | PENNSYLVANIA (V-5795) | | |
| | 59. Allegheny Valley Area | 10 | 1,304 |
| | 60. Central Penn. Area | 1 | 87 |
| | 61. Delaware Valley Area | 25 | 3,889 |
| | 62. Northeast Penn. Area | 3 | 342 |
| | 63. Northwest Penn. Area | 2 | 57 |
| | 64. South Central Penn.Area | 2 | 116 |
| XXIX. | RHODE ISLAND | | |
| | 65. Rhode Island | 2 | 215 |
| XXX | TENNESSEE (AR & MS)(V-842) | | |
| | 66. East Tennessee Area | 1 | 31 |
| | 67. Greater Memphis Area | 2 | 811 |
| XXXI. | TEXAS (V-2559) | | |
| | 68. Alamo Area | 0 | 2 |
| | 69. Gr. Houston/Galveston | 11 | 1,203 |
| | 70. Lower Rio Grande Area | 0 | 17 |
| | 71. North Ctl. Texas Area | 18 | 1,101 |
| | 72. South East Texas Area | 1 | 236 |
| XXXII. | VIRGINIA | | |
| | 73. Southwest Area | 1 | 20 |
| XXXIII. | INDIVIDUAL MEMBERS | | 641 |
| | TOTAL | 402 | 43,151 |

## STATEMENT OF BRADFORD BEEBE

Mr. Chairman, the American Medical Student Association (AMSA) is the largest independent medical student organization in the United States, representing 25,000 students in over 120 allopathic and osteopathic medical schools. We thank you for this opportunity to present before the subcommittee our national position on the President's proposed Health Resources Administration budget for FY80. AMSA appreciates the frustrations encountered by Congress and the Administration in dealing with the health manpower needs of the nation as well as with the financial plight of medical students.

Let us first say that AMSA wholeheartedly supports the emphasis indicated by the Administration's increase of $7 million for primary care postgraduate training and $15 million for Family Medicine Departments in medical schools. These are two excellent methods for helping to solve the problems of geographic and specialty maldistribution of physicians.

We have reservations, however, with the Adminsitration's perception of the consequences of the proposed $282 million decrease in funding for Health Professions Educational Assistance over FY79 Appropriations. Specifically, we feel sure that the proposed termination of $135 million in capitation grants will create undo hardships on medical students already burdened by increasing tuitions. Dr. Henry Foley, Director of HRA, stated on March 20th before the House subcommittee that termination of capitation can be expected to increase tuitions by as much as $1338.00 per year per student (more than doubling some tuitions. If our present system of equal opportunity education is to survive, and in view of cuts in direct student assistance, capitation monies must be sustained. For example, minority enrollment in medical schools has been decreasing steadily over the last several years. The President's proposals, although well-intentioned in an austere fiscal environment, will increase cost to the student through

tuition and simultaneously decrease direct assistance provided by HPSL and the EFN first-year scholarships and will do nothing short of accelerating the trend toward a medical elite of the wealthy. This proposed cancellation of future funding for both the Health Professions Student Loans and Exceptional Financial Need scholarships will reduce by $17 million from FY79 Appropriations the direct assistance specifically targeted for minorities and the financially indigent--thus, directly decreasing the medical school enrollment of these traditionally underrepresented populations. By cutting funds for these programs which are already directed at those students of "exceptional financial need", those most deserving of additional support to allay the tuition increases concommitant with no capitation will have less next year with which to pay those increases. AMSA supports the increased representation of racial minorities in medical schools and urges that special attention be paid to their financial needs. The President does at least propose a .4 percent increase in funding of minority recruitment programs. However, in light of the elimination of $7 million in EFN first-year scholarships (42 percent of which go to minority students), the elimination of $10 million in continued funding of HPSL's, and the availability of less than 11 percent of National Health Service Corps scholarships for first-year students, strong disincentives will exist toward enrollment in medical school for those students whose recruitment is so vigorously funded.

Therefore, we feel that the present level of funding for capitation should continue, and further we believe that additional quid pro quos can and should be linked to these funds in order to direct physician training toward more effectively meeting national health manpower objectives. The quid pro quos already tied to these grants have successfully demonstrated the effectiveness of this policy.

The NHSC scholarships are one of the few sensible options left to students unable to finance their own education. Unfortunately, the FY80

funding for this program has only been increased by $4.5 million over FY79 levels--an increase designed to just keep pace with the President's very optimistic 6 percent rate of inflation but insufficient to match the real inflationary spiral of many institutions. With the cutting of capitation, the inevitable increase in tuitions will not only completely eliminate any growth factor in the NHSC but will actually lead to program cutbacks. Thus, the $79.5 million proposed for FY80 will be clearly inadequate to accomodate the large number of students unable to generate sufficient funds because of the cancelled assistance programs. AMSA strongly supports the NHSC and its objectives and would urge that the level of funding match the student demand and the national need.

The remaining financial options available to students are predominantly the restricted ceiling, high interest HEAL loans. I would direct the members of the Subcommittee to the charts on pages 6-8 of this Testimony. As you can see, this program presents students with the prospect of facing payments during their residencies which consume a large portion of their modest incomes. We believe this will be a prime motivation for young physicians to enter high-paying sub-specialities in urban areas, and will be counter productive to the avowed goals of Congress and this Administration to increase the proportion of primary care physicians and alleviate maldistribution.

As financial assistance decreases, health professions schools will be forced to reconcile their limited fiscal resources with the student's inability to pay for his or her own education. Financially-blind admission programs may become historical remnants. This predicament is no more poignantly elucidated than by a letter we have seen from a New England dental school which stated;

"We are pleased to inform you that the Admissions Committee has selected you as a student they would

> like to invite to become a member of the class of 1982 ... Ordinarily, we would be sending you a letter of provisional acceptance; however, we do have concern in your ability to pay for the program... Unless you can demonstrate you can more nearly meet the program costs, it is impossible for us to send a formal invitation to admission..." (see complete copy, page 9.)

This letter stands as a caveat on the hazardous future of equal opportunity education.

AMSA feels that the President's budget proposals will worsen the already bad situation in regard to minority enrollment and specialty and geographic distribution, and hope that the Congress will restore funding to levels adequate to meet our pressing national needs.

U.S. Office of Education
Health Education Assistance Loan Projections

ALTERNATIVE I:
STUDENT PAYING INTEREST (10%) AS STATED IN LEGISLATION

| | In School | | | | Internship/Residency | | | Grace Period |
|---|---|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | 9 Mos. |
| • Amount Borrowed | 10,000 | 10,000 | 10,000 | 10,000 | -- | -- | -- | -- |
| • Principal Amount Outstanding | 10,000 | 20,000 | 30,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| • Interest (10%) | 1,000 | 2,000 | 3,000 | 4,000 | 4,000 | 4,000 | 4,000 | 3,000 |
| • Insurance Premiums (½ of 1% to beginning of repayment period plus a 9 mo. grace period) | 400 | 350 | 300 | 250 | -- | -- | -- | -- |
| • Total Interest/Insurance Premium (paid by student) | 1,400 | 2,350 | 3,300 | 4,250 | 4,000 | 4,000 | 4,000 | 4,000 |
| • Proceeds available for educational expenses | 8,600 | 7,650 | 6,700 | 5,750 | -- | -- | -- | -- |
| • Student Monthly Interest Payment | $ 83.34 | $166.67 | $250.00 | $333.34 | $333.34 | $333.34 | $333.34 | $333.34 |

- Proceeds of loans = $40,000
- Net Proceeds Available for Educational Expenses = $28,700
- Repayment of $40,000 over 15 years at 10% = $429.85 per mo. (average resident's net first year salary is $900 mo.)
- Total of Payments = $77,343

U.S. Office of Education
Health Education Assistance Loan Projections

ALTERNATIVE II:
INTEREST COMPOUNDED (6 MO.) AND ACCRUED

| | In School | | | | Internship/Residency | | | Grace Period | Accrued Interest |
|---|---|---|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | 9 Mos. | |
| • Amount Borrowed | 10,000 | 10,000 | 10,000 | 10,000 | -- | -- | -- | -- | |
| • Accrued Interest | | | | | | | | | |
| Loan 1 | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | $11,828 |
| Loan 2 | | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | 9,793 |
| Loan 3 | | | ---------- | ---------- | ---------- | ---------- | ---------- | ---------- | 7,958 |
| Loan 4 | | | | ---------- | ---------- | ---------- | ---------- | ---------- | 6,289 |
| • Total Interest (10%) | | | | | | | | | $35,868 |
| • Insurance Premiums (½ of 1% to beginning of repayment period plus a 9 mo. grace period) | 400 | 350 | 300 | 250 | -- | -- | -- | -- | |
| • Proceeds available for educational expenses | 9,600 | 9,650 | 9,700 | 9,750 | | | | | |

- Proceeds of loans = $40,000
- Net Proceeds Available for Educational Expenses = $38,700
- Interest Cost = $35,868
- New Principal $75,868
- Repayment of $75,868 over 15 years at 10% = $815.63 per mo. (average resident's net firrst year salary is $900 mo.)
- Total of Payments = $146,813.40

INDIVIDUAL STUDENT LOAN
IMPACT
PL 95-215 [H. E. A. L.]

| Interest Rate | Total Borrowed | Years To Repay | Annual Repayment During Residency | Annual Repayment After 3 Years Res. * | Total Repayment |
|---|---|---|---|---|---|
| 8 | 15000 | 15 | 1460 | 2132 | 36699 |
| 8 | 30000 | 15 | 2920 | 4264 | 73398 |
| 8 | 50000 | 15 | 4867 | 7107 | 122330 |
| 9 | 15000 | 15 | 1682 | 2319 | 40169 |
| 9 | 30000 | 15 | 3365 | 4638 | 80339 |
| 9 | 50000 | 15 | 5608 | 7730 | 133898 |
| 10 | 15000 | 15 | 1914 | 2517 | 43835 |
| 10 | 30000 | 15 | 3829 | 5034 | 87670 |
| 10 | 50000 | 15 | 6381 | 8390 | 146117 |
| 11 | 15000 | 15 | 2156 | 2726 | 47701 |
| 11 | 30000 | 15 | 4313 | 5453 | 95402 |
| 11 | 50000 | 15 | 7188 | 9088 | 159003 |
| 12 | 15000 | 15 | 2409 | 2447 | 51772 |
| 12 | 30000 | 15 | 4818 | 5894 | 103545 |
| 12 | 50000 | 15 | 8029 | 9824 | 172574 |

- for simulation purposes, equal borrowing in 4 years of study is assumied
- students in this program have chosen to let interest accrue and compound during studies
- students have opted not to choose a grace period

* H. E. A. L. allows only three years of residency-related defferral of principal payments

December , 1978

Dear

We are pleased to inform you that the Admissions Committee has selected you as a student they would like to invite to become a member of the Class 1982.

Ordinarily, we would be sending you a letter of provisional acceptance; however, we do have concern in your ability to pay for the program.

As you know from your interview letter and financial presentation at interview, we awarded only one out of three students aid. That aid averaged about $2800 and did not exceed $4,000. You have requested for more aid which unfortunately is not realistic. You can now participate in the Health Education Assistance Loan (HEAL) program which permits a $10,000 per academic year loan, but precludes utilization of a federally guaranteed bank loan in the same year.

With a $10,000 HEAL loan and yours and your parents contribution of $2000, you are still approximately $7000 short.

Unless you can demonstrate you can more nearly meet the program costs, it is impossible for us to send a formal invitation to admission.

The primary purpose of this letter is to assure you of our continued interest in you as a student if you make appropriate financial arrangements.

We would like to hear from you within 10 days, or we shall withdraw your application from further consideration.

If you have any question, please contact this office.

Sincerely yours,

NHSC Scholarships
President's Proposed Budget- FY80

| | 1979 | | 1980 | |
|---|---|---|---|---|
| | No. | Amt. | No. | Amt. |
| Continuations..... | 4,253 | $50,970,000 | 4,708 | $59,820,000 |
| New..... | 1,942 | 24,030,000 | 1,487 | 19,680,000 |
| Total..... | 6,195 | 75,000,000 | 6,195 | 79,500,000 |
| Average Amt. of Award. (does not include eval. money) | 11,984 | | 12,703 | |

| Discipline | New Awards | Continuation | Total | Graduating | Recipients Available for Service 1/ | Man Years of Service |
|---|---|---|---|---|---|---|
| 1979 | | | | | | |
| Medicine | 1,290 | 3,727 | 5,017 | 859 | 770 | 1,161 |
| Dentistry | 171 | 387 | 558 | 57 | 56 | 113 |
| Nursing | 80 | 100 | 180 | 54 | 51 | 93 |
| VOPP | 181 | -- | 181 | — | — | — |
| Other 2/ | 220 | 39 | 259 | 66 | 63 | 164 |
| Total | 1,942 | 4,253 | 6,195 | 1,036 | 940 | 1,531 |
| 1980 | | | | | | |
| Medicine | ([1,156])* | 3,861 | 5,017 | ([1,192])* | 761 | 1,410 |
| Dentistry | 133 | 425 | 558 | 134 | 119 | 186 |
| Nursing | 52 | 131 | 183 | 51 | 48 | 103 |
| VOPP | 86 | 181 | 267 | — | — | — |
| Other 2/ | 60 | 110 | 170 | 149 | 142 | 214 |
| Total | 1,487 | 4,708 | 6,195 | 1,526 | 1,070 | 1,913 3/ |

1/ Reflects those recipients graduating in previous years and receiving deferments for residency training.

2/ Other category includes other health discipline needs by the NHSC Corps such as Public Health Nurses, Nurse Midwives, Nurse Practitioners, Public Health Nutritionists, Medical Social Workers and Pathologists/ Audiologists.

3/ The 1980 request would provide 5,884 man years of service (4,852 physicians) in the field in the peak year of 1988.

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These figures show a decline in the actual number of scholarships for students of medicine. Dr. Foley, Director of HRA, has stated that there is still a need for more NHSC scholarship recipients.

| | 1979 Current Appropriation | 1979 Revised Pres. Budget | 1980 Estimate | Increase or Decrease |
|---|---|---|---|---|
| Health Professions Student Loans..... | $10,000,000 | — | — | — |

Purpose and method of operations

The health professions loan program authorizes long-term, seven percent interest loans of up to $2,500 per year, plus tuition, to health professions students (MOD/VOPP). These loan funds are given to schools who in turn make awards to students with limited financial resources and who otherwise would not have been able to afford a health professions career. Students of medicine and osteopathy, except those graduating by June 30, 1979, are eligible only if they demonstrate exceptional financial need.

1980 Budget Policy

Since 1970, this program has assisted approximately 248,000 students. The newly authorized Health Education Assistance Loan (HEAL) and the National Direct Loan Programs, administered by the Office of Education, will be a replacement source of financial support for these students in fiscal year 1980; therefore, no new funds, and a related decrease of 12 positions, are requested for this direct direct loan program. Loans will continue to be available from the revolving funds previously established in the schools.

Revolving Funds

| | 1979 | 1980 |
|---|---|---|
| Amount Available..... | $14,400,000 | $16,000,000 |
| No of Students Assisted..... | 12,000 | 13,333 |

HPSL Awards
AMSA Calculations vs HEW figures

HEW

NHSC Average Award = $12,703

| | |
|---|---|
| -5,436 | Amount of Stipend |
| -600 | Average Educational Expenses (AMSA figure) |
| 6,667 | Average Tuition |

Loan Program

Health Professions Student Loans = (Tuition + $2,500 living allowance)

| | |
|---|---|
| $ 6,667 | Average Tuition |
| 2,500 | Living Allowance |
| 9,167 | Average HPSL Award (AMSA estimate) |

AMSA's conclusions

Number of Students Assisted = (Revolving Fund ÷ Average Award)

| | |
|---|---|
| $16,000,000 | Revolving Fund in 1980 |
| ÷9,167 | Average HPSL Award |
| 1,745 | Students Assisted (3% of total population) |

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HEW's conclusions

Number of Students Assisted = 13,333

Revolving Fund = $16,000,000

AMSA calculated an average HPSL award, using HEW's conclusions, of $1,200. This figure is less than half of the living allowance.

STATEMENT OF ANTHONY M. RACHAL, JR.

The Honorable Senator Warren Magnuson and Members of the Committee, I am Anthony M. Rachal, Jr., Executive Vice President of Xavier University of Louisiana. Accompanying me today is Ralph H. Hines, Provost and Executive Vice President of Meharry Medical College in Nashville, Tennessee and Dr. Walter Bowie, Dean of the School of Veterinary Medicine at Tuskegee Institute, Tuskegee, Alabama.

The Statement I make is really on behalf of the three of us since the problem which we bring before you today is one which bears a common thread shared by all in varying degrees.

The Congress has declared that the availability of high quality health care to all Americans is a national goal. The Congress has further found that the availability of high quality health care is, to a substantial extent, dependent upon the availability of qualified health professions personnel, and, through the Enactment of Public Law 94-484, declared that the health professions personnel are a national resource, and that it is therefore appropriate to provide support for the education and training of such personnel. Congress likewise deemed it appropriate to provide such support in a manner which will ensure the availability of health professions personnel to all of the American people. These declarations are found in Section 2 of Public Law 94-484.

I am here, then, to plead the need for the Federal Government to provide assurance that the high quality training of Physicians, Dentists, Veterinarians, and Pharmacists at Xavier, Meharry, and Tuskegee will be maintained and strengthened. This assurance is necessary to assist us, because of our commitment to the training of economically disadvantaged students, both white and black, who come from low income families.

The specific concern which we share is that the intent of

the Declarations of Congress have not been met adequately in the three non-profit, private, predominately black institutions represented here today. We are not able to continue to maintain quality educational programs, because of inadequate funding. While the various programs of the Health Professions Manpower Act have been helpful to us, the mechanisms of funding the specific and important needs of our institutions have not been sufficiently encompassing to address the issues of financing our unique institutions.

Being private institutions with insufficient support through the states in which we are located, we find ourselves in the uncharacteristic position of being a national resource in providing Health Professions Manpower from among the minority and disadvantages populations of this country without having the economic and financial base to underwrite the cost of this substantial endeavor. It is of national importance that Xavier, Meharry, and Tuskegee remain as viable institutions. Xavier, for example, still trains approximately 60% of all black students enrolled in all of the independent Colleges of Pharmacy of the nation; Tuskegee trains 99% of all black veterinarians in the south and 85% of those trained in the country as a whole; Meharry Medical College still retains an enviable record of having trained 43% of all living black physicians and dentists practicing in the United States. It is likewise important to recognize that 38% of all entering students in the medical schools of the south and that 49% of all black dental students are at Meharry Medical College.

It is finally noteworthy to point out that 76% of Meharry Medical College graduates provide those basic human services needed in the delivery of primary care, particularly family medicine, the latter having been established by Congress as a national objective.

When these conditions are coupled with the reality that a

declining number of minorities are now entering the health professions from the peak period 1973-74 the under representation of minorities and disadvantaged groups in the health profession still remains a critical national issue. Blacks still account for less than 3.0 of physicians in practice. Only 1.5% of Dentist, less than 2% of Veterinarians and 1.7% among Pharmacists.

It is unquestionably true that together Tuskegee, Xavier and Meharry Medical College constitute national resources which cannot be duplicated in other institutional settings or combinations of institutions, yet each of us is struggling to survive under the mounting pressures of increased costs without concomitant assistance from local, state or federal resources. It is imperative that concerted action be taken to provide us with a period of certainty and readjustment in order to guarantee and secure the future.

Each of us has participated in varying degrees in the Health Manpower Program since its inception in 1970. We have been institutions in financial distress. The original legislative intent was to provide funds to assist those institutions in severe financial difficulty, or those threatened with loss of accreditation. With mounting inflationary trends, with increased necessity to improve our educational base in order to remain accredited institutions, and in view of higher expectations and demands among minorities, and disadvantaged for access to the health professions careers, we find ourselves in the untenable position in which income from traditional sources -- tuition, endowment, public fund raising, et cetera -- is simply not sufficient to sustain our institutions in a viable and meaningful manner in today's economy.

Since 1972, the Executive Branch has reduced funds competitively available to all schools who qualify, from an annual level of $15.0m to $2.5m. The pressure of reduced funding against rising costs has created financial hardships which none

of us fend off, nor meet with certainty. Indeed the very mechanism which has purported to be of assistance to us has caused us to sink deeper into debt because the mechanism requires deficit spending before eligibility is recognized for participation in the program. One of the detrimental consequences of this particular section of the regulations is that an institution must first, plan a deficit budget, without certainty of assistance being forthcoming from the Federal Government; and secondly, we must borrow money, at high rates of interest to maintain our operational programs until such time as funds are received. The latter adds more cost to education and the former creates an atmosphere of uncertainty and timidity in deciding what are the advantageous steps necessary to retain a quality program and to be assured of continued national recognition by the accrediting agencies.

We have addressed the issues besetting our institutions to the various constituencies who have traditionally supported us -- alumni, state legislatures, and the general public through fund raising efforts. These groups have responded to the extent that they can. Our situation is one of despair and desperation; a degree of certainty is necessary for us in order to maximize those gains that have been made and to prepare ourselves for the future. Five years of help is needed to meet this objective. This cannot be done unless appropriate legislative assistance is provided of a kind similar to that which was created to assist the medical and dental schools in the District of Columbia under Public Law 91-650 enacted in 1971 and which was funded through June 1976.

Each of the institutions here represented requires a special subsidy for a period of five years to develop a comprehensive effective plan. Sufficient maturational time is thereby allowed to alleviate the plight of our institutions and thereby obviate the need for this kind of assistance from the

Federal Government in the future. The funding commitment needed per year is as follows: Xavier University's School of Pharmacy needs $650,000. Tuskegee Institute's School of Veterinary Medicine requires $1,500,000 and Meharry Medical College needs $3,000,000 and its School of Dentistry $2,000,000. These subsidies will assure the continued open access of minority students to the health professions.

An amendment of the HEW budget which specifically identifies these institutions: Xavier, Meharry, and Tuskegee with a maximum fixed amount to be certified by the Secretary as necessary and warranted each year would give us a new perspective to that future. With the assistance of such a committee we can be assured that these institutions will remain open and continue to play a vital role in the development of the leadership so necessary in many communities across the nation.

I thank you for the opportunity to present these proposals to you.

SUMMARY STATEMENT

Before

United States Senate
Labor-HEW Subcommittee on Appropriations

March 28, 1979

RE: Health Professions Manpower

There is need for the federal government to provide assurance that high quality of training for physicians, dentists, veterinarians and pharmacists at three unique institutions will be maintained and strengthened. They are Xavier University of Louisiana, Tuskegee Institute, Tuskegee, Alabama, and Meharry Medical College in Nashville, Tennessee.

These institutions are national resources. They are committed to the training of economically disadvantaged students, both white and black who come from low income families. The Health Professions Manpower Act, though helpful, has not been helpful enough to these institutions. The very mechanisms which was proported to be of assistance has actually caused these institutions to sink deeper into debt, because the mechanism requires deficit spending before eligibility is recognized for participation in the program. Without certainty of assistance, the institutions must proceed to borrow money at high rates of interest to maintain operational programs, until such time when the funds are received, hopefully. This procedure adds more

costs to providing education in addition to creating an atmosphere of uncertainty.

Five years of help is needed to meet the objectives of providing high quality education and maintaining accreditation. The kind of help needed would require appropriate legislative assistance similar to that created to assist medical and dental schools in the District of Columbia under public law 91-50, enacted in 1971. Specifically, an amendment to the HEW budget which identifies these institutions as Xavier, Meharry and Tuskegee with a fixed amount to be certified by the Secretary, if necessary, and warranted each year, would give a new prospective to their future. With the assistance of such a committee the institutions can be assured that they can remain open and continue to play a vital role in the development of the leadership that is so necessary.

FACT SHEET

The Xavier University of Louisiana College of Pharmacy

Founded in 1927, the Xavier College of Pharmacy is the only private, predominately Black school of Pharmacy among the 72 accredited programs in the United States.

Location of the College is New Orleans, Louisiana, 70125.

The Educational Program requires two years of pre-professional course work and three years of professional training in the College of Pharmacy (a total of five years of college) to earn the Bachelor of Science degree in Pharmacy.

Enrollment in the three year professional program last year was 225 the same figure as the previous year. Nationally there was a 2.6% decline in enrollment, according to a report published by the American Association of Colleges of Pharmacy.

Black Enrollment at private schools of pharmacy in the United States in 1977-78 (only 14 of 72 institutions are in this category) was reported as 189. Fifty seven percent or 108 of those students were enrolled at Xavier, according to the most recent report of the AACP.

Taken altogether, the 72 schools of pharmacy had a combined Black enrollment of 984. Black enrollment at Xavier (108) represents 11.0% of that figure.

The four major institutions with the largest Black enrollments: Michigan (36 students), Arnold & Marie Schwartz (Brooklyn) (30 students), Maryland (29 students) and California (23 students) educate a total of 118 students compared to Xavier with 108.

The Mission of the Xavier College of Pharmacy is to increase the level, quality and scope of educational and professional opportunities in pharmacy for minorities.

Graduates number 885 as of May 1978. These men and women, whose numbers must increase if our national manpower goals are to be met, serve in hospitals, health centers, research organizations, medical schools and pharmacies all over the country.

Students come from 20 states and 6 foreign countries. The majority of them come from families with annual incomes below the poverty level and therefore require massive amounts of financial aid to cover their educational costs.

The Physical Plant is a modern, three story building constructed in 1970 fully equipped to serve the needs of the student body and faculty.

Xavier's Future Role is to change these dismal statistics: of the 23,273 students enrolled in Colleges of Pharmacy, only 984 are Black. The need is there. The will is there. The financial resources to make that change possible are requested.

The Honorable Senator Warren Magnuson, Chairman, and distinguished members of the Sub-committee on Appropriations: We are pleased to have the opportunity to make this presentation on the need for financial assistance to a National Resource, our College of Pharmacy. We respectfully contend that it is in the national interest to assure the future of this institution.

Xavier University operates the only private College of Pharmacy in the United States with the special mission of bringing more minorities into the health professions. Xavier, then is a national resource that should be preserved and strengthened. It educates over 10% of all the black students enrolled in the 72 Colleges of Pharmacy across the country. Xavier accounts for 57% of the total black enrollment in the 14 private Colleges of Pharmacy in the United States (108 out of 189 students).

Xavier's College of Pharmacy offers a quality program: over the past two years, 100% of the graduates who applied have passed the State Board Examination. But the program is costly, especially to an institution whose resources are so sparse. Mounting deficits have threatened the College's existence. In response to this crisis, the institution in addition to appeals to alumni and private donors, has sought more outside funding through federal grants available to Health Profession Schools.

Xavier has applied for and received a grant as a Health Profession School in Financial Distress each year since the Public Health Service instituted this program in 1970. Never has there been any doubt about whether the institution qualifies. An abundance of documented evidence confirms that we were in financial distress at the beginning of the decade and we are in financial distress now. And, we <u>will</u> be in financial distress into the next decade, <u>unless</u> some significant help is acquired.

The kind of help Xavier has received through distress grants is precisely what was needed; but, the <u>degree</u> of help provided thus far has not been sufficient. Under a bare bone budget, which provided minimum support to meet accreditation standards, our audited figures for Fiscal Year 1976-77 show actual

expenditures exceeded income by slightly more than $177,000. Our Financial Distress Grant for that year was $74,000.

In other words, we needed two and one half times the amount funded. We have sought these funds from non-federal sources with good results, but the dollars have still been inadequate for our needs.

Over the past seven years, we have cooperated with Public Health officials in drawing up realistic and workable plans to bring the institution out of its deficit state. The plans made in the early years had to be scrapped because accreditation requirements forced us to double the number of faculty for the College since 1975. These skyrocketing personnel costs, combined with the inadequate funding of distress grants in recent years, in addition to the fact that the program is being phased out, causes us grave concern for the future.

Our institutional ills are financial -- not academic or management. We have tried to utilize all the means at our disposal to solve our financial problems. Every recommendation that has come out of our on-going dialogue with the Public Health Service has been implemented; our audits have been found acceptable and the overall quality of the program has been maintained.

> At one time increasing income by increasing enrollment was a feasible option. It no longer is. Enrollment is at capacity.
>
> Our experience with tuition increases has shown that they have barely allowed us to keep pace with inflation; rising costs have minimized our chances for reducing the deficit through this route. There will, of course, be future tuition increases, but as the only private College of Pharmacy in the nation with a predominantly black low-income student body we cannot price our services beyond the reach of our clientele. Our current tuition rate of $2,000 per year is well below the national average ($2,500) for private schools of pharmacy, but the economic status of our student is proportionately far lower than that of their peers in other institutions.
>
> Other actions taken include acquiring state financing, improving our management system, and initiating cooperative arrangements with other institutions. Public Health Service reports show how successful the management improvement effort has been.

In summary, we have taken every reasonable step we could to avoid a condition of financial distress; we have followed as best we could the recommendations of Public Health officials who have been understanding and helpful; and yet we are projecting a deficit of $368,000 this year.

On the attached sheets we show a projected deficit of three million, one hundred thirty-five thousand dollars through 1982. This amount includes the funding necessary to continue to meet accreditation requirements and to maintain the educational program at the high level of quality which we have achieved in the past.

We hope that our past performance and our potential are weighed carefully in granting consideration to creating appropriate legislation to provide the resources necessary for this unique institution's survival. The American people could not make a sounder investment.

We earnestly request your consideration of our joint request for assistance to:

Xavier University College of Pharmacy

Meharry Medical College

Tuskegee Institute - School of Veterinary Medicine

COLLEGE OF PHARMACY

Summary Schedule

| Fiscal Year No. | Date | Current Fund Revenues | Current Fund Expenditures | Surplus (Deficit) * | * Percent of Budget |
|---|---|---|---|---|---|
| Actual | | | | | |
| 1 | 75-76 | $ 550,857 | $ 848,957 | $ (298,100) | 35.1 % |
| 2 | 76-77 | 710,708 | 963,172 | (252,172) | 26.2 % |
| 3 | 77-78 | 891,758 | 1,187,030 | (295,272) | 24.9 % |
| Current | | | | | |
| 4 | 78-79 | 816,593 | 1,224,127 | (407,534) | 33.2 % |
| Projected | | | | | |
| 5 | 79-80 | 907,500 | 1,566,600 | (659,100) | 42.0 % |
| 6 | 80-81 | 1,054,000 | 1,683,440 | (629,440) | 37.3 % |
| 7 | 81-82 | 1,179,250 | 1,772,100 | (592,850) | 33.4 % |
| | Total | $6,110,666 | $9,245,426 | ( $3,134,760) | 33.9 % |

XAVIER UNIVERSITY OF LOUISIANA - COLLEGE OF PHARMACY

Statement of Current Fund Revenues, Expenditures & Transfers
for the Seven Year Period Ending June 30.

| | ACTUAL | | | | | CURRENT | | PROJECTION | | | | | | TOTAL 7 YEARS | Ref. Nos. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rate of Change | | Rate of Change | | Rate of Change | | Rate of Change | | Rate of Change | | Rate of Change | | Rate of Change | | |
| CURRENT FUND REVENUES | 75-76 (1) | 76-77 (2) | % | 77-78 (3) | % | 78-79 (4) | % | 79-80 (5) | % | 80-81 (6) | % | 81-82 (7) | % | | |
| Tuition & Fees | 249,070.00 | 439,744.00 | 76.6 | 512,022.00 | 16.4 | 550,000.00 | 7.4 | 608,750.00 | 10.6 | 675,000.00 | 10.8 | 775,000.00 | 11.9 | 3,789,586.00 | 1 |
| Gifts | -0- | 29,460.00 | --- | 6,976.00 | (76.2) | 10,000.00 | 43.3 | 20,000.00 | 100.0 | 40,000.00 | 100.0 | 50,000.00 | 25.0 | 156,436.00 | |
| Federal Capitation | 108,551.00 | 71,793.00 | (33.9) | 91,618.00 | 27.6 | 79,093.00 | (13.7 | 90,000.00 | 13.8 | 100,000.00 | 11.1 | 100,000.00 | 0.0 | 641,055.00 | |
| Sponsored Programs (Direct Expenses Recovered) | 115,290.00 | 144,461.00 | 25.3 | 253,892.00* | 75.8 | 150,000.00 | (40.9) | 160,000.00 | 6.7 | 200,000.00 | 25.0 | 230,000.00 | 15.0 | 1,253,643.00 | 2 |
| Other Sources: | | | | | | | | | | | | | | | |
| University Appropriation | 77,946.00 | -0- | --- | -0- | | -0- | | -0- | | -0- | | -0- | | 77,946.00 | |
| State Capitation | -0- | 25,250.00 | --- | 27,250.00 | 7.9 | 27,500.00 | 0.9 | 28,750.00 | 4.5 | 39,000.00 | 35.7 | 44,250.00 | 13.5 | 192,000.00 | |
| Total Revenues | 550,857.00 | 710,708.00 | 29.0 | 891,758.00 | 25.5 | 816,593.00 | ( 8.4) | 907,500.00 | 11.1 | 1,054,000.00 | 16.1 | 1,179,250.00 | 11.9 | 6,110,666.00 | 3 |
| CURRENT FUND EXPEND. | | | | | | | | | | | | | | | |
| Salaries & Fringe | 283,441.59 | 401,759.00 | 41.7 | 499,195.00 | 24.3 | 532,257.00 | 6.6 | 710,000.00 | 33.4 | 806,000.00 | 13.5 | 865,000.00 | 7.3 | 4,097,652.59 | 4 |
| Student Wages | -0- | 30,991.00 | --- | 42,119.00 | 35.9 | 40,000.00 | (5.0) | 45,000.00 | 12.5 | 50,000.00 | 11.1 | 52,000.00 | 4.0 | 260,110.00 | 5 |
| Travel | 12,198.81 | 19,708.00 | 61.6 | 19,931.00 | 1.1 | 10,000.00 | (49.8) | 15,000.00 | 50.0 | 17,000.00 | 13.3 | 20,000.00 | 17.6 | 113,837.81 | 6 |
| Equipment | 10,284.78 | 17,293.00 | 68.2 | 18,980.00 | 9.8 | 60,000.00 | 216.1 | 75,000.00 | 25.0 | 80,000.00 | 6.6 | 50,000.00 | (37.5) | 311,557.78 | 7 |
| Supplies | 61,219.05 | 55,002.00 | (13.0) | 50,949.00 | ( 7.4) | 52,000.00 | 2.1 | 55,000.00 | 5.8 | 58,000.00 | 5.5 | 60,000.00 | 3.4 | 394,170.05 | 8 |
| Utilities | 20,017.31 | 31,491.00 | 57.3 | 42,658.00 | 35.5 | 51,000.00 | 19.5 | 62,000.00 | 21.6 | 71,000.00 | 14.5 | 80,000.00 | 12.7 | 358,166.31 | 9 |
| Other Expenses | 17,658.00 | 37,512.00 | 112.4 | 61,572.00 | 64.1 | 8,000.00 | (87.0) | 5,000.00 | (37.5) | 5,000.00 | 0.0 | 5,000.00 | 0.0 | 139,742.00 | 10 |
| Institutional Services | 246,138.00 | 285,248.00 | 15.9 | 369,404.00 | 29.5 | 393,870.00 | 6.6 | 525,400.00 | 33.4 | 596,440.00 | 13.5 | 640,100.00 | 7.3 | 3,056,600.00 | 11 |
| Total Expenditures | 652,957.54 | 879,004.00 | 34.6 | 1,104,808.00 | 25.7 | 1,147,127.00 | 3.8 | 1,492,400.00 | 30.1 | 1,683,440.00 | 12.8 | 1,772,100.00 | 5.2 | 8,731,836.54 | 12 |
| BANK FORT TRANSFERS | | | | | | | | | | | | | | | |
| Principal | 70,000.00 | 70,000.00 | 0.0 | 70,000.00 | 0.0 | 70,000.00 | 0.0 | 70,000.00 | 0.0 | -0- | 0.0 | -0- | 0.0 | 350,000.00 | |
| Interest to Date | 126,000.00 | 14,168.00 | (88.8) | 12,222.00 | (13.7) | 7,000.00 | (42.7) | 4,200.00 | (40.0) | -0- | 0.0 | -0- | 0.0 | 163,590.00 | 13 |
| Total Exp. & Transfer | 848,957.54 | 963,172.00 | 13.5 | 1,187,030.00 | 23.2 | 1,224,127.00 | 3.1 | 1,566,600.00 | 28.0 | 1,683,440.00 | 7.5 | 1,772,100.00 | 5.2 | 9,245,426.54 | |
| SURPLUS OR (DEFICIT) | (298,100.54) | (252,464.00) | (15.1) | ( 295,272.00) | 17.0 | ( 407,534.00) | 38.0 | (659,100.00) | 61.1 | (629,440.00) | (4.5) | (592,850.00) | (5.8) | (3,134,760.54) | |
| FINANCIAL DISTRESS FUNDS | 220,965.00 | 74,119.00 | | 167,757.00 | | 790,529.00 | | 659,100.00 | | 629,440.00 | | 592,850.00 | | 3,134,760.54 | 14 |
| Adj. Surplus or (Deficit) | ( 77,135.54) | (178,345.00) | | ( 127,515.00) | | - 0 - | | - 0 - | | - 0 - | | - 0 - | | - 0 - | |
| Cumulative (Deficit) | ( 77,135.54) | (255,480.54) | | ( 382,995.54) | | - 0 - | | - 0 - | | - 0 - | | - 0 - | | - 0 - | |

DETAIL OF RECOMMENDATION

TO

SENATE SUBCOMMITTEE ON APPROPRIATIONS

Presented by

Anthony M. Rachal, Jr.
Executive Vice President
Xavier University of Louisiana
March 28, 1979

1. Xavier be recognized as a National Resource to provide health professions personnel, specifically, pharmacists.

2. Xavier be funded for a special grant at the level of its projected operational deficits through 1981-82.

3. A mechanism be set up for proper evaluation of progress toward achieving its goals on a timely basis.

4. The funds be provided early in the fiscal year to avoid costly deficit financing.

5. A status report be submitted to this committee at the conclusion of this period as well as interim reports after each fiscal year.

Private Colleges of Pharmacy

(Final 3 Years Full Time Enrollment Figures from AACP for Academic Year 1977-78)

| Institutions | Toatal Students | Black Students |
|---|---|---|
| Samford University | 321 | 3 |
| University of the Pacific | 423 | 4 |
| University of Southern California | 449 | 10 |
| Mercer University | 319 | 10 |
| Butler University | 259 | 1 |
| Drake University | 262 | 3 |
| Northeastern University (Massachusetts) | 422 | 0 |
| St. Louis College | 419 | 8 |
| Creighton University | 194 | 6 |
| St. John's University | 668 | 14 |
| Ohio Northern University | 406 | 2 |
| Duquesne University | 367 | 2 |
| Philadelphia College | 566 | 5 |
| Xavier University | 223 | 108 |
| | 5298 | 176 |

## Statement of David L. Rabin, M.D.

Mr. Chairman, Subcommittee members, ladies and gentlemen, my name is David L. Rabin, and I am Professor of Community and Family Medicine at Georgetown University School of Medicine as well as President-elect of the Association of Teachers of Preventive Medicine. I am pleased to appear before you today on behalf of the Association of Teachers of Preventive Medicine to present our views regarding fiscal year 1980 appropriations for the Health Resources Administration. The ATPM is an academic society composed of more than 600 members who are faculty engaged in teaching preventive medicine in the 80% of medical schools with such departments.

As officially defined by the American College of Preventive Medicine, preventive medicine is "that branch of medicine which has primary interest in preventing physical, mental and emotional disease and injury in contrast to treating the sick and the injured. Secondarily it is concerned with slowing the progress of disease and conserving maximal function." The prevention of disease, rather than the treatment of it after it has occurred, is becoming recognized today as the most cost-effective and humane approach to health care. From individual joggers seen all across the country, to large third-party health insurers, there is a growing interest today in prevention. We are witnessing what could become a virtual revolution in the way we approach "health". This is indeed encouraging, expecially for organizations such as ours who have for years advocated greater emphasis on prevention.

We applaud the Administration for the steps it has taken to emphasize the importance of preventive measures. Both within the framework of existing federal programs and under its proposed FY 80 budget, increased emphasis has been placed on the delivery of preventive health care services. This is an important development, for success in the results of such programs may provide us with much-needed "proof" that prevention is an effective means of improving health status.

At the same time, however, we are distressed by the lack of a strong Administration committment to the development of the

health manpower base which will, inevitably, be responsible for designing and implementing expanded programs to deliver preventive health care services. Insufficient attention continues to be given to prevention within the context of medical training, specifically, support of medical school departments of preventive medicine and residency training programs in preventive medicine. The total dollar amount which would be necessary to put projects in these areas on a secure footing is extremely small - at the present time approximately $3 million by our estimates. This figure represents a tiny fraction of the total federal health manpower training outlay.

RESIDENCY TRAINING SUPPORT

In 1977 Section 748 of the Public Health Service Act was amended to give the DHEW authority to fund residency traineeships in preventive medicine. The appropriation authorization for Section 748 was also raised by $1 million for each of the fiscal years 79 and 80 for such purposes.

For FY 80 the Administration has proposed that public health traineeships under Section 748 be funded at last year's level of $7 million. Up through FY 77 approximately 10% of the Section 748 total appropriation was allocated for preventive medicine residency training. However, since 1977 appropriations for public health traineeships have been reduced by over 20% while the number of schools of public health has increased. Since 1978 increased competition for a shrinking number of federally-sponsored traineeships has forced DHEW to grant only continuation support for preventive medicine residents "in the pipeline" - no new slots have been funded. Consequently, support has decreased from $700,000. for nine programs in 1977 to $300,000. for six programs in 1979. Program directors throughout the country have reported that they have been forced to turn away potential residents because of the shortage in funding.

This choking off of funding will inevitably lead to a drastically reduced output from residency programs which train our nation's supply of physician specialists in preventive medicine. Practice settings for such specialists are at the community rather than at

the patient-care level. Such professionals administer public health programs, such as those supported in other portions of the Administration's budget request. Many are teachers of preventive medicine in schools of medicine and public health. It is they who provide that portion of the medical curriculum which focuses on the preventive approach to health care.

Preventive medicine residents are as unique in their need for federal support as they are in the role that they fulfill in the health arena upon graduation. Unlike more traditional residency programs, preventive medicine programs require an additional post-M.D. year of academic training. In addition, because the residents are not hospital-based, there is little opportunity for them to provide services for which remuneration, offsetting part of their training expense, can be justified. Upon graduation, the majority of preventive medicine specialists occupy salaried positions at a remuneration level far below that of most physicians in private practice. With theses prospects few will train themselves to go into pre-med, and, indeed, that is what is happening.

Continuation of meager levels for prevention manpower training would only work to exacerbate an already deteriorating suituation. A task force on Education and Training of Health Manpower for Prevention has found that the output of residency training programs in general preventive medicine and public health should be approximately 160 residents per year, as opposed to the present number of 45. This shortage of graduates has already begun to have an effect upon existing public health programs. Currently, twenty preventive or community medicine department chairmanships and fifty faculty positions are unfilled. In addition, shortages of trained preventive medicine specialists have resulted in a number of vacancies in public health departments and other community-based programs.

Preventive medicine specialists comprise only 2% of medical manpower yet they are vital to the state of the art of prevention as well as to its future role in our nation's health care system. It is therefore imperative that federal support be increased in this category. To accomplish this we are recommending

FY 80 funding of $10 million for traineeships under Section 748, coupled with a request that the Committee direct DHEW to allocate $1 million of this amount for support of preventive medicine residency training.

SPECIAL PROJECT SUPPORT

Section 788(d) of the Public Health Service Act authorizes grant support for special projects in a number of different areas, one of which is preventive medicine. For the last two years, this has been the source of support for special projects undertaken by departments of preventive medicine within medical schools. Last year (FY 79), Congress directed that these funds were to be used for increased support of many types of projects that are undertaken by departments of preventive medicine.

In lieu of a specific budget request under Section 788(d), it is our understanding that the Administration has requested $6 million in FY 80 for "primary care special projects" in four distinct areas, one of which is preventive medicine. We applaud this development and lend our support to this request. It will enable departments of preventive medicine to continue with and expand many current efforts which are aimed at, among other things, a fuller integration of prevention within medical training.

As I stated earlier, we are greatly encouraged by the positive directions in prevention policy undertaken by the Congress and the Administration. It is, we hope, the beginning of a major change in the health care delivery system which will, in turn, result in a healthier citizenry.

Thank you for this opportunity to appear before you to present our views.

THE ASSOCIATION OF TEACHERS OF PREVENTIVE MEDICINE

FY 80 SUMMARY RECOMMENDATIONS

| | |
|---|---|
| Section 748, Public Health Service Act: | Appropriation of $10 million |
| Section 788, Public Health Service Act: | Appropriation of $6 million requested by the Administration for "Primary Care Special Projects |

## Office of the Assistant Secretary for Health

STATEMENTS OF:
JANET BELL FORBUSH, PRESIDENT, JBF ASSOCIATES
JAY WELLS, CHAIRMAN, AMERICAN PARENTS COMMITTEE DIVISION, CHILD WELFARE LEAGUE OF AMERICA

ACCOMPANIED BY NANCY McCONNELL

Senator Inouye. Our next panel will provide testimony on the Office of the Assistant Secretary for Health: JBF Associates, Janet Bell Forbush, president; Child Welfare League of America, Mr. Jay Wells, chairman, American Parents Committee.

Ms. Forbush. Good morning.

Senator Inouye. Good morning.

### Statement of Janet Bell Forbush

Ms. Forbush. Thank you for the opportunity to testify this morning on a very important new program which the administration has put forward and for which it is requesting funding both in fiscal year 1979 and fiscal year 1980. I am requesting that my total statement be incorporated in the record.

Senator Inouye. Without objection, all of these statements will be made part of the record.

Ms. Forbush. And therefore, I would like to devote the brief amount of time this morning to the summary highlights which I have put together for the committee.

#### ADOLESCENT HEALTH SERVICES ACT

The first point that I think that is important to make about the Adolescent Health Services Act funding request is that it represents a request in effect for a new program which would bring together existing health, education, and social services to impact on the needs of sexually active teens and also those who are already pregnant.

It is important to recognize that in the legislation which Congress passed last fall that the primary emphasis was placed on the needs of young people 17 years of age and under who are already pregnant or already young parents.

In several communities across the country there are existing school-age parent programs which have largely spoken to the needs of young people who are already pregnant.

The essence of titles VI, VII, and VIII of the Health Services Extension Care Amendments of 1978 in fact would allow those services to be brought together so that there is a continuum of care for young people.

Another point that is important, I believe, to make about this program is that it represents an opportunity to bring together health, education, and social services. This is not a model medical program. It does not duplicate efforts that are already underway through existing title X family planning services, through title V maternal and child health services, or in the Office of Education, in some of the programs in title I

and title IV(c), which have provided support to school districts to work with pregnant teens and young parents.

Faced with the fact that this is a program which relies on existing services already funded through other appropriations, the people are thus striving to provide comprehensive services to youngsters who are pregnant. They are faced with an incredible chaos at the local and State levels.

One of the reasons is because the needs of young people they are serving are indeed so comprehensive and indeed because so much emphasis has been placed primarily on the health care needs which are not long term. We are talking, incidentally, Senator, about approximately 600,000 adolescent women who have babies each year. Often those young women—well over 90 percent, probably 93 or 94 percent—do actually keep the babies and assume parenting responsibilities, either on their own or with their families or extended family members.

It is no longer the case where adolescents who are having babies are relinquishing them for adoption.

### CORRELATION BETWEEN PREGNANCY AND WEALTH

Senator INOUYE. Is there any correlation to wealth?

Ms. FORBUSH. As a matter of fact, there certainly is a higher incidence of pregnancy among lower income and a higher rate of pregnancies among the lower income populations. However, this is changing, and in recent years, since in fact 1975, we have seen this issue or the problem area affecting people from all types of families.

The numbers of young people who are sexually active and at risk of pregnancy and in need of family planning services, sex education, family life education, are far greater than the numbers of young people who are actually having these babies.

Senator INOUYE. When do you begin to provide family planning services to young men and women, at what age?

Ms. FORBUSH. I don't think there is a magic age. I think rather it is important to look at the context in which young people grow up so that they are afforded an opportunity to understand and accept their sexuality, and to relate to that, both in the context of their families, their parents, and their homes, and also to be given the opportunity to learn about the practical aspects of sexual activity through school or church programs.

I just don't think that there is a magic age where suddenly it's important to provide this sex education. We have, I think, found in our work with pregnant teens that there has been a serious lack of sex education and family life education in the public school setting.

We are certainly eager to see that more services be made available through the schools, recognizing that frequently parents themselves are uncomfortable about dealing with that issue.

The third point that I would like to make in the summary highlights is that despite the fact there are several hundred communities that have provided services to pregnant teens over the last, essentially, 15 years, we really know very little about the long-term results of intervention.

47-710 O - 79 - 10

The programs have been put together on a rather piecemeal basis. They rely on several funding sources which are not necessarily stable, and frequently the staff responsible for administering and coordinating a program is unable to devote time or energy or resources to evaluation.

The important part of this new program is that it would require all the grantees to build into their grant applications and their projects an evaluation design. In effect, the authorization in title VIII of this act, which was passed last fall, also speaks to a national study of adolescent pregnancy.

RECOMMENDATIONS FOR FUNDING

The authorization is $500,000. And JBF Associates is recommending that that full amount be made available.

The next point relates to the adminstration's cost estimates for the development of programs. In effect in earlier testimony before both this committee and in the House, the administration suggested that $750 per capita—per student in each project would be needed to carry out the coordination, the evaluation, and the implementation of this program.

In talking with some of my associates, who are in fact services providers in some of our major cities, one of which I can cite is Philadelphia, it was felt that $750 to speak to the coordination of comprehensive services is perhaps somewhat low. The range might go up to $2,000 depending upon the demand for services, the needs of the client, and also how the availability of other resources in the community impact on this issue.

It is projected that approximately 25 projects would be funded in fiscal year 1979, between 25 and 30 with the request that the administration has put forward at $7 million.

In the event the $750 figure does not hold true, it is easy to conclude that we probably would not be able to fund that many projects.

COORDINATION

Another key aspect of this program and one which underlies the whole concept of it is coordination. This is not a program that will buy a vast array of new sevices; rather, it will bring together family planning services, education, welfare, and other basic needs of young people, and will probably underwrite minimal expansion efforts on some of the ongoing programs.

The Public Health Service, and specifically the Office of the Assistant Secretary for Health, who has the office of adolescent pregnancy programs, which is going to carry out this project—it is an incredible responsibility to try to bring all of the different agency activities within HEW together to speak to this issue.

And because it is housed in the Public Health Service in Dr. Richmond's office, we feel it is very, very important that special attention be paid to the reaching out capability of the staff of 20 people who possibly will be hired to staff this program. They need to reach out to the Office of Education, the Office of Human Development Services, HDS, the other agencies that are already involved in providing support to pregnant teens.

We need to clearly demonstrate that this is a unique opportunity to make better use of the dollars that have already been spent. The same holds true in terms of supporting efforts that are underway at the State level.

A good example is the State of New York. Recently the legislature there passed a supplemental budget which allows for the funding of 17 new projects speaking to the needs of sexually active teens and pregnant teenagers.

In effect, if title VI is interpreted broadly, it will allow this program to augment and help in the coordination of some of those programs which have already been launched through State initiatives.

DEFINITION OF COMMUNITY

The final point that I would like to make in the summary relates to the definition of "community," which one might ascribe to this program. Communities at the local level are indeed involved in providing direct services to pregnant teens. So are States. My example about New York is illustrative of that; so too are several national organizations which have funded programs, and I refer here to an organization such as the National Foundation for the March of Dimes, which has really done a remarkable job in terms of helping communities and also in terms of helping States throughout the country develop a national consciousness about sexually active young people.

I think we need to look at this program in its very broadest sense so that we can have a national community effort, a State community effort, and a local community effort.

Thank you for the opportunity to testify.

Senator INOUYE. Thank you very much.

COST TO THE TAXPAYERS

Do you have the statistics as to what this is costing the taxpayers for teenage pregnancy?

Ms. FORBUSH. Well, there is a very, very useful study which was conducted by Kristin Moore. And I am not going to attempt to summarize it. It's a very, very weighty document, but it does point out that if we don't invest in the provision of services to youngsters who are already pregnant or are sexually active and at risk of pregnancy, it is likely that they will establish a lifestyle, inadvertently, if you will, of welfare dependency.

The rates of school dropouts among young people who are pregnant are very, very high. In fact it is the greatest cause for young women today to drop out of high school. Furthermore, after the delivery of a baby, frequently a young woman is unable to gain access to infant care services in the community, which will allow her to return to school. Some States have made efforts to fund infant care services on high school campuses. California is one of the States.

Certainly through private efforts—and I speak about the efforts of the hospital in Honolulu, which has conducted a very good parent skills

training program to help adolescents. These are ways in which we respond to the young people. But frequently the support is not long term. And that means that the risk of a repeat pregnancy very early is high.

And the likelihood of that young person ever getting through high school or into a vocational training program is indeed limited.

Mr. WELLS. May I help answer that question? I'm Jay Wells. I'm familiar with some of the costs. These are not perfectly documented, don't misunderstand. But the cost of an unwanted pregnancy—and I only have the numbers in my head that refer to the unmarried ones. The married ones, I don't know.

But in New York we have an agency called the Louise Wise Adoption Agency. We've got 10 kids there, 10 girls. It's costing us a quarter of a million dollars a year to take care of those 10 girls while they go to school, to live in that house and to tend the babies. And the attendant care is $25,000 a girl.

Now, if you want to extend that to the 25,000 unwanted pregnancies, you can go crazy. Obviously, it's not that number, but it's a stupendous number. You can't quantify it. And if you go on, as I'll tell you later, about the kids who don't go to school who become tax eaters instead of taxpayers, you can go nuts over these numbers. Believe me. I've been to banks—it's a horrendous number. Excuse me.

Ms. FORBUSH. That's OK.

Senator INOUYE. Go ahead.

Ms. FORBUSH. Moving right along; yes, it's good to have a good panel.

But clearly, I think the study that Kristin Moore did documents very well the social welfare dependency cycle.

Senator INOUYE. Who's Kristin Moore?

Ms. FORBUSH. Kristin Moore. I will be happy to provide that to you.

Senator INOUYE. Well, thank you very much, Ms. Forbush. I presume JBF stands for your name.

Ms. FORBUSH. That's right.

Senator INOUYE. What does it do?

Ms. FORBUSH. What does it do? It's a nonprofit, social welfare organization, which is essentially serving young in its focus and we provide consultation on issues regarding adolescent activity and development on sexually related problems of teens.

Senator INOUYE. Thank you very much.

Ms. FORBUSH. Thank you.

Senator INOUYE. Our next witness is Mr. Jay Wells, chairman of the American Parents Committee Division of the Child Welfare League of America.

## STATEMENT OF JAY WELLS

Mr. WELLS. Senator, I've cut down—you've got a copy of what I've got to say. I've cut way down here.

Senator INOUYE. Well, without objection, your full statement will be made part of the record.

CHILD WELFARE LEAGUE OF AMERICA

Mr. WELLS. OK, sir. Fine. I'm a businessman, basically, and I'm the unpaid chairman of this American Parents Committee which is the lobbying arm—it was until just recently the lobbying arm of the Child Welfare League of America. We're about a third of a century old. I'm told that—here down in Washington, we're the oldest group lobbying for matters affecting children. And of course that spills over to the young people's families too.

A couple of years ago we merged with the Child Welfare League of America, becoming the public policy division of the League. We have about 400—we represent about 400 agencies around the country.

HEALTH SERVICES AMENDMENTS OF 1978

My remarks today will primarily focus on health services, particularly title VI of the Health Service Amendments of 1978, which refers to adolescent health services, as well as title X, which refers to family planning and population research. And as you said before, we can submit this for the record, so I won't read all this stuff here.

You've heard some statistics from Ms. Forbush about—Ms. Forbush, excuse me—about adolescent pregnancy. I can go on and on and give you those numbers, but we all know it's an epidemic around the country, so I won't dwell on that too long.

The problem of how does it relate to the country, how does it relate to the economy, that's where I as a businessman find it upsets me so much. And I've been talking to the banks in New York about this. Here are a few figures I will throw out at you, though.

Teenage mothers, married or unmarried, either one, are 2½ times as likely to be receiving welfare. This Kristin Moore from the Urban Institute advises that nearly one-half—that nearly one-half of the total 1975 aid to families with dependent children expenditures of $4.7 million—of $4.7 million—by coincidence, the amount of our bill on Monday when we sign that contract with Israel and Egypt is going to cost the same to this country.

This $4.7 million is every year. But over half that $4.7 million goes right to families with teenage mothers. That's the thing I want to emphasize. It's just astronomical.

RECOMMENDATIONS FOR 1979 AND 1980

Just to flesh out a little about the League, the services we give are to young mothers, infants, mostly unmarried. That's the primary service of the League. We're the major representative for providers of services to pregnant adolescents. In that area we support the President's request for a supplemental program of another $7 million this year for 1979, and we urge you folks to go along with that additional supplemental appropriation.

For next year, 1980, we of course support the President's request for $60 million. Just on this $7 million supplemental, we ask you folks in Congress to go on as soon as you can to get this thing started. It takes a

lot of paperwork to get moving; otherwise it will never get off the ground. The President's budget is actually only a modest beginning. And this provides some significant addition to existing services, which really aren't very much. It's really peanuts. It really is.

PRIMARY OBJECTIVES OF THE PROGRAMS

Let me jump ahead if I may. Now, the comprehensive programs have three primary objectives that we're backing: One, to provide clinical health service—health services to mothers; No. 2, to encourage pregnant adolescent parents to continue their education. These kids don't go to school. They can't get jobs. They're going to be tax eaters if they can't get jobs, instead of taxpayers. And that's the thing that upsets us so much. The third thing is helping adolescents through other social services to cope with all kinds of responsibilities they have.

And the punchline really is, well, fine, you throw all this money around—can these programs really do anything to accomplish their objectives? Well, here's some evaluations they've given to me to read to you folks of existing programs that show results. For one thing, in the health sector, adolescent pregnancy programs have demonstrated that premature pregnancies, premature deliveries can be halved by proper prenatal and postnatal care.

In plain English, if you've got a kid 16 or 17 years old and if she comes from a poor family and her body is, you know, hasn't had the best nutrition, the best health care, and she herself isn't well formed, the baby she has has a much greater shot, a much greater chance to be malformed or whatever, and it's dumped in the hospital and costs you and me and your—all of us—an awful lot of money. Nobody can calculate these figures.

The next thing, there's a model program down here in Baltimore run by Johns Hopkins. They have an adolescent program, and they claim that the school dropout rate by mothers could be reduced by 80 percent. Well, gosh, if that can be replicated around the country, reduce the dropout rate and make these kids, you know, a better functioning part of society, we really can go an awful long way.

Another thing I'm going to read here is out in California they did an analysis of 13 State funded programs where they show a repeat pregnancy of only 4 percent compared to six times as much the National average of 25 percent. In plain English, if these kids have some knowledge of how to take care of themselves, they're going to have a far, far lesser degree of pregnancy. I beg your pardon, unwanted pregnancies, unwanted.

I'd like to skip over to——

Senator INOUYE. Excuse me.

Mr. WELLS. Certainly.

Senator INOUYE. Ms. Forbush, just to remind myself, did you say that 92 percent of the teenage mothers keep their children?

Ms. FORBUSH. It's actually 93.

Senator INOUYE. Thank you. Proceed.

Mr. WELLS. There's a problem here, if I can give you—in this whole thing of trying to cut down teenage pregnancies, there's one thing that nobody's solved. What do you do about a poor kid, 14 ot 15 years old who comes from a broken home, her father knocks her around and all that; she's a failure with her friends in school and all.

If she wants something nice for herself, a warm child to take care of, she may think that's going to solve all her problems. If she goes out and gets herself pregnant, knowingly and willingly and so forth and has that baby—of course she may get tired of it after a couple of years—nobody's solved that problem.

I just want to give you a few more problems to worry about.

FAMILY PLANNING AND POPULATION RESEARCH—TITLE X

Well, now I'd like to flip along to title X, which refers to family planning and population research. Support services to pregnant adolescents must be coupled in equal commitment to prevention. A key element in the effectiveness of the adolescent pregnancy system is the existence of strong family planning systems able to accept referrals, counsel on options, and provide contraceptive information services.

Senator INOUYE. Excuse me.

Mr. WELLS. Yes, certainly.

Senator INOUYE. Before proceeding, I'd like to announce that we have two other panels, one on general health and the other on abortion. Apparently we won't be able to do this at this time. I have a meeting, for which I'm 20 minutes late now. So after this panel, we will reassemble here at 1:30, if you don't mind. So I'll go to my other meeting and get back again. I'll miss my lunch somewhere.

Mr. WELLS. I want to tell you that the key element in the effectiveness of the whole adolescent pregnancy program is the existence of a strong family planning system that can accept referrals from hospitals, minsters, counsel them on options, what they're going to do about their problems, provide contraceptive information services.

Now, the importance of title X for adolescents is already evident. A large portion, I think, 28 percent are kids, adolescents—by the way, adolescents are defined as between 15 and 19, isn't that right?

Ms. FORBUSH. Oh, under that.

Mr. WELLS. OK, 11——

Ms. FORBUSH. 11——

Mr. WELLS. 11 to 19.

Ms. FORBUSH. The only age group, Senator, in which there is even a slight increase in pregnancy is among young women 15 and younger.

Mr. WELLS. Better nutrition——

Senator INOUYE. We're talking about women here, primarily. What about the men who are involved?

Ms. FORBUSH. That's one of the unique features, I think, of this program, because it would allow the service providers who have focused a great deal of attention on the pregnant adolescent, to look at the extended family unit, the young father, and really establish some means

of bringing young men into programs or going to places where it's comfortable for them.

Frequently the young fellows don't feel very comfortable about going to a setting where there is a large group of pregnant teens and infants. They're just not——

Senator INOUYE. I presume the fathers of the young ladies are for the most part young men also.

Mr. WELLS. Well, since you're in a hurry, maybe we'll go along. title X programs must be able to continue serving adolescents and not at the expense of low-income women. What that means in English is that if you cut the amount of money too much, you can't—if you just give it to the kid, there's not going to be money left for income.

So we hope that Congress will at least keep it up to a level so we can take care of both things.

FUNDING RECOMMENDATIONS

I can skip some of this. Last year the Congress authorized $204 million and about 15 percent more during the coming year for family planning services. This increase is intended to serve sexually active young adults and to continue to attempt to reach the estimated 3½ million low-income women who are still unable to have the requisite services.

The President has requested $145 million for a 1979 supplemental, a $10 million increase over current. $145 million in 1980—1975—1979—excuse me, an appropriation of $145 million will permit title X to maintain present capacity and permit a minimum amount of growth only. Now, the 1980 appropriation, $145 million, is just flat. It doesn't even account for inflation. It won't permit an expansion; what it will cause as a practical matter is reduction in program capacity.

I'm just going to skip this. It only makes sense to appropriate sufficient funds, a minimum of maybe another $30 million to permit more adults and adolescents to be served by title X. And the costs savings, we don't have to dwell on. We all know that the Federal Government through unwanted pregnancies, it's obvious, the welfare and so on and so forth. We can talk ad nauseam about that. This committee has been very supportive of title X programs in recent years, and we appreciate it and encourage you folks to keep it up, to encourage the growth of effective family planning systems in the country.

I guess that's enough of this.

I know you folks in the Congress have a lot of choices to make, hard decisions to make about where to start saving and all that, as I just heard you say to the other fellows. But this is a huge one.

COST-BENEFIT RATIO

Senator INOUYE. I think most Members of Congress, in addition to the humanitarian aspects of this, take into consideration the cost element. And so we oftentimes apply what we call the benefit-cost ratio. If you apply a dollar, what is the benefit. In this case, what would be the benefit to the young mother or the young father and also for the taxpayer.

If $100 million can reduce $4.7 billion by 10 percent, we're ahead of the game.

Mr. WELLS. You're right.

Senator INOUYE. So from that standpoint, the benefit-cost ratio in these programs is very impressive. In most of the programs, if you can get a one to one, you're in. A dollar spent, a dollar returned.

I would gather from the testimony I've received from you that a dollar invested here would save taxpayers at least $100——

Mr. WELLS. Nobody knows the numbers. It's an astronomical number. I couldn't tell you. I haven't the vaguest idea. Nobody else does either.

Senator INOUYE. But somebody's paying for it.

Mr. WELLS. We sure are; you and I are paying for it. That's right. It's astronomical.

Senator INOUYE. Well, I'm with you.

Mr. WELLS. Good.

Senator INOUYE. And I thank you, Ms. Forbush and Mr. Wells.

Ms. FORBUSH. Thank you.

Mr. WELLS. Thank you.

[The statements follow:]

STATEMENT OF JAY WELLS, CHAIRMAN, AMERICAN PARENTS COMMITTEE DIVISION, CHILD WELFARE LEAGUE OF AMERICA

Mr. Chairman. Thank you for the opportunity to testify on the Labor/HEW Appropriations bill. These appropriations affect many of America's children and families, as well as programs of the Child Welfare League of America. We appreciate the invitation to address this subcommittee.

I am Jay Wells, unpaid chairman of the American Parents Committee Division of the Child Welfare League of America (CWLA). The American Parents Committee, founded in 1947 by George Hecht, is the oldest Washington group lobbying exclusively on behalf of Federal legislation for children. In 1977 the American Parents Committee merged with the Child Welfare League of America and became a public policy division of the League.

The Child Welfare League of America was established in 1920, and is the national voluntary membership and standard setting organization for child welfare agencies in the United States; our agencies provide adoption, day care, day treatment, foster care, institutional care, maternity home care, protective services, residential treatment, runaway and shelter care, and services to unmarried parents. The League is a privately supported organization devoting its efforts completely to the improvement of care and services for children. There are nearly 400 child welfare agencies directly affiliated with the League, including representatives from all religious groups as well as nonsectarian public and private nonprofit agencies.

My remarks today will primarily focus on health services, particularly Title VI of the Health Services and Center Amendments of 1978 -- Adolescent Health Services, Title X of the Public Health Service Act, the Child Health Assessment Program (CHAP) and Maternal and Child Health Programs. I will also briefly address the need for an expanded child welfare services program, an increase in the Title XX ceiling, and describe how cutbacks in the Social Security programs affect children.

Title VI of the Health Services and Centers Amendments of 1978 -- Adolescent Health Services

The purpose of the Adolescent Health Services legislation (PL 95-626) is:

> to establish better coordination,integration and linkages among existing programs in order to expand availability of and access to comprehensive community services which assist in preventing unwanted initial and repeat pregnancies among adolescents; enable pregnant adolescents to obtain proper care; assist such teenagers and parents to become productive and independent contributors to society and provide primary emphasis on services to pregnant

adolescents or parents under 17; promote innovative comprehensive and interested approaches to delivery of such services.[1]

This legislation authorizes a new program to integrate existing services to provide continuous, long-term prenatal and post-natal care to pregnant adolescents and adolescent parents.

The need for these services is great. Figures show that there were approximately 1.1 million teenage pregnancies in 1976.[2] The Final Natality Statistics for 1976 show a total of 570,600 live births to women 15-19 years old.[3] This is about one-fifth of all births in the United States. Ninety-three percent of all adolescent mothers keep their babies, an increase of 8 percent over the last five years.[4]

These statistics have significant consequences for society. About half of the pregnant adolescents receive no prenatal care in the first trimester, and more than 10 percent have not had care in the second trimester.[5] Girls under 15 years of age are least likely to have prenatal care; 5.8 percent had no prenatal care at all.[6] 44 percent of adolescent mothers will be pregnant again within the first year when contraceptive services are not available and 25 percent if services are available.[7] Teenage mothers are two and one half times as likely to be receiving welfare. The Urban Institute, a non-profit, independent research organization, estimates that nearly $4.7 billion, one-half of the total 1975 Aid to Families with Dependent Children (AFDC) expenditures, were paid to families of teenage mothers.[8]

A more recent analysis concluded that expenditures as a consequence of the nearly 600,000 births to adolescents that will occur in 1979 will be no less than $8 billion over the next 19 years. Government expenses fall into two categories: medical costs for mothers and their children and welfare costs.

Estimated government expenditures in 1979 on doctors, hospitals, medicines and technical support is $484 million. Medical expenditures with a net present value of $1,180 billion are projected to be made over the next 19 years. Welfare costs, largely expenditures through Aid to Families with Dependent Children, Food stamps, other nutrition programs, subsidized public housing and social services are estimated to be relatively low in 1979 -- $274 million -- since they are assumed to begin approximately with the individual births of babies through the 12 months. They more than double

next year, and the net present value of welfare expenditures over the next 19 years is projected to be $7 billion.[9]

Comprehensive programs to pregnant adolescents are a critical point of intervention in a potential cycle of frustration, poverty and marital disruption. The Child Welfare League of America testified before both the House and Senate authorizing committees in support of the comprehensive services provided in this legislation. Approximately 210 of our 400 agencies provide services to unmarried parents -- services which include day care, individual and group counseling, health and family life education, and parent preparation programs. In addition the Florence Crittenton Association of America merged with the Child Welfare League of America in 1976. For 96 years the major program of the 33 member agencies of the Florence Crittenton Division has focused on comprehensive services to pregnant adolescents and young mothers and their infants. (I have attached to my testimony descriptions of two comprehensive Florence Crittenton programs.)

As the major representative of providers of services to pregnant adolescents in the voluntary sector, we support the President's request for a supplemental appropriation for this program for 1979 and urge this committee to appropriate at least $7 million. In addition we support the President's request for $60 million in 1980. We urge the Congress to act expeditiously on a supplemental appropriation so this program can acquire staff, consider grant proposals, and most important, transfer dollars to community programs.

The President's budget request is a modest beginning but will provide a significant addition to existing services. There are only two sources of information on the availability of services throughout the country. A 1977 survey of 50 urban and rural community agencies concluded that the "pattern of services is at best a 'patchwork quilt' with few comprehensive programs in place largely because essential services are either not available or are virtually inaccessible for the agencies in question."[10]

The other source of information on services to pregnant adolescents was a 1976 survey,[11] a follow up to a 1970 survey, of 125 cities (out of a possible 164) with populations over 100,000. The survey revealed the following:

--Of the 125 cities responding, 107 or 85.6% reported having a special program but most of these programs served relatively small numbers of

pregnant adolescents. In comparison to 1970, the number of large cities with special programs did not increase.

--All but 10 of the 125 responding cities reported at least one unmet need. The most frequently reported need was for social services. Social services included outreach support services, psychological and emotional support, foster care, special group homes, emergency housing, legal services, crisis intervention, marriage counseling and adoption services. It is interesting to note that these are the specific services provided by member agencies of the Child Welfare League of America. We hope social services will be an important component in a comprehensive service system and that the predominance of required health services will not exclude quality social services important to pregnant adolescents.

--92 cities reported that specific comprehensive programs served a total of 29,023 girls in 1974. The same cities reported 141,255 live births. This means only 20.5% of all pregnant teenagers were accommodated.

Comprehensive programs should have three primary objectives:

--Provide critical health services to mothers and infants

--Encourage pregnant adolescents and adolescent parents to continue their education

--Help adolescents through counseling and other social services to cope with new responsiblities; determine their needs, priorities, and hopes in life, and help them decide on a plan to accomplish these goals for themselves and their infants.

Can comprehensive programs accomplish these objectives? Preliminary evaluation of existing programs show significant results.

--Comprehensive adolescent pregnancy centers have demonstrated that prematurity rates can be halved by proper prenatal and postnatal care. In addition, complications of pregnancy, e.g., anemia, toxemia, malnutrition have been reduced.[12]

--One model program reports that the school drop-out rate by mothers has been reduced by 80%.[13]

--Analysis of 13 state funded programs in California shows a repeat pregnancy rate of 4.1% (compared to the national average of 25%). In addjtion, one-third of the mothers in the program were no longer on AFDC.[14]

In hard terms these statistics represent savings of public money.

A recent study by the Urban Institute points out that early motherhood increases substantially the likelihood that a woman and her family will live in poverty. The study concludes: "clearly it is in the mutual interest of government, individuals, and families to help teenagers prevent unwanted pregnancies and to mitigate the consequences of early childbearing when prevention measures fail."[15] The appropriations for the Adolescent Health,

Services, Pregnancy Prevention and Care Act of 1978 will begin to mitigate the negative consequences of early childbearing.

Title X of the Public Health Service Act -- Family Planning and Population Research

Support services to pregnant adolescents must be coupled with an equal commitment to prevention. A key element in the effectiveness of the adolescent pregnancy program is the existence of a strong family planning system able to accept referrals, counsel on options, and provide contraceptive information and services.

The importance of Title X for adolescents is already evident. 28% of all women served in Title X programs were adolescents. Title X programs must be able to continue serving adolescents but not at the expense of low-income women. The original Title X legislation passed by Congress 1970 provided low- and marginal-income Americans, as well as higher-income adolescents, with highly effective preventive family planning services. The President's 1980 budget request cannot maintain services to those two populations.

Last year the Congress authorized $203.8 million in 1979 and $234.4 million in 1980 for family planning services. This significant increase is intended to serve sexually active young adults and to continue to attempt to reach the estimated 3.5 million low-income women who are still unable to have voluntary access to such services. The President has requested $145 million for 1979 in a supplemental appropriations -- a $10 million increase over current appropriations -- and $145 million again for 1980. The 1979 appropriations of $145 million will permit Title X programs to maintain present patient capacity and permit a minimum amount of growth. The 1980 appropriation of $145 million will not only prevent expansion but will actually cause a reduction in program capacity.

Family planning programs will be faced with a choice: will they decrease the number of adults being served to increase the number of adolescents served? Will they decrease services to both adults and adolescents? It makes little sense to serve adolescents at the exclusion of adults. It also makes little sense to serve fewer adolescents and fewer adults when demand continues to increase. It only makes sense to appropriate sufficient funds--a minimum of $175 million to permit more adults and more adolescents to be served by Title X programs. The cost-savings to the federal government through pregnancy prevention is obvious.

This Committee's support for Title X programs in past years has encouraged the growth of an effective family planning system in this country. We hope that your support will continue even under pressure to cut spending. Money spent for family planning services and pregnancy prevention realizes significant savings in other federal programs.

Title X provides specific authority for appropriations to support research in the bio-medical, contraceptive development, behaviorial and social science fields related to family planning and population policy. Last year Congress authorized a significant increase for population research over the current appropriation of $69.5 million -- 105.0 million for 1979 and $120.8 million for 1980. This incerease was to continue existing research and investigate causes and methods to alleviate the problems of infertility and sterility.

The President's request of $76.7 million in 1979 and $82.3 million in 1980 will permit minimum expansion of research efforts but will not encourage significant new investigation. We have not developed any absolutely fail-safe contraceptive. Many methods are not appropriate for adolescents. The pill carries documented risks with prolonged use and is not an ideal method for women who smoke, or those inclined toward high blood pressure, a condition particularly associated with black women. The IUDs cause discomfort and other side effects for some women. Contraceptives for men are still undeveloped. The range of contraceptive choices, while significantly expanded in the last fifteen years, still does not meet the needs of many men and women. Motivation to use contraceptives, particularly among the adolescent population, is an area in need of further study. Now is the time to mover ahead in the research area. We ask the committe to appropriate at least $76.7 million in 1979 and $87.5 million in 1980.

Child Health Assessment Program (CHAP)

Preventive health programs are effective measures of cost-containment. We support the President's request for $288 million for CHAP.

CHAP strengthens and broadens the Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT). EPSDT's original focus was to detect chronic disabling conditions and serve handicapped children or those with potentially handicapping conditons. CHAP would maintain the original purpose but also:

1) Expand eligibility to children who are not presently on Medicaid but whose family cannot afford basic health care;

2) Extend dental, vision, hearing, prescription drugs, and ambulatory mental health benefits to all Medicaid children;

3) Improve the administration of the program so that a greater proportion of eligible children would actually receive the health care to which they are entitled;

4) Institute a performance-based system of graduated incentives to states based on the number of children in continuing care as well as the number of children screened and in treatment;

5) Increase the share of program costs paid by the federal government.

In addition, CHAP, coupled with the Adolescent Health Services legislation will significantly expand health services to low-income pregnant women.

Title V of the Social Security Act -- Maternal and Child Health Programs

The Maternal and Child Health program has a long history going back to President Roosevelt's original Social Security Act in 1935. Title V authorizes services to reduce infant mortality, promote health of mothers and children, and care for children who are crippled or who are suffering from conditions leading to crippling. Maternal and child health centers serve primarily high risk pregnant women. These centers have helped to reduce infant mortality among the population and prevent the need for long term care resulting from inadequate prenatal and post-natal care. The law also authorizes demonstration projects to reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with childbearing, to promote the health of children and youth of school or pre-school age and promote dental care for children. We are committed to continuing this valuable preventive health program and ask that the full authorization of $399.864 be appropriated.

Child Welfare Services

Legislation proposing improvement in the child welfare program including adoption systems has been reintroduced during this Congress. It is critical that Title IV-B be moved from its current $266 million authorization and be fully funded as an entitlement program at $266 million, with a maintenance of effort clause. This is needed so states can finance improvement in their own child welfare systems and increase services to families and children on the basis of their need for services. Special emphasis should be placed on services to strengthen the homes of vulnerable children, to return children placed in foster care to their own homes when-

ever possible, and when this is impossible, free them for adoption, or provide quality long-term arrangements.

We support federally funded adoption subsidies; training for child welfare workers, adoptive parents; and a provision to allow nonprofit organizations to be reimbursed directly for training under Section 426 of the Social Security Act. We urge the committee to support a full appropriation of $9 million for child welfare training under that section. Finally, with regard to adoption services, we strongly support the continuation of a $5 million appropriation to implement the Adoption Opportunities Title of P.L. 95-266.

Social Services Amendments -- Title XX

Congress approved a one year increase in the Title XX ceiling to $2.9 billion at the close of the last session. We support an increase in the ceiling to $3.1 billion, an amount less than the $3.6 billion the program would have reached if the original $2.5 billion had a cost of living factor in place. Agencies delivering services to children could be faced with a huge reduction in available funds if new legislation is not enacted this year. We do not support the Administration's proposed ceiling on training funds.

Social Security

Approximately five million children of workers who died prematurely, are disabled, or retired, receive monthly Social Security benefits. In most instances, the mothers of these children are also entitled to dependent's benefits to assure their care. Social Security is a self-financed program in which benefits are paid as a matter of earned right based on past earnings and contributions.

We strongly support this basic program and will actively resist any effort to reduce or modify family benefits to which the government has long been committed. We do not support the Administration's proposed cuts in the Social Security program.

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FOOTNOTES

1. Senate Report No. 95-1206 to accompany S2910 - Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978.

2. Christopher Tietze, "Teenage Pregnancy: Looking Ahead to 1984." Family Planning Perspectives. Vol. 10. No. 4., p. 205-7.

3. Final Natality Statistics 1976. National Center for Health Statistics.

4. Julius B. Richmond, Assistant Secretary for Health, Department of Health, Education and Welfare. March 2, 1978, House Select Committee on Population Hearings. Fertility and Contraception in America: Adolescent and Pre-Adolescent Pregnancy. Volume II, p. 149.

5. Ibid.

6. Final Natality Statistics 1977. National Center for Health Statistics.

7. Richmond.. Ibid. p. 164.

8. Kristin Moore, Urban Institute. February 28, 1978 before the House Select Committee on Population Hearings, p. 35.

9. Stanford Research Institute. An Analysis of Government Expenditures Consequent on Teenage Childbirth, Stanford University: California, February, 1979.

10. National Alliance Concerned with School Age Parents, 1977.

11. Hyman Goldstein and Helen M. Wallace, "Services for and Needs of Pregnant Teenagers in Large Cities of the United States, 1976." Public Health Reports. Vol. 73, No. 1. January - February 1978, p. 46-54.

12. Special HEW Task Report. Family Development Program. Submitted to Joseph A Califano, Jr. March 17, 1977, House Select Committee on Population hearing, p. 657.

13. Ibid., p. 666.

14. SB 1860 Evaluation Results at the End of Two Years for Thirteen Programs. House Select Committee on Population, p. 645.

15. Kristin A. Moore, Sandra L. Hoffreth, Steven B. Caldwell and Linda J. Waite. Teenage Motherhood: Social and Economic Consequences. Urban Institute: 1897, p. 47.

SUMMARY OF AMERICAN PARENTS COMMITTEE/CHILD WELFARE LEAGUE OF AMERICA RECOMMENDATIONS

Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978

Comprehensive services to pregnant adolescents are a critical point of intervention in a potential cycle of frustration, poverty and marital disruption. Federal support for comprehensive services to pregnant adolescents can realize significant results: reduction in maternal and infant morbidity and mortality, reduction of repeat pregnancies, encouragement to remain in school and secure employment. We support the President's request for an appropriation of $7 million in 1979 and $60 million in 1980.

Title X of the Public Health Service Act -- Family Planning and Population Research

Continued support for primary pregnancy prevention programs is needed for low-income women as well as adolescents. Title X is the major source of federal support for family planning programs. The President's request for $145 million in 1980 will not only prevent expansion of Title X programs to meet increased demand but will cause a reduction in family planning services. We support a supplemental appropriation for 1979 of $145 million and appropriations for 1980 of $175 million.

Title X also provides specific authority for appropriations to support research in the biomedical, contraceptive development, behavioral and social science fields related to family planning and population policy. Limitations on contraceptive options, understanding of motivation and basic reproductive biology require that we increase our support for population research. At a minimum we support the President's request for a supplemental appropriation of $76.7 million in 1979 and an appropriation for 1980 of $87.5 million.

Child Health Assessment Program (CHAP)

Preventive health programs are effective measures of cost-containment. The Child Health Assessment Program would strengthen and broaden the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) to detect chronic disabling conditions and serve handicapped children or those with potentially handicapping conditions. We support the President's request for $288 million in 1980 for this program.

Maternal and Child Health Programs

We are committed to the extension of the Title V Maternal and Child Health Programs and ask that the full authorization of $399.864 be appropriated.

Child Welfare Services -- Title IV-B

Legislation to improve child welfare programs including Title IV-B has been introduced. It is critical that Title IV-B be moved from its current $266 million authorization to a fully funded entitlement program at $266 million with a maintenance of effort clause. This is needed so that states can finance improvements in their own child welfare systems and increase services to families and children. In addition, we urge the full appropriation of $9 million for child welfare training.

Title XX -- Social Services Amendments

We support an increase in the ceiling to $3.1 billion. Agencies delivering services to children could be faced with a huge reduction in available funds if the ceiling is moved back to $2.5 billion without new legislation this year.

Social Security

Social Security benefits are paid as a matter of earned right based on past earnings and contributions. We strongly support this basic program and actively resist efforts to reduce or modify family benefits to which the government has long been committed. We do not support the Administration's proposed cuts in the Social Security programs.

BUDGET RECOMMENDATION

| | 1980 Authorization | 1980 President's Request | APC/CWLA Recommendation |
|---|---|---|---|
| 1. Adolescent Health, Services and Pregnancy Prevention and Care Act of 1978 | $65 million | $60 million | $60 million and a $7 million supplemental |
| 2. Title X of the Public Health Service Act Family Planning | $234.4 million | $145 million | $175 million and a $145 million supplemental for 1979 |
| Population Research | $120.8 million | $82.3 million | $87.5 million |
| 3. Child Health Assessment Program | | $288 million | $288 million |
| 4. Maternal and Child Health Program | $399.864 million | $357.4 million | $399.864 million |
| 5. Child Welfare Services - Title IV-B | $266 million | $141 million | $266 million Entitlement program |
| Training Fund | | $5 million | $9 million |
| 6. Social Services Amendment Title XX | | $2.9 billion | $3.1 billion |

SUMMARY OF COMPREHENSIVE SERVICES OFFERED BY TWO FLORENCE CRITTENTON AGENCIES

TOLEDO CRITTENTON SERVICES (TCS)

Toledo Crittenton Services is supported by the community and helps pregnant adolescents work through problems associated with adolescent pregnancy. Toledo Crittenton clients can attend the program's school which is part of the Toledo Public School System, use the TCS medical program, live at the TCS residence or in an apartment near the agency, and participate in the child-care classes and other programs. Individual counseling is continued throughout the girl's pregnancy and after delivery. Families and boyfriends participate in counseling as requested by the client. TCS reports a recidivism rate of 6% as compared to the national average of 25%.

Goals of the Toledo Crittenton Services are:

1) To provide the community with a comprehensive coordinated program of social, educational, vocational, health, and related services to pregnant adolescents.
2) To provide a process to educate the community about the problem of adolescent pregnancies and to help change attitudes about the necessity for family life education and the need to disseminate sex and birth control information in the public school system.
3) To reduce the growing rate of adolescent pregnancy.
4) To reduce the incidence of repeat pregnancy through the provision of concentrated social services.
5) To reduce the rates of infant and maternal morbidity and mortality.
6) To provide services to the families with the objective of strengthening family life.
7) To detect prenatal problems through medical and nursing services.
8) To provide after-care services following delivery.

LULA BELLE STEWART CENTER (LBSC) DETROIT CRITTENTON AGENCY

Lula Belle Stewart Center is a multi-purpose agency formed to address the needs of young, low-income and expectant parents. The program provides practical help: food, clothing, financial assistance, shelter, medical care, education, counseling, day care, employment job training. Continuing education, an alternative education program, is operated at the Center through the cooperation of the Board of Education. Fathers are encouraged to participate in all aspects of the program.

Goals of the Lula Belle Stewart Center are:

1) To alleviate problems confronting adolescent parents in areas such as employment, child care, housing, etc.
2) To conduct research into the conditions which contribute to adolescent parentage and to disseminate information.
3) To enable clients to obtain medical services and maintain good health.
4) To enable clients to obtain employment or job training where appropriate.
5) To improve family and inter-personal relationships.
6) To increase community understanding of the problems and needs of adolescents, parents, and help bring needed changes in rules and regulations of schools, welfare departments, employment resources, juvenile courts, etc., which constitute obstacles for adolescent parents.

# WASHINGTON REPORT
## ON FEDERAL LEGISLATION FOR CHILDREN

December 1978
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Issued from time to time while Congress is in session by

**The American Parents Committee**

A WASHINGTON DIVISION OF THE CHILD WELFARE LEAGUE OF AMERICA, INC.

Working since its founding in 1947 by George J. Hecht for Federal legislation on behalf of the nation's 75 million children


# LAST MINUTE GAINS AND LOSSES FOR CHILDREN IN THE 95TH CONGRESS

Beginning in 1976, the final issue of the year has featured a scorecard of the U.S. Congress votes on children's issues. This year there were so few roll call votes in the Senate that a comprehensive tally was not possible. We had three choices. First, we could publish the tally without any Senate information because there were so few votes. Second, we could list what relevant votes that were available from the Senate and the House and be faced with a confusing snarl of percentages. Third, we could publish no scorecard because of the lack of comprehensive and comparable data. We opted for the third choice but readers who are interested in key roll call votes can turn to the *Congressional Record* for these votes:

In the House there were five votes:

H.R. 12533—Indian Child Welfare—pp. HR 12848-12857

H.R. 12973—Title XX—pp. HR 7244-7252, 7257

H.R. 12299—Domestic Violence—pp. HR 4423-4437, 4446-4447

H.R. 12929—HEW-Labor Appropriations, with 2% reduction across the board—pp. HR 5355-5384

H.R. 12508—Immigration of Adopted Children—pp. HR 6875-6876.

In the Senate there were two votes:

S. 3085—Child Nutrition Amendments—pp. S 11465-11492

S. 2474—Extension of Public Health Services Act, with amendments incorporating S. 2910 to establish programs to assist in preventing initial and repeat adolescent pregnancies—pp. S 82-86.

The 95th Congress finished the session in an unprecedented flurry of late night, last minute activity. In the press to recess, several bills expanding the benefits of key programs to children were passed. Time was not sufficient, however, to consider a number of bills which offered improvements in other children's programs.

## Welfare Reform

Although a number of bills were introduced and much debate occurred surrounding various welfare reform proposals, no significant action was taken. In September, Senator Moynihan (D-N.Y.) submitted a new version of his bill to provide about $3 billion in fiscal relief to state and local governments through a capped AFDC program. Senator Kennedy also introduced a bill late in the session that was based on S. 2777, the Baker-Bellmon approach to welfare reform.

The APC invites the cooperation of many other national, non-profit organizations in striving for (a) better Federal legislation for children, and for (b) the more adequate funding of services for children, and for (c) the more effective administration of such services.

A number of harmful provisions in H.R. 7200 affecting welfare were attached to H.R. 13511, the tax bill, in the Senate Finance Committee and on the Senate floor. Earned income disregard changes, which would have reduced AFDC payments by $450 million a year, were included in an amendment containing the child welfare provisions of H.R. 7200 offered by Senators Moynihan and Cranston (D-Calif.). Conferees on the tax bill dropped all the welfare related provisions except for one item allowing increased federal matching for the AFDC and the Aid to the Aged, Blind and Disabled programs in Guam, Puerto Rico, and the Virgin Islands for fiscal 1979, and a repeal of the disregard of the Earned Income Tax Credit.

It is expected that discussions to alter the welfare programs will begin early next session of Congress. The Administration is working on a scaled down version of the New Coalition's compromise bill which grew out of the work of the Public Assistance Subcommittee on H.R. 9030. Senator Moynihan held a series of hearings this month which concentrated on the results of several Guaranteed Income Experiments and will ultimately affect the deliberations next session.

## Title XX

Included in the tax bill and accepted by Conferees was a one year increase in the ceiling on federal funds for Title XX to $2.9 billion. Congress will have to reassess whether to make the increase permanent next year. The two initial sponsors of last session's bill to raise the ceiling, Rep. Martha Keys (D-Kansas) and Rep. Donald Fraser (D-Minn.) will not be returning so Title XX advocates will be looking for new supporters.

## H.R. 7200—Child Welfare Services

House Conferees turned back the provisions of H.R. 7200 affecting child welfare services, along with most of the welfare related provisions which were attached to the tax bill (H.R. 13511). The entire contents of Title I of H.R. 7200 reported out of the Senate Finance Committee October, 1977, had been included in Senator Cranston's amendment. Conferees rejected the package of provisions—some helpful, some harmful to children. Included in the list of constructive items were federal funds for adoption subsidies for hard to place children. These funds were outside of a proposed foster care ceiling. A ceiling on AFDC Foster Care was, in fact, the most damaging feature in the amendment. Another negative feature was the manner in which Title IV-B, Child Welfare Services was handled. These funds were not converted into an entitlement program as in the House passed version of H.R. 7200, nor were IV-B monies targeted by the Authorizing Committee for preventive and reunification services. The Appropriations Committee was given the option of earmarking IV-B funds over the current appropriation of $56.5 million for improvements in the foster care system.

It is expected that some version of H.R. 7200 will be reintroduced in the new Congress. The Administration will be drafting a revised version of S. 1928, their version of child welfare legislation. It is important that a ceiling on foster care not be supported as a tool for reform of the child welfare system. Such a ceiling ignores the fact that appropriate foster care is a key child welfare service.

## Child Nutrition

The Child Nutrition Bill, P.L. 95-627, won passage when a compromise was struck between the House and Senate versions allowing it to be enacted in the last day of the session. The bill does not include a school breakfast mandate but does contain some incentives for school districts to initiate a breakfast program. Also included are two years of guaranteed funding for WIC (Women, Infants and Children) program of up to $550 million in fiscal year 1979, and up to $750 million in fiscal year 1980. The Child Care Feeding Program is made permanent with the House version of standards for participation. APC worked to see these criteria upheld as the Senate version significantly diluted standards for day care providers participating in the program. A number of administrative changes including the provision of start-up funds and reduced paperwork should encourage more qualified providers to take advantage of funds for Child Care Feeding.

President Carter was reluctant to sign the bill but extremely effective pressure by children's advocates averted a Presidential veto. The price for signature was a promise from Congress to seek a reduction of at least $50 million (from $800 to $750) in the 1980 WIC entitlement and an agreement to hold hearings on various child nutrition cost saving proposals next session.

## HEW-Labor Appropriations

The HEW-Labor Appropriations Bill, P.L. 95-480, was signed into law on October 18. It includes $5 million for the implementation of the Adoption Opportunities Act. Senator Heinz (R-Pa.) introduced an amendment on the Senate floor containing the full authorization for the Adoption program which was supported enthusiastically by Senator Warren Magnuson (D-Wash.), Chairman of the Senate Appropriations Committee.

The identical antiabortion language attached to last year's HEW-Labor Appropriations bill was finally included in P.L. 95-480. Medicaid payments will be allowed for abortions only to save the life of the pregnant woman, in cases where a pregnancy results from rape or incest which has been reported to a law

enforcement or public health official, or if the pregnant woman would suffer "severe and long-lasting physical health damage."

## CHAP—Child Health Assessment Program

CHAP legislation which offered improvements in the EPSDT (Early and Periodic, Screening Diagnosis and Treatment) program was not voted on by either the House or Senate. Consideration of CHAP was held up in the Senate by retiring Senator Carl Curtis (R-Neb.) who felt that the bill was too costly. In the House, the bill was lost in the final crush of business. The Senate Finance Committee had marked up a "bare bones" version of CHAP which only expanded coverage for children financially eligible for Medicaid through age 6, as opposed to the more generous House version which required states to provide Medicaid eligibility to children 0-18, and sets a state financial standard at $4200 a year for a family of four, adjusted for family size.

A provision which APC strongly supported, which vested Medicaid for all children in foster care who are hard-to-place because of medical reasons, was in the Committee's bill. The Administration has begun to work on re-drafting a CHAP for the coming Congress.

## The Family Planning and Population Research Act

Title X of the Public Health Services Act, the Family Planning and Population Research section, was renewed without amendment. Paul Rogers (D-Fla.) chair of the subcommittee with jurisdiction over this bill and Dr. Tim Lee Carter (R-Ky.) ranking minority member of the subcommittee were outspoken in their opposition to proposed negative amendments. Their leadership, coupled with the support of the American Parents Committee and other concerned organizations enabled passage of strong family planning and population research legislation.

Title X is the principle source of governmental funds for family planning services and population research. Title X programs are an important source of preventive health care and the funding source of health services to teenagers. This year's legislation recommends increased funding for expansion of family planning services, particularly to reach increasing numbers of adolescents. It also provides for population research to explore areas such as infertility. The amendments to the bill would have crippled existing as well as new programs. Included were amendments:

- Requiring projects which directly or indirectly receive funding under Title X to notify a minor's parents before prescribing a contraceptive drug or device. This would have deterred young people from seeking contraceptive services.

- Limiting the scope of counseling to teenagers by permitting groups that *do not* provide counseling respecting contraception, abortion services, or sterilization to become eligible for Title X project grants and contract funds. In contrast, the Department of Health, Education and Welfare currently requires grant recipients to discuss the full range of options (including natural family planning methods). Grantees are already prohibited from using Title X funds for abortion as a means of family planning.

- Prohibiting receipt of Title X funds by an entity that "directly or indirectly provides abortion services, abortion counseling, or abortion referral services." This amendment would have denied eligibility to virtually every Title X recipient who at present must routinely and properly refer patients upon request, for all needed medical services they do not themselves provide. Accepted standards and ethics of the medical and social work professions require that clients be advised of options and referred to other sources when needed. Since enactment, Title X has carried a prohibition on the use of funds for abortion, and there is no evidence that a single abortion has been performed with these funds.

- Cutting back the funding to last year's levels, thus preventing maintenance of current programs, much less expansion.

The defeat of this entire list of amendments was critical. However, Congress must yet appropriate money for these programs. Lobbying efforts will have to be renewed when the new Congress convenes and considers a Supplemental Appropriations Bill.

## Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978, S. 2910

In the last few hours of the session, Congress passed legislation to expand and improve the availability of services to pregnant adolescents. The legislation is directed primarily at pregnant adolescents 17 years old and under. It mandates certain core services to be provided by agencies receiving funds under the programs. These services either to be provided or linked include: pregnancy testing, family planning services, primary and preventive health services including pre- and post-natal care, nutrition information and counseling, referral for screening and treatment of venereal disease, referral to appropriate pediatric care, education services in sexuality and family life, referral to appropriate educational and vocational services, adoption counseling and referral services, and referral to

other appropriate health services. Supplemental services may also be available.

The bill authorized $50 million for 1979, $65 for 1980 and $75 for 1981 for this program, but Congress adjourned without appropriating any funds. When the new Congress convenes in January the Speaker of the House will need encouragement to expedite consideration of a supplemental appropriations bill for these programs as well as the family planning legislation. An appropriations bill is not likely to be passed until June or July of 1979.

NOTICE TO OUR READERS

Effective Jan. 1, 1979, APC's newsletter will be available by subscription (and to contributors giving at least $15 to support APC's work). Free distribution will be discontinued, except for those persons who are in one of the following categories: 1) APC board; 2) APC national council; 3) CWLA affiliates (as a membership benefit). To assure continuation of your subscription, please complete the form below.

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**FIRST CLASS MAIL**

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STATEMENT OF JANET BELL FORBUSH, PRESIDENT/SENIOR CONSULTANT, JBF ASSOCIATES

My name is Janet Bell Forbush, President and Senior Consultant of JBF Associates. Thank you for granting the opportunity to testify on Titles VI, VII, and VIII of the Public Health Service Act - Adolescent Health Services, an important new program for which the Administration has requested funding.

JBF Associates is a non-profit, youth serving social welfare organization with primary emphasis on the adolescent developmental period. The organization is particularly concerned with issues related to adolescent sexuality, pregnancy prevention, and comprehensive services for young people and their families who are experiencing a pregnancy and/or have already become parents. JBF Associates provides consultation and technical assistance to policy makers, service providers and researchers interested in this field.

Numerous studies and reports profile sexual activity and the incidence and consequences of pregnancy and parenthood among teenagers in the United States. While much of the evidence available casts a rather impersonal statistical profile which is unable to characterize the human dimensions of adolescent sexuality, pregnancy, and parenthood, such a profile nonetheless provides a focus for some startling realities.

For example, Contraceptive Services for Adolescents: United States, Each State & County, 1975, published in 1978 by The Alan Guttmacher Institute, reports that of the 10.2 million young women aged 15-19 in 1975, an estimated 4.1 million were sexually-active. There were also approximately 375,000 13- and 14-year-olds at risk of pregnancy. Of the 10.6 million young men aged 15-19, approximately 6.9 million or 65% are estimated to be sexually-active. According to the report, more than 1.6 million adolescents --- over 40% of those at risk of pregnancy --- did not receive medically prescribed contraceptives from organized programs or private physicians during 1975.

Data concerning abortion show that in recent years, years for which statistics are available, one third of all legal abortions were to teenagers. In testimony before the Select Committee on

Population in March of 1978 on trends in adolescent pregnancy and childbearing, Dr. Wendy Baldwin stated that young teenagers who are under 15 are more likely to have an abortion than a birth.

While the birth rate to teenagers has, in fact, dropped rather dramatically since 1960, the actual number of births to teenagers has dropped only slightly and remains around 600,000 births per year. This represents nearly 20% of all live births in the United States. Very young women, those under 15, constitute the only age group in which birth rates show a slight increase. In 1960 approximately 7,500 births were reported to young women under 15. In 1977 there were nearly 13,000 births to women in this age group.

Of the nearly 600,000 adolescent women who carry pregnancies to term each year, it is estimated that more than 90% or nearly 540,000, keep their babies and assume the daily responsibilities of parenthood. Reports from service providers who work with pregnant teens and young parents in health, education, and social service agencies, show pregnancy and parenthood as frequently cited causes for young people dropping out of school.

With this as background, let me now turn to the Administration's funding request for Title VI - Adolescent Health Services which is part of the Health Services and Centers Amendments passed by the 95th Congress in 1978. In doing so, I will address the following:

1) the intent, purposes, and uniqueness of the new program;

2) need and justification;

3) potential relationship of Title VI to existing programs vis a vis its coordinating function;

4) administration of the program as influenced by interpretations, regulations, and guidelines; and,

5) projected results.

1. Adolescent Health Services Program: Intent, Purposes, Uniqueness

Title VI is essentially intended to improve the coordination and linkage among existing health, education, and social services which have been proven to be needed in hundreds of communities

across this county by sexually-active adolescents, pregnant teens, and their families. A fundamental premise of the program is that while all these categories of young people frequently need some type(s) of services, the range and complexity of needs of those young people who are 17 years of age and under and are pregnant or are already parents is so compelling to warrant that they be given primary emphasis through this new program.

Title VI also speaks to the need for expanding services which either help young people prevent pregnancy or helps those who are already pregnant to obtain comprehensive care.

Finally, Title VI seeks to promote comprehensive, innovative approaches to adolescent pregnancy prevention and care services. Title VI will not, therefore, be a vehicle for the purchase of a vast array of new services. Neither will it foster the growth of the medical model only for serving the many needs of pregnant teens and their families. It will be a means for bringing together a wide range of assistance from the fields of health, education, and social services, assistance which according to the law is to relate primarily to pregnant teens or young parents 17 years of age and under.

As an illustration, consider a hypothetical community which presently provides prenatal care to teens in a Title V funded Maternal and Child Health Services Improved Pregnancy Outcome project. The same community also receives Title X Family Planning monies for a clinic which has a special teen component. These projects are located several city blocks from one another. There is no referral agreement between the agencies at the present time which would encourage the young women in the prenatal care service to obtain family planning services from the teen program after the birth of their babies. Meanwhile, one of the city high schools just received a three-year grant from the U.S. Office of Education to start a parenthood skills training class for pregnant students and young parents which is funded through Title IV, Part C of the Elementary and Secondary Education Act. The class is known only

to the students in the high school and has not been advertised to outside agencies also serving pregnant teens.

The unique contribution which Title VI can make in situations such as the one described is to provide an incentive to bring resources together and build upon existing efforts. It would provide much needed financial support to build a continuum of comprehensive care for the nonpregnant and pregnant teen client.

Title VI builds on the knowledge and experience of several communities which have been struggling to develop a comprehensive approach to the needs of pregnant adolescents and school-age parents since the early sixties. A 1977 study funded by the Joseph P. Kennedy, Jr. Foundation of 50 communities which provide various degrees of help to pregnant teens through a variety of agencies found that "the level of services to pregnant adolescents and school-age parents could be vastly improved in the participating cities were financial support made available to assist in the coordination and adaptation of existing services." The study also noted that similar support directed toward coordination and the exchange of policy and program information at the state level would be of great assistance to local programs seeking funding. As the Project Director for that study I made several visits to cities involved in the survey. Those visits provided first-hand evidence to substantiate the need for coordination among the three disciplines of service providers--- health, education, and social service. If any one of the three elements is missing, and, if the continuum does not span a reasonable length of time after the adolescent bears her child, the effectiveness of the services are indeed short-lived. This finding was corroborated by Jekel and Klerman in their study of school-age parent services in New Haven, Connecticut. Given the increasing number of very young teens who are having babies, it is important to provide follow-through care and outreach services to her and her family for a minimum of two years after delivery. Title VI would help to provide this support. A key assumption is, however, that services, such as family planning, are in place. Appropriations for that program are, therefore, critically important to the success of this new program.

Another unique feature of Title VI is that it has built in an evaluation component which, if developed so as to address the variety of service approaches now in place, will assist grantees, DHEW, and Congress learn more about the results of comprehensive services intervention for pregnant teens and young parents. We can't learn the results of such an approach from existing Title X, Title V, or Title I programs. Yet to date, largely as a result of coordination and basic funding problems, service providers have been able to do little else but record the number of clients to which they have provided a service and over what period of time. They have lacked the personnel to carry out this important part of a program.

As an example of this I cite the School-Age Parent Continuation Program (Attachment I) in Seattle, Washington, which opened in 1965 and which serves approximately 300 students per year under the auspices of the Seattle Public Schools. This year the Seattle program is funded through eight different sources (Attachment II). The two principal sources are the State Department of Public Instruction which provides special education monies and the Seattle School District, whose support is predicated on frequent school levy votes. Three of the funding sources operate on an annual budget cycle commencing July 1. Three others begin on a budget cycle commencing August 1. One begins September 1 and another on January 1. The coordinator of the program, Ms. Pat Stuart, estimates that 1/3 to 1/2 of her time is spent on fundraising, record keeping, and the filing of statistical reports. No additional staff is available to assist in on-site administration, evaluation, and follow-through or outreach to former students. Those appear to be gaps in this 14-year-old program which could be resolved if additional money was available to ease the current coordinating difficulties.

2. Need and Justification

Congress authorized $190 million for the Adolescent Health Services program over a three year period beginning in 1979. The first

year authorization level is $50 million; $65 million in 1980; and, $75 million in 1981. Title VIII of the Act, which calls for a study of adolescent pregnancy, authorized sums for such a study not to exeed $500,000.

For FY 1979 the Administration is requesting $7 million of the $50 million authorized to start the program. This request was put forward by DHEW in its FY '79 supplemental budget request. It has been estimated that 1/2 to 3/4 of $1 million will be needed to hire the principal staff of 20 persons for the Office of Adolescent Pregnancy Programs. Additional monies are needed for the development of grant application materials; consultant training and travel; and, related technical assistance materials. Further, since this program is to be carried out largely through grants and contracts which focus on the coordination of existing services with some attention to expansion so as to achieve comprehensiveness in approach, the primary cost item in FY '79 relates to grants to 25-30 projects. The Administration estimates that it will cost $750 per student in each project in 1979 with an average of 270 students served in a project. This cost estimate is based on a 1978 study conducted by DHEW's Office of Adolescent Pregnancy Programs of five comprehensive service centers. Close examination of other programs indicates that the cost estimate of $750 per student for coordination, administration and evaluation as required by the legislation, and any possible expansion or adaptation to comply with the Act, is perhaps low. This is based on recognition of the lack of existing referral procedures and related accountability structures in most school-age parent programs. Very few programs also have evaluation designs and follow-through capability to track previous students. One of the associates of JBF Associates, Ms. Miriam Mednick, Coordinator of the Comprehensive Services Program for Pregnant Teens in Philadelphia, Pennsylvania, notes that outreach and tracking of students is time consuming, demanding, and, therefore costly. It requires professionally trained staff. Because of this, and in view of her experience with a social services oriented program, she feels that urban programs would require

additional money per capita to achieve the coordination called for in Title VI.

The FY '79 request also includes the funding for the adolescent pregnancy study but it does not specify whether the full $500,000 is being sought. JBF Associates recommends that the full authorization be made available to conduct this study.

It is extremely important that Congress appropriate funds to launch this program in 1979. Without a staff and consultants to initiate the planning and administration of the program, it will be extremely difficult to realize the potential of the legislation passed by the 95th Congress. It will also delay the opportunity for making existing programs ultimately more effective by drawing on their resources to meet the needs of young parents.

The Administration's request for FY '80 is $60 million; $5 million less than the authorization level. Assuming that the administrative structure for the program is in place as a result of FY '79 funding, the primary emphasis of the FY '80 spending is on support for project grants and contracts. It is estimated that 315 projects would be funded in FY '80, some of which would offer new and innovative approaches to services delivery to sexually-active teenagers and young parents as called for in the legislation. It should be noted that project grants made available through Title VI can be used to account for no more than 70% of the costs of the project with a decreasing percentage of support to be made available from the program in succeeding years. In the event that the projected per capita cost for clients participating in these programs exceeds the Administration's $750 estimate, it is likely that fewer than 315 projects would be funded.

3. Potential Relationship of Title VI to Other Federal/State Programs

One of the critical responsibilities vested in the Office of Adolescent Pregnancy Programs relates to its charge to coordinate other federal and state efforts related to adolescent pregnancy prevention and care. I believe that the realization

of this coordination is, in fact, predicated on the extent to which the staff of the Office of Adolescent Pregnancy Programs reaches out to key policy and program people in agencies outside the Public Health Service to ensure a comprehensive approach to the program. In the event this is not done, or, to the extent that by virtue of being lodged in the Office of Assistant Secretary for Health the Office takes on the characteristics of a medical model approach, the intent and spirit of the legislation will have been altered. For example , the Director of the Office of Adolescent Pregnancy Programs should strive to establish effective working relationships with personnel in the Office of Human Development Services, the Office of Education, the Health Care Finance Administration, and, within the Public Health Service, those units responsible for Title X-Family Planning Services and Title V-Maternal and Child Health Services. In addition, relationships with those agencies involved in research, e.g. NICHD-Center for Population Research, should also be a party to the federal, coordinated approach. After working relationships have been established, the functional ties among the programs should evolve so as to strengthen the impact of the Adolescent Health Services Act.

At the state level it is also important to establish effective working relationships, particularly with those agencies which are addressing prevention and/or care needs of sexually-active teens and young parents. For example, in New York State there is a state level Task Force which has been instrumental in guiding efforts to address teenage pregnancy issues from the perspective of primary prevention and comprehensive care for those who are already pregnant. Recently, as a result of funding made available by the state legislature to impact on the problem, seventeen local projects were funded through the Department of Social Services. Coordination between the Office of Adolescent Pregnancy Programs and the Commissioner of Social Services of New York State, Ms. Barbara Blum, would perhaps provide a unique opportunity to enhance the initiative of a key state in addressing this important problem. Depending upon the definition of "community' which is ascribed

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to the legislation in the implementation of Title VI, it is, of course, conceivable that state agencies could be eligible for funding depending upon their linkage with direct service providers. New York State is an example of a state level "community" that is already funding important projects in this issue area through one of the principal service providing agencies, Social Services. By the same token, there are national level organizations serving, if you will, a national community. Again, to the extent that a national level agency is able to demonstrate its capacity for providing the direct services called for in the legislation, funding a national level group would perhaps facilitate the replication of effective comprehensive services approaches either in prevention or treatment modalities.

4. Administration As Influenced by Interpretations, Regulations, and Guidelines

Despite the detailed nature of Title VI, there are some key phrases and terms used throughout the Act which will need to be clarified in order to get the program off to a sound start. I cited one example in Item #3, that is, the definition of community. Even more central is the issue of referral agreements which are to be established among service providers in a given community to assure the provision of a range of core services prescribed by law. The referral agreement implies that if a grantee is unable to provide a service directly, a referral agreement will have been reached to ensure that the adolescent is provided with the necessary assistance.

Another definition, which will perhaps be addressed in guidelines to be developed by the Office of Adolescent Pregnancy Programs, concerns the phrase "primary emphasis" when the Act indicates the target population for this program. These are just a few examples of terms and phrases which will have significant meaning to prospective grantees and which, in fact, must be clarified before grant application materials are made availabe.

At another level but also related to the concept of definition of terms is the minimal standard of acceptability with respect to the nature of core services which grantees will have to provide as required by law. An effort is being made by an ad hoc public policy coalition comprised of representatives of several national organizations to address this issue now and the recommendations of the group will be forwarded to DHEW in the coming weeks.

The proposed regulations for Title VI were published in the Federal Register on March 12. The 60-day public comment period on the proposed regulations ends on May 11. In reviewing the regulations with several of my associates, many of whom are direct service providers, there was universal concern about the nature of the proposed fee schedule for the Adolescent Health Services program. In short, it is seemingly related to health-based services rather than school or, in some cases, child welfare/social service agencies. I am mentioning this issue today as a means of highlighting the complexity of shaping this multidisciplinary program.

Given the complexity of this program, JBF Associates recommends that a multidisciplinary review panel consisting of knowledgeable persons from government and non-governmental private and public agencies be established to review grant applications submitted under this program. The panel should be representative of persons from policy and practice backgrounds from the fields of health, education, and social service.

The Office of Adolescent Pregnancy Programs is apparently considering the development of program guidelines to be issued to prospective grantees to be used to augment guidance that will be offered in the regulations. However, in order to devote the necessary staff to such an important task, it has to be hired. And again, this speaks to the need for funding this program at the earliest possible opportunity.

5. Projected Results

The potential outcome on a national basis and from the standpoint of individual project results of Title VI will in large measure be prescribed after evaluation criteria are identified by the Office of Adolescent Pregnancy Programs. For the first time in the brief history of the comprehensive services approach to sexually-active teens and school-age parents, however, Title VI provides a significant opportunity to test what the results are. Up to 3% of the funds made available can be directed to evaluation. Some of the issues that need to be considered in the evaluation design are:

a) # of young women/men/infants/ & family members served by grantee and/or linked agency;

b) # and duration of services provided to client by all agencies involved in the project;

c) information as to how clients learned about the service provider(s);

d) # of young women involved in prenatal care during 1st trimester; 2nd trimester; and 3rd trimester of pregnancy. (Note: This refers to the number just beginning care at this point in the pregnancy.)

e) # of young men/women who dropped out of school while in the program; and, # still in school two years after delivery. (Note: Because of the age range, the school attendance/drop-out figures will need to be controlled for age.)

f) # of young women placed in job training and/or jobs following pregnancy/informa- regarding # of clients receiving AFDC should also be recorded.

While the above list is not exhaustive, it represents some issue areas about which additional information on a national sample is needed. To effect this component of the program, it is likely that technical assistance will need to be made available to grantees in order to provide guidance on the use of the various reporting forms which will be used in the national data collection, and, to assist them in shaping the most appropriate evaluation scheme for the project which they are conducting.

I am hopeful that the evaluation component of Title VI/VII along with the study authorized in Title VIII will provide useful guidance to us in developing programs for sexually-active teens and young parents in the coming decade. It is clear that had an evaluation component been required in earlier efforts, we might be further down the road in our efforts to reduce the incidence of adolescent pregnancy and parenthood in our country today.

Thank you again for the opportunity to testify. I look forward to answering any questions you might have and am hopeful that the program will be able to get started this year. Thank you.

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SCHOOL-AGE PARENT CONTINUATION PROGRAM

A program for the pregnant teenagers, expectant fathers, school-age mothers and fathers who want to continue or complete their junior or senior high school education.

## SERVICES PROVIDED

- Basic Academic Subjects
- Individual Group and Family Counseling
- Public Health Nurse Services
- GED Preparation
- Vocational Guidance
- Infant and Child Day Care Services
- Outreach and Referral Services

## SPECIAL SERVICES

- Individual instruction as needed
- Emphasis on health needs of pregnant teenager
- Development of parenting skills
- Guidance and direction for the future
- Understanding of inter-personal relationships
- Recreation and social activities
- Adolescent Health Clinic

## LOCATION

School-Age Parent Continuation Program
Gatzert School Building
615 - 12th Avenue South
Seattle, WA 98144
Phone. (206) 587-4325

South Region Child Care Center: 587-3515
North Region Child Care Center: 587-3516

## FOR MORE INFORMATION

direct your inquires to the School-Age Parent Continuation Program: 587-4325
587-4326

Patricia Stuart
Program Manager

Mary Ann Liebert
Social Service Supervisor

Mary Lou Williams
Chairperson,
Community Advisory Board
one: 625-4011

A Service Provided by:

Seattle Public Schools
Medina Children's Service/United Way
Seattle/King County Health Department
U.S. Department of Agriculture
Washington State Department of Social and Health Services
Washington State U.R.R.D.

Rev. 10/78

SCHOOL-AGE PARENT CONTINUATION PROGRAM
Seattle, Washington

EXPENDITURES BY FUNDING SOURCE FOR THE PERIOD SEPTEMBER 1978 THRU JUNE 1979
(Includes salaries, supplies and materials)

| PROGRAM | U.R.R.D. | DISTRICT | D.S.H.S | U.S.D.A. | CETA | SPECIAL ED | PLYMOUTH CHURCH | SEATTLE KING COUNTY HEALTH | UNITED WAY (Medina) | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| Administration | 37,180 | 21,171 | | 1,500 | | | | | | $ 59,851 |
| Education | 17,693 | 4,309 | | 1,000 | | 106,000 | 2,000 | | | 131,002 |
| Counseling | | | 4,500 | | | | | | 65,000 | 69,500 |
| Child Care | 14,773 | 76,465 | 16,809 | 5,400 | | | | | | 113,447 |
| Health Services | 8,704 | 383 | 3,776 | 500 | | | | 10,000 | | 23,363 |
| Outreach | | | | 1,500 | | | | | | 1,500 |
| Community Advisory Board | 400 | | | 100 | | | | | | 500 |
| TOTAL | $78,750 | $102,328 | $25,085 | $10,000 | | $106,000 | $2,000 | $10,000 | $65,000 | |

GRAND TOTAL $ 399,163

SUBCOMMITTEE RECESS

Senator INOUYE. We will stand in recess until 1:30 p.m.

[Whereupon, at 12:30 pm., the subcommittee was recessed to reconvene at 1:30 p.m., that same day.]

(AFTERNOON SESSION, 1:30 P.M., WEDNESDAY, MARCH 28, 1979)

## NONDEPARTMENTAL WITNESSES

### GENERAL HEALTH

STATEMENTS OF:
DR. CHARLES B. ARNOLD, CHAIRMAN, COMMITTEE ON PREVENTIVE POLICY
DR. JAY FELDMAN, PRESIDENT, AMERICAN COLLEGE OF PREVENTIVE MEDICINE
DR. TOM VAN COVERDEN
DR. JOHN SHERMAN
DR. JAY CUTLER

Senator INOUYE [presiding]. The subcommittee will please come to order.

We now have a panel on general health. Representing the Coalition for Health Funding is the president, Mr. Jay Cutler, the American College of Preventative Medicine; Dr. Charles B. Arnold, chairman of the Committee on Preventive Policy; representing the Rural Coalition, Mr. David Rafael.

I believe the first witness is Dr. Charles B. Arnold.

### STATEMENT OF DR. CHARLES B. ARNOLD

Dr. ARNOLD. Thank you very much. It's a pleasure to be here, and I regret that a competing demand on my time requires me to be at 2 o'clock at the FTC this afternoon.

Without any measure of disrespect for this committee and its important work, I would ask permission to be excused after my testimony to attend that.

I've discussed it with my colleagues already.

We will be presenting individual testimony, so I will go first.

#### AMERICAN COLLEGE OF PREVENTIVE MEDICINE

I am Charles Arnold, chairman of the Committee on Preventive Policy of the American College of Preventive Medicine. I am the immediate past president of the college and also vice president for research of the American Health Foundation.

To summarize what I wish to say, one of the major issues with respect to disease prevention and health promotion today is to help better coordinate our Federal efforts to provide some seed money for the efforts that have begun to be made now in prevention.

And I wish to speak to three issues for which I feel support is necessary. And the College of Preventive Medicine urges that this committee carefully consider in its budget deliberations.

There is the concern for States, Office of Health information and health promotion, and the Surgeon General's Office, and thirdly, a plea for the need for comprehensive demonstrations for delivering preventive medicine services at the community level.

PREVENTION OF DISEASES

My point of departure here is that until 5 years ago, or certainly within the last 5 years, I think it can be said that we did not know clearly that we could prevent a large proportion of the heart attacks, cancers, strokes, and diabetes that we see in the country.

I think we now do know that. I think that there is sufficient scientific evidence to suggest that we know what to do. The question is can we deliver on what we know?

These diseases are important because they account for two out of every three deaths in the United States at the present time, and they are probably reducible by 30 to 50 percent, were we able to act concertedly on what we presently know.

In an era of increasingly scarce resources for health, I think this becomes extremely important for two reasons: One is prevention, therefore, represents a way in which we can improve the health of the country; but secondly, as the point was made earlier this morning, it is a route by which we actually look forward to a time in which we can save money in health care. It's the only sure way of reducing our costs for the future.

COMMUNITY PREVENTION SERVICES

What we lack, as I said earlier, though, is a way to deliver community prevention services. I just want to mention some of them that I think there will be a considerable payoff on: High blood pressure control in the community in nutrition education and counseling in the community; smoking cessation services for adults and smoking prevention programs for children, because the risk factors that are implied in these not only act individually on people, but as well when combined in a given individual greatly increase their risks for disease.

We understand them, how the health problems that we experience with respect to these occur.

That is, that they have a multiplicative effect.

Thereby, we come to the question of programs. I want to say that while I feel that it's important that we put the $18 million that is requested into title II, section 203, that is to formulate grants for preventive health care.

First, is that at the community level in the United States, in order to deliver coordinated services in the United States, there is no present mechanism of funding into the Federal or State governments at the moment, to deliver such services or to organize them.

Here are the further programs that may involve the county health department. They may involve mental health services, which are the kind that we talked about before, deal with human behavior—YMCA's, PTA school systems, all need to work together on these issues.

And at the moment we have no sources of support for these.

This section stipulates that each community and each State, in fact, should be working specifically for the prevention of the five leading causes of death. I think that's very practical.

In addition, it also emphasizes that there be money spent on mass media, which I think is well spent because of the public education implications that this has. This is a very small amount of money that's being asked for in view of the magnitude of the problem that we're speaking about.

I don't think it's inappropriately small, given the fact that we've had so little time to work on developing strategies for delivering these services.

I hope that this will be simply the first in a series of steps that will gradually expand our capacity to deliver such community services, and by organizing ways to do it more effectively.

In a sense, Senator, what is involved here is giving us the capacity at the community level to deliver preventive services for the prevention of the chronic diseases. That's analogous to what we currently have for a disease care system in hospitals, health departments, clinics, and the like.

OFFICE OF HEALTH INFORMATION AND HEALTH PROMOTION

A word about the Office of Health Information and Health Promotion, why I think it's important.

At the moment, it represents the major and really, the sole vehicle within the Federal Government for looking at this broad area of disease prevention and health promotion. The funding it had this past year was $1.5 million. I've asked for $5 million.

I think the expenditure of funds, this $5 million that's been requested, would have an impact all out of proportion to the money simply because it represents a way in which a single office can watch over the Federal establishment and try and link Federal, State, and local planning together. And it has begun to make such efforts this past year. And as well, provide oversight for issues such as training we talked about this morning, and research, which I think is important.

COORDINATION

The coordination, I think, is an extremely critical part of the development of a major offensive on prevention of these diseases.

This office had a slow start, as I think you know. But now I believe that it has begun to get on track and has demonstrated in this past year a capacity for delivering programs that I think are important. Thus, linking itself to communities in the United States to deliver programs, a system of national conferences to focus more attention on health and as well, and has provided a conference for health care in the occupational area.

FUNDING RECOMMENDATION

The last point I'd like to make is a plea for putting back in the $6 million that the administration did not ask for. It was authorized originally in the Public Health Service Act for the section 401.

This is the comprehensive demonstrations.

What was intended in that section was that there be an authority for assisting the Federal Government to put together a few small, highly selected demonstrations, such as the Stanford heart program represents one, or activity in Pennsylvania in Lycoming County. The American Health Foundation has some programs for the schools.

We need some very concentrated models, programs that are done with a great deal of expertise, the purpose of which is to show us how to effectively conduct such programs, we later turn to States or other groups to do, and we can say here are models for doing it.

To have the mandate to fund the States without the models themselves, I think, is a less than effective approach nationally for dealing with this problem.

In summary, then, I think we have the means in our hands to begin dealing with prevention of the major chronic diseases.

I would like and urge very much that this committee consider ways in which this next year's budget can begin to assist us to accomplish the job.

Senator INOUYE. Thank you very much, Doctor.

Our next witness is Mr. David Rafael of the Rural Coalition.

STATEMENT OF DR. JAY FELDMAN

Mr. FELDMAN. I'm sitting in for Dave Rafael today. I extend his apologies. He couldn't make it.

My name is Jay Feldman. I'm a health specialist with the Rural Health Council of Rural America. I'm here today on behalf of the Rural Coalition, which represents a coalition of 50 national and regional groups organized to promote a national policy responsive to rural people and rural needs.

We thank you for this opportunity to discuss the administration's proposed fiscal year 1980 budget.

The statement I'm about to deliver right now is a summary of the written statement you've got in front of you, and I wish that that be entered for the record.

Senator INOUYE. Without objection, so ordered.

Mr. FELDMAN. In a word, unfortunately, we're dismayed with the budget. We share President Carter's concern with inflation. However, in most areas, the budget spells a future of shrinking Federal capacity in the face of growing rural needs.

It seems self-evident to us that programs which provide a foundation for well-being and self-sufficiency for people and their communities are ultimately anti-inflationary.

On the other hand, a society that walks away from its commitment to rural development, and particularly health care services, is asking for trouble, because these are areas in which the bills pile up over time and interest rates become inflationary.

PROPOSED 1980 BUDGET

Although the proposed fiscal year 1980 budget for HEW is $18.7 billion higher than the 1979 estimated outlays, the total budget request is actually $2.4 billion lower than would be needed to fund existing programs at current levels.

The administration hopes to counter-decrease program dollars by reducing hospital costs and by simply eliminating or cutting back current programs.

The major cutbacks, as you can see by looking at the budget, are in Federal support for medical training, as we discussed this morning, except in the training of primary care and family health professionals. The shift in emphasis toward primary and family care is welcome, from our perspective, but the $24 million increase in the allotment for primary and health care programs is minimal in the face of the existing need, especially since rural areas depend extremely on these primary care practitioners.

It appears meager in comparison with the money that could be made available from cutbacks in other training programs, such as the proposed $67 billion decrease in capitation grants and proposed $23 million decrease in nurse's training.

The health budget proposes other features disturbing to rural interest groups. We're gratified at minor increases in funding for migrant health, Indian health, HURA projects, health underserved rural areas project, and the National Health Service Corps.

But we want to go on record as making it clear that these requests fall extremely short of those funds that would be needed to serve the eligible population. Rural areas have a desperate need for access to health personnel for services they can afford.

MEDICALLY UNDERSERVED AREAS

Nearly three-quarters of rural counties are designated by HEW as medically underserved. Compared to cities which have 500 persons per doctor, there are 2,400 rural persons per doctor. Only 17 percent of the Nation's primary care physicians reside in rural areas, and while rural people account for a third of the total population, over half of the residents, nearly 60 percent of all medically underserved areas in the United States are rural.

An obvious strategy for dealing with the shortage of practitioners is to recruit medical students from low-income and rural areas, train them in health problems such as malnutrition, which is prevalent in low-income communities, and provide incentives for students to take their training and eventually practice in underserved areas.

AREA HEALTH EDUCATION CENTERS

The strategy has been to select and incorporate into the National Health Service Corps and the AHEC, the area health education centers program.

And yet, the administration proposes a 70 percent funding cut in the AHEC program. This is a program that's given medical students an opportunity to take their training in rural areas in the hopes that they will settle there. This modest program makes so much sense and we cannot conceive of the rationale behind crippling it. The need in other underserved rural areas is for primary health care practitioners, hardly a priority in today's medical schools.

CAPITATION FUNDS

If the administration accompanied capitation grants with requirements that schools recruit from underserved areas, provide support for low-income students, and emphasize primary care and paramedical training, we would welcome the reinstatement of capitation funds.

As it is, however, criticism is that the savings produced by deleting capitation is not being reapportioned to meet needs in underserved areas, or to assist low-income applicants in medical school, as reflected in the budget narrative.

TECHNICAL ASSISTANCE RESEARCH

Another area, technical assistance research and demonstration. Technical assistance centers are crucial to the planning of primary care services in rural areas. And yet, the budget proposal shows a $6.5 million funding cut of this program.

We'd like to go on record as opposing that.

COMMUNITY HEALTH CENTERS

The budget program, or the budget, I guess, for community health centers, which includes rural health projects, RHI, Rural Health Initiatives, would receive a $30 million increase, which amounts to an 8.5-percent increase over projected fiscal year 1979 totals of $351 million, but a $46.5 million figure—that's less than Congress authorized for the program.

Another point that's extremely important at this time is that the fiscal year 1979 budget figure that you see in the President's budget is based on a yet-to-be-passed supplemental appropriation of $81 million.

This appropriation would fund 99 new rural health centers. And as I understand it, people have been approved for starting rural health projects, and yet, the money remains unavailable.

Please understand that these programs—I'm talking about now the community health center programs, the rural health initiatives, right now reach about 5 percent of those considered eligible in the rural areas.

Nationwide, they reach about 10 percent. It's an extremely small program. It needs more strength. It's been effective in rural areas. It needs to be supported.

And I hope the subcommittee finds that that's appropriate.

MIGRANT HEALTH PROGRAMS

Migrant health programs slated for 20 percent gain in funding would still serve only 22 percent of the eligible migrant population in this country.

Another point in looking at the budget is that the HURA program, which I mentioned earlier, would be reduced from funding 106 projects to 66 projects.

This is from our perspective a move in the wrong direction.

FORMULA GRANT PROGRAM

And another area of significance is the formula grant program to States to deliver comprehensive public health services, known as section 314(d) of the Public Health Service Act.

We find a 32-percent cut in the President's budget to levels of $52 million. This is a program which has been funded to a level of $90 million and Congress, in its past session in the 95th, had intended on strengthening the program without a $50 million authorization.

We'd like to see that issue redressed.

Other programs do, for increase, are laudatory in themselves, can receive only conditional endorsement because of rural equity questions.

For example, the HMO program, which provides a useful alternative to inadequate health care, is cost effective in many areas. Yet, we see the administration—this is a program that's slated to get a large increase. Yet, the administration persists in concentrating its effort in urban areas which yield the highest return on the Federal dollar.

However, HEW is mandated to spend no less than 20 percent of its funds on the development of rural HSA's. That apparently has not been so in any fiscal year since 1974.

RURAL-URBAN BREAKDOWN OF FUNDS

I would suggest on behalf of the Coalition that before approving the requested increases in the HMO program and the mental health program, and antismoking programs, that the committee request a breakdown from the administration on rural-urban distribution of these efforts and stipulate that new starts will redress all the imbalances that have persisted over time.

RECOMMENDATIONS

In conclusion, we recommend that Federal funds for training, if reinstated, be accompanied by requirements that they be used to recruit from low-income, minority, and rural populations and underserved areas, and that they be used to substantially increase the number of primary care practitioners.

We urge the committee to reject the curtailment of the AHEC, the area health education center program, and the abolition of the technical assistance centers.

Lastly, we urge that you obtain a commitment from the administration to allocate an equitable share of the HMO and other funding increases to rural health care.

In general, then, while we understand the administration's concern over runaway inflation, we are convinced that limiting the already austere resources of low income people is not the answer.

Instead, we advocate heightening the Federal Government's focus on low-income rural people, targeting assistance to minorities with special needs, retaining rural values, and insuring rural citizens a community-based participation and decisionmaking.

Thank you very much for the opportunity to participate.

Senator INOUYE. Thank you very much. I'd like to assure you that we've already requested HEW to provide us information on the rural-urban distribution.

Mr. FELDMAN. We're glad to hear that. It's a very important program and should be strengthened in rual areas.

### RECRUITMENT OF MEDICAL STUDENTS FROM RURAL AREAS

Senator INOUYE. You emphasized the recruitment of medical students from the underserved, lower income rural areas; do you have any studies to show what percentage of them would return to their old communities?

Mr. FELDMAN. I have anecdotal information is what it amounts to on situations like in Mound Bayou, Miss., where special attention was given on the part of Rutgers University to recruit people from that area and go down there and insure that people practice or get their preceptorships in that area.

But there is a return rate. I don't have a National survey or statistics on that, however.

Senator INOUYE. OK, thank you very much.

Mr. FELDMAN. Thank you.

Senator INOUYE. Our next witness is Mr. Jay Cutler, president of the Coalition for Health Funding.

## STATEMENT OF DR. JAY CUTLER

Dr. CUTLER. Senator Inouye, thank you for the opportunity to appear today on behalf of the Coalition. With me are Drs. John Sherman and Tom Van Coverden, who are members of the board of directors.

With great respect for your time and dedication to this hearing, and noting that the hour is growing late, we would appreciate that the full text of the statement and its attachment will be printed in the hearing record.

Senator INOUYE. Without objection, so done.

Dr. CUTLER. We'll try to abide by the time limitations and summarize the statement.

### FUNDING NEEDS OF CONTROLLABLE HEALTH PROGRAMS

The purpose of the Coalition is really to effectuate a value judgment on the funding needs of controllable health programs. The 50-some-odd organizations each make a value judgment—analyzing each of the programs, and submitting their recommendations for the appropriate funding level.

During our examination of the budget, we can ratify that the administration has recognized the importance of good health as a National resource. Yet, we are deeply distressed that they failed to provide adequate funding for controllable health programs, programs which have proven themselves to provide improved health and well being. Such programs cannot be sustained, nor can they make any gains in the realization of the potential for good health, with the funding levels proposed.

We believe good health, we're pleased to see, is recognized by Congress as a right to which all individuals should be able to aspire. Even more important, it makes good sense in economic terms. We have no evidence which suggests that any of the programs have not been successful and that they should be candidates for financial retrenchment.

For example, community health centers have emphasized greater efficiency in their operation in recent years and in fiscal year 1977 achieved a 16-percent reduction in the total cost per person served. The hypertension grant program to the States is viewed by State health officials as the first preventive program launched against the major chronic diseases which keeps people out of hospitals and significantly reduces the cost of caring for individuals.

A third example is the migrant health program. During 1977, in the face of inflation there was an actual reduction in the average cost per person served.

Turning now to health research, we believe the amounts proposed in the President's budget generally fall significantly short of being able to maintain program levels for fiscal year 1980. With respect to health services education and manpower development, we were deeply distressed that the Federal Government is proposing to abrogate prematurely its financial commitment to those institutions.

Two other points we would like to highlight: One is the alleged increase in the National health service corps scholarships. I use the word "alleged," because any increase that doesn't match what was appropriated last year is going to be a shortfall in the number of scholarships for students who will serve in underserved areas.

Second, we have grave difficulty with the administration not requesting one single penny for the exceptional need scholarship program. Two other aspects of the manpower situation also deserve attention, one of which I know you heard a great deal about this morning, which is mental health clinical training funds. I'm not going to repeat that. The other is the need for funding so that the emerging problem of attracting sufficient numbers of physicians interested in research is addressed.

In summary, there are a number of features of the President's fiscal year 1980 budget for controllable health programs the rationale for which is difficult to understand, nor are such features acceptable. We are unable to assure the maintenance of programs which have contributed so much to the health of our Nation's population, whether in economic or human terms.

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We urge you, Senator, and the rest of the committee to examine carefully these priorities, as the ceiling is developed for the 550 budget function.

Thank you.

PREVENTIVE MEDICINE

Senator INOUYE. Thank you very much, sir. What role do you think preventive medicine will have in the National health program? I realize that's not part of the agenda, but I personally feel that it's just a matter of time before we have a National health program.

Dr. CUTLER. It's a difficult question to address on behalf of the Coalition. Speaking personally as a former Senate staff person, one of the critical questions to ask yourself is: How much is rhetoric in preventive health care versus how much we can actually prevent when we put forward the dollar? It's a good idea, but I don't know if it's an idea whose time has come.

We can cap smoke stacks, but we can also put dollars into research, and I don't see the money going into cutting back on environmental carcinogens, to be frank with you.

STATEMENT OF DR. JOHN SHERMAN

Dr. SHERMAN. Senator, could I add a few words about the problems of health professional education and a few words also about certain areas of applied research.

SUPPORT TO MEDICAL SCHOOLS

We were dismayed, to say the least, to learn of the congressional action which abrogated what we felt to be commitments as far as institutional support to schools of nursing and schools of medicine and schools of pharmacy, and so forth. We would urge as a consequence of that action that the appropriations subcommittees examine carefully in the next year or two what may be the potential of a series of untoward events aggregating on these institutions.

To be more specific, a number of States are proposing to cut back on capitation support to various schools in the health professions. Additionally, the proposals for caps on medicare and medicaid payments probably will impact more heavily on the teaching institutions than they will on other health service organizations and institutions.

INDIRECT COSTS OF RESEARCH PROJECTS

Thirdly, the new proposals for determining indirect cost recovery on federally supported research projects for these institutions will at the very least add considerably to their own administrative costs in meeting the requirements and actually in some instances may reduce the amount of overhead already coming as a consequence of performance of research for the Federal Government.

STUDENT ASSISTANCE

Particularly serious, we feel, are the recommendations by the administration in the area of student assistance. It seems almost certain that especially in medicine and some of the other health professions, it will once again become a rich man's or a rich woman's profession. And the cumulative effect of all of these developments on this group of institutions may well over the next 2 or 3 years have very, very serious consequences.

We would urge that you would consider them in the aggregate rather than in the isolated bits and pieces.

BIOMEDICAL RESEARCH

The second area is biomedical research, this will be covered in considerable detail, both in our booklet and also by individual witnesses speaking to various NIH and ADAMHA Institutes. There are two areas, however, which on behalf of the Coalition we would call specifically to your attention. One has to do with the availability of more adequate funding for the program of general clinical research centers in the Division of Research Resources at NIH, a group of centers which undergird much of the research in the categorical areas covered by the rest of the NIH Institutes.

NATIONAL LIBRARY OF MEDICINE

The other area is in the National Library of Medicine where for the first time a real opportunity exists to mount a program of computers in medicine, a field which has long had promise, but until now has been short on performance. The addition of a comparatively small amount of money there should add measurably to our ability to move new knowledge into application quickly and appropriately.

Thank you.

Senator INOUYE. Thank you very much.

The committee will stand in recess for 5 minutes.

[A brief recess was taken.]

[The statements follow:]

## Statement of Jay B. Cutler, President, Coalition for Health Funding

Each year since 1970, representatives of national health interests have combined their efforts to keep informed of developments in Federal health budgets, to prepare an alternative to the President's budget, and to inform the Congress, the press, and the public of alternate funding to the President's proposal. Representing over 50 organizations, the Coalition monitors the development of the Federal budget, the Congressional budget process, appropriations process, and the overall status of health financing. The Coalition annually publishes this analysis of the President's health budget, including carefully developed alternative recommendations.

The stated goals of the Coalition for Health Funding are: (1) to identify inadequacies in existing and proposed levels of support for all Federal health programs; (2) to establish priorities for increased funding of the various health programs; (3) to communicate the need for adequate funding for specific health programs to the public, the press, the Administration and the Congress; (4) to prepare and present documentation of the funding needs of the Federal programs involved, stressing the potential accomplishments if appropriate funding were available; (5) to seek Congressional support for specific appropriation levels; and (6) to seek expenditure of all appropriated funds.

The Coalition's funding recommendations are carefully developed over a three-month evaluation period. Coalition members develop preliminary funding levels in their areas of interest, which are presented and justified to a panel of Board members. The Board then considers each program individually, evaluates previous funding levels and the suggested increases and their purposes, and then approves a tentative budget. The tentative budget is distributed to members, who are given an opportunity to appeal the Board's decision. After the President's budget is released, the Board considers all appeals and formulates a final budget which is then approved by the membership.

The Coalition limits its activities to the Congressional Budget and Appropriations process for controllable health programs. The Coalition attempts to provide assistance to the Administration, the Congress, and the public by distributing its analysis of the health funding process. The CHF takes no partisan political positions, nor does it attempt to influence authorizing legislation.

## EXPLANATION OF JUSTIFICATION STATEMENTS

APPROPRIATION: Money appropriated by Congress to fund programs in FY1978 and FY1979. Aggregate totals are used, derived from appropriations bills and continuing resolutions.

AUTHORIZATION: Upper limits for appropriations established by Congressional legislative committees. Where "Open" appears, authorizing legislation calls for "... such sums as necessary" to meet the statutory purpose set forth in a law. The word "Expired" appears for those authorizations which expire before the beginning of FY1980.

PRESIDENT'S REQUEST: These budget authority levels are those submitted to the Congress in January 1979 by President Carter in his FY1980 Budget.

COALITION RECOMMENDATION: These figures represent, in the professional judgment of the member organizations, the amounts necessary to adequately fund the programs to meet public health care needs. For those programs whose authorization levels expire in FY1979, the Coalition has made its recommendation based on the best estimate of need. Since those authorization levels are still unknown at the time this booklet goes to press, the recommended levels are marked with asterisks (**) and may have to be adjusted at a later date.

JUSTIFICATION MATERIAL: Each statement begins with a program description and then proceeds to explain and justify the recommended increase for each program over the FY1979 level.

CONTACT: These Coalition members are those who had input into the recommended funding level and its justification. Since the justification statements are so brief, all members are available and willing to provide more information and data on request.

COALITION FOR HEALTH FUNDING
MEMBERSHIP

American Academy of Pediatrics
American Association for Dental Research
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic Medicine
American Association of Colleges of Pharmacy
American Association of Colleges of Podiatric Medicine
American Association of Dental Schools
American Assn. of University Affiliated Programs for the Developmentally Disabled
American Congress of Rehabilitation Medicine
American Diabetes Association
American Federation of State, County and Municipal Employees
American Nurses' Association
American Optometric Association
American Psychiatric Association
American Psychological Association
American Public Health Association
American Society of Allied Health Professions
American Speech & Hearing Association
Arthritis Foundation
Association of American Medical Colleges
Association of Independent Research Institutes
Association of American Veterinary Medical Colleges
Association of New York Neighborhood Health Centers
Association of Physician Assistant Programs
Association of Schools & Colleges of Optometry
Association of Schools of Public Health
Association of University Programs in Health Administration
Citizens Committee for the Conquest of Cancer
Citizens for the Treatment of High Blood Pressure
Council of State Administrators of Vocational Rehabilitation
Council on Social Work Education
Cystic Fibrosis Foundation
Endocrine Society
Friends of Eye Research, Rehabilitation and Treatment
Group Health Association of America
Human Growth Foundation
Medical Library Association, Inc.
Mental Health Association
National Association of Community Health Centers
National Association of Social Workers
National Coalition of Hispanic Mental Health & Human Services Organizations
National Committee Against Mental Illness
National Council of Community Mental Health Centers
National Council on Alcoholism
National Foundation/March of Dimes
National Health Education Committee
National League for Nursing
National Student Nurses' Association
Planned Parenthood Federation of America
Society for Investigative Dermatology
Society for Neuroscience
United Auto Workers

($ in thousands)

| Section 1. Recommendations to L-HEW Subcommittee | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CHF RECOMMENDATION |
|---|---|---|---|---|---|---|
| I. HEALTH SERVICES ADMINISTRATION | | | | | | |
| A. Community Health Services | | | | | | |
| 1. Community health centers-p.12 | 268,000 | 348,000 | 269,500 a/ | 405,000 b/ | 381,000 b/ | 403,000 b/ |
| 2. Home health services-p.21 | 6,000 | 14,000 | 6,000* | 16,100 | 604 | 6,000 |
| 3. Comp health grants to states-p.13 | 90,000 | 103,000 | 90,000* | 150,000 | 32,000 | 115,000 |
| 4. Hypertension-p.14 | 11,000 | 20,000 | 11,000* | 24,500 | 13,261 | 24,500 |
| 5. Maternal and child health-p.15 | | | | | | |
| a. Grants to states-p.15 | 332,500) | 399,864 | 345,500) | 399,864 | 357,400) | (372,016) |
| b. Research and training-p.16 | 29,354) | | 32,177) | | 14,843) | 399,864 ( 27,848) |
| c. Sudden infant death syndrome-p.17 | 2,802 | 3,500 | 2,802* | 4,000 | 2,802 | 4,000 |
| 6. Genetic Services-p.20 | 7,578 14/ | 17,500 | 7,567*14/ | 21,500 | 7,567 | 15,000 |
| 7. Family planning-p.18 | 135,000 | 203,800 | 135,000 | 234,405 | 145,000 | 175,000 |
| 8. Migrant health-p.19 | 34,500 | 41,000 | 34,500* | 48,500 | 41,400 | 42,000 |
| 9. National health service corps-p.22 | 42,565 | 64,000 | 58,000 | 70,000 | 81,825 | 81,825 |
| 10. Black lung clinics (new program) | | 10,000 | 7,500 | 10,000 | 7,500 | 7,500 |
| 11. Program support | 25,763 | OPEN | 29,863 | OPEN | 34,704 | 34,704 |
| 12. Hemophilia centers (Treatment & Blood Separation Centers) | 3,000 | 6,500 | 3,000* | 8,000 | 3,000 | 3,000 |
| B. Health Care Services and Systems | | | | | | |
| 1. Patient care and spec. health services: | | | | | | |
| a. Hospitals and clinics | 175,678 | OPEN | 172,504 | OPEN | 166,434 | 166,434 |
| b. Federal employee health | 624 | OPEN | 686 | OPEN | 728 | 728 |
| c. Payments to Hawaii | 1,400 | OPEN | 1,600 | OPEN | 1,600 | 1,600 |
| 2. Emergency medical services-p.23 | 42,625 | 125,000 | 33,700 | EXPIRED | 39,625 | 45,900 ** |
| 3. Program support | 6,246 | OPEN | 7,059 | OPEN | 8,988 | 7,500 |
| C. Buildings & Facilities | 15,000 | OPEN | --- | OPEN | 3,000 | 3,000 |
| D. Program Management | 6,393 | OPEN | 7,026 | OPEN | 7,416 | 7,000 |
| II. CENTER FOR DISEASE CONTROL -- See pages 25 & 26 | | | | | | |
| A. Disease Control | | | | | | |
| 1. Project grants | | | | | | |
| a. Venereal disease | 32,000 | 45,000 | 32,000* | 51,500 | 32,000 | 37,190 |
| b. Immunization | 31,200 | 52,000 | 31,200* | 39,500 | 33,532 | 35,000 |
| c. Rat control | 13,000 | 14,500 | 13,000* | 15,500 | 13,000 | 15,100 |
| d. Lead-based paint poisoning prev. | 10,250 | 14,000 | 10,250* | 14,000 | 10,250 | 11,172 |
| 2. Disease investigation and control | 56,042 | OPEN | 64,000 | OPEN | 83,351 | 83,351 |
| (Fluoridation grants) | ( 0) | | ( 1,500) | | ( 6,234) | (10,000) |
| [illegible] | ( 1,600) | | ( 1,600) | | ( 1,500) | ( 7,000) |

($ in thousands)

| | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CHP RECOMMENDATION |
|---|---|---|---|---|---|---|
| C.D.C. Continued | | | | | | |
| 3. Laboratory improvement | 20,197 | OPEN | 18,956 | OPEN | 18,311 | 18,311 |
| 4. Health education | 4,580 | OPEN | 12,560 | 21,000 | 12,700 | 12,700 |
| 5. Grants for preventive health service programs | | N/A | N/A | 20,000 | 18,000 | 18,000 |
| B. Occupational Safety and Health | 56,265 | OPEN | 61,994 | OPEN | 76,552 | 76,552 |
| C. Buildings & Facilities | --- | OPEN | 1,912 | OPEN | 11,436 | 11,436 |
| D. Program Management | 3,366 | OPEN | 3,427 | OPEN | 3,703 | 3,703 |
| III. NATIONAL INSTITUTES OF HEALTH | | | | | | |
| A. Cancer-p.29 (Research training) | 872,388 (20,163) | 1,015,000 1/ | 937,129 (20,129) | 1,030,000 17/ 1/ | 936,958 (20,410) | 1,008,492 (21,968) |
| B. Heart, Lung, and Blood-p.30 (Research training) | 447,909 (24,762) | 510,000 1/ | 506,776 (21,192) | 560,000 17/ 1/ | 507,344 (25,000) | 383,500 (28,752) |
| C. Dental Research-p.31 (Research training) | 61,728 (4,198) | OPEN 1/ | 65,213 (3,293) | OPEN 1/ | 66,118 (4,198) | 75,000 ( 4,762) |
| D. Arthritis, Metabolism, Digestive Diseases-p.32 (Research training) | 260,253 (16,777) | OPEN 1/ | 302,767 (14,898) | OPEN 1/ 1/ | 305,746 (17,877) | 362,500 (21,195) |
| E. Neurological, Communicative Disorders and Stroke-p.34 (Research training) | 178,438 (7,322) | OPEN 1/ | 210,365 (7,365) | OPEN 1/ | 212,322 (7,322) | 230,000 ( 8,621) |
| F. Allergy and Infectious Diseases-p.35 (Research training) | 162,341 (8,323) | OPEN 1/ | 191,328 (8,130) | OPEN 1/ | 190,202 (7,847) | 224,000 ( 9,241) |
| G. General Medical Sciences-p.36 (Research training) | 230,796 (46,630) | OPEN 1/ | 277,628 (46,370) | OPEN 1/ | 280,378 (45,422) | 320,000 (51,841) |
| H. Child Health and Human Development-p.38 (Research training) | 168,390 (9,820) | OPEN 1/ | 190,130 (10,238) | OPEN 1/ | 204,381 (9,820) | 243,100 (11,680) |
| I. Aging-p.39 (Research training) | 37,305 (2,390) | OPEN 1/ | 56,911 (2,385) | OPEN 1/ | 56,310 (1,984) | 68,000 ( 2,387) |
| J. Eye-p.40 (Research training) | 85,400 (4,643) | OPEN 1/ | 105,192 (4,643) | OPEN 1/ | 104,528 (4,643) | 125,000 ( 5,552) |
| K. Environmental Health Sciences-p.42 (Research training) | 64,241 (5,485) | OPEN 1/ | 78,080 (4,568) | OPEN 1/ | 79,012 (6,568) | 92,000 ( 7,648) |
| L. Research Resources-p.43 (Research training) | 145,095 (515) | OPEN 1/ | 154,164 (515) | OPEN 1/ | 154,199 (550) | 180,000 ( 642) |
| M. Fogarty Center-p.44 | 8,483 | OPEN | 8,989 | OPEN | 8,989 | 10,000 |
| N. National Library of Medicine-p.45 | 37,619 | 1/ | 41,431 | 1/ | 41,431 | 48,000 |
| O. Office of the Director-p.46 | 18,900 | OPEN | 19,673 | OPEN | 21,062 | 22,500 |
| P. Buildings & Facilities-p.47 | 65,650 | OPEN | 67,950 | OPEN | 3,250 | 23,000 |
| IV. ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION | | | | | | |
| A. National Institute of Mental Health | | | | | | |
| 1. Research-p.48 | 111,857 | OPEN PLUS 8,000 | 130,807 | OPEN PLUS 9,000 | 160,168 | 166,168 |
| 2. Training-p.48 | 84,400 | OPEN 1/ | 90,400 | OPEN 1/ | 89,354 | 110,700 |
| a. Clinical training | ( 68,263) | OPEN | ( 74,263) | OPEN | ( 70,663) | 85,263 |
| b. Research training | ( 16,137) | OPEN | ( 16,137) | OPEN | ( 18,691) | 25,437 |
| 3. Community support programs-p.53 | 7,600 | indefinite | 7,600 | indefinite | 7,600 | 9,000 |
| 4. Community mental health centers-p.51 | | | | | | |
| a. Planning | 0 | 1,500 | 0 | 1,000 | 0 | 1,000 |
| b. Initial operations | 30,489 | 34,500 | 30,489+ | 35,000 | 0 | 35,000 |
| c. Continuation grants | 205,447 | SSAN | 250,059 | SSAN | 214,312 | 230,500 |

($ in thousands)

| ADAMHA Continued | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CMP RECOMMENDATION |
|---|---|---|---|---|---|---|
| d. Conversion grants | 19,372 | 30,000 | 19,372* | 25,000 | 1,840 | 7,200 |
| e. Consultation & education | 8,245 | 20,000 | 8,245* | not authorized | 11,938 | 18,600 |
| f. Financial distress | 5,488 | 25,000 | 5,488* | EXPIRED | 12,765 | 20,200** |
| g. Facilities | 0 | EXPIRED | 0 | EXPIRED | | |
| h. New mental health services act (new program)-- | -- | -- | -- | -- | 99,100 12/ | 0 |
| 3. Program support | 29,513 | OPEN | 31,173 | OPEN | 35,937 | 35,848 |
| B. National Institute on Drug Abuse--p.54 | | | | | | |
| 1. Research | 34,092 | OPEN | 42,930 | EXPIRED | 50,304 | 55,000** |
| 2. Training | | | | | | |
| a. Clinical training | 9,379 | OPEN | 9,379 | EXPIRED | 7,978 | 10,200** |
| b. Research training | 621 | 3/ | 621 | 3/ | 702 | 800 |
| 3. Community programs | | | | | | |
| a. Project grants & contracts | 161,000 | 177,000 | 161,000* | EXPIRED | 161,000 | 161,000** |
| b. Grants to states | 40,000 | 45,000 | 40,000* | EXPIRED | 0 | 0** |
| 4. Program support | 16,817 | OPEN | 18,178 | EXPIRED | 16,570 | 18,570** |
| C. National Institute on Alcohol Abuse and Alcoholism--p.55 | | | | | | |
| 1. Research | | | | | | |
| a. Grants | 13,182 | 28,000 | 16,197 | EXPIRED | 17,878 | 19,000** |
| b. Research centers | 3,000 | 6,000 | 6,000 | EXPIRED | 7,200 | 8,000** |
| 2. Training | | | | | | |
| a. Clinical training | 5,052 | OPEN | 5,052 | EXPIRED | 4,075 | 10,000** |
| b. Research training | 2,148 | OPEN 4/ | 2,148* | OPEN 4/ | 1,300 | 5,000 |
| 3. Community programs | | | | | | |
| a. Project grants & contracts | 78,706 | 102,500 | 78,706 | EXPIRES 9/30/79 | 93,323 | 120,000** |
| b. Grants to states | 56,800 | 85,000 | 56,800 | EXPIRES 9/30/79 | | 58,500** |
| 4. Program support | 9,660 | OPEN | 10,202 | OPEN | 10,240 | 10,240 |
| D. Block Grants | | | | | 99,000 | 0 16/ |
| E. Buildings & Facilities | 250 | OPEN | 0 | OPEN | 0 | 0 |
| F. Program Management | 7,832 | OPEN | 8,112 | OPEN | 9,826 | 9,826 |
| G. St. Elizabeth's Hospital | 74,171 | OPEN | 75,824 | OPEN | 85,119 | 90,000 |
| H. Construction and Renovation (SEH) | 54,210 | OPEN | 0 | OPEN | 0 | 0 |

| | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CHP RECOMMENDATION |
|---|---|---|---|---|---|---|
| | ($ in thousands) | | | | | |
| V. HEALTH RESOURCES ADMINISTRATION | | | | | | |
| A. Health Planning and Resource Development | | | | | | |
| 1. Health planning-p.58 | | | | | | |
| a. HSA grants | 107,000 | EXPIRED | 107,000* | EXPIRED | 115,400 | 115,400** |
| b. States' grants | 29,500 | EXPIRED | 29,500* | EXPIRED | 30,000 | 30,000** |
| c. Rate regulation (Hospital cost) Moved to HCFA | 2,000 | 6,000 | 7/ | EXPIRED | | 0** |
| d. Planning methods/centers | 6,500 | OPEN | 6,500* | OPEN | 0 | 0 |
| e. Modernization and life safety codes (Sec. 1613 and 1623(a)) | 8/ | 8/ | 8/ | 8/ | | |
| f. Resource development | 0 | 0 | 0 | 0 | 0 | |
| g. Special medical facilities | 2,750 | EXPIRED | ---------- | | | |
| 2. Program support | 11,383 | OPEN | 11,882 | OPEN | 9,132 | 9,132 |
| B. Health Manpower | | | | | | |
| 1. Health professions, capitation grants-p.59 | | | | | | |
| a. Medicine, osteopathy, & dentistry (MOD) | 120,100 | 186,777 | 120,100 13/ | 196,470 | 0 | 120,100 |
| b. MOD, bonus phase-out | --- | --- | --- | --- | | |
| c. Veterinary, optometry, pharmacy & podiatry (includes bonus phase-out) | 18,000 | 33,202 | 18,000 13/ | 33,724 | 0 | 18,000 |
| d. Public health | 5,900 | 10,462 | 5,900 13/ | 11,060 | 0 | 9,800 |
| e. Startup assistance | 2,000 | 5,000 12/ | 5,000 | 5,000 12/ | 0 | 5,000 |
| f. Financial distress | 3,000 | 5,000 12/ | 5,000 | 5,000 12/ | 5,000 | 5,000 |
| 2. Health teaching facilities | | | | | | |
| a. Construction grants-p.64 | 6,500 | 40,000 | 0 | 40,000 | 0 | 20,000 |
| b. Interest subsidies | 2,000 | 3,000 | 3,000 | 4,300 | 4,300 | 4,200 |
| 3. Health Fac. Financing | | | | | | |
| a. Conversion/closure | --- | --- | --- | --- | 30,000 | 30,000 |
| 4. Health professions, student assistance-p.61 | | | | | | |
| a. Health professions student loans | 20,000 | 27,000 | 10,000 | 28,000 | 0 | 28,000 |
| b. Loan repayments | 1,500 | SSAN | 1,500 | SSAN | 0 | 1,500 |
| c. National Health Service Corps scholarship | 60,000 | 140,000 | 75,000 | 200,000 | 79,509 | 100,000 |
| d. Health Professions Scholarships | | Program Discontinued---------- | | | | |
| e. Exceptional need scholarships | 5,000 | 17,000 | 7,000 | 18,000 | 0 | 18,000 |
| f. Shortage area scholarships | 0 | --- | --- | --- | 0 | |
| 5. Health professions, special educational assistance-p.62 | | | | | | |
| a. Family medicine/general dentistry residencies | 45,000 | 45,000 | 45,000 | 50,000 | 40,500 | 47,500 |
| b. Family medicine departments | 0 | 15,000 | 0 | 20,000 | 15,000 | 15,000 |
| c. Primary care residencies and training (Gen. pediatrics/Internal Med.) | 15,000 | 20,000 | 17,500 | 25,000 | 25,000 | 25,000 |
| d. Interdisciplinary training (Primary care--special projects) | 4,000 -- | 15,000 12/ 17/ | 7,141 -- | 15,000 12/ 12/ | 6,000 (4,000) | 10,000 (6,000) |
| e. Physicians assistants | 9,100 | 30,000 10/ | 9,100 | 35,000 10/ | 9,100 | 9,100 |
| f. Area health education centers | 17,000 | 30,000 | 20,000 | 40,000 | 5,825 | 30,000 |

($ in thousands)

| HRA continued | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CNF RECOMMENDATION |
|---|---|---|---|---|---|---|
| g. Disadvantaged assistance | (15,000) | (21,000) | (19,000) | (21,000) | (19,068) | (20,000) |
| 1) Health professions | 14,500 | 20,000 | 18,000 | 20,000 | 18,068 | 20,000 |
| 2) Allied health | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 0 |
| h. Foreign medical transfers | 2,000 | 3,000 | 1,000 | 4,000 | 0 | 0 |
| i. Emergency medical training | 6,000 | 10,000 | 6,000 | EXPIRED | 0 | 0** |
| j. National Advisory Committee on Graduate Medical Education | 1,000 | SSAN | 1,000 | SSAN | 1,000 | 1,000 |
| k. Supply & distribution reports | 1,000 | SSAN | 2,700 | SSAN | 5,400 | 7,500 |
| l. Project grants--MOD | | Program discontinued---------- | | | | |
| m. Project grants--VGPF | | Program discontinued---------- | | | | |
| n. Manpower initiatives | | Program discontinued---------- | | | | |
| 6. Dental health education | | | | | | |
| a. TEAM grants-p.63 | 3,500 | 30,000 10/ | 1,000 | 15,000 10/ | 1,000 | 2,000 |
| (Dental extenders) | 2,000 | 10/ | 2,000 | 10/ | 2,000 | 2,000 |
| b. Educational development | 500 | SSAN | 0 | SSAN | 0 | 0 |
| 7. Nursing, institutional assistance-p.68 | | | | | | |
| a. Capitation | 30,000 | EXPIRED | 30,000* | EXPIRED | 0 | 15,000** |
| b. Advanced nursing training | 12,000 | EXPIRED | 12,000* | EXPIRED | 0 | 15,000** |
| c. Nurse practitioner training | 13,000 | EXPIRED | 13,000* | EXPIRED | 13,000 | 15,000** |
| d. Special projects | 15,000 | EXPIRED | 15,000* | EXPIRED | 1,743 | 18,000** |
| e. Financial distress | 0 | EXPIRED | 0 | EXPIRED | 0 | 0** |
| 8. Nursing facilities-p.68 | | | | | | |
| a. Construction grants | 3,500 | EXPIRED | 3,500* | EXPIRED | 0 | 7,500** |
| b. Interest subsidies | 0 | EXPIRED | 0 | EXPIRED | 0 | 0** |
| 9. Nursing, student assistance-p.68 | | | | | | |
| a. Loans | 22,500 | EXPIRED | 22,500* | EXPIRED | 0 | 23,000** |
| b. Scholarships | 9,000 | EXPIRED | 9,000* | EXPIRED | 0 | 11,000** |
| c. Traineeships | 13,000 | EXPIRED | 13,000* | EXPIRED | 0 | 17,000** |
| 10. Nursing Research-p.70 | | | | | | |
| a. Fellowships (Research training) | 1,000 | EXPIRED | 1,000 | EXPIRED | 0 | 3,000** |
| b. Projects | 5,000 | SSAN | 5,000 | SSAN | 0 | 9,000 |
| 11. Allied Health-p.67 | | | | | | |
| a. Special projects | 18,500 | 24,000 | 10,500 | 24,000 | | 12,500 |
| b. Special improvement grants | | Program discontinued---------- | | | | |
| c. Traineeships | 3,000 | 5,000 | 2,500 | 5,500 | 0 | 1,500 |

($ in thousands)

| HRA continued | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CMP RECOMMENDATION |
|---|---|---|---|---|---|---|
| 12. Public Health & Health Administration-p.65 | | | | | | |
| a. Special projects--public health & health administration | 5,000 | 5,500 | 5,000 | 6,000 | 5,000 | 6,000 |
| b. Public health traineeships | 7,000 | 9,000 | 7,000 | 10,000 | 7,000 | 10,000 |
| c. Health administration program support (grants & training) | 3,000 | 3,500 | 3,000 | 3,750 | 3,000 | 3,300 |
| d. Health administration traineeships | 1,500 | 2,500 | 2,000 | 2,500 | 2,000 | 2,500 |
| 13. D.C. Medical & Dental | | Program Discontinued ---------- | | | | |
| 14. Program Support (BHM) | | | | | | |
| a. HRA Overhead, Regional Offices | | OPEN | | OPEN | | |
| b. Div. of Associated Health Professions | | OPEN | | OPEN | | |
| c. Div. of Dentistry | | OPEN | | OPEN | | |
| d. Div. of Medicine | | OPEN | | OPEN | | |
| e. Div. of Nursing | | OPEN | | OPEN | | |
| f. Other Programmatic Activities | | OPEN | | OPEN | | |
| g. Support Activities | | OPEN | | OPEN | | |
| Subtotal, Program Support (BHM) | ( 19,478) 11/ | | ( 19,736) | | ( 13,916) | ( 13,916) |
| Subtotal, Health Manpower | | | | | | |
| C. Program Management (HRA) | 12,847 | OPEN | 13,241 | 13,241 | 12,384 | 12,384 |
| D. Sales Insufficiencies | 2,592 | SSAN | 2,412 | SSAN | 2,000 | 2,000 |
| E. Medical Facilities Guarantee and Loan Fund | 41,000 | SSAN | 42,000 | SSAN | 43,000 | 43,000 |
| VI. OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH | | | | | | |
| A. Health Statistics-p.71 | 37,956 | OPEN | 38,634 | OPEN | 48,585 | 48,585 |
| B. Health Services Research-p.72 | 33,234 | OPEN | 33,348 | OPEN | 29,295 | 29,295 |
| C. Health Maintenance Organizations-p.73 | | | | | | |
| 1. Grants and Contracts | 21,100 | OPEN PLUS 31,000 | | 65,000 | | |
| 2. Program Support | 5,034 | OPEN | | OPEN | | |
| Subtotal, HMO's | ( 26,134) | | ( 22,807) | | ( 73,607) | ( 73,607) |
| D. Special Health Programs-p.75 | 4,207 | OPEN | 2,833 | OPEN | 22,329 | 22,329 |
| E. Public Health Service Management-p.75 | 20,937 | OPEN | 21,548 | OPEN | 21,777 | 21,777 |
| F. Retirement & Medical Benefits for Commissioned Officers-p.75 | 56,948 | SSAN | 65,083 | 65,083 | 76,925 | 76,925 |
| G. Scientific Activities Overseas-p.75 | 11,387 | SSAN | 11,387 | SSAN | 6,520 | 6,520 |
| H. Adolescent Health-p.74 | --- | --- | 7,000 | 65,000 | 60,000 | 60,000 |
| I. Health Care Technology-p.76 | --- | | --- | 25,000 | 5,000 | 5,000 |
| VII. OFFICE OF HUMAN DEVELOPMENT SERVICES (selections)(Not included in Budget Function 550 - health) | | | | | | |
| A. Rehabilitation Services Administration-p.77 | | | | | | |
| 1. Basic State Grants | 760,472 | 808,000 | 817,500 | 880,000 | 817,500 3/ | 880,000 |
| 2. Innovation & Expansion | 18,000 | 45,000 | 18,000* | 50,000 | 11,700 | 21,000 |
| 3. Service Projects & Construction | ( 18,228) | | ( 16,728) | | ( 26,800) | ( 31,500) |
| a. Training services & facilities improvement grants | 7,400 | SSAN | | SSAN | | 9,000 |
| b. Construction | 8,000 | SSAN | | SSAN | | 0 |
| c. Service projects | 22,828 | SSAN | | SSAN | | 22,500 |
| 4. Training | 30,500 | 34,000 | 30,500* | 40,000 | 25,500 | 35,000 |
| 5. Independent living | --- | 80,000 | 2,000 | 150,000 | 10,000 | 100,000 |

(In thousands)

| Rehab services continued | FY1978 APPROPRIATION | FY1979 AUTHORIZATION | FY1979 APPROPRIATION | FY1980 AUTHORIZATION | FY1980 PRESIDENT'S BUDGET | FY1980 CWF RECOMMENDATION |
|---|---|---|---|---|---|---|
| B. National Institute for Handicapped Research -p.80 | 31,500 | 50,000 | 31,500* | 75,000 | 27,500 | 50,000 |
| Subtotal. Rehabilitation | | | | | | |
| C. Developmental Disabilities -p.79 | | | | | | |
| 1. State Grants | 33,058 | 55,000 | 33,058* | 65,000 | 49,580 | 38,016 |
| 2. Service Grants | 19,567 | 20,000 | 19,567* | 22,000 | 5,137 | 22,502 |
| 3. University Affiliated Facilities | 9,500 | 12,000 | 9,500* | 14,000 | 3,000 | 14,000 |

Section 2. Recommendations to Agriculture Subcommittee

VIII. FOOD & DRUG ADMINISTRATION--see p.11

| | | | | | | |
|---|---|---|---|---|---|---|
| A. Salaries & Expenses | | | | | | |
| 1. Food | 87,718 | OPEN | 85,788 | OPEN | 91,301 | |
| 2. Drugs & Devices | 128,226 | OPEN | 135,559 | OPEN | 146,239 | |
| 3. Radiological Products | 20,262 | OPEN | 20,489 | OPEN | 21,837 | |
| 4. Natl. Ctr. Tox Research | 13,866 | OPEN | 13,974 | OPEN | 15,049 | |
| 5. Program Management | 17,139 | OPEN | 19,244 | OPEN | 21,870 | |
| Subtotal, Salaries & expenses | ( 267,251) | OPEN | ( 295,134) | | ( 316,296) | |
| B. Buildings & Facilities | 6,665 | OPEN | 10,479 | OPEN | 4,372 | |
| TOTAL, FDA | 293,916 | | 303,613 | 350,000 | 320,668 | 343,206 |

Section 3. Recommendations to Interior Subcommittee

IX. INDIAN HEALTH SERVICE--see p.24

| | | | | | | |
|---|---|---|---|---|---|---|
| A. Indian Health Services | 441,936 | OPEN | 477,041 | OPEN | 535,116 | 535,116 |
| B. Indian Health Facilities | 71,257 | OPEN | 76,960 | OPEN | 50,240 | 50,240 |

FOOTNOTES

A/ Includes $16,500,000 for health underserved rural areas with an open authorization. $16,500,000 appropriation and $253,000,000 covered under continuing resolution.

B/ This refers only to Sec. 330 Community H alth Centers. President's Budget includes in addition to Sec. 330 amounts for new programs (i.e. Sec. 328, Sec. 340).

1/ Each NIH Institute and ADAMHA receive a pro-rata share of total authorizations for the National Research Service Awards of $197,500,000 for FY79 and $210,000,000 in FY80. This has not yet been allocated. 1979 Supplemental will be limited to original 1979 President's budget and $210,000,000 will be held to the President's FY80 budget request.

2/ NIAMDD has a number of internal special program authorities which limit those programs, but do not directly control the level of total appropriation.

3/ Extramural program is limited to $15,000,000 and $16,500,000 in 1979 and 1980, respectively. Otherwise, the authorization is open.

4/ Research training covered by National Research Service Awards authorization shared with NIH. 1979 financing under continuing resolution for mental health is $16,137,000.

5/ Research training covered by National Research Service Awards authorization. 1979 financing under continuing resolution is $621,000.

6/ Research training covered by National Research Service Awards authorization. 1979 financing under continuing resolution is $2,148,000.

7/ Amount currently under review by O.M.B.

8/ 1976 appropriation of $40,000,000 available through 9/30/79. No funds have been utilized.

9/ Dependent upon amendments to act which eliminate cost of living increase; otherwise it is $80,000,000.

2/ This authorization of $30,000,000 in 1979 and $35,000,000 in 1980 is also the authority cited for the activities dental TEAM practice and dental and physician extenders.

11/ Financed through HRA assessment procedures $19,478,000.

12/ This authorization of $25,000,000 is authority cited for the activities of financial diatress, start-up, primary care-special projects, and interdisciplinary training and curriculum development.

13/ Proposed by President's budget for later transmittal.

14/ Includes funding of sickle cell testing and education centers.

15/ President's budget message recommends a rescission in the FY1979 appropriation to a level of $67,300,000 for capitation broken up as follows: MOD $61,400,000, VOPP 0, and FH $5,900,000.

16/ CHF does not support the concept of these Block Grants and therefore recommends no funding.

17/ Does not include research training.

( ) Subtotal numbers enclosed in parentheses are non-add entries.

* Funding under continuing resolution pending enactment of supplemental appropriation.

** For those programs whose authorization levels expire in FY1979, the Coalition has made its recommendation based on our best estimate of need.

SSAN Such sums as necessary.

Mr. Chairman, I am Jay Cutler, President of the Coalition for Health Funding and appearing with me today are Dr. John Sherman and Mr. Thomas Van Coverden, members of our Board of Directors. Also, Marion I. Murphy, Coalition member. We appreciate the opportunity to speak on behalf of over fifty non-profit organizations concerned with America's health care which constitute the membership of the Coalition. Each year the Coalition develops alternative funding recommendations for federal health programs after careful analysis of the President's budget and extensive discussions within the Coalition's membership. These recommendations are limited to the so-called "controllable" health programs. By conscious decision the Coalition's activities involve only the funding associated with these programs although individual member organizations take part in the entire legislative process in areas of particular interest to their membership. I would like to submit for the record a list of the organizations which comprise the Coalition and tables which summarize the Coalition's recommendations for funding health programs in the Department of Health, Education and Welfare for FY1980.

During our examination of the President's budget and its accompanying narrative material, we were particularly gratified this year to note that that the Administration explicitly recognizes the importance of the good health of our citizens as a national resource. At the same time, however, we were disappointed to discover that the dollar levels

proposed in the President's budget for these Public Health Service programs fails to recognize adequately that importance. While we join with the President and others who are increasingly concerned with inflation, we urge that the Congress

reassess in the appropriation process the adequacy of proposed funding in relationship to the recognized importance of good health. It is our belief that such an analysis and comparison will prompt members of the Congress to reach the same conclusion as has the Coalition: to wit the momentum established in previous years through these controllable programs in significant gains for improved health and well-being cannot be sustained nor can gains be made on the many problems which prevent realization of the potential of good health. In establishing and renewing the legislation authorizing these programs, the Congress has recognized the unusual degree of opportunity for targeting federal support on specific health problems. Furthermore, their defined purposes permit the Congress to evaluate their effectiveness so as to determine the usefulness of that federal investment. Consequently, we urge that you and your colleagues in the Senate examine carefully the promise inherent in these programs and provide more reasonable levels of support for them.

In our booklet entitled "Appropriation Recommendations for Federal Health Programs FY1980," we have described in considerable detail the activities subsumed in each of these programs as well as the levels of funding which the Coalition recommends for the coming fiscal year. A copy of the booklet has been sent to each member of the Congress and additional copies are available if desired. We hope that you and your colleagues will review these recommendations and material which accompany them. In our opinion, evidence provided of past successes and promise of further gains in the immediate future justify the Coalition's recommendations.

We would like to stress that our emphasis on the National importance of good health arises from two primary conclusions. The first is that as a measure of our Nation's humaneness, good health is increasingly recognized as a right to

which all individuals should be able to aspire. The second is stated in more selfish terms: good health simply makes good economic sense. Therefore, when our attention is so forcefully directed to the problems of the economy, those societal activities which will contribute to an improvement in that fiscal situation deserve particular attention and support.

Despite those conclusions, the Administration proposes significant reductions in some programs and no real increases in others. We are unaware of any evidence which suggests that these programs had not been successful and are, therefore, justified candidates for financial re-entrenchment.

## HEALTH SERVICES PROGRAMS

The President's initiatives which involve the delivery of health care involve a number of specific programs which have proven remarkably effective and for which the investment of additional funds would seem to offer even greater financial economies as well as improvement in the well-being of the individuals thus served. For example, Community Health Centers have emphasized greater efficiency in their operations in recent years so that in FY1977 a 16% reduction in the analyzed total cost per person was achieved. Similarly, in evaluating hypertension grants to the states, this program is viewed by state health officials as the first preventive program launched against a major chronic disease which keeps people out of hospitals and, therefore, significantly reduces the costs of caring for individuals suffering from circulatory diseases. A third example of increased efficiency and greater effectiveness may be found in the migrant health program where during 1977 there was an actual reduction in the face of inflation in the average cost of persons served from $98 in 1976 to $94 in 1977. We urge the Congress to consider the probability that larger investments in programs such as these highly targeted activities could bring even greater dividends.

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HEALTH RESEARCH

It is well established that significant improvements in medical care will occur only in proportion to advances in new knowledge developed from programs in biomedical and behavioral research. While the President's budget recognizes this dictum in a few specific areas by increasing funds for the research components of the Alcohol, Drug Abuse and Mental Health Administration and small increases for some of the National Institutes of Health, the amounts proposed in the President's budget generally fall significantly short of being able to maintain program levels for FY1980.

As one bit of evidence of the dramatic return on the Federal investment in biomedical research, a physician colleague of mine described recently what has happened in the diagnosis and treatment of diabetes over the past few years resulting directly from recent research efforts in this area. At a conference on "Newer Lab Tests in Diabetes" three tests were discussed, not one of which was even dreamed of in 1971:

> ... Two stem from the discovery of pro-insulin and are (1) the measurement of proinsulin itself and (2) the assay of "C peptide" (in the urine usually). Both are useful in diagnosing insulianas and fictitious insulin administration; in these cases a single test is better than many days of hospitalization to detect the same conditions.
>
> ... The third, measurement of N-glycosylated hemoglobin A (HbA, C levels), is an extremely simple and useful test for evaluating overall diabetic control between blood sugars. It well may be a screening test for diabetes!

Ninety percent of the research papers on these tests were published since 1976!

HEALTH SERVICES EDUCATION AND MANPOWER DEVELOPMENT

It is in this area that we are most severely troubled by the recommendations contained in the President's budget. In the support of health manpower training, two areas stand out as especially deplorable. The first is a rescission proposed in fund-

ing appropriated for FY1979 in institutional support for the several types of schools of the health professions and elimination of that support in FY1980. The abruptness of this reduction and elimination raises serious questions as to whether or not non-Federal institutions and organizations should respond to Federal initiatives when, before the period of commitment established for those initiatives have been completed, Federal funds are suddenly and sharply denied. To be more specific, the schools of the health professions have increased their class sizes largely in response to the importuning of the Federal government because of a national conclusion that greater numbers of health professionals were necessary to assure access to the health care systems and to attain uniformly high quality in the health care to be rendered. In most instances, the periodicity of that educational cycle involves at least four years of commitment to the students prior to the completion of their training. While the schools are morally and legally bound to maintain their education commitments to those students, the Federal government proposes to abrogate prematurely its financial commitments to those institutions.

The other area which is particularly dismaying is that in student assistance. Except for a small increase in funds for National Health Service Corps scholarships, the Administration requests not a dollar for either the loan programs or the Exceptional Need Scholarships. How young people from middle class families, to say nothing of those from socially and economically deprived backgrounds, can aspire to careers in nursing, pharmacy, dentistry or medicine, without this type of assistance is difficult to comprehend. As dismaying as the situation is at present, it will become even more critical if the Administration's proposal to eliminate capitation support becomes a reality.

Two other aspects of the manpower situation also deserve attention. The Mental Health Clinical training funds are essential to ensure adequate numbers of psyciatrists and other core

disciplines to provide mental health services to the public sector or underserved areas. It is important to recognize that the Federal funds to accomplish these goals have appropriate conditions attached to any traineeships or programs supported thereunder to be certain that such professionals serve in shortage areas (for example, mental hospitals).

The other area involves training for biomedical and behavioral scientists. The National Academy of Sciences has, through their Annual Report to the Secretary of the Department of Health, Education and Welfare, provided in considerable detail the justification for the investment of Federal funds to train scientific manpower in the health area. The latest report calls particular attention to the emerging problems in attracting sufficient numbers of physicians for careers in research. Because of a variety of pressures, experts in this field are increasingly troubled that research is not getting its fair share of well-qualified young people. As a consequence, it becomes more important than ever to be certain that funds are provided to assure continuation of adequate young people entering the research manpower pool.

In summary, therefore, Mr. Chairman, there are a number of features of the President's FY1980 budget for controllable health programs which are at least understandable if not acceptable. Our concern is that with no greater priority given these programs, we shall be unable to assure the maintenance of programs which have contributed so much to the health of our Nation's population, whether one measures that in economic or human terms. We urge you, therefore, to examine carefully these priorities as the ceiling is developed for the 550 Budget Function.

STATEMENT OF LINDA K. AMOS, R.N., ED. D., DEAN, BOSTON UNIVERSITY SCHOOL OF NURSING

On behalf of the American Association of Colleges of Nursing, we urge support of the recommendations contained in the Coalition for Health Funding testimony in relation to all of the health needs confronting our country at this time. We are seriously concerned about the scarcity of resources, and particularly the lack of additional funds for necessary health programs in many areas. In addition, we wish to address separately some of the specific concerns relating to nursing.

The future health of our country is dependent in large part on the continued federal support of nursing programs. Nursing represents the largest aggregate and the most consistent provider of health services. Nurses are providing primary health care to many sectors of our society and have been responsive to the changing demands in the health care arena. It is important to assure that a sufficient number of nurses with adequate quality preparation will be available to serve the nation's health care needs over the next several years. Current evidence indicates that we will continue to experience a shortage of nurses in every geographical area in this country, especially those prepared at the baccalaureate and graduate levels. The recent rescissions in nurse training support, as well as the veto by President Carter of the Nurse Training Act of last year, has seriously jeopardized the profession's ability to meet the needs of this country.

Fifteen million dollars are requested for advanced nurse training funds. This is the only source of basic support to graduate programs. The need for more nurses with advanced preparation to work as practitioner, clinical specialist, educator, administrator and researcher is critical. It is not expected that the need can be met for many years to come, even if current funding levels are maintained. The American Associa-

tion of Colleges of Nursing's study indicates that, during the 1977-78 academic year, there were 381 budgeted, unfilled faculty positions requiring minimal preparation at the master's level and another 513 budgeted, unfilled positions for faculty prepared at the doctoral level. Projection of additional needs for the year 1980 triples for master's-prepared nurses, and more than doubles for doctorally-prepared nurses in educational settings alone. It is estimated that the need for nurses with advanced training in service settings is just as critical. The advanced nurse training grants which have been available over the last two or three years have provided invaluable service and we must increase this funding support if we are to sustain a continued flow of nurses prepared at the graduate level.

Special project support of $20 million is requested. These grants have been of tremendous assistance to schools by fostering creativity and innovations in education, including basic and advanced continuing education. Support for special projects is necessary in order to continue the emphasis on newer approaches in nursing education which helped to establish community demonstration projects, interdisciplinary programs, and to promote more effective utilization of resources.

Capitation grants should be funded at a minimum level of $35 million. Current appropriations to schools of nursing are not sufficient to assist many schools in offsetting the institutional costs required to support faculty positions, faculty development, instructional materials, and basic operating expenses. While capitation programs were initiated for the purpose of increasing the enrollment in a school, they were also provided for the explicit purpose of helping to defray some of the institutional expenses incurred in the necessarily expensive clinical programs in nursing education. Several schools within the American Association of Colleges of Nursing indicate that, without the continuation of capitation funds, they will be forced

to close their schools. Such action is counter-productive to the goals which have been identified in health care, and would create instability and inefficiency in the management and planning for nursing in our country.

Fifteen million dollars are requested for nurse practitioner grants. These programs have increasingly provided the consumer and health professions in general with the kind of practitioners required to meet the needs of individuals in underserved areas. Practitioners are also assuming a significant role in urban settings and providing access to primary care services which have a high priority for all.

Traineeships for advanced nurse training should be funded at the level of $17 million. The need for continued emphasis and the priority to support graduate study in nursing have already been addressed. It is of critical importance that grants be available to partially support the student's expenses in graduate study. It is the graduate student prepared as clinical specialist, manager of nursing care, nursing educator, administrator and researcher who provides the leadership for nursing care in primary, secondary, and tertiary health care systems. Because of increasing tuition levels over the past few years, fewer traineeships have been awarded, and the need for additional funds in this area is particularly acute. We urge particular attention to the priorities for support in advanced nurse training, traineeships and research.

Funds are requested for research training fellowships and research projects: research fellowships in the amount of $3 million and research projects at the level of $9 million. There is an acute need for support of basic and clinical research in nursing in order to add to the knowledge needed for sound clinical care in increasingly complex situations. Nursing research has continued to make significant impacts in the area of identifying appropriate therapeutic nursing interventions in the care

of patients of all age groups and settings. Nursing research has assisted us, not only to look at better ways of providing nursing care, but also to examine appropriate ways to reduce hospitalization, hospital costs, complications, and to provide effective organizational assistance for implementation of health care systems.

Student support in the form of loans and scholarships continues to be an urgent need for all levels of study and especially those at the basic baccalaureate level. Data indicate that, without continued availability of loans and scholarships, many students would be unable to attend or complete their educational program in nursing. This would force many individuals to attend school on a part-time basis, which would again reduce our ability to provide a steady supply of nurses into the work force.

In summary, the AACN urges your strong support of the requested appropriation levels for the nursing program. These appropriations are essential to the continuation of sound program planning and management of schools of nursing, in order that we might prepare the kind of practitioners needed to meet national health needs. Through this program, the profession's capacity to respond to health care demands, especially the demands for primary care, can be increased and it will assist in assuring a supply of nurses for health care delivery with advanced scholarly training for practice, training and research. Without stable federal programs and adequate levels of appropriations to implement these programs, we will witness a shortage of qualified manpower to provide the health services required for the present and the future, and we will see inefficiency in the management of nursing programs.

## Statement of the Coalition for Health Funding

The nation's 72 colleges of pharmacy are deeply disappointed in the irresponsible testimony of Health Resources Administrator Henry Foley at the March 6th hearing of this Subcommittee. Dr. Foley's performance certainly must lead to the questioning of the credibility of the HRA. The attempt to lead the Subcommittee to believe that the demise of capitation would have little or no impact on the operation of the schools of the health professions is completely erroneous. Our colleges of pharmacy indicate that 15% of the educational budget is derived from capitation.

Moreover, a recent survey of our 72 schools (table attached) revealed that 316 faculty members are likely to lose their jobs and 126 of these positions are in the innovative clinical pharmacy area. You may recall that the clinical pharmacy curricular component was mandated by Congress for our schools to qualify for this type of federal aid. There can be no doubt that it has been this capitation support that has provided the funds needed to implement these innovative, patient-oriented programs. Between 1972 and 1976, fulltime clinical faculty members rose from 156 to 501; parttime members rose from 327 to 1,545. Now our schools tell us that if capitation support is withdrawn, clinical programs would suffer first and most. And, as a result of reductions in these programs, many community services would be reduced, including poison control centers, drug information centers, drug utilization reviews, and clinics.

Implicit in the HRA position is that for some undefined reason, the public has not been properly served by the federal health manpower program. The Congress wanted to create more providers of health care services, and pharmacy colleges responded by increasing enrollments by 59 percent, an increase of over 9,000 students. The HRA itself acknowledges that these efforts have solved pharmacy's maldistribution problem. While we may now need to reduce these enrollments, we cannot desert the students or destroy the institutional resources which must continue to respond to new and ever-changing health care needs.

In addition to access, we must also face questions of quality. The following data from a national study of hospital pharmacy services in 5,200 short-term hospitals is revealing.

| Service | Availability in Percent | |
|---|---|---|
| | Year 1975 | Year 1978 |
| Group purchasing | 35 | 72 |
| 24-hour service | 6 | 12 |
| Pharmacists have authority to select brand or supplier | 70 | 87 |
| Pharmacists participate in drug use review | 25 | 55 |
| Some beds of unit does dispensing | 28 | 49 |
| I.V. admixture service | 30 | 51 |
| Clinical pharmacy service | ? | 23 |

The same study revealed that about half the hospitals expect a reduction in the number of drugs utilized because of these cost-saving services. We could cite dozens of researched examples of the profound impact -- especially among the aging -- that changes in pharmacy education have brought to improve the quality of care, containment of costs and the wide consumer acceptance of clinical pharmacy services.

In conclusion, we have accepted federal support in the past and have used that support to respond to stated national health goals. We need continued institutional support, in the form of capitation or an alternative, to continue our clinical pharmacy programs, which have added demonstrably to our national interest by providing community services, producing modern, useful pharmacists, enhancing the quality of services, and controlling costs.

Our Association would be happy to furnish the Subcommittee with any additional information on the cost-effectiveness of clinical pharmacy or any other related subject.

NUMBER OF PERSONNEL AFFECTED BY CAPITATION LOSS, AREA OF EXPERTISE, AND PROBABILITY OF LOST FACULTY

| | Number of Personnel by Probability of Being Laid Off | | | | |
|---|---|---|---|---|---|
| | 90-100% | 50-90% | 25-50% | 1-25% | None |
| Clinical Pharmacy/Patient Care/ Hospital Services (a) | 75 | 51 | 44 | 12 | 12 |
| Teaching Support Personnel (b) | 70 | 34 | 12 | 1 | 0 |
| Basic Science Faculty (c) | 36 | 3 | 13 | 8 | 34 |
| Administrative Support Personnel (d) | 22 | 10 | 19 | 2 | 6 |
| Social and Administrative Sciences (e) | 8 | 7 | 3 | 5 | 8 |
| TOTALS | 211 | 103 | 91 | 28 | 60 |

(a) Includes: Pharmacokinetics, Poison Control, Drug Information.

(b) Includes: Teaching Assistants, Media Specialists, learning center personnel, Residents.

(c) Includes: Pharmacy, Pharmaceutical/Medicinal Chemistry, Pharmacology, Pharmacognosy.

(d) Includes: Minority and student recruiters, secretarial.

(e) Includes: Pharmacy Administration, Humanities, Social Science Research Personnel.

STATEMENT OF THE AMERICAN ASSOCIATION OF UNIVERSITY AFFILIATED PROGRAMS FOR THE DEVELOPMENTALLY DISABLED

BUDGET INFORMATION CONCERNING UNIVERSITY AFFILIATED FACILITIES

Two HEW Budget categories provide significant UAF funding:

(1) Health Services Administration, Bureau of Community Health Services, Maternal and Child Health, Research and training

(2) Human Development Services, Rehabilitation Services Administration, Developmental Disabilities, University Affiliated Facilities

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Needed Appropriations for FY.1980 and Actual Appropriations for FY's 1977, 78, and 79

(1) Health Services Administration, BCHS, Maternal and Child Health, Research and training.

- Needed FY80: $36 million
- Actual FY79: $32.177M
- Actual FY78: $29.354M
- Actual FY77: $28.708M
- Administration Request, FY80: $14.8M*

(2) Human Development Services, Rehabilitation Services Administration, Developmental Disabilities, University Affiliated Facilities (UAF).

- Needed FY80: $12 million
- Actual FY79: $7.5M (6.5 million on continuing resolution, 1 million transfer to meet minimum requirements of P.L.95-602)
- Actual FY78: $6.5M
- Actual FY77: $5.5M
- Administration Request, FY80: 3 million

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*MCH budget figures appear on page 401 of the FY80 Appendix, but are shown only as a total of $375,045,000 -- the total of states' grants, research and training, and SIDS. The Department's Budget Justification requests $357.4M for MCH grants to states, (a 12 million dollar increase over the 345 figure for FY79), and $2.802M for Sudden Infant Death Syndrome, for a total of $375,045,000. The current authorization for Title V is 399,864,200 (almost 25 million higher than the Administration's request.

SUMMARY POINTS

- Prevention, Diagnosis, and Treatment of severe mental retardation and related handicapping conditions requires special knowledge and skills.

- The effective use of the 1 to 2 Billion dollar federal expenditures for the handicapped in FY 1979 requires personnel trained in the complex process of serving

the handicapped. Evaluations show a pressing need for more training (e.g. P.L.94-142, Head Start Program).

- Forty-seven University Affiliated Facilities provide the single most important nationwide network for demonstrating and training of effective services to the handicapped.

- An appropriation of 36 million dollars for MCH 511 and 512 will allow continued integration of UAF resources with state wide Maternal and Child Health and Crippled Children's Programs.

- An appropriation of 12 million dollars for UAFs under RSA, Developmental Disabilities, will: 1) increase community outreach, 2) strengthen training capability, 3) establish, for the first time, organized state level planning and manpower development, and 4) establish programs to provide training for workers who now serve handicapped persons, but are not qualified to do so.

- The program cuts proposed in the President's Budget represent a misunderstanding of the UAF program, as careful questioning of Administration spokesmen will reveal. HEW Secretary Califano has stated (American Association of Medical Colleges, October 24, 1978), "we are producing too many medical specialists and sub-specialists --- such as surgeons." General budget cuts were proposed in most manpower areas. However, UAFs do not increase the supply of specialists, but rather train personnel already in the training system or work force in how to work with handicapped persons. Thus, cutting the UAF budget will not reduce the number of personnel, but rather the capacity of existing personnel to serve handicapped individuals.

- The UAF program is a Federal-State partnership in terms of cost sharing, with about 44 percent of the total program budget coming from federal funds. Since it is a national program, with many UAFs serving several states or entire regions, the usual arguments in favor of the states funding such programs are both unrealistic and illogical. State funds do comprise a sizeable portion of the program's budget (about 20 percent.* Total state support, however, is no more likely or workable for the UAF program than it is for any national program or network of services.

  * In addition to the federal and state sources, some 36 percent of the total UAF funding consists of university contributions, fees for service, and local grants and contracts.

- The Administration request would, without any planning or transition, dismantle a program which has been built over a 16 year period. The cuts projected would result in the defunding of at least one-half of the present University Affiliated Programs, with an annual loss of over 35,000 developmental disabilities personnel trained and more than 22,000 handicapped children served.

Relationships of UAF Program To Maternal and Child Health/Crippled Childrens Services (Title V-Social Security Act) Programs

Substantial support (approximately $21 million this year) in Maternal and Child Health (MCH) funds is provided to 21 of the largest UAFs.

The UAF program is vital to MCH in that agency's role with regard to our nation's child health strategy - a major priority in the administration's current health budget. Indeed, Congress has recently underscored this important link between the UAFs and Maternal and Child Health. The Senate Appropriations Committee Report on the FY79 Labor-HEW bill (No. 95-1119) at pp. 30-31 states:

> The Committee considers the university affiliated facilities program to be an important component in the nation's efforts to more effectively combat the problems of mental retardation and developmental disabilities, and encourages HEW to seek ways to more productively integrate this national network of training centers into the Department's long-range child health strategy.

Significant problems exist in our nation's system of child health care and are addressed by the UAF program. Those problems include:

- Lack of prevention and correction of handicapping conditions in children

UAFs substantially assist in the effort to reach the population of risk, i.e., mother and child populations with high rates of morbidity and mortality. UAFs bring an important focus of MCH formula funds to severely handicapping conditions -- their prevention and correction.

- Lack of Adequate Manpower In the States' Service Systems

Effective and efficient use of the MCH formula money requires trained manpower in the States' service systems. Unfortunately, there are serious shortages of personnel who are sufficiently trained in the complex tasks of serving severely and multiply handicapped children and their families. UAFs directly address this shortage. To increase the formula grant funds, as the FY80 budget proposes, while substantially reducing the means of insuring that such funds result in improved services to the severely handicapped, makes little sense.

- Insufficient planning and integration of health related programs and services. The welter of health programs, and the relationship of these to health planning activities under P.L. 93-641 (Health Planning Act), and to each other, is a serious problem. UAFs supported by MCH are regional centers which bring many health programs into focus and to bear on the problems of mental retardation and devleopmental disabilities.

Relationship of UAF Program to Developmental Disabilities Program

The DD law contains the basic authorization in federal law for the UAF program. Thirty-six UAFs receive support from the Developmental Disabilities program.

The law was amended by Congress in 1978, and UAF responsibilities were expanded. Those responsibilities include working

with State Developmental Disabilities Councils to provide services in unserved areas through UAF satellite centers, assessing the need for trained personnel, provision of service related training to practitioners, and conducting applied research. They are in addition to the basic UAF mission of interdisciplinary training of DD personnel and the provision and demonstration of exemplary services for developmentally disabled persons.

UAFs are fundamental to the objective of improved services to the Nation's developmentally disabled population (which includes adults as well as children). The program is the major (and usually only) resource for providing the skilled manpower needed to work in institutions, community based programs, and other service settings for the developmentally disabled population. Moreover, UAFs are an important source of direct services to the developmentally disabled, as well as technical support for state agencies, DD Councils, and other governmental groups which require professional expertise in the field.

## STATEMENT OF MICHAEL KUCZEK, PRESIDENT, NATIONAL STUDENT NURSES' ASSOCIATION, INC.

The National Student Nurses' Association is pleased to have the opportunity to submit this statement to the Senate Labor-Health, Education and Welfare Appropriations Sub-Committee in support of the testimony submitted by the Coalition for Health Funding, of which NSNA is a member organization.

This statement is presented on behalf of the National Student Nurses' Association, an organization with a membership of approximately 33,000 undergraduate nursing students from across the country. Our association is composed of students in associate degree, diploma, and baccalaureate schools of nursing.

We strongly support the Alternative to the President's Proposal in Appropriation Recommendations for Federal Health Programs, FY 1980, prepared by the Coalition for Health Funding. We wish to particularly address the recommended funding levels for the Health Resources Administration, Bureau of Health Manpower-Nursing, Institutional and Student Assistance.

Although the Nurse Training Act Amendments of 1978, the authorizing legislation for these monies, was pocket-vetoed by President Carter, new authorizing legislation is now being considered by Congress.

Federal funds to nursing education provides vital assistance that enables many undergraduate nursing students to complete their education who otherwise would be unable to. In ad-

dition, many graduates of associate degree and diploma nursing programs are returning to school to receive the bachelor of science degree in nursing and go on for graduate education. This group of students represents a potentially large group of nurses who could be prepared for advanced and specialized nursing practice and practitioner roles. However, they must first complete their undergraduate education, an expensive and time consuming process.

Three areas in the appropriations for nursing are of specific concern to NSNA and to nursing students. These are capitation, nurse training loans, and nurse training scholarships. We urge the fullest possible funding for these areas.

CAPITATION

Although capitation funds are awarded directly to the schools of nursing, and not to the students, the students benefit greatly from these funds. Capitation monies are used to fund faculty positions, faculty development and instructional materials. Many schools state that without capitation monies, they will be forced to cut enrollments and/or drop faculty members, either of which would cause hardship for the already enrolled undergraduate student.

NURSE TRAINING LOANS

The nursing student loan program has been quite successful and has given many students the chance to complete their nursing education. In 1978, nursing loans went to 1,189 programs with 26,180 students participating. The default rate for paying back nursing student loans has been quite low. Liberal cancellation provisions for employment as a

professional nurse have probably assisted in keeping the default rate low.

Loans have become a major source of financial aid for many undergraduate nursing students. Many have begun or continued their education with the understanding that loan money will be available. NSNA strongly believes that the nursing student loan program is necessary and should be fully funded. As it is, many students must seek other financial aid sources in addition to Nurse Training Loans to cover the cost of their nursing education.

The National Student Nurses' Association did a survey of our members' federal financial aid needs in 1978. Fifty-one percent of the respondents indicated that they received federal financial assistance for their nursing education. Eighty-one percent of those receiving federal financial aid stated that they could not have attended school without this assistance. Survery returns also showed that 65% of all respondents worked part-time to help meet the cost of their education.

NURSE TRAINING SCHOLARSHIPS

These scholarships are awarded to students of exceptional financial need. In 1978, scholarships went to 1,310 nursing schools.

Scholarships are of particular importance to nursing students from disadvantaged and low-income families. In the NSNA survey, 51% of the total respondents came from families with incomes below $15,000 per year. Many times, federal scholarship monies are the only thing which makes it possible for these students to continue their nursing education. Nursing

has been successful in attracting members of minority groups into the profession, and the availability of Nurse Training Scholarships has been most helpful in this.

Although undergraduate nursing students do have other financial aid resources, both on the federal and state levels, the federal nursing student assistance is the primary source of funds. To received general educational support, such as the Basic Educational Opportunity Grant Program, the nursing student must compete against a huge pool of other applicants from all disciplines. The National Health Service Corps Scholarships have been opened to nursing students, but on an extremely limited basis. Currently, 90% of these scholarships go to medical students, and 10% to the remaining health disciplines. Only baccalaureate nursing students are eligible to apply.

Nursing is one of the most cost-effective of the health care provider groups. However, continued provision of quality health care depends greatly on continued federal support to nursing education for high quality, innovative education and delivery models.

We urge the funding of appropriations for nursing and all other health programs at the highest possible levels.

We thank the committee for giving us this opportunity to share our concerns with you.

## Statement of the Rural Coalition

On behalf of the Rural Coalition, I thank you for this opportunity to discuss the Administration's proposed FY 1980 budget.

The Rural Coalition is a new organization aimed at focusing the activities of some 50 regional and national public interest organizations concerned with the need for a comprehensive and progressive national policy on rural issues. Among the members of the Rural Coalition a wide range of perspectives and proposals can be found, and this statement should not be construed as necessarily reflecting all of these views. It does, however, reflect our common reaction to the Administration's budget.

In a word, we are dismayed.

We share President Carter's concern with inflation. But we feel strongly that his approach to the problem can only make it worse. While the budget for military spending has been increased by $10 billion, human resource programs are being cut back, limiting the already austere resources of low-income people. Yet it is these programs which would pay real economic as well as social dividends for the United States over the long run.

It seems self-evident to us that programs which provide a foundation for the well-being and self-sufficiency of people and their communities are ultimately anti-inflationary. On the other hand, a society that walks away from its commitments to rural development, housing, education, health, water and sewer systems, transportation, management of food and fuel resources, and other needs is asking for trouble, because these are all bills which will have to be paid someday, and with interest.

It makes good economic as well as moral sense to meet these problems head-on today. The Administration's budget does not do so. It does not meet basic rural needs, promote rural economic development, or provide rural areas with their fair share of federal subsidies. We are especially disappointed because the President's State of the Union message promised to accomplish these goals and much more for rural people. Despite the President's promise to make rural concerns a priority, the budget does not reveal a forward thrust, it does not maintain past level of service, and at certain points it appears to be at cross-purposes with the Administration's declared objectives. In fact, some hard-won rural gains of recent years would be sacrificed.

Positive shifts in emphasis in rural programs are offset by counter-measures in other parts of the budget. The assumption appears to be that neither rural organizations nor Congressional committees will have the patience to calculate gains and losses, and that many of us will manifest tunnel vision when certain long sought advances are conceded, even if these are overwhelmed by across-the-board losses to rural areas.

In view of these reactions to the proposed budget, there are questions to which we need answers:

1) The President promised to meet basic rural needs. Why then, is he recommending cutbacks in water and sewer development, wastewater treatment, housing, and health personnel training?

2) The President promised to promote rural economic development. Why then is he recommending drastic cutbacks in the rural development program?

3) The President promised to overcome the problems of rural isolation. Why then has he recommended the abolition of the rural fire protection program, and requested a cut in the rural transportation program?

4) The President promised to assure equity in the administration of federal programs for which rural Americans are eligible. Whey then, has no such assurance been forthcoming? Why have rural services on the whole been reduced, while services which have been expanded or held constant are unaccompanied by any verbal or statistical assurance that rural people will receive an equitable share of federal resources?

5) Finally, and most important, does Congress intend to accept proposals such as these which would cripple major rural programs and permit a pervasive federal neglect of rural areas?

Although the proposed FY 1980 budget for HEW is $18.7 billion higher than the 1979 estimated outlays, the total budgetary request is actually $2.4 billion lower than would be needed to fund existing programs at current levels. The Administration hopes to account for decreased program dollars by reducing hospital costs and by simply eliminating or cutting back current programs. The major cutbacks are in federal support for medical training except training for primary care and family health. The shift in emphasis towards primary and family care programs is welcome, but the $24 million increase in the allotment is minimal in the face of need, especially in rural areas, for primary care practitioners. It appears particularly meager in comparison with the money that could be made available from cutbacks in other training programs, such as the proposed $68 million decrease in medical and dental capitation grants, and the proposed $23 million decrease in nurses' training as well as a rescission of the 1979 $84 million supplemental for nurses' training.

The Health budget proposed other features disturbing to rural interest groups. Our gratification at the minor increases in funding of Migrant Health, Indian Health, Health Underserved Rural Areas projects, and the National Health Service Corps is severely qualified by the fact that the requested amounts will continue to fall far short of those needed to serve the eligible population.

For example, even with the proposed increase in its funding, the National Health Service Corps' total projected field strength will amount to 2,820 serving approximately 1.9 million people who live in areas which suffer from a critical lack of organized primary care service delivery capacity. Our concern is that a proportionate number of these practitioners will be assigned to rural areas, and that the expansion is an indication of greater ones to follow. We request that the Committee obtain a rural/urban breakdown of projected assignments and require proportionate assignment.

Rural areas have a desperate need for access to health personnel and for health services they can afford. Nearly three-fourths of rural counties are designated by HEW as medically underserved. Compared to the cities, which have 500 persons per doctor, there are 2400 rural persons per doctor. Only 17% of the nation's primary care physicians reside in rural areas. In absolute population terms, over half of the residents of all medically underserved counties in the United States are rural.

But even if the doctors were there, most rural people could not afford their services. The median rural family income is 27% lower than that of urban

families. While metropolitan workers assume health insurance as part of the usual package of employment benefits, most rural residents are not covered by health insurance. Thus a first visit to a doctor, particularly to a specialist, can cost as much as a low-income person makes in a week.

An obvious strategy in dealing with the shortage in practitioners, is to recruit medical students from low-income and rural areas, train them in the health problems, such as malnutrition, prevalent in low-income communities, and provide incentives for students to take their training and eventually practice in underserved areas. This strategy has been to some extent incorporated in National Health Service Corps, and Area Health Education Centers. Yet the Administration proposes a 70% funding cut in the AHEC program the Administration proposes which provides medical students with an opportunity to take their training in rural areas in hopes that they will settle there. This modest program makes so much sense, that we can't conceive of the rationale behind crippling it.

From the vantage point of the rural population, it is hard to seriously object to the withdrawal of federal support for capitation. The most adverse consequences would be a rise in tuition costs, an increase in the number of specialists settling in affluent areas and charging fees the rural poor could not afford anyway. The need in rural and other underserved areas is for primary care practitioners, hardly a priority in today's medical schools. If, however, the Administration accompanied capitation grants with requirements that schools recruit from underserved areas, provide support for low-income students, and emphasize primary care and paramedical training, we would welcome the reinstatement of these funds. As it is, however, our criticism is that the savings produced by deleting capitation is not being reapportioned to meet needs in underserved areas or to assist low-income applicants to medical school.

In addition to eliminating capitation grants, the Administration requests drastic cuts and rescissions in nearly every training program, including a loss of $84 million for nurses training, $4 million in student assistance, $4.5 million in dentistry, $3.6 million in mental health, $1.3 million in Drug abuse, $1.8 million in alcoholism, $7 million in inter-disciplinary medicine, and $17 million in maternal and child health. Even when funds for general health programs such as mental health, have increased, training for those programs has been reduced. Health personnel in each of these areas are needed in rural communities. We would ask that their training be reinstated, but only on condition that a proportionate number of trainees are recruited from underserved rural areas.

Technical Assistance, Research and Demonstration

Technical assistance centers are crucial to the planning of primary health care service in rural areas. We oppose the request to delete their $6.5 million funding from the budget. We also need to see a request for money for research and demonstration grants badly needed for the development of innovative approaches to health care delivery.

Basic Research

The $401,000 proposed decrease in the budget of the National Institute Institute on the Aging is inexplicable in view of the growth of the over-65 population. Rural areas which contain a disproportionate number of the elder-

ly poor, have a stake in ensuring a federal focus on the needs of these neglected constituents.

Facilities and Other Resources

The requested increase in funds for community health centers is positive, but remains $46 million less than Congress authorized. It is estimated that the program, whose purpose is to assure people access to primary health care, will reach only 4.5% of the eligible rural population in 1979.

The proposed set-aside for 66 Health Underserved Rural Area projects is difficult to comprehend in terms of actual impact. We ask that the Committee ascertain the numbers of people projected to be served by these projects, which would be a measure of efficacy more relevant than that of "user capacity".

Migrant health programs, slated for a 20% gain in funding, would still serve a mere 22% of the eligible population.

Other programs due for increases, while laudatory in themselves, can receive only the conditional endorsement of those concerned with rural equity. For example, HMOs could provide a useful alternative to the inadequate health care system available in rural areas; yet the Administration strongly indicates that it will concentrate on program funds for HMOs in urban areas, which can yield the highest returns on the federal dollar. HEW is mandated to spend no less than 20% of its funds of the development of rural HMOs, but apparently has not done so. Before approving the requested increased in HMO, mental health, and anti-smoking programs, we urge the committee to request breakdowns from the Administration on the rural - urban distribution of these efforts, and to stipulate that new starts will redress old imbalances in federal service.

Finally, a review of the Health Budget reveals that only 67% of the Administration's savings on capitation and training will be used in Migrant Health, Indian Health, Health Underserved Rural Areas, and the National Health Service Corps, which are programs aimed to reach the medically underserved, and that only half of this amount will be used in efforts to increase accessibility to health personnel. We would therefore recommend to this Committee that the budget be reapportioned so that savings in non-essential services be used to expand programs in underserved areas, and to assist low-income applicants to medical school, with an emphasis on recruitment of students from rural areas. We request that rural and underserved areas be permitted to benefit from the savings in other areas, and that their health program funding be correspondingly increased, if possible to the point which could meet present need.

We recommend that federal funds for training, if reinstated, be accompanied by requirements that they be used to recruit from low-income minority and rural populations in underserved areas, and that they be used to substantially increase the number of primary care physicians and paramedics.

We urge the Committee to reject the curtailment of the Area Health Centers and the abolition of the Technical Assistance Centers. Lastly, we ask that you obtain a commitment from the Administration to allocate an equitable share of HMO and other funding increases to rural health care.

In general, then, while we understand the Administration's concern over run-away inflation, we are convinced that limiting the already austere resources of low-income people is not the answer. Instead, we advocate heightening the federal government's focus on low-income rural people, targetting assistance to minorities with special needs, retaining rural values, and ensuring rural citizen and community-based participation in decision-making.

MEMBERSHIP

Listed below are names of organizations that have joined the Rural Coalition and subscribed to its Statement of Principles. All are located in Washington , D.C. unless otherwise noted.

Appalachian Alliance
American Rural Health Association
Association of Community Organizations for Reform Now (ACORN)
New Orleans, Louisiana
Center for Community Change
Center for Community Economic Development, Cambridge, Massachusetts
Clearinghouse for Community Based Free-Standing
Educational Institutions
Conference on Alternative State and Local Public Policies
Delta Foundation, Greenville, Mississippi
Federation of Southern Cooperatives, Epes, Alabama
Housing Assistance Council, Inc.
Human/Economic Appalachian Development, Berea, Kentucky
Institute for Local Self Relieance
Institute for Rural Sanitation Services
Kentucky Rivers Coalition, Lexington, Kentucky
League of Women Voters
Mountain Association for Community Economic Development,
Berea, Kentucky
National Association of Farmworker Organizations
National Association of Neighborhoods
National Association of Social Workers
National Catholic Rural Life Conference
National Community Action Agency Executive Directors Association
National Congress for Community Economic Development
National Congress of American Indians
National Council on Agricultural Life and Labor
National Council of La Raza
National Council of Negro Women, Inc.
National Demonstration Water Project
National Family Farm Coalition
National Organization for Migrant Children, Inc., New York, New York
National Rural Center
National Rural Development and Finance Corporation
National Rural Fellows, New York, New York
National Rural Housing Coalition
National Urban Fellows, New York, New York
Network
Rural Advancement Fund of the National Sharecroppers Fund, Inc.,
Charlotte, North Carolina
Rural America
Rural American Women, Inc.
Southern Appalachian Leadership Training Program (SALT)
Paris, Kentucky
Southern Regional Council, Atlanta, Georgia
Southern Rural Policy Congress, Montgomery, Alabama
The Children's Foundation
United Auto Workers
United Effort Trust
Youth Project

AMERICAN COLLEGE OF PREVENTIVE MEDICINE

SUMMARY RECOMMENDATIONS

FY 80: PREVENTIVE HEALTH CARE SERVICES

(in millions)

| | FY 79 App. | FY 80 Admin. | FY 80 ACPM |
|---|---|---|---|
| Formula Grants for Preventive Health Care Services (P.L. 95-626, Title II, §203) | - | $18 | $18 |
| Health Incentive Grants for Comprehensive Public Health Services (P.L. 95-626, Title II, §201) | $90 | $52 | $115 |
| Office of the Assistant Secretary for Health, Office of Health Information and Health Promotion | $1.4 | $5.0 | $5.0 |
| Comprehensive demonstrations for delivering preventive health services (P.L. 95-626, Title IV, §401) | - | - | $6.0 |
| Prevention Manpower | | | |
| Residency Traineeships (P.L. 94-484, §748) | $7.0 | $7.0 | $10.0 |
| Special Projects (P.L. 94-484, §788) | $7.1 | - | - |
| Primary Care Special Projects | - | $6.0 | $6.0 |

## Abortion Issues

STATEMENTS OF:

BROOKSLEY LANDAU, AMERICAN BAR ASSOCIATION
KAREN MULHAUSER, NATIONAL ABORTION RIGHTS ACTION LEAGUE
REV. MAMIE WILLIAMS, RELIGIOUS COALITION FOR ABORTION RIGHTS
CONSTANCE E. WHEELER
HAROLD O. J. BROWN, CHRISTIAN ACTION COUNCIL
CHARLES DONOVAN, NATIONAL RIGHT TO LIFE COMMITTEE

Senator Inouye. the subcommittee will please come to order. I'd like to apologize to the last panel for having to wait all morning, but I wanted to give each witness as much time as I could.

We have with us Ms. Brooksley Landau of the American Bar Association, Ms. Mulhauser of the National Abortion Rights Action League; Reverend Mamie Williams, chairman of the Religious Coalition for Abortion Rights; Ms. Constance Wheeler; Dr. Harold O. J. Brown, chairman of the Christian Action Council; and Mr. Charles Donovan, National Right to Life Coalition.

I gather that all of you will be addressing yourselves on the matter of abortion.

Who wishes to kick off?

STATEMENT OF BROOKSLEY LANDAU

Ms. LANDAU. My name is Brooksley Landau. I'm appearing on behalf of the American Bar Association. Mr. Chairman, I'd like to submit my written statement for the record.

Senator INOUYE. Yes, all of your full statements will be made a part of the record.

Ms. LANDAU. Thank you.

FUNDING OF ABORTIONS FOR THE INDIGENT

The American Bar Association has approved the following policy position: Be it resolved that the American Bar Association supports legislation at the Federal and State level to finance abortion services for indigent women.

In our view, this is a matter of simple equity. The ability to pay for an abortion is in a real way the right to choose to have an abortion. If the Supreme Court recognition of the right of choice for a pregnant woman in *Rowe* v. *Wade* and *Doe* v. *Bolden* is to have any meaning for the poor, public financing of abortion services is essential.

The medicaid program, jointly funded by the States and the Federal Government, while paying for almost all other medical needs of the poor, has denied funding for most abortion services.

While funding is available for all indigent women who choose to continue their pregnancies to childbirth, the right to elect to terminate a pregnancy is extremely limited. Voluntary abortions are generally excluded from the coverage, despite their undoubted legality.

Congress' repeated enactment of the so-called Hyde amendment has resulted in a situation where abortion services for the indigent in most States are relatively not available, except in certain narrow situations. It's our belief that our neediest citizens should not be denied a right guaranteed to the citizenry as a whole because they lack financial resources.

We urge that Congress assure funding of abortion services for the indigent.

Thank you very much.

Senator INOUYE. Thank you very much, Ms. Landau.

Who is the next witness?

STATEMENT OF REV. MAMIE WILLIAMS

Rev. WILLIAMS. Thank you, Mr. Chairman. I'm the Rev. Mamie Williams of the General Board of Churches in Society of the United Methodist Church. I'm pastor of a local church here in the District of Columbia. I appear before you today representing the Religious Coalition for Abortion Rights, a coalition of 27 National Protestant, Jewish, Catholic, and other groups committed to maintaining the legal option of abortion for all women who would choose it, consistent with sound medical practice.

We thank you for this opportunity to present our view to your Senate committee. The Religious Coalition for Abortion Rights wishes to go on record in opposition to any restriction in abortion funding which may be proposed for inclusion in the fiscal year 1980 Labor-HEW appropriations bill.

We believe that these restrictions represent a basic contradiction of the intent of the bill, which is to make a full range of health and educational services accessible to all our citizens, regardless of their own ability to meet the costs of such programs.

Without this assistance for equalization of services, lower and marginal income Americans have no means of securing these important services. Therefore, a prohibition in the Labor-HEW bill of a particular service such as abortion effectively denies the poor women the same kind of health care available to others in society with a higher income.

We believe that this perpetuates discrimination. A list of exceptions adopted by the Congress last year to the fiscal year 1979 appropriations bill presumes to represent a compromise between the positions of the House and the Senate. But it does not represent a compromise for the poor woman who has been in and out of mental hospitals for years, whose hopeful recovery is completely destroyed by a pregnancy that she neither plans nor understands.

It is no compromise for the woman who has six children already and simply cannot support another. It cannot be a compromise to parents who know from medical tests that the child that they expect will be severely deformed at birth with little chance for survival.

Surely, it is no compromise to the woman in rural America who is fortunate if she ever receives more than paramedic treatment in her lifetime. That alone needs two doctors to certify her need for an abortion.

LANGUAGE ADOPTED LAST YEAR

These cases are all tragic but they are by no means rare in today's society. None qualify for coverage under the language finally adopted by Congress last year. We recognize that the Senate conferees tried endlessly to find a workable compromise to gain coverage for abortions in a number of tragic circumstances.

In the face of objections from the House of Representatives, such coverage was impossible. In fact, however, no list of exceptions can ever cover all of the tragic circumstances under which an abortion might be sought. For this reason RCAR urges that the Senate subcommittee delete all language restricting abortion rights.

We believe that these restrictions deny religious liberty to poor women by preventing them from following their own conscience and religious convictions on abortion. Within the religious community there are widely differing views on abortion. There are some religions that object to abortion under all circumstances. This theory is based on the belief that a separate, equal human life exists from the moment of conception and that abortion represents murder. However, there are also those faiths which teach that separate, equal human life begins sometime between visibility and birth.

While these religions have a deep respect for the human potential of the fetus, they do not consider it a full human person with the rights equal to those of an existing individual.

Therefore, many of these religions agree that when a problem pregnancy would result in tragic circumstances, abortion should be considered a moral alternative and one which may be the most loving and responsible solution. Because there is no agreement on this subject within religions or the medical or legal community, Government policy on this matter must allow people of all faiths to freely practice their own beliefs.

It is paramount that there be no law embodying the views of bias of any religious group; otherwise, the rights of others to follow their own religious teaching and conscious on this matter are abrogated.

RESTRICTIONS IN 1980 APPROPRIATIONS BILL

For these reasons, we urge the committee to reject all abortion restrictions in the fiscal year 1980 Labor-HEW appropriations bill and to restore to low-income women their right to obtain these abortion services.

Thank you. We respectfully request that our entire statement and attachment, "What is RCAR," be made part of the hearing record. For your information we've attached to the end of the statement a summary of these recommendations.

Senator INOUYE. Without objection, as I indicated, all of your statements will be made a part of the record.

FEDERAL ASSISTANCE FOR ABORTIONS

Reverend Williams, I believe according to statistics, and since the restrictive language was made part of the law, Federal assistance for abortions has been reduced by 99 percent. Do you have any information that would indicate the extent of illegal abortions in the United States?

Rev. WILLIAMS. Not at hand.

Senator INOUYE. Is it your contention that this language in the appropriations measure is a denial of religious rights?

Rev. WILLIAMS. I would say it was.

Senator INOUYE. And a violation of the constitution?

Rev. WILLIAMS. Yes.

Senator INOUYE. Thank you very much. Who is next?

STATEMENT OF KAREN MULHAUSER

Ms. MULHAUSER. I am Karen Mulhauser, executive director of the National Abortion Rights Action League. I welcome this opportunity to present some of our views regarding the abortion issue. We have testified in the past and presented any number of kinds of materials supporting the important option for low-income women for having abortions as well as for the wealthy.

We talked about and documented the health benefits of legal versus illegal abortion. I will not be reading my testimony, but I would like to have it included as part of the record.

Senator INOUYE. It will be done.

Ms. MULHAUSER. The statistics that we have provided in the past and will continue to provide document the need for low-income women to have public subsidy for abortion care. Some of the information you asked for this morning, what is the cost to the Government for teenage pregnancies, and I just received this in the direct mail last night, an appeal from the Sex Education Information Council: Teenage mothers cost taxpayers an estimated $6 billion a year.

They must have the documentation for that someplace, but statistics alone don't bring the message clearly enough to our lawmakers. And for that reason, today I am going to depart from our usual kind of testimony, and we will be presenting more and more information to the Congress about the real human story behind the need for abortion—women who are seeking abortions.

It angers us deeply when we hear people like Senator Helms who say that in 1971 there were only about 120 abortion-related deaths, and that he doesn't think that there will be more than that with the Hyde amendment.

These 120 deaths are women, and I think we must never lose sight of that—that women throughout history have chosen abortion, and low-income women today, if they are denied access to legal care, will seek illegal abortions.

Today I want to speak about an experience that I had because I can no longer remain silent when I see such injustices as the Hyde amendment being enacted here.

I was raped a few months ago at gunpoint by two men who broke into my home. My 7-year-old son was there. My husband was out of town. For 2½ hours, while they stole everything of value from my home and raped me repeatedly, I had only one thought in my mind: Survival. My own and my son's.

What would they do if he had awoke, as he often does at night. Would they gag him and tie him as they had done to me, and force him to watch his mother getting raped? And what of my husband when he returned home to find us dead? Because I was sure that would be the result.

Nothing in all of my reading about rape could have prepared me for the kind of torment that I went through. But the terror I experienced is not unique. All women who are victims of rape, children who are victims of incest, have the same kind of terror.

I still feel terror sometimes when I am alone at home, or when I walk alone even in broad daylight through the streets of this city. But I am grateful that some of this terror is being replaced by anger, because I can deal with that.

I am angry not only at the rapists—they are, thankfully, in jail now with satisfyingly long prison terms—but I am angry at the insensitivity in this society, not only in Congress. I don't know if you were at the conference committee meeting, but perhaps you remember or heard that one conference committee member said, "The question before us is not whether or not a woman was forced. The question is: How much did she enjoy it?"

And it is only part of the male mythology that women enjoy rape, or that they cannot unwillingly be raped; that there would be some way of protesting a rape. There was no way that I would have screamed that night, or tried to fight off two men with a gun. I did not want my son to awake and be scarred by this experience.

I am angry at the kind of society that would have a judge, who has thankfully been replaced, who would ask a prosecuting attorney, "Are we supposed to take an impressionable person, a 15- or 16-year-old, and punish that person"—this is a rapist—"because he acts normally?"

This male judge had more compassion for the male criminal than for the female victim, and his words only support the falsehood that rape is a normal sexual outlet.

My life has been changed by this experience. It has rededicated me to working for the rights of all women to have abortions if they are victims of rape and incest, and that clause in the current Hyde amendment does not allow for victims of rape and incest to have abortions unless they report it promptly.

The statistics that Secretary Califano recently submitted indicate that it is more like four victims a month of both rape and incest that had access last year to Federal help in providing abortion care.

If I had needed an abortion, had I become pregnant, there is no question that I would have had one. If I were low income and unable to pay for a legal abortion, there is no question that I would have even risked my life to self induce. I can understand the desperation that women go through when they do self induce and have illegal abortions. I cannot even imagine the suffering of 9 months of continuing such a pregnancy that is a continual reminder of the horror of that night.

And how could I be a good mother to that child who would be a visual symbol of that violent, cruel, and brutal act?

Therefore, I really do urge that the members of this committee, of the Senate and of the House of Representatives, that they take seriously the issues that are faced by women every day. The terror and the desperation I felt is also felt by women who know they are carrying deformed fetuses.

Their desperation, too, might send them to illegal care if they cannot afford a legal abortion. Or a woman who knows that her welfare check cannot adequately provide for her existing children.

And I think that we have to bring it to a personal level because that is the only way we will really understand the real human story behind the need for abortion.

Thank you.

NUMBER OF WOMEN RESORTING TO ILLEGAL ABORTIONS

Senator INOUYE. I thank you very much, Ms. Mulhauser. It has been an extremely moving statement. Do you have any figures as to the number of women who would have to resort to illegal abortions?

Ms. MULHAUSER. There really has not been a thorough study that has presented this kind of number to us. It does appear, though, from some work in the Center for Disease Control that many women in need are finding abortion care especially in those States where the State has picked up the full cost of the abortion care.

But when they are needing to find money on their own, they are delaying because maybe they are waiting for their welfare check. The average welfare check, though, for a woman with two children, is about $240 per month, and the average cost for abortion across the country is around that much, perhaps higher.

So the real study I think that needs to be done is what the women have to do to get enough money to pay for a legal abortion. And that study, as far as I know, is not underway.

There is some information from New Jersey that had a complete ban on subsidy for abortions. It seems that up to 30 percent of the women in that State were continued with their pregnancies because they did not have access to abortion.

It does seem to differ in different communities.

Senator INOUYE. This suggests that because of the application of the laws relating to abortion, and because of the stigma that one acquires, that there are many who do not report the incident. Do you have any statistics on that?

Ms. MULHAUSER. I don't, offhand. I have read quite a bit about it, and I know where to get hold of these statistics. But the police here in the District of Columbia have told me that they suspect that just a very small number of rapes are reported, and those that are, the women are so terrorized that they don't go through the necessary proceedings to get these men in prison. And I think this is just the tip of the iceberg.

Senator INOUYE. Those women who do not report would not qualify.

Ms. MULHAUSER. No, they wouldn't, because it requires prompt reporting. Secretary Califano thinks that 60 days is not prompt enough, and would urge that it be less than that.

I know, for victims of incest who are often young girls who don't know the signs of pregnancy, don't know who to turn to for help if they have been victims of incest, that 60 days is far too short because it may take at least that long before they even suspect that they are pregnant, if they understand that that is how pregnancy occurs.

And none of these victims would be allowed access to help pay for abortions. The FBI estimates that less than 50 percent of rapes are reported. Most of these are not followed through to convictions.

STATISTICS ON ADOPTIONS

Senator INOUYE. Do you have any statistics on adoptions? It has been suggested that one need not abort a child because there are countless thousands of families waiting in line to adopt children.

Ms. MULHAUSER. I have heard that argument, but I know. I am a mother and I know the feeling of being pregnant. It would be very, very difficult for a women to give up a child for adoption after they have gone through the experience of the pregnancy.

What we do know regarding statistics on adoption is that 10 years ago when the teenager continued the pregnancy to term, 80 percent of them did relinquish those babies for adoption. Now as Ms. Forbush told us earlier today, 93 or 94 percent of those children, those teenagers, keep their children now.

So that is why there are so few babies—white, blue-eyed, blond babies available for adoption. There are hundreds of thousands of children available for adoption, but they are not infants. Many of these teenagers who keep their children do relinquish them later, but the couples who want to adopt children want new infants, not 2-, 3-, or 8-year-olds who might have had a rough start.

Senator INOUYE. I thank you very much.

And you're Constance Wheeler?

STATEMENT OF CONSTANCE E. WHEELER

Ms. WHEELER. Yes; and I feel so deeply on this that, although my husband and I are on social security and a small pension, I came at my own expense to testify.

Some people believe abortion to be murder. But I ask you: Is it a crime worse than murder if you yourself have no choice to be the victim of a quick death at the hand of an unknown murderer, or live a lifetime of torture, ill treatment mental or physical? Which would you prefer?

Sometimes for an unborn child these are the two terrible alternatives he or she faces: Abortion, or a life of living hell.

When taxpayers refuse to pay for all legal abortions, some unwanted children may face the second unhappy alternative. Abortion is never right or good. At best, it is the lesser of two evils.

In a world populated by perfect people, there would be no need for any abortions. But who is perfect? Is there even one of us here who has never made a mistake or sinned?

No woman should ever be forced to have an abortion against her will. But conversely, no woman should be forced into bearing a child if she feels it is morally right for her to abort.

Because Americans are of different origins and religious beliefs, what is considered morally right by one person may under certain circum-

stances be considered morally wrong by another. Some people who favor withholding tax funds for abortions for low-income women argue that poor women always have to go without things wealthier women can afford.

Surely people who argue this way are making no distinction between the purely material and what is spiritual. A child is not a thing that you buy like a car or a fur coat. A child is a sensitive, living, feeling being who needs loving care, guidance, and protection if he or she is to grow up normal, happy, and productive.

Of all the child's needs, love is the most important. And this is one thing an unwanted child is most likely to lack.

Now I must emphasize that low-income women are no more unfeeling or cruel than wealthier women. However, we all know that, regardless of income, particularly in homes where there are alcohol or drug problems, many unloved children are physically abused. Some die from the callous treatment. Some are permanently injured.

There is no way of measuring the mental anguish some of these children undergo. Only the mother, no outsider, knows the condition into which her child will be born.

If, because of those conditions, a low-income woman decides it is morally right and best for her family as well as the unborn child that she have an abortion, then I believe the operation should be federally funded.

Those who refuse tax funds for these abortions are controlling the behavior of these women, even though they are law-abiding citizens. In withholding funds, they are denying these women their God-given—not "constitutionally given," but God-given rights to choose between right and wrong.

Those who refuse tax funds and their supporters are taking on themselves an awesome responsibility. If a woman can afford an abortion and does not choose to have one, then she is responsible for what happens to the child. But those who withhold tax funds for abortions for low-income women will be indirectly responsible for the birth of some unloved, unwanted children.

They must therefore share the moral responsibility for the fate of these children. They must also share the guilt for any excessive suffering any of these unwanted children may undergo, both in their younger years and also later when, to escape the reality of their barren lives, they turn to drugs, alcohol, or crime, to the detriment of themselves and of society.

Controlling the freedom of choice between right and wrong behavior for law-abiding citizens is a very dangerous precedent. It is one which could be used in the future in a very different political climate to the disadvantage of other Americans.

Poverty is the excuse for behavior control now. Who knows what it may be at some future time. I do not believe abortion to be necessarily murder. It can be a form of self defense in which the mother must act on behalf of her unborn child.

Is it humane? Is it some act of love to insist on the right to life of the fetus if, in doing so, an innocent child comes into the world not to a fulfilling life, but to be unfairly condemned without trial to a dreary existence under deplorable conditions?

Mr. Chairman, I urge you to vote for an appropriation of funds sufficent to cover the costs of legal abortions for low-income women.

Senator INOUYE. Mrs. Wheeler, on behalf of the committee, I thank you very much. I commend you for traveling all this way to speak as an independent citizen.

Ms. WHEELER. Thank you. I do know I speak for many people, and the largest proportion of people I have spoken to feel as I do. But you see, we are not organized.

Senator INOUYE. You may be surprised. [Laughter.]

I don't suppose you have statistics on abortions?

Ms. WHEELER. No, I have no statistics. But you see, to me, I do not want to be guilty of even one child suffering.

And another thing, of course, is this right to behave, do what you think is morally right. I do not want the country to be led into—well, we stopped them doing what was right on abortion; we can stop them from doing what they think is right on something else. It's a constitutional matter, in my opinion, to stop somebody from doing what they believe to be morally right, by their religion.

Senator INOUYE. By some coincidence here, all the ladies are speaking in favor of abortion, and the men are speaking against.

Ms. WHEELER. I think there must be something in that. [Laughter.]

Senator INOUYE. Our next witness is Dr. Harold O. J. Brown, Chairman of the Christian Action Council, and Professor of Theology at the Trinity Evangelical Divinity School.

Dr. Brown.

STATEMENT OF HAROLD O. J. BROWN

Dr. BROWN. Mr. Chairman, I trust that your recent remark does not imply that you would discriminate against the views of the males here.

Senator INOUYE. I just thought it strange that you were divided, men and women, here. [Laughter.]

I am not suggesting anything, sir.

Dr. BROWN. I think that we've all been very affected by the testimony of Ms. Mulhauser. I know that I certainly was. And I must understand the deep spiritual emotional and physical anguish that such an incident causes.

I have prepared a somewhat different testimony from the type that has been submitted.

Senator INOUYE. Dr. Brown, can you excuse me for 2 minutes. I have to respond to a telephone call. I will be right back.

[A brief recess was taken.]

Senator INOUYE. I'm sorry for the interruption, sir.

Please proceed.

Dr. BROWN. Yes, I had prepared some material of a somewhat statistical and theoretical nature, which is probably not altogether appropriate in light of the turn the discussion has taken.

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But I will submit it as the others have done.

I would only comment on what has been said thus far, that if the major principle that I am endeavoring to present to you—mainly, the justifiability of considering biblical values as a basis for Government legislation or, in fact, in effect, the problems presented by Ms. Mulhauser and others, would not be as prevalent as they are.

In the deliberations of the sort now before you, statistics of a medical, financial, and social nature have played a large role. Nevertheless, as the Federal Constitutional Court of West Germany noted in a decision in 1975, abortion raises issues not only of a medical, but also of an ethical, philosophical, and even spiritual nature.

We must first determine what we ought to do before attempting to construct the modalities for doing it.

I would like to pass over some of the material I've prepared and simply State that I believe on the basis of a large number of American citizens, primarily, of course, speaking for those of evangelical background, but for many others as well, that it is the duty of our legislators not to coerce us into providing and paying for actions that are grossly repugnant to the moral sense of most Americans, as well as of civilized humanity throughout most of its history.

If you are, indeed, willing to respect the conscience of your citizens, then I believe you will recognize the impropriety of forcing the general public to commission and to pay for actions that that public in large numbers believes to be atrocious.

You will seek not merely to reduce, but effectively to eliminate the taxpayer funding of elective abortion.

Now we know that abortion for purely medical reasons is in fact very rare. The late Alan F. Gutmacher, M.D., although an outstanding proponent of abortion, wrote in his standard work, "Medical and Surgical Complications of Pregnancy," that abortion is virtually never a medically appropriate means to save the life of an expectant mother.

Now this State of affairs does appear to be reflected in the statistics recently published by the Department of Health, Education, and Welfare, where very few abortions are now federally financed for that reason.

I would like to address myself briefly to two of the objections that are sure to be raised, and have, indeed, been raised to the position that we are espousing.

### FEDERAL FUNDING OF ELECTIVE ABORTIONS

Are not those of us who seek to prohibit the Federal funding of elective abortions seeking to impose our morality on the Nation?

In reply to this question, we should note, first of all, that refusal to fund a particular activity does not of itself impose a moral or ethical principle. Many illegal, immoral, unethical—I might even add fattening—activities go on quite freely without benefit of Government financing.

Failure to finance does not impose a prohibition, although forcing to finance imposes a compulsion to participate.

So there is a serious ethical problem that is involved.

Secondly, and more fundamentally, I would like to say that no citizen or group of citizens in our society can impose his or their views unless he can persuade others, fellow citizens and legislators that those views are right and proper and should be the basis for legislative enactments.

We are not seeking to impose, but we are seeking to persuade. And I am grateful to you for providing the opportunity to do so.

A second objection that is invariably raised to our expression of concern at the prospect of being forced to participate in an atrocious practice, for such we deem abortion to be, through taxpayer funding of abortions, is the assertion that to heed our protest would be to violate the principle of the separation of church and State.

Opposition to abortion is religiously motivated, so the argument runs. Hence, anything less than fully permissive, and even Government-funded abortion, represents an unconstitutional establishment of religion.

In fact, oposition to abortion is religiously motivated only in the same sense that most people's opposition to murder is religiously motivated, knowing that we human beings, made in the image of God hold the killing of innocent human beings to be fundamentally and essentially wrong.

But within this general context, we hold abortion to be a great wrong, not because religious doctrine expressly prohibits it, but because we know, on the basis of scientific as well as biblical evidence, that each abortion destroys an innocent human being, something already alluded to by the other speakers this morning, a developing human life.

Our opposition to killing in general is religiously based. The recognition of abortion as killing is scientifically and medically motivated.

If one were to oppose all legislation based on a measure of religious values, one would have to oppose the prohibition of murder, a conclusion to which many of the arguments of the pro-abortionists quite logically, if unintentionally, lead.

I contend, then, that while it would not be appropriate for Congress to enact legislation because it reflects the convictions of a religious group, or convictions of a religious nature, it is not only legitimate, but, indeed, virtually inescapable, that Congress enact legislation that, in fact, does correspond to certain fundamental values of religious origin.

Each of the biblical 10 Commandments has, in varying degrees, been reflected in the secular legislation of almost every Nation.

Religious values, as scripture, philosophers, and commonsense tell us, are written in the human heart. The attempt to purge them from the laws of our Nation will destroy the Nation and its people before it succeeds.

It is logically unreasonable, constitutionally unwarranted and practically inachievable to purge all religious values from legislation. And I submit that the U.S. Senate should have no part in such a project.

Thank you.

Senator INOUYE. Is it your contention, sir, that abortion is murder?

Dr. BROWN. It is my contention that abortion is homicide. I think we could make a distinction between homicide and murder, which usually refers to first-degree murder.

There are always mitigating circumstances in abortion which do not normally exist with first-degree murder.

Senator INOUYE. What are the mitigating circumstances?

Dr. BROWN. I think many of them have been alluded to you. The woman who seeks an abortion is almost always under great stress, considerable external pressure, perhaps physical anguish, the sort of thing that in any case would produce murder to manslaughter in other circumstances.

Senator INOUYE. Would you say that abortion, whether federally funded or privately funded, is homicide?

Dr. BROWN. Yes. I think that there is no question about that. In fact, the decision to which I referred of the German Federal Constitutional Court said the usual language, termination of pregnancy, cannot conceal the fact that every abortion is a homicidal act.

Senator INOUYE. Then would you suggest that we establish laws making abortion illegal across the board?

Dr. BROWN. Certainly I would suggest that, although that's not the subject of my testimony here today.

Senator INOUYE. The ladies here, some have suggested that the rich can abort, the poor cannot. Therefore, there is some inequality there.

Dr. BROWN. Definitely there is inequality there. I would far prefer to see what you have alluded to; namely, the various proposals, the Human Life Amendment, or something of that sort that would, in fact, recognize the essential humanity of the developing child.

Senator INOUYE. If you were absolutely certain that the fetus, as a result of the ingestion of thalidomide, would come out a legless, limbless child, do you still insist that that child be brought into this world?

Dr. BROWN. I think that the question is not substantially different from the situation which arises when a legless, armless child is born.

Now if one contends that it is right to kill this child at birth, or sometime after birth, if he became an amputee, multiple amputee, then, of course, it would be appropriate to kill the child before birth.

But I don't believe that that is appropriate in either case.

We do have some personal testimony from multiple amputees who are happy that they were not destroyed before birth or at birth. But the answer to your question is, no, I would not think it appropriate.

Senator INOUYE. Should a woman like Ms. Mulhauser be forced to carry a child that would remind her every hour on the hour of the torment and the torture and the grievance and the hell she had to go through, very likely, when the child comes out, to hate that child for the rest of his or her life?

Dr. BROWN. Probably you are familiar with Mahalia Jackson, one of the most famous spiritual singers in our Nation, who died a few years ago. She was the product of a rape when her mother was about 12 years old.

Sometimes, of course, someone very valuable would be lost through the abortion of such a child. I think in each case someone valuable would be lost, although probably not as spectacularly as Mahalia Jackson.

Dr. I. C. Bernstein of the University of Minnesota Medical School, Department of Psychiatry, testified in a House hearing here several years ago that if one is really concerned about the woman who has suffered this crime, there are much better things to do for her than permitting the destruction of her developing child.

Unfortunately, they are more expensive. They require a good deal more time and a good deal more concern.

The organization I am with is trying to provide some of those services. But needless to say, they're vastly more expensive than abortion, which is always much cheaper.

Senator INOUYE. Are you suggesting because it's expensive, we should not support those activities?

Dr. BROWN. No. I'm very much in favor of support. I would far prefer to see them supported than the alternative of providing a simple and supposedly, easy abortion.

Senator INOUYE. You would be in favor of supporting programs we have for unwanted children?

Dr. BROWN. Very definitely.

Senator INOUYE. You find no mitigating circumstances for abortion.

Dr. BROWN. I think there was only one very rare circumstance when carrying the pregnancy to term will cost the woman her life. It creates a situation in which abortion is morally justified, in my view.

Senator INOUYE. To kill one life to save another?

Dr. BROWN. I can only cite what Tertullian and Augustine have said at this point, that by cruel necessity, we take the child's life rather than make him his mother's murderer.

But I certainly would admit that there is a life that has been lost in the process. You know there's been a considerable discussion of this. That would be a situation in which I believe it could be justified.

Senator INOUYE. This has been extremely interesting, sir.

Our next witness is Mr. Charles A. Donovan, the legislative assistant to the National Right to Life Committee.

Welcome, sir.

STATEMENT OF CHARLES A. DONOVAN

Mr. DONOVAN. Thank you very much, Senator.

Mr. Chairman, it's my pleasure to appear before you as a representative of the National Right to Life Committee concerning the issue of appropriation of Federal funds for abortion under title XIX of the Social Security Act, a significant and deeply devisive issue, encompassing, as it does, fundamental aspects of our collective respect for human life and the dignity of the disadvantaged person, has provoked and continues to provoke intense debate in the Congress and in the Nation as a whole.

The National Right to Life Committee is unalterably opposed to the expenditure of Federal funds for abortion on the grounds that no citizen should be forced to participate in acts violative of the civil rights of another.

Most fundamentally, when the right in question is the primum mobile of all civil rights, the right to life.

In the past 2 years, Congress has resolved the medicaid abortion funding debate by adopting appropriations language, but neither preserves the concept of non-participation and acts violative of human liberty, nor affirms the existence of that liberty itself.

In recent weeks, both the First and Seventh Circuit Court of Appeals have ruled that restrictive State abortion funding policies are superseded by extant Federal policy as expressed in current fiscal 1979 medicaid abortion regulations under the terms of the Michel amendment, which both courts have described as a substantive amendment to the Social Security Act.

These lower court decisions raise the possibility that deliberations at the Federal level on appropriate medicaid abortion policy may be dispositive of the issue of abortion funding at the State level as well.

In this light, it should be readily apparent that public interest in the issue of abortion funding by Congress is unlikely to diminish or be dampened by momentarily favorable statistics from the Health Care Financing Administration.

The following facts seem well established.

One: Restriction of Federal funds for abortion has not resulted in any increase in abortion-related complications among medicaid-eligible women.

Two: Nearly three-fourths of States maintain, or have developed abortion funding policies more restrictive than Federal guidelines. More effectively than any opinion poll, this fact demonstrates pervasive reluctance on the part of the American people to finance an objectionable procedure. Three States—Illinois, Pennsylvania, and Massachusetts, have actually passed highly restrictive legislation over a governor's veto. There are no corresponding examples in the opposite direction anywhere in the United States.

Three: The report of the Health Care Financing Administration of a 99-percent reduction in abortions financed by the DHEW reflects the optimism of early returns. Despite vigorous and responsible enforcement of congressional intent by HEW Secretary Califano in the past year, several serious anomalies in the HCFA report warrant suspension of final judgment as to the innate effectiveness of the current language in curbing Federal financial participation in abortion.

Four: In general, the degree and seriousness of complications and sequelae from legally induced abortions, particularly with respect to subsequent pregnancies, is just beginning to emerge from the thicket of limited and/or inadequately funded studies.

A report on a partially completed research project under a grant awarded to the New York State Department of Health was recently issued.

The report entitled, "A Prospective Study of the Effects of Induced Abortion on Subsequent Reproductive Function," has yielded interim results which show, among other things, an 85-percent increase in spontaneous fetal deaths, a 67-percent increase in infants born 12 or more weeks prematurely, and an 83-percent increase in delivery complications in subsequent pregnancies.

Five: A report recently released by DHEW entitled, "Health, the United States, 1978," acknowledges the fact that nearly one-third of indigent women fail to obtain prenatal care during the critical first trimester of pregnancy, when both mother and child are more susceptible to particular risks to health.

The problem is especially acute among teenagers and indigent women pregnant for the first time.

It is difficult to imagine a more literal manifestation of denial of equal protection to economically disadvantaged women in respect to their unborn children.

The National Right to Life Committee strongly urges the subcommittee to affirm the fundamental value of human life, irrespective of age, health, or condition of dependency, and to restore language to Labor-HEW appropriations for fiscal year 1980 that reflect this root proposition.

The construction of alternatives to abortion is difficult, but the adoption of alternatives to life is impossible.

Until this Nation can afford its poor what the wealth of others denies them, it cannot be reasonable to deny the children of the poor on the grounds that the wealthy cannot afford them.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much, Mr. Donovan.

This afternoon one witness presented testimony on a very personal basis. I'd like to ask you a question on a very personal basis. It's not a cheap shot, believe me.

If your daughter or your wife had undergone the same experience as Ms. Mulhauser, would you insist that the child be carried to term and delivered?

Mr. DONOVAN. Senator, I find no compelling reason to place any of the circumstances of blame or trauma in the child itself that is conceived by that rape. I find, in fact, a certain amount of saving grace in the availability under very rare circumstances that a pregnancy would occur, of an opportunity to draw life and hope out of a situation as hopeless as that.

Senator INOUYE. So you would insist that your wife or daughter carry the child to term?

Mr. DONOVAN. I would insist that I have a responsibility to respect that life. It's my responsibility, sir.

Senator INOUYE. You would oppose it if your wife wanted an abortion?

Mr. DONOVAN. She wouldn't.

Senator INOUYE. Well, we could carry on this discussion for about 3 weeks. [Laughter.]

We just don't have the time.

I would like to say, ladies and gentlemen, I thank you very much for your assistance this afternoon. Needless to say, this subject is one of grave, serious concern for all of us. I think we spend more time on this issue than any other issue in the U.S. Congress, and that is without any qualification. We spend more time on abortion than we do on defense, on the energy problems, on the Middle East.

It may interest you to know that last year the Senate had to act 47 times on the abortion issue. We have never, I think—the most we have done on defense is about three times. [Laughter.]

And possibly on the Middle East Treaty twice. But 47 times on abortion. I think that should indicate to you that we do not take this matter lightly, and we can assure you—and I speak for the committee—that we will study your statements very, very carefully.

If you would wish to submit additional statements to shore up your argument, may I suggest you do so, but do so before April 4.

Ms. WHEELER. Who do we send that to?

Senator INOUYE. Send it to the Appropriations Committee, Senator Magnuson, Chairman, U.S. Senate, Washington, D.C. 20510.

Ms. WHEELER. Soldiers murder or kill, and we let soldiers kill because the effects of killing could be much worse, like if the enemy attacks us. The result of this would be no worse than having a war.

Thank you.

Senator INOUYE. Thank you very much.

This subcommittee will stand in recess for 5 minutes, when Senator Mathias will chair the remainder of the session.

[A brief recess was taken.]

[CLERK'S NOTE.—The following statements were submitted for the record of the hearing's morning session. There are several statements on file with the committee which were received too late for inclusion in the record.]

STATEMENT OF HAROLD O. J. BROWN, PH. D., CHAIRMAN, CHRISTIAN ACTION COUNCIL, AND PROFESSOR OF THEOLOGY, TRINITY EVANGELICAL DIVINITY SCHOOL

My name is Harold O. J. Brown. I am Professor of Biblical and Systematic Theology at Trinity Evangelical Divinity School in Deerfield, Illinois, the seminary of the Evangelical Free Church of America. In this capacity I am familiar with and can represent to you the concerns of tens of millions of American citizens who share the evangelical faith. I am also Chairman of the Christian Action Council and as such speak on behalf of Americans who have commissioned me to make our spiritual, ethical, and social concerns known to you, our legislators. I am grateful to you for your willingness to hear them. The topic with which you wrestle is a complex and difficult one: the use of federal funds for medical procedures to terminate developing human lives by abortions of varying degrees of medical "necessity." Perhaps I can contribute to the clarification of some of the fundamental ethical, social, and jurisprudential issues raised by the topic and to be resolved, at least in part, by actions that you propose to take.

In deliberations of the sort now before you, statistics play a large role--statistics of a medical, financial, and social nature. Nevertheless--as the Federal Constitutional Court of West Germany noted in its decision of February 25, 1975--abortion raises issues not only of a medical but also of an ethical, philosophical, and even spiritual nature. Such issues may not properly be resolved on the basis of statistical considerations. We must first determine what we ought to do before attempting to construct the modalities for doing it.

A fundamental principle of all lawful government is the care and protection of human lives, even of the lives of those who are weak, handicapped, or dependent. This principle, clearly stated in the Bible, was eloquently reaffirmed by Thomas Jefferson at the founding of our nation. What is at stake in the funding of abortions is not merely the destruction of developing human lives. Concerning the fact that this <u>is</u> at stake there is no doubt. In addition to this already fateful issue, the project and the reality of federal funding creates a second problem: it imposes

on all Americans, obliged as we are to sustain our government by our taxes, the obligation to participate in such destruction, to the extent that it is funded by the revenue from taxes that we cannot lawfully escape. We contend that it is your duty to us as your electors and taxpayers not to coerce us into providing and paying for actions that are grossly repugnant to the moral sense of most Americans as well as of civilized humanity throughout most of its history. If you are determined to respect this duty, then, we believe, it will be fitting to discuss the ways in which and the extent to which that respect can be reflected in specific legislation. Should you be persuaded--God forbid--to reject it, then I can only warn you that you will be engaging in a systematic violation of the conscience of a great multitude of your citizens.

If you are willing to respect the conscience of your citizens, then you will recognize the fundamental impropriety of forcing the general public to commission and pay for actions that that public in large numbers believes to be atrocious. You will seek not merely to reduce but effectively to eliminate taxpayer funding of elective abortion. To do this it will be necessary to readopt the language of the so-called Hyde Amendment, limiting federal assistance in abortion funding to those abortions necessary to save the life of the pregnant woman. Such abortions, as we know, are rare. The late Alan F. Guttmacher, M.D., although an outstanding proponent of abortion, wrote in his standard work, Medical and Surgical Complications of Pregnancy, that abortion is virtually never the medically appropriate means to save the life of an expectant mother. This state of affairs would appear to be reflected by the recently-published H.E.W. report indicating a ninety-nine per cent reduction in the number of federally-funded abortions during the current fiscal year. These figures, if accurate--and we understand that there are methodological and other reasons to suspect their accuracy--reflect the fact that in modern society abortion is almost always an elective procedure, not medically indicated to relieve any problem incapable of being resolved without destroying a developing human life. Unfortunately these very figures pose a problem for us. They have been produced on the basis of language in the H.E.W. appropriations bill for the current fiscal year that permits

abortions for a number of reasons other than to preserve the life of the pregnant woman, reasons loosely subsumed under the designation "medical necessity." To the extent that "medical necessity" is interpreted strictly, in the sense of the late Dr. Guttmacher, we indeed arrive at a very low number of abortions on the basis of the present language. Unfortunately we must all admit that the term "medically necessary" is sufficiently flexible to allow a much higher level of abortion funding than currently appears to exist. If it is your purpose, as I sincerely hope it may be, to respect the conscience of your citizens, then I submit to you that the present relatively loose language is a weak safeguard--despite the current apparently exemplary situation--and that your purpose will be best served by limiting the federal funding of abortions to those rare cases where the abortion is not elective but necessary to protect the life of the pregnant woman.

Permit me to address myself briefly to two of the objections that are sure to be raised to the position I espouse. Are not those of us who seek to prohibit the federal funding of elective abortions seeking to "impose" our morality on the nation? In reply to this question, we should note first of all that refusal to fund a particular activity does not of itself impose a moral or ethical principle. Many illegal, immoral, unethical, and perhaps we should add even fattening activities go on quite freely without benefit of any government financing: failure to finance does not impose a prohibition, although forcing to finance imposes a compulsion to participate. Secondly and more fundamentally, I would like you to note that no citizen or group of citizens in our society can impose his or their views unless he can persuade others--fellow citizens, and more importantly, legislators--that those views are right and proper and should be the basis of legislative enactments. We are not seeking to impose, but we are seeking to persuade, and I am grateful to you, Senators, for providing us with this opportunity to do so.

A second objection that is invariably raised to our expression of concern at the prospect of being forced to participate in an atrocious practice through taxpayer funding of abortions is the assertion that to heed our protest would be to violate the principle of separation of church and state. Opposition to abortion is religiously motivated, so the argument runs, and

hence anything less than fully permissive and even government-funded abortion represents an unconstitutional establishment of religion. In fact, opposition to abortion is religiously motivated only in the same sense that most people's opposition to murder is religiously motivated. Knowing that we human beings are made in the image of God, we hold the killing of innocent human beings to be fundamentally and essentially wrong. But within this context we hold abortion to be a great wrong not because religious doctrine expressly prohibits it, but because we know, on the basis of scientific as well as biblical evidence, that each abortion destroys an innocent human being, a developing human life. Opposition to killing in general is religiously based; recognition of abortion as killing is scientifically and medically motivated. If one were to oppose all legislation based in a measure on religious values, one would have to oppose the prohibition of murder--a conclusion to which many of the arguments of the pro-abortionists quite logically if unintentionally lead. I contend then that while it would not be appropriate for Congress to enact legislation <u>because</u> it reflects the convictions of a religious group or convicitions of a religious nature, it is not only legitimate but indeed virtually inescapable that Congress enact legislation that in fact does correspond to funamental values of a religious origin. Each of the biblical Ten Commandments has, in varying degrees, been reflected in the secular legislation of almost every nation. Religious values, as both Scripture, philosophers, and common sense tell us, are written in the human heart. The attempt to purge them from the laws of our nation will destroy the nation and its people before it succeeds. It is logically unreasonable, constitutionally unwarranted, and practically inachievable, and the United States Senate should have no part of it. Thank you.

## STATEMENT OF THE CHRISTIAN ACTION COUNCIL

The Hyde Amendment in Light of the 99 Percent

Without question, this year's most significant development in the matter of federal funding of abortions has been Joseph Califano's statement that current departmental regulations have reduced Medicaid-funded abortions by some 99%. Secretary Califano's testimony has prompted proponents of unrestricted federal funding to argue that this precipitous reduction has led to an outbreak of dangerous "back-alley" procedures among the poor, and that Congress ought therefore to remove the so-called Michel amendment from the books at once.

Those who support implementation of the Hyde language--prohibition of all Medicaid abortions except those necessary to save the life of the mother--have raised a number of objections to this line of argument. First, the Center for Disease Control, in its study of the effects of restricting funds for abortion, concluded that "Medicaid-eligible women are not choosing self-induced or non-physician-induced abortions to any large extent" (see Attachment A). The CDC further reported that "no abortion deaths related to either illegal or legal abortions were detected through the hospital surveillance." Moreover, the celebrated case of a Texas woman who died from complications resulting from an illegal abortion, after allegedly having been denied Medicaid money for a legal one, has been largely discredited by an Ob. Gyn. News investigation. That article showed that the woman had fled to Mexico to procure her abortion in order to hide from her family the fact that she was pregnant, and not because she was unable to afford the procedure apart from public assistance (see Attachment B).

There are also indications that the curtailment of government-financed abortions is not as dramatic as the initial statistics seemed to suggest. Many of the figures submitted by the states are unaudited and therefore may not be wholly reliable. Illinois, for example, reported only 264 Medicaid abortions for 1978. Subsequent checking by HEW showed that the state health service had actually received reimbursement under Medicaid for some 12,600 abortions. It would be unwise, then, to lend too much credence to the 99% figure until all individual state reports have been subjected to full review.

But even these preliminary statistics contain some evidence that the compromise language of the Michel amendment is being abused. The state of Ohio has filed for Medicaid reimbursement for 373 abortions performed last fall because the "life of the mother was endangered" (see Attachment C). The fact that only one other state reported more than 50 abortions under this category over the same period suggests that Ohio may be giving a rather original construction to the current federal regulations. Similarly, Oregon, while reporting only 22 Medicaid abortions over the last three months of 1978, claimed that 14 were performed on victims of rape or incest, while the combined total of the remaining 49 states under this category was 11.

Closer scrutiny of the HEW figures, then, reveals not only that the reduction in Medicaid-funded abortions may be far less than 99%, but also that several states have taken full advantage of the loopholes contained in the current Michel language. The only effective way to insure that the federal government will not use taxpayers' money to finance the destruction of unborn human life is to attach Hyde language to the Medicaid appropriations bill.

ATTACHMENT A

CENTER FOR DISEASE CONTROL

MMWR

MORBIDITY AND MORTALITY WEEKLY REPORT

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## Health Effects of Restricting Federal Funds for Abortion – United States

In August 1977 federal funds for abortion for Medicaid-eligible women were restricted. To measure the impact of this restriction on abortion-related complications, CDC initiated a hospital surveillance project in 13 states and the District of Columbia. No increase in abortion-related complications was observed in this surveillance project.

CDC also maintains nationwide surveillance of abortion-related mortality. Since October 1977, 3 deaths of Medicaid-eligible women have been reported in states not providing public funds for abortion: 1 of the deaths (*1,2*) was directly related to the absence of public funds; the other 2 were indirectly related.

CDC's surveillance of abortion deaths began in 1972, but the hospital surveillance project was initiated in October 1977, following the issuing of regulations on August 4 to restrict funds for abortions to only those procedures necessary to save a woman's life. On February 14, 1978, HEW published regulations that broadened the indications for federal funding for Medicaid-eligible women to include situations in which 1. the woman's life would be "endangered" if the pregnancy were carried to term; 2. "severe and long-lasting physical health damage" to the woman would result if the pregnancy were carried to term, as certified by 2 physicians; or 3. the pregnancy resulted from statutory or forcible rape or from incest, providing that the incident was reported to a law enforcement agency or a government health service within 60 days of its occurrence.

**The Hospital Surveillance Project**

Data on women coming to obstetric, acute-care facilities were collected from 24 institutions located in the District of Columbia and 13 states across the country from October 10, 1977, through June 10, 1978. Ten institutions were located in states in which, because of the absence of public funds, legal abortions might be less available; 14 were in states that were continuing to use state funds to finance Medicaid abortions. Out of the 3,157 abortion complications* reported through this hospital surveillance project, 7 occurred after admitted illegally induced procedures. In 3 other instances in which complications occurred, the women did not name the source of the abortion; for analytic purposes, it was assumed that these women also underwent an illegal or self-induced abortion.

None of these 10 complications occurred in women reported to be a Medicaid recipient. No abortion deaths related to either illegal or legal abortions were detected through the hospital surveillance. There was also no significant difference between institutions in funded and non-funded states in the proportion of Medicaid women with abortion complications over the 8-month period.

*An abortion complication included any illness related to either an induced or a spontaneous abortion that caused a woman to come to the acute-care facility at a participating hospital.

However, the restriction of public funds was found to be significantly associated with a later gestational age at the time of the abortion. In non-funded states Medicaid-eligible women with complications after legally induced abortions had a 1.9-week later mean gestational age than their counterparts in funded states ($p \cong 0.07$). Moreover, Medicaid-eligible women in non-funded states had a 2.4-week later mean gestational age than non-Medicaid-eligible women in the same states ($p < 0.01$); in funded states, Medicaid-eligible and non-Medicaid-eligible women had similar mean gestational ages.

**Nationwide Mortality Surveillance**

Although no abortion-related deaths were detected through the hospital surveillance project, 3 abortion-related deaths of Medicaid recipients living in non-funded states have been documented since August 4, 1977, through CDC's epidemiologic surveillance of abortion mortality. One was directly related to the absence of public funds for abortion: a 27-year-old woman who died in a hospital on the Texas-Mexico border on October 3, 1977, from septic complications of abortion (*1,2*).

In the other 2 instances, the abortion-related deaths appeared to be indirectly related to the absence of public funding. In 1 case, the Medicaid-eligible woman delayed her procedure, in part due to medical reasons, in order to locate a facility which would perform a combined abortion and concurrent sterilization procedure with public funds. In the second case, a Medicaid-eligible woman was informed by 2 free-standing abortion clinics that she was too far advanced in pregnancy to allow the suction curettage procedure that she was planning to finance with private funds. After learning this, and because procedures performed later in pregnancy are more expensive, she attempted to induce an abortion herself, which eventually produced complications requiring a hysterectomy. She died from a pulmonary embolism 10 days after the hysterectomy.

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**Editorial Note:** A pregnant Medicaid-eligible woman in a state which does not fund abortions has several alternatives. She may: 1. carry her pregnancy to term, 2. seek and qualify for a Medicaid-funded, legally induced procedure, 3. use private funds for a legally induced abortion, 4. seek a less expensive abortion from an unlicensed practitioner, and/or 5. attempt to abort herself. The hospital surveillance project was primarily designed to examine whether there would be an increase in self-induced or non-physician-induced abortions, since these options have the greatest potential for causing an increase in morbidity and mortality (*3*). For example, in 1972, before abortion became widely available in the United States, illegal abortion was responsible for 39 deaths; 5 years later in 1976, only 3 fatalities resulted from illegal abortion (*4*). However, no increase was noted, supporting the inference that Medicaid-eligible women are not choosing self-induced or non-physician-induced abortions to any large extent. CDC has initiated an active surveillance system for reporting of sporadic cases of illegal abortion complications

when they occur—whether or not they are related to public funding.

CDC does not have data to explain the later mean gestational age after legally induced abortions in Medicaid-eligible women observed in non-funded states. For each week of delay after the sixth week of gestation, the risk of complications after legally induced abortions increases approximately 20%; the risk of death increases approximately 50% (*5,6*). Because of the rarity of complications associated with legal abortion, such an increase, if present, was not detectable in the hospital surveillance project.

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# Facts Don't Back Link of Abortion Death in Texas to Fund Cutoff

By Richard Grauel and Frank Murray

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The woman portrayed as a martyr to the Hyde Amendment after she died from complications of a Mexican abortion actually may have crossed the border to keep the abortion secret from her family, despite a federal investigator's conclusion that she was motivated by the cutoff in funding brought about by the Hyde Amendment.

This newspaper obtained information that the woman had gone to Mexico for another abortion 2 years earlier, while covered by Medicaid, and that low-cost abortion had been available to her in her Texas home town when she opted for the second Mexican abortion.

It was learned that these facts were known to the federal investigator but were disregarded by him without making them public. He said he accepted instead the statement of a relative that the woman went to Mexico because of the Medicaid cutoff.

The woman's death, and the report by the Center for Disease Control linking it to the funding cutoff, have been cited in the national press, in congressional debate, and by Planned Parenthood in Washington as justification for rejecting the controversial Hyde Amendment, which bars expenditure of federal funds for most abortions.

The federal investigator, Dr. Julian Gold, officially reported five cases of abortion complications clustered in McAllen, Tex., (the other four not fatal) in connection with a survey of the effects of the cutoff Aug. 4 of Medicaid funds for abortions.

When asked about facts obtained by Ob.Gyn. News suggesting that his conclusion was at least questionable, Dr. Gold said he had known of those facts but chose to accept the word of the dead woman's relative, whom he refused to identify.

Asked how he had corroborated that statement, he replied, "How can you corroborate that kind of thing?"

she went over because of the lack of Medicaid funding," Dr. Gold said.

Told that Lila Burns, the head of the Planned Parenthood Clinic in nearby Mission, Tex., where the dead women had been a client, as well as Dr. Kenneth Landrum, a physician who treated her in McAllen General Hospital after the abortion, both felt she had gone to seek privacy, Dr. Gold said he would stick to his conclusion.

Asked why she would go to Mexico in 1975 for an abortion in privacy when she had Medicaid and not be assumed to be going for the same purposes now, he said: "I've thought about that point. I don't know."

The woman entered McAllen General Hospital on Sept. 26. A hysterectomy was done the next day. She died Oct. 3 of renal and cardiac failure attributed to disseminated intravascular coagulation secondary to sepsis. *Clostridium perfringens* organisms were demonstrated in blood culture. No autopsy was done.

For much of the week after she was admitted to the hospital, the woman herself continued to deny even that she had had an abortion. Near the last, while she was intubated and unable to speak, Dr. Chester again pressed her on this and asked her to squeeze his hand once for "yes" and

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twice for "no" to the question: "Did you have an abortion?"

He said she squeezed his hand to indicate yes.

When the death was revealed by CDC, the broadcast and print press gave it wide play with an approach typified by the three-column headline in The Washington Post: "Woman Dies After Mexico Abortion/Had Been Told of Medicaid Cutoff." A New York Times editorial, titled "First Victim," said "The dead woman carried a Medicaid card but it did her little good."

Jeannie I. Rosoff, head of the Planned Parenthood Washington office, said, "Members of Congress who support the ban on Medicaid abortions are responsible for a chain of events that inevitably led to the death and sufferings of these poor women."

A church memorial service was arranged during the meeting of the American Public Health Association. National family planning figures attended and heard the service's organizer, Elisa Sanchez, president of the Mexican-American Women's National Association, say, "The only thing that stood between her and life was a Medicaid card that wouldn't buy her an abortion she chose to have."

Ms. Sanchez told this newspaper she knew nothing more about the case than what had been in The Washington Post.

The Post report said, "A CDC spokesman said his investigators could not determine whether the dead woman had been refused a Medicaid-funded abortion. But he confirmed that she had been informed that they were no longer available before she crossed the border to get her $40 abortion in Reynosa, Mexico."

At a press briefing shortly afterward, Secretary of Health, Education, and Welfare Joseph A. Califano Jr. was asked about the case by a reporter who said, "But aren't you concerned at all about the involvement of federal policy in those deaths?" He corrected the number of deaths to one, called it sad, but said it did not justify a change in the law.

At a nationally televised press conference the next day, President Carter was asked a similar question by a reporter who said, "A young woman in Texas recently was unable to obtain a Medicaid abortion and went across the border into Mexico, obtained a cheap botched-up operation, and died."

President Carter did not directly address the question about the death, but restated his objection to public funding of abortions.

The entire appropriations bill for the Department of Health, Education, and Welfare has been tied up for months over the Hyde Amendment fight. In the most recent debate on the issue, on Nov. 3, several members of Congress cited the death of the woman in McAllen, Tex., and linked it to the issue before them.

Rep. Elizabeth Holtzman (D-N.Y.) was perhaps the most vivid:

"As a result of the actions of the House in restricting Medicaid abortions, a woman has already died. An unmarried mother of a 4-year-old girl, who was too poor to afford a safe medical abortion, crossed the border into Mexico to obtain an unsafe abortion. She died in a hospital in McAllen, Tex., just a few day ago. Hundreds, if not thousands, of other women will suffer the same fate."

NUMBER OF REPORTED MEDICAID ABORTIONS, BY STATE AND JUSTIFICATION FOR ABORTION, FOR WHICH FEDERAL MATCHING FUNDS SHOULD BE AVAILABLE UNDER P.L. 95-205, OCTOBER 1, 1978-DECEMBER 31, 1978

| STATE 1/ 2/ | TOTAL NUMBER OF ABORTIONS REPORTED | JUSTIFICATION FOR ABORTION | | |
|---|---|---|---|---|
| | | LIFE OF WOMAN ENDANGERED | SEVERE AND LONG LASTING DAMAGE TO HEALTH OF WOMAN | RAPE OR INCEST |
| TOTALS | 780 | 645 | 86 | 25 |
| COLORADO | 49 | 49 | 0 | 0 |
| CONNECTICUT | 29 | 29 | 0 | 0 |
| * GEORGIA | 3 | 0 | 2 | 1 |
| * IDAHO | 5 | 0 | 5 | 0 |
| * ILLINOIS | 59 | 15 | 41 | 3 |
| IOWA | 4 | 3 | 0 | 1 |
| * KANSAS | 3 | 3 | 0 | 0 |
| * MAINE | 1 | 0 | 1 | 0 |
| * MARYLAND | 43 | 35 | 7 | 1 |
| MASSACHUSETTS | 24 | 3/ | 3/ | 3/ |
| * NEW JERSEY | 42 | 42 | 0 | 0 |
| NEW MEXICO | 3 | 1 | 0 | 2 |
| NEW YORK 4/ | 55 | 54 | 1 | 0 |
| * OHIO | 386 | 373 | 12 | 1 |
| * OKLAHOMA | 19 | 18 | 1 | 0 |
| * OREGON | 22 | 6 | 2 | 14 |
| * PENNSYLVANIA | 21 | 9 | 12 | 0 |
| * SOUTH CAROLINA | 2 | 1 | 0 | 1 |
| * TEXAS | 2 | 2 | 0 | 0 |
| * VERMONT | 3 | 0 | 2 | 1 |
| * VIRGINIA | 4 | 4 | 0 | 0 |
| WISCONSIN | 1 | 1 | 0 | 0 |

* INDICATES THOSE STATES FROM WHICH WRITTEN CONFIRMATION HAS BEEN RECEIVED.

1/ The following 30 States/areas reported that no abortions meeting the criteria of P.L. 95-205 were financed during this period:

Alabama
Alaska
Arkansas
California
Delaware
District of Columbia
Guam
Hawaii
Indiana
Kentucky
Louisiana
Michigan
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada
New Hampshire
North Carolina
North Dakota
Puerto Rico
Rhode Island
South Dakota
Tennessee
Utah
Virgin Islands
Washington
West Virginia
Wyoming

Arizona does not have a Medicaid program.

2/ Data are not available at this time for the State of Florida due to data processing problems.

3/ Justifications for abortions not reported by Massachusetts.

4/ New York data are partial. Several counties have not reported to the State.

TOTAL NUMBER OF REPORTED MEDICAID ABORTIONS BY STATE AND REPORTING PERIODS DURING 1978

| | Total | February 14, 1978-June 30, 1978 | July 1, 1978-September 30, 1978 | October 1, 1978-December 31, 1978 |
|---|---|---|---|---|
| Total | 2,421 1,2,3/ | 810 | 831 2/ | 780 1/ 3/ |
| Alaska | 94 | 94 | 0 | 0 |
| Arkansas | 9 | 6 | 3 | 0 |
| Colorado | 170 | 81 | 40 | 49 |
| Connecticut | 106 | 47 | 30 | 29 |
| Florida | 176 1/ 2/ | 66 | 110 2/ | 1/ |
| Georgia | 12 | 3 | 6 | 3 |
| Idaho | 20 | 7 | 8 | 5 |
| Illinois | 264 | 124 | 81 | 59 |
| Indiana | 4 | 2 | 2 | 0 |
| Iowa | 4 | 0 | 0 | 4 |
| Kansas | 3 | 0 | 0 | 3 |
| Kentucky | 3 | 3 | 0 | 0 |
| Maine | 3 | 1 | 1 | 1 |
| Maryland | 144 | 42 | 59 | 43 |
| Massachusetts | 24 | 0 | 0 | 24 |
| Mississippi | 12 | 12 | 0 | 0 |
| New Hampshire | 1 | 0 | 1 | 0 |
| New Jersey | 98 | 34 | 22 | 42 |
| New Mexico | 5 | 2 | 0 | 3 |
| New York | 149 3/ | 51 | 43 | 55 3/ |
| North Carolina | 9 | 8 | 1 | 0 |
| North Dakota | 1 | 1 | 0 | 0 |
| Ohio | 811 | 98 | 327 | 386 |
| Oklahoma | 38 | 10 | 9 | 19 |
| Oregon | 31 | 7 | 2 | 22 |
| Pennsylvania | 108 | 34 | 53 | 21 |
| Rhode Island | 1 | 0 | 1 | 0 |
| South Carolina | 21 | 12 | 7 | 2 |
| South Dakota | 1 | 1 | 0 | 0 |
| Tennessee | 19 | 19 | 0 | 0 |
| Texas | 14 | 7 | 5 | 2 |
| Utah | 2 | 0 | 2 | 0 |
| Vermont | 6 | 0 | 3 | 3 |
| Virginia | 9 | 2 | 3 | 4 |
| West Virginia | 3 | 3 | 0 | 0 |
| Wisconsin | 45 | 33 | 11 | 1 |
| Wyoming | 1 | 0 | 1 | 0 |

1/ Data not reported for quarter ending in December for Florida.
2/ Revised report to be submitted for quarter ending in September for Florida after HEW review.
3/ Data for quarter ending in December are incomplete for New York State. Some counties have not reported.

TOTAL NUMBER OF REPORTED MEDICAID ABORTIONS, BY JUSTIFICATION FOR ABORTION, FEBRUARY 14, 1978 - DECEMBER 31, 1978

| JUSTIFICATION FOR ABORTION | TOTAL | FEBRUARY 14, 1978-JUNE 30, 1978 | JULY 1, 1978-SEPTEMBER 30, 1978 | OCTOBER 1, 1978-DECEMBER 31, 1978 |
|---|---|---|---|---|
| Total Number of Reported Abortions | 2,421 1/ | 810 1/ | 831 | 780 1/ |
| Life of Woman Endangered | 1,857 | 546 | 666 | 645 |
| Severe and Long Lasting Damage to Health of Woman | 385 | 146 | 153 | 86 |
| Rape or Incest | 61 | 24 | 12 | 25 |

1/ Figures will not add to totals because Alaska did not report the reasons for 94 abortions in the February 14-June 30 period, and Massachusetts did not report the reasons for 24 abortions in the October-December period.

STATEMENT OF CONSTANCE E. WHEELER, LOS GATOS, CALIF.

Some people believe abortion to be murder. But I ask you, "Is there a crime worse than murder?" If you, yourselves, had no choice but to be the victim of a quick death at the hand of an unknown murderer or live a lifetime of torture--ill-treatment mental or physical--which would you prefer? Sometimes, for an unborn child, these are the two terrible alternatives he or she faces--abortion or a life of living hell.

When tax funds are refused to pay for all abortions, some unwanted children may face the second unhappy alternative.

Abortion is never right or good. At best, it is the lesser of two evils. In a world populated by perfect people, there would be no need for any abortions. But who is perfect? Is there even one of us who has never made a mistake or sinned?

No woman should ever be forced to have an abortion against her will but, conversely, no woman should be forced into bearing a child she feels it is morally right for her to abort.

Because Americans are of different origins and religious beliefs, what is considered morally right by one person may, under certain circumstances, be considered morally wrong by another.

Some people who favor withholding tax funds for abortions for low-income women argue, "Poor women always have to go without things wealthier women can afford." Surely, people who argue this way, are making no distinction between the purely material and what is spiritual. A child is not a thing that you buy like a car or a fur coat. A child is a sensitive, living. feeling being who needs loving care, guidance and protection if he or she is to grow up normally happy and productive.

Of all a child's needs, love is the most important and this is the one thing an unwanted child is most likely to lack.

It must be emphasized that low-income women are no more unfeeling than wealthier women. However, we all know, that, regardless of income, particularly in homes where there are alcohol or drug problems, many unloved children are physically abused. Some die from this callous treatment; some are permanently injured. There is no way of measuring the mental anguish some of these children undergo.

Only the mother--no outsider--knows the conditions into which her child will be born. If, because of those conditions, a low-income woman decides it is morally right and best for her family as well as the unborn child that she have an abortion, then I believe the operation should be Federally-funded.

Those who refuse tax funds for abortions for low-income women who want them, are controlling the behavior of those women even though they are law-abiding citizens. In withholding funds, they are denying these women their God-given right to choose between right and wrong.

Those who refuse tax funds, and their supporters, are taking on themselves an awesome responsibility. If a woman can afford an abortion and does not choose to have one then she is responsible for what happens to the child. But, those who withhold tax funds for abortions for low-income women will be indirectly responsible for the birth of some unloved, unwanted children. They must, therefore, share the moral responsibility for the fate of these children. They must, also, share the guilt for any excessive suffering any of these unwanted children may undergo both in their younger years and, also, later when to escape the reality of their barren lives, they turn to drugs, alcohol or crime, to the detriment of themselves and of society.

Controlling the freedom of choice between right and wrong behavior for law-abiding citizens is a very dangerous precedent. It is one which could be used in the future, in a very different

political climate, to the disadvantage of other Americans. Poverty is the excuse for behavior control now. Who knows what it may be at some future time?

I do not believe abortion to be necessarily murder. It can be a form of self-defense in which the mother must act on behalf of her unborn child.

Is it humane? Is it an act of love to insist on the right to life of the fetus if, in doing so, an innocent child comes into the world not to a fulfilling life but to be unfairly condemned to a dreary existence under deplorable conditions?

Mr. Chairman, Members of the Committee, I urge you to vote for an appropriation of funds sufficient to cover the cost of all legal abortions required by low-income women.

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## STATEMENT OF CHARLES A. DONOVAN, LEGISLATIVE ASSISTANT, NATIONAL RIGHT TO LIFE COMMITTEE

It is my pleasure to appear before you as a representative of the National Right to Life Committee concerning the issue of appropriation of federal funds for abortion under Title XIX of the Social Security Act. This significant and deeply divisive issue, encompassing as it does fundamental aspects of our collective respect for human life and the dignity of the disadvantaged person, has provoked and continues to provoke intense debate in the Congress and in the nation as a whole.

The National Right to Life Committee is unalterably opposed to the expenditure of federal funds for abortion on the grounds that no citizen should be forced to participate in acts violative of the civil rights of another, most fundamentally when the right in question is the primum mobile of all civil rights: the right to life. In the past two years, Congress has resolved the Medicaid abortion funding debate by adopting appropriations language that neither preserves the concept of nonparticipation in acts violative of human liberty nor affirms the existence of that liberty itself.

In recent weeks, both the First and Seventh Circuit Court of Appeals have ruled that restrictive state abortion funding policies are superseded

by extant federal policy as expressed in current FY '79 Medicaid abortion regulations under the terms of the "Michel amendment", which both Courts have described as a "substantive amendment" to the Social Security Act. 1/ These lower court decisions raise the possibility that deliberations at the federal level on appropriate Medicaid abortion policy may be dispositive of the issue of abortion funding at the state level as well.

In this light, it should be readily apparent that public interest in the issue of abortion funding by Congress is unlikely to diminish or be dampened by momentarily favorable statistics from the Health Care Financing Administration. The following facts seem well established:

1) Restriction of federal funds for abortion has not resulted in any increase in abortion-related complications among Medicaid-eligible women. 2/

2) Nearly three-fourths of states maintain or have developed abortion-funding policies equivalent to or more restrictive than current federal guidelines. More effectively than any opinion poll, this fact demonstrates pervasive reluctance on the part of the American people to finance an objectionable procedure. Three states (Illinois, Pennsylvania and Massachusetts) have actually passed highly restrictive legislation over a governor's veto. There are no corresponding examples in the opposite direction anywhere in the United States.

3) The report of the Health Care Financing Administration of a 99% reduction in abortions financed by DHEW reflects the optimism of "early returns." Despite vigorous and responsible enforcement of Congressional intent by HEW Secretary Califano in the past year, several serious anomalies in the HCFA report warrant suspension of final judgment as to the innate effectiveness of the current language in curbing federal financial participation in abortion. (See Appendix A).

4) In general, the degree and seriousness of complications and sequelae from legally induced abortions, particularly with respect to subsequent pregnancies, is just beginning to emerge from the thicket of limited and/or inadequately funded studies. A report of a partially completed research project under a grant awarded to the New York State Department of Health was recently issued. The report, entitled "A Prospective Study of the Effects of Induced Abortion on Subsequent Reproductive Function", has yielded interim results showing, among other nugatory effects of induced abortion, an 85% higher spontaneous fetal death ratio, a 67% increase in infants born 12 or more weeks prematurely, and a 83% increase in delivery complications. 3/ (See Appendix B).

5) A report recently released by DHEW entitled "Health, United States, 1978" acknowledges that nearly one-third of indigent women fail to obtain prenatal care during the critical first trimester of pregnancy when

> both mother and child are more susceptible to particular risks to health. The problem is especially acute among teenagers and indigent women pregnant for the first time. It is difficult to imagine a more literal manifestation of denial of "equal protection" to economically disadvantaged women in respect of their unborn children.

The National Right to Life Committee strongly urges this Subcommittee to affirm the fundamental value of human life, irrespective of age, health or condition of dependency, and to restore language to Labor-HEW appropriations for FY '80 that reflect this root proposition. The construction of alternatives to abortion is difficult, but the adoption of alternatives to life is impossible. Until this nation can afford its poor what the wealth of others denies them, it cannot be reasonable to deny the children of the poor on the grounds that the wealthy cannot afford them.

FOOTNOTES

1. Zbaraz v. Quern, U.S. Court of Appeals for the Seventh Circuit, opinion date February 13, 1979; and Preterm, Inc. v. Dukakis, U.S. Court of Appeals for the First Circuit, opinion date January 15, 1979, Case No. 78-1324 (decision stayed by Ct. of Appeals, 1st Circuit, to allow Preterm, Inc., to appeal to the U.S, Supreme Court.

2. DHEW Center for Disease Control, Morbidity and Mortality Weekly Report, "Health Effects of Restricting Federal Funds for Abortion-United States", Vol. 28/No. 4, February 2, 1979.

3. "A Prospective Study of the Effects of Induced Abortion on Subsequent Reproductive Function"; preliminary report issued under research contract no. NO1-HD-6-2802, Health Research, Inc., New York State Department of Health, Albany, NY; September, 1978, from the National Institute of Child Health and Human Development.

## Appendix: Medicaid Abortions Under the Michel Amendment

The Health Care Financing Administration (HCFA) of the Department of Health, Education and Welfare recently transmitted to Congress its summary report on Medicaid abortions for the period February 14, 1978, to December 31, 1978. The report updated earlier statistics transmitted to Congress and utilized by both sides of the debate over Labor-HEW appropriations for abortion in October, 1978. The data generated by the HCFA is broken down into three categories of permissible federal financial participation in abortion funding under the terms of the Michel amendment adopted by a vote of 198-195 in the House on October 13, 1978:

a) Abortions where the life of the mother would be endangered if the fetus were carried to term;

b) Abortions for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service;

c) Abortions in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

In line with these descriptions, the total number of abortions submitted to the HCFA for reimbursement in 1978 was 2,421 distributed as follows:

Category A: 1857 Category B: 385 Category C: 61

Categorized abortions total 2,303 for the year inasmuch as figures provided the HCFA by Alaska and Massachusetts in two different quarters were not distinguished by criterion. This fact and a number of others cited below draw attention to the need to give minimum credibility to these statistics and to their significance in the overall Labor-HEW debate. Specifically:

1) All HCFA abortion statistics represent unaudited figures.

2) The state of Florida has made no report for the period October 1-December 31, 1978. Among the states, Florida had the fifth highest number of Medicaid-funded abortions in an earlier reporting period.

3) New York data are partial, inasmuch as several counties have not yet reported to the State.

4) States may file for reimbursement of abortions performed in 1978 with federal financial participation several years thereafter.

5) The 30 states reporting no abortions meeting the Michel criteria in the period October 1, 1978, to December 31, 1978, include eight states funding most or all abortions for poor women under an existing state policy or court order. As such, the absence of claims for federal reimbursement in these instances reflects nothing about limitations imposed by the Michel criteria, but rather indicates non-reliance on federal participation in any instance.

This non-reliance cannot be presumed to reflect any permanent state policy regarding claims for federal reimbursement in the future.

6) Several states which had elected to prohibit state funding of abortions have recently been placed under court order to comply with federal guidelines in this area, a move which undoubtedly will result in an increase in abortions claimed by these states for federal reimbursement (e.g., Missouri, Virginia and West Virginia).

Several interesting facts can be derived from the statistics themselves:

1) The State of Ohio has accounted for nearly one-third of all Medicaid funded abortions in 1978 and nearly one-half of all such abortions in the last quarter of 1978. 97% of abortions reimbursed by HCFA for Ohio were performed to "save the life of the mother."

2) 69% of abortions reimbursed in the State of Illinois in the final quarter of 1978 were performed to avert "severe and long-lasting physical health damage to the mother." No other state reported more than 12 such abortions (Illinois reported 41) with the average state reporting 12% of all reimbursable abortions under that criterion.

3) 56% of all abortions reimbursed in the final quarter of 1978 for rape or incest were claimed by the State of Oregon.

4) The number of abortions for which claims for reimbursement were received under the "life of the mother" criterion far exceeds the number of abortions to be expected under any realistic assessment of risk of maternal death; e.g., 373 abortions performed under the criteria in Ohio in the last quarter of 1978 generates an annual figure of 1,492 "life of the mother" abortions among that state's indigent population alone. Assuming the figure 1,492 represents an accurate assessment of maternal mortality, the life of one out of every 30 indigent women in the State of Ohio is endangered by a pregnancy. CDC mortality figures yield a projected figure of 1-3 for maternal deaths in Ohio among indigent women.

Because of the above factors, these recent data from the HCFA must be handled with care. Lest the point be forgotten, the efficacy of the Michel amendment in reducing the number of abortions funded by the federal government must not be confused with any directly increased efficacy in protecting the unborn child from destruction. Our legislators must be consistently reminded of this fact.

CPR Positi / Statement Concerning Contract . .1-HD-6-2802

"A Prospective Study of the Effects of Induced Abortion on Subsequent Reproductive Function"

This research project began September 1, 1975, and is scheduled for completion August 30, 1979. The project is therefore not complete, and the interim results which have been described in recent newspaper articles must be considered as tentative. The project is one of three contracts initiated by the Contraceptive Evaluation Branch, Center for Population Research, NICHD to evaluate the effect of induced abortion on subsequent reproductive function.

The interim results from the project in question show higher age-adjusted rates of adverse pregnancy outcomes among women with prior recorded induced abortions than among women with no prior recorded induced abortions.

1. Spontaneous fetal death ratio: 85% higher
2. Low birthweight infants (single live births 2500 gms): 32% higher
3. Early gestation infants (single live births of 28 weeks gestation or less): 67% higher
4. Labor complications: 47% higher
5. Delivery complications: 83% higher

These interim results should be viewed most cautiously; it is possible that the women who had induced abortions were at increased risk for adverse outcomes of subsequent pregnancies because of health problems or other characteristics (such as socioeconomic status) which are associated with, but not necessarily caused by induced abortion. This is a complex issue, and further research is necessary before firm conclusions concerning the effects of induced abortion on subsequent reproductive function can be reached with confidence.

Preliminary analyses of first subsequent pregnancies among 20,306 women who had an induced abortion during the time period July 1, 1970 through June 30, 1971 and an equal number of matched control women who had a live birth during the same time period indicates that the two groups experienced different outcomes for selected pregnancy related variables.

Measures related to birthweight and length of gestation were calculated for single live births. The rates of occurrence of selected maternal conditions present during pregnancy were calculated for those pregnancies which resulted in a live birth. This base was chosen to avoid counting more than once women who had multiple deliveries. Congenital malformation rates and rates of complications of labor were calculated for total live births. All rates have been adjusted for maternal age at the time of the first subsequent pregnancy following the index event.

Preliminary findings based upon provisional data indicate:

1. The control group had 2.5 times as many live births at the first subsequent event following the index event as the study group.

2. The spontaneous fetal death ratio among the study group was nearly double that of the control group.

3. The rate of low birthweight live births ($\leq$ 2500 grams) was higher among the study group.

4. The rate of early gestational age infants ($\leq$ 28 weeks) was higher among the study group.

5. The rate of complications of labor was higher among the study group.

6. The rate of abnormal uterine bleeding, eclampsia and preeclampsia was higher among the study group.

7. There was essentially no difference in the rate of congenital malformations between the two groups.

8. The mean birthweight was lower for the study group.

9. There was no difference in the mean gestation length between the two groups.

Our preliminary findings are summarized in the attached table.

First Subsequent Pregnancy After Index Event
Provisional Data

| Characteristic | Study Group | Control Group |
|---|---|---|
| Number of Women | 20,306 | 20,306 |
| Number of Single Live Births | 2,867 | 7,038 |
| Number of Pregnancies Resulting in a Live Birth | 2,899 | 7,102 |
| Number of Total Live Births | 2,930 | 7,162 |
| Number of Total Spontaneous Fetal Deaths | 256 | 338 |
| Spontaneous Fetal Death Ratio (per 1,000 Total Live Births) | 87.3 | 47.2 |
| For Single Live Births, Rate of Low Birthweight Infants (≤ 2500 grams) adjusted for Maternal Age at Time of Subsequent Live Birth (per 1,000 Live Births) | 79.1 | 59.6 |
| For Single Live Births, Rate of Early Gestation Infants (≤ 28 weeks) adjusted for Maternal Age at Time of Subsequent Live Birth (per 1,000 Live Births) | 10.0 | 6.0 |
| For Total Live Births, Rate of Complications of Labor adjusted for Maternal Age at Time of Subsequent Live Birth (per 1,000 Live Births) | 94.7 | 51.7 |
| For Pregnancies Resulting in a Live Birth, Rate of Abnormal Uterine Bleeding, Eclampsia and Preeclampsia adjusted for Maternal Age at Time of Subsequent Live Birth (per 1,000 Live Births) | 20.5 | 13.9 |
| For Total Live Births, Rate of Congenital Malformations adjusted for Maternal Age at Time of Subsequent Live Birth (per 1,000 Live Births) | 9.9 | 9.6 |
| For Single Live Births, Mean Birthweight in Grams | 3265.2 | 3346.9 |
| For Single Live Births, Mean Gestation in Days | 278.9 | 279.6 |

The following report describes work completed during the eleventh reporting period under Contract Number NO1-HD-6-2302. During this period verification was completed for subsequent births and fetal deaths for the study and control groups which occurred during 1976 and the first six months of 1977. All permanent data files of subsequent births and subsequent fetal deaths have been created. Preliminary tabulations were made for selected variables for both the study and control groups for first subsequent pregnancies which resulted in a live birth.

## Work Completed

During the past quarter the clerical staff completed the verification of the subsequent births for the control group through June, 1977. Verification was also completed for the subsequent fetal deaths for both the study and control groups through June, 1977. The computer programs were run to list the possible subsequent births and fetal deaths for 1976 and 1977 for the study and control patients who were subsequently married, and these were also verified.

For the 1976-77 data, a data file containing the year and certificate number of the subsequent birth or fetal death and the year and certificate number of the associated abortion or control birth was entered through the terminal. These data files were used in establishing the permanent files. The permanent data files for the subsequent fetal deaths for the study group were created for the time period July 1970 through June 1977. Information needed for future analysis was selected from the original tape files of the fetal deaths and was recorded with the year and certificate number of the associated abortion. The permanent data files of the subsequent fetal deaths for the control group were created in a similar manner. Permanent data files of the subsequent births for 1976-77 data were created for both the study and control groups. This completed the files of all subsequent pregnancies for the time period under study. All events during this period which occurred within six years of the index event are available for analysis.

For the study group there were a total of 7,220 subsequent pregnancies during a six-year time period following each index event. Of these 5,211 represent the first pregnancy subsequent to the index event. There were a total of 11,400 subsequent pregnancies for the control group during the six-year period, and 8,507 of these represent first subsequent pregnancies. Tables 1 and 2 show the distribution of live births, induced abortions, and spontaneous fetal deaths for total pregnancies and for first subsequent pregnancies only.

Table 3 gives the total number of subsequent events (live births, induced abortions, and spontaneous fetal deaths) by subsequent pregnancy number (i.e., first pregnancy subsequent to the index event, second pregnancy subsequent to the index event, etc.) for the study group. The table also shows the number of events which were single or multiple events. Table 4 presents the same information for the control group.

Preliminary data has been tabulated for selected variables for the study and the control groups for live births through June 1977 which were the first subsequent pregnancy. Provisional tabulations have been made for live births by birthweight, gestation, selected conditions present during pregnancy, complications during labor, and congenital malformations. Rates calculated for these variables have been age adjusted for maternal age at the time of the subsequent birth in order to insure that age differences between the study and control groups do not affect the results. Spontaneous fetal death ratios for the two groups, based upon first subsequent pregnancies, have also been calculated. The preliminary results from this data appear in the summary of results obtained to date which accompanies this report.

## Future Work

During the next period, the analysis of all subsequent pregnancies for the study and control groups will be completed. Final tabulations for the two groups will be made by birthweight, gestation, selected conditions present during pregnancy, complications during labor, and congenital malformations for total live births and for all first subsequent pregnancies which resulted in a live birth. Age adjusted rates will be calculated for these variables in order to insure that age differences at the time of the subsequent births

between the study and control groups do not affect the results. This data will be analyzed to determine if any significant differences exist between the study and control groups for these selected variables. For the study group tabulations will also be made by the type of operative procedure used for the abortion to determine if any observed differences in subsequent pregnancy characteristics are apparent.

The spontaneous fetal death ratio and neonatal mortality rates will be calculated and compared for the two groups.

Other tabulations and analyses will be completed as necessary for full analytical development of the data.

TABLE 1

Provisional Data, Study Group

| Type of Event | First Subsequent Pregnancies | Total Pregnancies |
|---|---|---|
| Live Births | 2930 | 4074 |
| Induced Abortions | 2025 | 2791 |
| Spontaneous Fetal Deaths | 256 | 355 |
| Total | 5211 | 7220 |

TABLE 2

Provisional Data, Control Group

| Type of Event | First Subsequent Pregnancies | Total Pregnancies |
|---|---|---|
| Live Births | 7162 | 9269 |
| Induced Abortions | 1007 | 1637 |
| Spontaneous Fetal Deaths | 338 | 494 |
| Total | 8507 | 11400 |

TABLE 3

Provisional Data, Study Group

| Subsequent Pregnancy Number | Single | Twins | Triplets | Total Number of Pregnancies | Total Number of Deliveries |
|---|---|---|---|---|---|
| 1st | 5140 | 34 | 1 | 5175 | 5211 |
| 2nd | 1528 | 12 | 0 | 1540 | 1552 |
| 3rd | 359 | 1 | 0 | 360 | 361 |
| 4th | 76 | 2 | 0 | 78 | 80 |
| 5th | 14 | 0 | 0 | 14 | 14 |
| 6th | 2 | 0 | 0 | 2 | 2 |
| Total | 7119 | 49 | 1 | 7169 | 7220 |

TABLE 4

Provisional Data, Control Group

| Subsequent Pregnancy Number | Single | Twins | Total Number of Pregnancies | Total Number of Deliveries |
|---|---|---|---|---|
| 1st | 8375 | 66 | 8441 | 8507 |
| 2nd | 2245 | 20 | 2265 | 2285 |
| 3rd | 459 | 7 | 466 | 473 |
| 4th | 105 | 1 | 106 | 107 |
| 5th | 22 | 1 | 23 | 24 |
| 6th | 4 | 0 | 4 | 4 |
| Total | 11210 | 95 | 11305 | 11400 |

STATEMENT OF REV. MAMIE WILLIAMS, RELIGIOUS COALITION FOR ABORTION RIGHTS

Thank you, Mr. Chairman. I am the Reverend Mamie Williams, and I am a member of the Board of Church and Society of the United Methodist Church. I am currently serving as pastor of the Calvary United Methodist Church, here in the District of Columbia.

I appear before you today representing the Religious Coalition for Abortion Rights, a coalition of 27 national Protestant, Jewish, Catholic and other groups, committed to maintaining the legal option of abortion for all women who choose it, consistent with sound medical practice. We thank you for this opportunity to present our views to your Subcommittee.

The Religious Coalition for Abortion Rights wishes to go on record in opposition to any restriction in abortion funding which may be proposed for inclusion in the fiscal year 1980 Labor/HEW Appropriations bill. We believe that these restrictions represent a basic contradiction of the intent of the bill, which is to make a full range of health and education services accessible to all our citizens regardless of their own ability to meet the costs of such programs. Without this assistance and this equalization of services, lower and marginal income Americans have no means of securing these important services. Therefore, a prohibition in the Labor/HEW bill of a particular service such as abortion effectively denies to poor women the same kind of health care available to others in society with higher incomes. We believe that this denial promotes and perpetuates discrimination.

The goal of the legislation is further distorted by the realities of women who are unable to receive adequate health care. Doctors treating poor women are forced by this prohibition to resort to a different (and we believe less adequate) standard of care than they provide for other women in society. Rather than allowing a medical doctor the latitude he/she needs to determine the need for an abortion, doctors treating poor women may now only recommend abortions when the woman's life is endangered by pregnancy, for victims of rape and incest who promptly report the crime, and for women for whom pregnancy would result in severe and long-lasting physical health damage. Currently pending before U.S. District court in New York is a case, McCrea vs. Califano, which challenges the constitutionality of this abortion restriction. (The United Methodist Church's Women's Division is a plaintiff in the suit and many RCAR members have filed a friend of the court brief.) During the proceedings, doctors testified that this language is vague. Furthermore, it was revealed that doctors are interpreting the ex-

ceptions so narrowly that even abortions that Congress intended to fund are not being provided to women. This is the result of two factors:

First, doctors have testified that the standard established by the abortion restrictions are not medical standards. Doctors do not use terms such as "life endangerment" and "severe and long-lasting physical health damage" when making medical judgments. It was said that this latter standard is being equated by most doctors with the "life-endangering" exception. It was also noted during the trial that certification requiring a doctor to state that such damage would result if the pregnancy were carried to term is to "put physicians in an almost impossible situation." Doctors can say that a pregnant woman's life might be endangered, but they cannot guarantee that it would be.

Because of the vagueness of this statute, physicians are reluctant to perform abortions for all but the most extreme cases. They fear the possibility of investigations by local, state and federal officials and potential sanctions ranging from non-reimbursement to decertification as a Medicaid provider to criminal prosecution for Medicaid fraud, which carries a penalty of up to five years in jail.

Secondly, many women carrying problem pregnancies are not being cared for by physicians. Doctors are turning down patients who they believe would be unable to meet the Medicaid guidelines or pay for the service. Additionally, many poor women with difficult pregnancies will not even seek Medicaid abortions because of the belief that none are being performed. Thus, in many cases, doctors are not making medical judgment about the necessity of abortion because they are not seeing the patients. And when they are, physicians, fearing government reprisals, are only certifying abortions for those poor women who are in danger of dying. This is not the standard of care provided to those women who are able to pay for an abortion.

The list of exceptions adopted by Congress last year to the FY 1979 appropriations bill presumed to represent a compromise between the position of the House and the Senate. But it does not represent a compromise to the poor woman who has been in and out of mental hospitals for years, whose hope for recovery is completely destroyed by a pregnancy she neither planned nor understands. It is no compromise to the woman who has six children already and simply cannot support another. It cannot be a compromise to parents who know from medical tests that the child they expect will be severely deformed at birth

with little chance for survival. And, surely, it is no compromise to the woman in rural America who is fortunate if she ever receives more than paramedic treatment in her lifetime, let alone sees two doctors to certify her need for an abortion. These cases are all tragic, but they are by no means rare in today's society. None would qualify for coverage under the language finally adopted by Congress last year.

We recognize that the Senate conferees tried earnestly to find a workable compromise to gain coverage for abortions in a number of tragic circumstances. In the face of objections by the House of Representatives, such coverage was impossible. In fact, however, no list of exceptions can ever cover all the tragic circumstances under which an abortion might be sought. For this reason, RCAR urges that the Senate Subcommittee delete all language restricting abortion rights.

As religious organizations concerned for the health and welfare of all people, we oppose any legislation which would impose on any segment of society a choice between resorting to medically unsound care or forced childbearing. And as religious organizations committed to equal and civil rights, we cannot support legislation which would discriminate against the poor by denying to them access to a service which has been ruled, by no less than the highest Court in the land, to be a right for all American women.

In addition to our concern for the health and well-being of poor women and our commitment to the principal of equal access to quality health care for all, regardless of income level, RCAR has an even more basic and compelling reason for objecting to abortion restrictions in the Labor/HEW Appropriations bill. We believe that these restrictions deny religious liberty to poor women by preventing them from following their own conscience and religious convictions on abortion. Within the religious community, there are widely differing views on abortion. There are some religions that object to abortion under all circumstances. This view is based on the belief that a separate, equal human life exists from the moment of conception and that abortion represents murder. However, there are also those faiths which teach that separate, equal human life begins sometime between viability and birth. While these religions have a deep respect for the human potential of a fetus, they do not consider it a full human person with rights equal to those of existing individuals. Therefore, many of these religions agree that when a problem pregnancy would result in tragic circumstances, abor-

tion should be considered a moral alternative and one which may be the most loving and responsible solution.

Because there is no agreement on this subject within the religious (or medical or legal) community, government policy on this matter must allow people of all faiths to freely practice their own belief. It is paramount that there be no law embodying the views or bias of any religious group; otherwise, the rights of others to follow their own religious teachings and conscience on this matter are abrogated.

My own church counsels that, "When, through contraceptive or human failure, an unacceptable pregnancy occurs, we believe that a profound regard for full formed personhood, particularly when the physical, mental and emotional health of the pregnant woman and her family show reason to be seriously threatened." (Resolution on Responsible Parenthood, adopted by the 1976 General Conference of the United Methodist Church.)

Finally, Mr. Chairman, I would stress that no member of RCAR advocates abortion or considers it an easy solution to a problem pregnancy. Certainly none consider it a desirable means of family planning. We are hopeful that in the future, the need for abortion will be reduced. Within the programs funded by the Labor/HEW Appropriations bill, there are a broad range of services for family planning and contraceptive research which we hope will increasingly meet the needs of the poor and alleviate the problems which lead women to seek abortions. We strongly believe, however, that complete abortion services, including referral and counseling, must be among the services available to the poor through these publicly funded programs. We would hope that the House and Senate will see fit to appropriate adequate sums of money to insure the success of these programs.

For these reasons, we urge the Committee to reject all abortion restrictions in the FY 1980 Labor/HEW Appropriations bill, and to restore to lower income women their right to obtain safe abortion services.

Thank you.

50635

TESTIMONY ON BEHALF OF THE RELIGIOUS COALITION FOR ABORTION RIGHTS
IN SUPPORT OF FULL FUNDING FOR MEDICAID ABORTIONS

The Religious Coalition for Abortion Rights wishes to go on record in opposition to any restriction in abortion funding which may be proposed for inclusion in the fiscal year 1980 Labor/HEW Appropriations bill.

We recommend that the Subcommittee reject any amendments restricting abortion rights, in order to protect:

government intent in the Labor/HEW Appropriations bill: Restrictions of abortion rights represent a basic contradiction of the intent of the bill, which is to make a full range of health and education services accessible to all our citizens regardless of their own ability to meet the costs of such programs.

a responsible health policy: Abortion restrictions may jeopardize the health ofpoor women. Doctors treating poor women are forced by abortion prohibitions to resort to a different (and we believe less adequate) standard of care than they provide for other women in society.

religious freedom: Such legislative restrictions on abortion rights deny religious liberty to poor women by preventing them from following their own conscience and religious convictions on abortion. Many religions counsel women who are carrying problem pregnancies to consider abortion as a moral alternative to a problem pregnancy.

We further recommend that this Subcommittee appropriate the sums of money necessary to insure the success of family planning services and contraceptive research, programs which we believe are necessary to alleviate the problems which lead women to seek abortions.

## STATEMENT OF BROOKSLEY E. LANDAU, AMERICAN BAR ASSOCIATION

I am Brooksley Landau, the Last Retiring Chairperson of the Section of Individual Rights and Responsibilities of the American Bar Association. I appear before you at the request of Association President S. Shepherd Tate to present the Association's views on the subject of federal funding of abortion services for indigent women.

In August, 1978, the House of Delegates of the Association considered a resolution presented to it by the Section of Individual Rights and Responsibilities on this subject. As you know, the House of Delegates is the policy-making body for our 250,000 member Association. The House overwhelmingly approved the following resolution:

> BE IT RESOLVED that the American Bar Association supports legislation on the federal and state level to finance abortion services for indigent women.

The ability to pay for an abortion is, in a real way, the equivalent of having a right to choose to have an abortion. If the Supreme Court's recognition of a right of choice for a pregnant woman, Roe v. Wade, 410 U.S. 113 (1973), and Doe v. Bolton, 410 U.S. 179 (1973), is to have any meaning for indigent women, public financing of abortion services is essential.

Prior to the Roe and Doe decisions, it was a fact that abortions were available to those who could afford to travel to a state where abortion had been decriminalized. Simple equity was thus denied to indigent women, who could not afford such travel, and the denial was based solely on their indigency.

The decisions in Roe and Doe, while recognizing for all women a right of privacy that included the right to choose to have an abortion, did not alter the reality that indigent women were still denied equal access to abortion services because of their indigency.

The Medicaid program, funded jointly by the states and the federal government, has perpetuated the inequality. While that program pays for almost all other medical needs of the poor, abortion services frequently are excluded by state administrators of the program. The federal government has left discretion largely with the states, with the practical result that abortions have been unavailable to Medicaid recipients in a significant number of states.

A common restriction in state Medicaid policy provided that abortion services would be covered only where termination of pregnancy was "medically necessary." While funding was available for all indigent women who chose to continue their pregnancies to childbirth, the right to elect to terminate a pregnancy was conditional only. Voluntary abortions were excluded from coverage, despite their undoubted legality.

Nearly every federal court confronted with a challenge to this restriction found it in violation either of the 14th Amendment equal protection clause, or of th e Social Security Act, or both. The Supreme Court, however, ruled on June 20, 1977, Beal v. Doe, 432 U.S. 438, and Maher v. Roe, 432 U.S. 464, that the restriction violated neither the Constitution nor federal statutory law. The Court concluded that it was for the legislatures to decide whether to be neutral in the childbirth v. abortion choice.

The issue of public financing of abortion services thus is presently a matter of legislative policy. Congress' repeated enactment of the so-called "Hyde Amendment," and variations of it, has led to new challenges in the courts, again raising profound constitutional questions and serious statutory issues. The same has occurred in the wake of decisions in 35 states to reduce markedly the scope of abortion services funding.

It is our belief that our neediest citizens should not be denied, because of their lack of financial resources, rights guaranteed to our citizenry as a whole. We urge Congress not to impose restrictions on medical funding programs for the indigent which would deny to the poor the right to have an abortion.

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## Statement of Karen Mulhauser, Executive Director, National Abortion Rights Action League

I am Karen Mulhauser, the Executive Director of the National Abortion Rights Action League. NARAL is a national membership and lobbying organization with the single purpose of protecting the right of every woman to have a safe and legal abortion. We have presented testimony before this Committee before, urging the federal government to include funding for abortions for poor women as part of the package of health services available to the nation's most needy. On numerous occasions, we have described the public health benefits of legal

abortion, and pleaded that you respond to the needs of low income women who are entirely dependent on a compassionate government for all of their health care and for the health of their families. We wonder how the needs of poor women, who carry severely deformed fetuses can be completely overlooked by the Medicaid plan if they should choose to have an abortion. Or the young girl who is a tragic victim of rape by her stepfather and told no one of the incident until she was five months pregnant.

Today, I want to speak on a more personal level for I have had a disturbing experience and can no longer remain silent when I see such injustices as the Hyde amendment re-enacted yearly.

I was raped a few months ago, at gunpoint, by two men who broke into my home. My seven-year-old son was at home and my husband was out of town.

I was aware of the problems that rape victims experience, had read analyses of the psychology of rapists and their "needs." Like most women who have never been victims, I had tried to imagine how I would react if ever I was threatened by rape. One can never know. I had imagined that I would resist. But that morning, at 1 AM, when I looked up from my work at the kitchen table and saw a gun pointed at my head, resistance was the farthest thought from my mind. My first thought was for my sleeping child. I knew I must not scream. I pleaded with them not to make noise and wake him. For 2½ hours, while they stole everything of value from our home and raped me repeatedly, I could think only of survival - mine and my son's. What would they do if he awoke, as he often does at night? Would they tie and gag him as they had done to me and force him to watch them rape his mother? What if he screamed? All these thoughts rushed through my mind. And my husband - would he return home to find us both dead? He would have to find a way to survive us. Nothing could have prepared me for the torment, the terror, I experienced that night.

It's easier for me to talk about it now, because they are convicted and have satisfyingly long sentences. The police, my husband and my friends have been very supportive and that helped enormously. I can understand how women who must deal with the terror alone - without that support - could be reluctant to speak of the experience or press charges against their assailants. I imagine the fear of reprisal could be immobilizing. But I know that unless more women speak out about their experiences and unless more rapes are reported, and there are efforts made to arrest the rapists, we will continue to witness the deplorable insensitivity that exists in the minds of so may policy makers, other opinion leaders and the public in general.

In the months since I was raped, my feelings about the experience have changed. At the time, I was overwhelmed with terror. I was convinced that if anything went contrary to their plan, my assailants would kill me and my child. Now, although the terror returns sometimes, the primary feeling is one of anger. I am grateful that anger is replacing terror, because I can do something about that. I am angry at the rapists, for they invaded my home, my privacy and subjected me to one of the most violent acts that one human being can inflict on another. But I am angered, too, by the insensitivity that I see in our society. There are still many people who do not understand rape. Rape is an act of criminal violence. It is an expression of men's anguish toward women, of physical power, a conscious process of intimidation as well as an ugly sexual invasion. It is an attack against body and mind. Rape is the taking of sex through brutal force. And it is part of male mythology that women enjoy being raped and that they cannot be raped against their will.

I am angry when I hear judges like the one in Wisconsin ask the prosecuting attorney, "are we supposed to take an impressionable person 15 or 16 years old and punish the person (rapist) because (he) reacts normally?" The male judge had more compassion for the male criminal than for the female victim. His words only support the falsehood that rape is a "normal" sexual outlet.

I am angry when I hear lawmakers like Congressman Ed Patten of New Jersey, who said, in a conference committee dealing with the Labor-HEW Appropriations bill, that the issue is not whether or not the rape was forced but how much the woman enjoyed it. This kind of cruel and thoughtless statement leads to the cruel, thoughtless and discriminatory Hyde amendment. Recent data presented by Secretary Califano demonstrates that 99% of the low income women in need are denied federal funds for abortions, and yet there are many Members of Congress who claim that the present restrictions on the Hyde amendment are not enough, that the rape clause is a loophole which allows anyone who wants an abortion to claim she was raped. Such unconscionable statements by elected officials reflect the insensitivity in Congress to rape victims in general and a complete disregard for the integrity of women. Recent votes in Congress and statements from lawmakers merely confirm a basic principle expressed by Susan Brownmiller in her book, Against Our Will:

> There is good reason for men to hold tenaciously to the notion that 'all women want to be raped.' Because rape is an act that men do in the name of masculinity, it is in their interest to believe that women also want rape done, in the name of femininity.

I suppose that if a male Congressman or Senator believes women enjoy rape, he might also believe that women would not mind a pregnancy that results from rape.

If I had become pregnant as a result of the rape and was told there were no funds to pay for an abortion, I would have found some means to abort - I would even have considered a risky self-induced abortion. There is no way that I would be twice victimized by such a forced pregnancy. It is hard even to imagine suffering nine months of pregnancy which would continually remind me of the horror of rape. And how would I behave as a mother to a child who would be a visual symbol of that violent act? I am fortunate because, if necessary, I could afford to pay for an abortion. But Congress has passed a discriminatory law that tells low-income women they do not have the same rights as wealthier women. In the years before abortion was legal, the rich could find a way to buy safe medical abortions and poor women suffered at the hands of criminal abortionists. Now, an official government policy, passed by Congress and sanctioned by President Carter, endorses this discriminatory policy.

I began by saying my life has been forever changed by rape. Part of that change is learning to live with fear and learning to direct anger in constructive ways. People who write the laws that affect women who live in poverty are all too often entirely unaware of the impact of these laws. This is obviously the case when the laws are directly related to reproductive decisions.

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## Joint Statement of the American Council on Education, Association of American Universities, and National Association of State Universities and Land-Grant Colleges

Our associations have testified on the funding levels for health manpower and health research programs administered by the Department of HEW for several years. Our testimony has focused on several themes and concluded with arguments for adequate funding of manpower and research programs. We have stressed that our viewpoint might differ slightly from other witnesses and other sectors of society in that we address these programs from the perspective of institutions and the implications for the total higher education enterprise of the funding levels of these programs. We have emphasized, too, the positive societal implications of fiscally stable institutions of higher education capable of carrying out their mandate to provide the finest education for health professionals and conduct the most efficient and productive research program possible. We noted, too, that the institutions comprising the memberships of the associations offering this testimony have the responsibility for educating the vast

majority of all health professionals in the United States and for conducting the preponderant amount of health research sponsored by the federal government.

All of the above statements and facts remain true today. In that sense, merely resubmitting the documents of previous years to the committee would suffice to address these issues. We believe, however, that FY 1980 presents additional problems and deserves particular attention along with the standard issues of the funding levels of health programs. Perhaps the forum of the Appropriations Committees of the Congress may not be considered the most obvious one to discuss fundamental public policy questions. Nevertheless, at a time when we hear such slogans as "organization is policy," it certainly seems fair to note that funding is policy, or at least serious actualization of policy as opposed to theoretical discussion of policy. The 96th Congress is required by law to review and consider programs in the Comprehensive Health Manpower Act and to reauthorize legislation authorizing biomedical research.

In the late 1960's and early 1970's, it became almost fashionable throughout the country to disdain and despair of American institutions -- institutions of all sorts, not merely those of higher education, but all those representing "the establishment," not excluding the Congress and the Presidency themselves as American institutions. More than one Englishman has been quoted as observing that Americans lack the capacity of changing by degrees. We seem, in the views of our friends abroad, to swing from one extreme to another. Thus, critics pointed to a Congress in which the seniority system wholly dominated and allegedly prohibited innovative activity. Now some of those same critics point to a Congress in which the leadership may not be able to exercise necessary discipline to permit orderly legislative processes. In the late 1960's, institutions throughout the nation, valued for their contribution to the quality of the nation's life for decades, suddenly could not be given authority to make decisions on how best to run their own affairs. They had to be constrained through all forms of regulatory procedure to assure that the best interests of the nation's citizenry would be protected.

Well, that may be a nice idea for pronouncements on the steps of Old Main during a noontime rally. It may even look heroic on a placard held by a marcher up Pennsylvania Avenue during some demonstration. But it does not work. Context may not be everything, but without it, it is impossible to accomplish the laudable goals of a democratic society seeking to enhance the welfare of all its citizenry, seeking to extend equity to those groups in the society previously

deprived for whatever reason of their fair share in the society's well being, and seeking to do this at the least cost to the individual taxpayer. The nation may prescribe all sorts of goals for a well trained cadre of health professionals aiming toward some form of national health program to ensure every citizen sound care, no matter the citizen's wealth, and no matter where that citizen resided. Such a cadre of health professionals would have to be trained in institutions. But, if those responsible for managing the institution must commit their energy and time to trying to hold shakey, fragmentized elements of the institution together in patchwork style; if there is no stability permitting planning of education programs for many years; if there is no reasonable assurance that the institution would be able to afford to maintain the best faculty working in well equipped laboratories having access to well stocked libraries; if the students enrolling cannot rely on completing their work without being heavily burdened by debts that will distort their reasonable choices on how they will practice their profession -- if, in short, we will not have institutions that are based in a firm, fiscal framework capable of and willing to respond to national objectives while determining by professional standards the best manner of training their students, the goals of our society for creating that cadre of health manpower simply will not be able to be realized. We will be playing "catch up." We will rely on what will suffice, instead of what is necessary. We will accept competence where excellence is preferable. We will not be what history's most powerful and most affluent nation has been destined to become.

Within that same framework, similar standards apply to research. We need not describe in too great detail what biomedical research has led to in humankind's capacity to prevent disease, and, where not yet preventable, to treat and cure it. We are far away from an ideal. But we know enough already to know that, properly funded over the next decades, biomedical research can help alleviate much of the suffering derived from nature's whims and, regrettably, from the abberations of behavior of the human race itself.

What has preceeded may be called rhetorical, but the application is specific. For some time, succeeding Administrations in the White House sought to eliminate capitation programs for health professional schools. The arguments given were based on policy but the results always indicated simple budgetary determinations. If the capitation vehicle is not the best one to accomplish the aim of creating the best kind of health professionals serving the nation's interest, we would expect the Administrations to have come forward with specific proposals -- costly

proposals, no doubt, -- that would effect these goals. The central argument against capitation programs has been that they were established to assist institutions in expanding their enrollment at a time when it was believed that there were shortages of health manpower professionals. Now it is believed that there no longer is a shortage. In fact, there is some belief that there may be a "surplus" and the argument is concluded with the simple decision to terminate capitation. Even if the only purpose of capitation were to increase class size in institutions, it would seem reasonable to ask what institutions were supposed to do now that they had expanded their enrollments, enrollments that were in place that would continue to be in place for many years, that, in fact, would have to be in place for many years since the structure of those health professional schools was based on a certain size enrollment and could not very easily restrict itself to the newly accepted views of shortage and surplus. The cost of running a medical school that educates 400 students is not cut in half if you enroll only 200 students. This question has not been addressed by the Administration. We hope the Congress of the United States will consider it with great care during the next many months.

Beyond the health of the institution, to reject capitation on the grounds of surplus physicians conveniently overlooks inconvenient facts. Another historical reason for capitation support was to enable the institutions to enhance their educational programs; to increase their quality of educational content; to produce a more sophisticated, more highly competent physician. With an increasingly aging population, we will need more geriatric specialists in the medical profession during the next decades of this century. A competent geriatric specialist must first be a highly competent internist. This is highly sophisticated medical training and it is costly. Assuredly, many of the services that are now performed by physicians, many of the practices now common to the medical professions, could stand serious review, and conceivably important modifications are possible. Physicians extenders, nurse practitioners, and other specialists might be trained to alleviate the workload of very skilled and costly physicians. But the answers are not with us now. At this time, we have enrolled 60,000 students in our medical schools. We are providing them with the finest medical education known in the world and we need to meet the cost of providing this medical education.

With regard to the funding of biomedical research, we direct ourselves now solely to the issue of funding levels for the National Institutes of Health.

The Congress has admirably responded to the potential of NIH over the years, most recently in FY 1979 when it increased the budget of NIH by some 14 percent. The President proposes a level state budget this year. Given the rate of inflation for the past year and for what is predicted even by optimists for the next year, a simple argument for an increase of $250 million in funding over the President's proposal is in order simply to remain near a genuine current services budget. The best argument can be drawn not from inflation statistics but from the justifications in budget documents for the National Institutes of Health themselves. Last year, in making grants in the category "new awards," funding permitted NIH to provide support for 45 percent of those applications evaluated by the study sections and found worthy of support. Because research projects guided by NIH tend to be conducted over a single year, the commitment to continuing awards is such that NIH anticipates being able to support only 20 percent of new applications that had been approved for funding at the funding levels proposed by the Administration. Insofar as "new" applications are often from new scholars who have just reached the point where they may compete successfully for funds from NIH (i.e., the next generation of biomedical research scholars) or from well established scholars who have embarked on wholly new areas of research, reducing funding to 20 percent of those worthy of support, is a wholly untenable, even irrational, position for this nation. Cutting back on continuing awards for established scholars to obtain additional funds for new awards makes little sense since it means cutting off support from scholars who may be just on the verge of breakthroughs or just on the verge of completing research.

We recognize that this committee and the Congress are in a fiscal box. Some years ago, the country committed itself to becoming a certain kind of nation. One of the goals we pledged to achieve was to produce the finest biomedical research and researchers in the world. The results have been hailed through an array of Nobel Prizes and other acknowledgements from peers. This "product" has been more laudatory than perhaps any other accomplishment in recent decades for any nation. We recognize that we are not talking about small amounts of funds. We do not know any way to maintain what has been created and to encourage its continuation and enhancement without continued support. In the long range, determination may be made that would cut the costs both in the area of health professions training and in research. But the Appropriations Committee has the unhappy task of having to make commitments for the immediate future for FY 1980. We hope that these comments assist the committee in maintaining these worthy commitments of our government.

STATEMENT OF FREDERICK J. RAMSAY, PH. D., ASSOCIATE DEAN AND DIRECTOR, OFFICE OF GOVERNMENTAL LIAISON, UNIVERSITY OF MARYLAND, SCHOOL OF MEDICINE

Mr. Chairman, Members of the Committee, I would like very briefly to discuss the Administration's fiscal policies as they affect health professions education and as they are made apparent in the most recent series of fiscal and budgetary decisions handed down by the Administration. While the issue at hand is the FY '80 Budget, it is important to put that document into a more complete context - - of recisions, vetoes and redirected interests.

Our reactions to the President's recisions, and the unfortunate concurrence, in part, by the joint House-Senate Conference Committee are inextricably linked to the budget as a whole. That is to say if the problem were merely the recisions, we would adjust and move on with no more than a mild protest. The fact of the matter is that these recisions presage an attitude by the Administration toward health professional education which is genuinely worrisome; an attitude signaled by the veto of the Nurse Training Act and hammered home by the President's FY '80 budget.

The recisions, with their impact primarily on capitation, will mean to us the precipitous loss of one half million dollars - dollars committed; then taken away. It will be impossible to replace these dollars. The alternative is to curtail or terminate programs. We have tried to the extent possible to not commit capitation money to "hard" lines. It was always clear that it was not to be a permanent part of our Federal fiscal support. We did, however, use capitation monies to mount a variety of educational initiatives (which was the intent of Congress when these monies were authorized). Our Office of Medical Education is one such enterprise. Another was our AHEC in Cumberland. Much of our faculty development program, our Humanism in Medicine and interprofessional education programs are supported by capitation money.

As you know we, unlike private schools, do not have the power to increase our tuition and fees to accommodate for this loss and, in fact, are not supportive of the intention voiced by others to do so, to pass these sudden losses on to the students.

Next year, if the budget recommendations hold, our capitation will be completely eliminated - - another half million dollar loss - - again irreplacable. But this is not the most serious threat facing us. It may sound odd to pass lightly over a million dollar loss but in the face of the impact of other budget and administrative decisions, it becomes but one segment of a broad attack on the fiscal structure of medical education.

The President's FY '80 budget also contains recommendations to 1) eliminate the Health Professions Loan Program; 2) eliminate scholarships for students with exceptional need; 3) cut the National Health Service Corps scholarship by 25%; 4) cut the National Area Health Education Program by 75% (from 20 to 5.8 million dollars); 5) reduce the NIH budget which will affect both our mission as a research center and our ability to support faculty thus engaged - - which will, of course, be felt most severely by our younger faculty. In addition, there is a move to limit the alternatives under which indirect costs are calculated and, finally, implementing the regulations on Section 227 of the Social Security Act will reduce by 60-70% revenues earned by our clinical faculty to which they are entitled and which play a real role in the maintenance of University Hospitals and their medical education programs. It is the sum of these actions that poses the greatest threat to us. Taken as a package, the impact on our financing will be devastating.

We have attempted to respond to the needs of society and the initiatives of Congress. I believe, as a State institution, we are particularly sensitive to our role in providing for societies needs. We cannot, however, deal with what now appears as a capricious and unreliable Federal establishment. It takes time to develop programs; time to dismantle them and assemble others. The kind of precipitous cuts promised by the President's budget can only be interpreted as short sighted and ill advised. They may, as a matter of fact, reduce the cost of government for the short run. The human costs will, however, have to be paid in the long run and like monetary costs, they tend to inflate over time.

The irony of all of this is that the Department of HEW insists its goal in health professions education is to address maldistribution of personnel by geography, economic situation, specialty and numbers and yet supports a budget recommendation which would practically or actually eliminate every program which addresses those very issues.

I wish to thank the Committee for its courtesy in receiving this testimony. I hope that you will understand its brevity is not the measure of its importance to us. It appears we have arrived at a crossroads in our partnership relation, and you must decide whether we will continue to travel the road together or separately. I believe the advantages of the former are clear and self-evident; the disadvantages of the latter substantial. I urge you to reject the Administration's well intentioned but miscalculated budget recommendations and preserve an old and smoothly functioning partnership.

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## STATEMENT OF THE AMERICAN NURSES' ASSOCIATION

The American Nurses' Association appreciates the opportunity to present its views on health appropriations for fiscal 1980. The Administration's proposed budget contains modest initiatives for new health programs. Further examination does not show concommitant increases in funding levels to support those initiatives.

We support your efforts to make health delivery more efficient and effective. We acknowledge the sustained emphasis on, for example, health maintenance organizations as a way to make health services available at reduced cost. The National Health Service Corps, as another example, continues to expand its services to communities designated as health manpower shortage areas. We anticipate the introduction of a national health insurance proposal by the Administration. These and other programs obviously will require health manpower. Yet the Administration budget would severely reduce support for health manpower education, particularly nursing education, which is proposed to be cut more than $100 million from 1979 appropriation levels.

We are seeing an apparent effort to wipe out federal support for nursing schools and students. As you know, the President pocket-vetoed the Nurse Training Act of 1978 which had been passed overwhelmingly by the Congress. We have not yet seen a satisfactory explanation for either the veto or for the low request for nurse training programs in the President's budget for 1980. It is our understanding that the recommendations came from OMB. Yet OMB does not give any data to support its recommendations.

It is apparent that Congress does not agree with the Administration's intent to eliminate support for nursing programs. Congress supported only a fraction of the requested rescissions and is currently completing action on proposals to extend the Nurse Training Act for at least one year. The measure has strong bi-partisan support in both houses of Congress.

As far as nursing is concerned, the President's proposed budget for fiscal 1980 is devastating. It requests $14.7 million for nursing education compared with $116 million in the fiscal 1979 continuing resolution passed

by Congress. It would provide no support for nursing research projects or for training of nurse rsearchers (both currently funded at a total of $6 million).

Nurse Shortage Continues

We totally reject the Administration's claim that there is no further need for federal support to nursing schools and students. Statistics simply do not back up the President's contention that the "outlook is good for adequate, sustained growth in the supply of nurses." Not only is there a shortage, but current data from the National League for Nursing show that, even with current funding, there is a zero growth rate in basic nursing education admissions and graduations which is expected to continue for at least the next several years. Since Department of Labor statistics project an increase of 240,000 jobs in nursing by 1985, it is clear that the nation will face a chronic nurse shortage in the 80's unless the government maintains and strengthens its commitment to nursing education.

The unemployment rate for nurses remains extremely low. The National League for Nursing reports, for example, that nearly 95 percent of RNs newly-licensed in 1977 were employed in nursing six to eight months after licensure. Only 2 percent were looking for employment. About 2.5 percent were not employed but were temporarily not looking for work.

A study, mandated by the 1975 NTA and conducted by the Western Interstate Commission for Higher Education, is now completed. Its purpose is to provide reliable data on which to base decisions about future federal assistance to nursing education. This data was taken into consideration by the Congress in passing a two year extension of the Nurse Training Act last year, but apparently has been totally ignored by the President and his advisors.

This study does not support the thesis that there is no longer any need for federal assistance to nursing education. The Study Panel projected that by 1982 the nation will need 1,219,300 to 1,677,000 FTE registered nurses, compared to approximately 870,000 FTE RNs today. The Panel's lower bound projections for registered nurses by 1982 increased the 1976 number of 821,500 FTE RNs by 48%; the Panel's upper bound projections increased the number of registered nurses by 104%. The Panel's 1982 registered nurse

projections provided for a range of 542 to 746 FTE RNs per 100,000 population which is an increase over the 1970 figure of 306 FTE RNs and the 1976 figure of 384 FTE RNs per 100,000 population.

Nurse Practitioner Programs

Of all categories of nursing support, only nurse practitioner programs receive any support in the President's proposed budget. Thirteen of the $14.7 million dollars for FY 1980 is for that purpose. Established under the Nurse Training Act of 1975, this program responds to the growing demand for programs to prepare nurses to practice in a primary care role. Especially emphasized by the Congress initially was the need for practitioners for care of the elderly, long the domain of nursing, and we are pleased to note that the number of gerontological practitioner programs is growing. Adult and family nurse practitioner programs are also increasing, and these graduates are able to provide a broad range of services to all age groups.

We can agree with the President's recognition and continuing support of nurse practitioners. We cannot, however, agree with the President's apparent belief that nurse practitioner programs can be expected to flourish independent of the rest of nursing education. Qualified candidates, instructors, staff and facilities must exist to support nurse practitioner programs.

Nursing Student Loans and Scholarships

Nurse Training Act programs have been dramatically successful in lowering the barriers to entry into the nursing profession for low-income and minority students. A report from the Congressional Budget Office, "Nursing Education and Training: Alternative Federal Approaches," issued in May 1978, notes that "the availability of Nurse Training Act loans may provide access to a nursing education for those who otherwise could not afford to attend or who cannot obtain loans from other sources." The report states that 66% of the 1974 loan recipients were from families with incomes of less than $10,000. Of those recipients, 20 percent were Black and 5 percent were from other minorities.

It is worth noting that the default rate for nursing student loans is only about two percent, as compared to rates as high as 12 and 16 percent under some other federally funded student loan programs. The loan program

also contains a payback provision for service in underserved areas. The National Student Nurses' Association has some preliminary findings that suggest that increasing numbers of students are willing to pay back their loans by practicing in shortage areas. Since shortage areas have not been designated until recently, and since little information has been given to students concerning this loan provision, it will take some additional time to get definitive data, but the outlook is encouraging.

NTA scholarships are available to exceptionally needy students. The CBO study says that in 1974, 79% of scholarships went to students from families with incomes of less than $10,000. The percentages of Blacks and minorities were about the same as for loans, and the CBO study suggests that "the availability of NTA loans and scholarships may have been a major reason for minority enrollment increases in nursing schools." The report points out that the number of Blacks enrolled in RN programs began to increase dramatically after enactment of the Nurse Training Act of 1964, which first provided loans and scholarships.

Advanced Training

The CBO report also indicates heavy reliance by RNs enrolled in graduate programs on support available under NTA. In FY 1979, $14 million was available to support 3,000 students, or over 30% of all full-time students in master's, doctoral, or nurse practitioner programs. In many instances, these trainees received only tuition assistance, as funding was too low to include the usual stipend.

In view of the Administration's emphasis on health cost containment, quality of care, increased use of nurse practitioners, and similar measures, it seems extremely short-sighted to request no funds in the area of advanced training for nurses. To attain these goals, qualified nursing leadership is needed in such areas as the administrations of millions of dollars of institutional nursing budgets (much of which is federal money); to prepare other nurses for expanded responsibility; and to conduct research into the behavioral and psychosocial aspects of health care.

The First Report to Congress, prepared by the Division of Nursing (1977), underscores the severity of the shortage in these high-level positions. That report states:

> Competent administrative leadership is fundamental to assuring quality in the delivery of nursing services and in the education of nursing students, yet only 3.4% of the active registered nurses are prepared at the master's level or above, the generally accepted level of preparation for leadership positions.
>
> At the present time many nurses in supervisory and administrative positions do not hold master's or doctoral degrees. Only 2,900 of the nursing service administrators and assistants and 1,260 of the supervisors in more than 7,000 hospitals, and only 2,400 nurses in the administrative positions in the more than 11,000 community health agencies, are prepared at the graduate level, i.e., hold master's and doctoral degrees. Only 44% of the faculty in all schools of nursing are so prepared.

Approximately 60 awards to programs for advanced (graduate) training were possible with the $12 million appropriated for FY 1979. Of those grants, 40 were continuations and 20 new. There are 171 graduate programs (masters and doctoral), and these funds are the only federal basic support they receive.

As we have noted, there is an urgent need to stimulate the production of nurses prepared at the graduate level. Lack of full traineeships leads to decreased or part-time enrollment in these programs, which in turn delays the time in which nurses with advanced preparation can get into the fields of practice where they are so desperately needed.

Nursing traineeships were funded at $13 million for FY 1979 (no increase from the previous year). It is estimated that this amount will provide 105 grants to schools partially supporting about 2,400 students. Approximately half of all students enrolled in advanced programs are recipients of traineeships. Nearly all of these grants are continuing and already do not meet the needs of students for financial assistance. Requests for traineeships have, in the past, outnumbered by three to four times the money available.

Capitation

We believe capitation grants should continue for the present, to maintain the supply of qualified registered nurses. Schools expanded their operational capacities to meet federal requirements for increased enrollments, and they cannot reverse this immediately without serious disruptions.

As a condition for receiving capitation grants, schools must either give assurance that they will increase enrollment or carry out at least two specific training activities. Increasingly, nursing schools are opting to

provide for clinical training for students in community health centers, long-term care facilities, and ambulatory facilities geographically remote from the school location. It is expected that this trend will continue and will help in addressing the problem of maldistribution.

The lower FY 1979 appropriation of $30 million (a 25% cut from FY 77) resulted in significantly smaller grants to nursing schools and funded them at less than full formula. These funds are critical to some schools in providing faculty and facilities essential for maintaining quality programs and to provide curricula improvement and continuation of other administrative aspects of education programs. The accreditation of many schools will be imperiled through loss of faculty, support services, and fewer curricula offerings. With further cuts, schools will go out of existence, and enrollment will decrease, especially in areas of the south and southwest where there are demonstrated serious shortages of nurses.

Special Projects

With constantly changing concepts of health care delivery, and the evolving and expanding responsibilities and roles of the registered nurse, The Special Projects program is extremely important in nursing education's efforts to produce the nurses needed to provide the complex variety of nursing services that increasingly are required.

Innovative projects of statewide, regional and national significance are presently being carried out. One contract being planned now is to train aides, orderlies, etc. to deliver a higher level of care in nursing homes. Another project which relates to the maldistribution problem is studying the impact of basic nursing education clinical practice on the later choice of work site. Because of the needed emphasis on primary care skills, another project is offering baccalaureate level faculty continuing education programs in primary care. About 150 projects (90 new) are being funded under the FY'79 appropriation of $15 million.

Construction Grants

Prior to the $3.5 million appropriation in FY'78, 1975 was the last year that a new construction award was made, although $20 million was authorized from 1976-78. This congressional moratorium on construction

support may already have had a serious and adverse effect on the geographic distribution of nurse supply. We believe that geographic need should be a prime consideration, as should construction assistance for graduate schools. Many schools with approved applications over the years have had to lose matching funds and delay building or renovation judged essential to the maintenance of a high quality nursing education program.

Nursing Research Programs

Despite Administration foot-dragging, Congress has consistently recognized the importance of nursing research and has endeavored to provide adequate funding.

Continued congressional support for nursing research is particularly crucial at this time, because it is a relatively new, developing field. As noted in the National Academy of Sciences 1977 Report of the Committee on a Study of National Needs for Biomedical and Behavioral Research Personnel, 72% of nursing science doctoral candidates stated they would not be able to earn their Ph.D. without federal support. Findings from a survey of 500 nurses who had completed their doctoral training between 1971 and 1975 led the Committee on Research Personnel to conclude that "it (is) likely that training funds could be productively used for the next several years on an expanding basis."

Nurse researchers are engaged in investigations designed to identify better methods of care, such as strategies for reducing the complications and costs of hospitalization; facilitation of home-based care and management of dying patients, etc. At the present time an additional appropriation of $2 million above FY 1979 for nursing research is needed. Half of the additional funding would be directed toward the training of additional nurse researchers and half would be used for institutional research grants. The funding for these programs has been low and static since 1977. Since then, inflation has made serious inroads into the available funds and many worthwhile research programs have suffered or remained unfunded.

Nursing Involvement in Mental Health

It is essential to have a cadre of well-trained mental health professionals including psychiatric-mental health nurses to deliver quality services.

Such specialists currently provide high quality services in a wide range of settings--hospitals, outpatient clinics, mental health settings, and extended care facilities. Services to the unserved and the underserved have always been a strength of nursing. We have evidence that nearly all masters-prepared psychiatric nurse specialists in practice provide services to low-income persons. Currently the NIMH psychiatric nursing education branch (of the Division of Manpower and Training Programs) is attempting to increase the number of masters-prepared psychiatric nurses for practice in the public mental health services (e.g. state mental hospitals, community mental health departments, and long-term care facilities located in underserved on unserved geographic areas.) As primary care providers, psychiatric nurse specialists encompass the broadest scope of services--from prevention, to intervention, to rehabilitation. They teach and consult with other nurse generalists, as well. As faculty, they are the leaders who prepare future practitioners. Clearly, this experience is a valuable resource for which demand will continue.

Regarding community mental health centers; we would hope that the $30 million appropriated last year under a continuing resolution for the funding of new community mental health centers this year would be released soon. Twenty-eight approved, unfunded CMHC's await immediate release of this money.

Home Health Care

Increasingly in demand, home health care offers a cost-effective alternative to rising hospital and other health-care costs. The development of adequate home health care programs could prevent or postpone the institutionalization of as many as 2.5 million elderly people. Not only would millions of dollars be saved, but the value of people moving toward greater self-reliance and increased independence would warrant increasing home health care services on humanitarian grounds alone. Expertise, however, is required for high-quality care at home. Provided by qualified professionals, home care constitutes some of the best and most innovative health care available today. Yet there remains a shortage of qualified manpower capable of filling this need.

Maternal-Child Health

Graduate and continuing education programs to prepare maternal and child health specialists must continue. Not to do so would drastically reduce the number of clinical specialists in maternity of child care, pediatric nurse practitioners, and nurse-midwives who will be prepared to work with mothers and children. Maternal and child nursing already has a critical shortage; demands far outweigh supply and yet the numbers of nurses prepared in this specialty is declining. Family-centered in perspective, these nurses work in the widest range of settings: clinics; primary care centers; maternity and infant care; children and youth; and family planning projects. They are employed by state and local health departments and hospitals. They work in intensive newborn units, and the field of perinatal care, with high-risk mothers and newborns. They work with adolescents in schools and other sites, and with the pregnant teenager and family. As specialists, they are leaders in program development. As faculty, they are needed to reach the next generation of nurses.

Emergency Medical Services

Development of emergency medical service systems has made an extraordinary difference in saving of lives and prevention of morbidity. There must be adequate numbers of health professionals, allied health professionals, and other health personnel with appropriate training and experience. Continuation of grants for expansion and improvement (Section 1204) and EMS research (Section 1205) must be sustained. Much more can be done to build on efforts that have begun to educate and elevate the standards of emergency practice in rural, suburban, and urban communities. Particularly in rural areasdistant from comprehensive services, there are roles for highly-trained personnel in the emergency department. EMS research will allow further progress in optimum utilization of health manpower. It remains very difficult to understand the recent actions of Congress in approving the rescission of $3 million in funding of this very wothwhile and effective initiative. We would ask the Congress to consider restoring these funds in FY '80.

National Health Service Corps

Currently, over 200 nurse practitioners and about 300 CHN/midwives serve in NHSC sites, many as the primary on-sites providers of health care. In addition to the current thrust of improved care to mothers and children, the corps utilizes a handful of other nurse specialists, such as psychiatric nuses, in appropaite sites. Nurses and nuse specialists have potential for further application in the increasing NHSC variety of settings.

## Statement of Warren H. Pearse, M.D., Executive Director, American College of Obstetricians and Gynecologists

My name is Dr. Warren Pearse. I am presently Executive Director of the American College of Obstetricians and Gynecologists -- and an erstwhile obstetrician-gynecologist -- but I submit these remarks as a long-time director of the Title V Maternity and Infant Care Program for high risk mothers in Nebraska, as a developer of the statewide family planning program in Nebraska, and as a former member of the MCH Research Grants Review Committee, HSA.

Although this testimony is confined to the FY 1980 appropriations needed for Title V research grants, the College is very much concerned with certain other HEW appropriations matters. Because appropriations for 1979 were passed before authorizations for reproductive and population research last October, these programs managed by the National Institute of Child Health and Human Development are in danger of being abruptly curtailed. Also, the newly authorized program of services for prevention and care of adolescent pregnancy cannot begin to function until funds are forthcoming. A 1979 supplemental appropriation is vitally needed for both these programs, as is full consideration of their merits within the 1980 appropriations request. On these issues, I am submitting a brief written attachment, and request that it be entered in the record of these hearings.

With regard to Title V, SSA, I ask only that you maintain the research program at the annual level of $5.2 to $6.0 million for which it has been funded in the past several years. A reduction to $1 million was proposed for FY 1980.

In brief, my request is based on the past, present, and future. In the past, this research program has supported many landmark endeavors -- I would cite the classic reports on the Children of Kauai, the New York City infant day care study, the National Study of Maternity Care, and the Johns Hopkins investigations of teenage pregnancy, among hundreds of successful grants.

At the present time, significant ongoing research under this program includes the screening of pregnant women for neural tube defects, identification of congenital thyroid disorders in the newborn infant, and long term evaluation of treatment interventions in premature infants -- our greatest source of infant morbidity and mortality today. These are among 55 active grants -- some of which would have to be terminated if funds were so sharply reduced.

For the future, I can only say that the FY 1980 appropriation request calls for over $360 million for maternal and child health services. It is this small program of research and evaluation which determines whether that $360 million is providing effective service, and what changes in care should be made to improve the health of mothers and children. No other sources of support are available. I believe we must be willing to invest at least the present $5.2 - $6.0 million -- which is something less than two percent of the $360 million MCH services appropriation -- to decide what those services should be.

## STATEMENT OF JERROLD M. MICHAEL, PRESIDENT, ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH

### U.S. SCHOOLS OF PUBLIC HEALTH

Background

Schools of Public Health have been educating professionals in the techniques of health preservation and disease prevention and control since the first decades of the twentieth century. Some Schools of Public Health had their beginnings in university schools of medicine; others were conceived from the outset as autonomous units within their parent institutions.

Today there are twenty-one fully accredited Schools of Public Health in the United States, 7 at private and 14 at public universities.*

Schools of Public Health are distinct from other health professions schools in a number of ways. They are oriented to the community and prevention rather than the individual and cure. They train people in a value system that is equalitarian and public service oriented. They train persons to be "need oriented" rather than "demand oriented." They teach techniques of "need response" and how to view the "community as patient." Students are prepared for community teamwork and administration rather than private practice. To solve community health problems the typical graduate works on a team in organized community action, deals with administrative problems and must understand group behavior.

Located in 17 states and Puerto Rico, the 21 accredited Schools of Public Health train students from every state in the nation. The schools have a combined enrollment of over 7,000 students and a faculty in excess of 1,700.** Graduate education in the 21 schools is organized

*University of Alabama at Birmingham, University of California-Berkeley, University of California-Los Angeles, Columbia University, Harvard University, University of Hawaii, University of Illinois, The Johns Hopkins University, University of Loma Linda, University of Massachusetts, University of Michigan, University of Minnesota, University of North Carolina, University of Oklahoma, University of Pittsburgh, University of Puerto Rico, University of South Carolina, University of Texas, Tulane University, University of Washington and Yale University

**When federal support for Schools of Public Health began in the late 1950s, 11 schools were training 2000 students.

the fields of concentration offered by the schools are:

Behavioral and Social Sciences
Biostatistics
Environmental Health Sciences
Epidemiology
Health Services Administration
Health Education
International Health
Maternal and Child Health
Nutrition
Occupational Health
Population Studies

Graduates of the Schools of Public Health work primarily in the public sector in the areas of health promotion and disease prevention. They represent the basic resource pool from which federal, state and local health and environmental agencies draw their manpower needs. Graduates also work and teach in university settings. Industry relies heavily on the schools to train their employees involved in industrial hygiene, occupational safety and health, environmental toxicology, among others. The breakdown is as follows: 45 percent of graduates in a single given year go into federal, state or local government service, 34 percent work for either non-profit community health agencies or universities, 4 percent work for industry and the remainder work in other various health related fields such as health planning and resources development, aging services, nutrition programs, among others. Our data shows that the schools no longer primarily train professionals for state and local government agencies. In response to a demand for new types of health workers and a broader concept of public health, the schools have made major efforts to train students in health administration and environmental health, now the two most frequently chosen areas of specialization. Health administration attracted 1069 students in 1977-78, or 16.6 percent of the total. With health planning and policy studies counted in, that total would be even higher. Hospital administration, treated as a separate discipline, drew an additional 299 students (4.6 percent) in 1977-78. With biomedical laboratory sciences reported separately, environmental health narrowly displaced epidemiology as the second most frequently chosen specialty. Biostatistics ranked third with 440 students in 1977-78 (6.8 percent), while health education was fourth with 421 students (6.5 percent) and nutrition fifth with 273 students and ranked seventh.

Students who attend the schools are often mid-career professionals with a prior commitment to public service. The average age is slightly over 30. A large percentage are part-time students already working in the public sector while upgrading their skills. It should be noted that a public health degree does not increase the income potential of the graduate as much as other health professions degrees. Schools of Public Health are in the business of training men and women for public service.

The 21 accredited schools are two-thirds state owned and one-third privately owned. In FY 1974, less than one percent (0.9) of total state expenditures for support of health manpower training institutions went to public health. The lion's share (64.5 percent) went to the training of physicians. None of the private institutions, except the University of Pittsburgh, receives state support. Private schools by and large depend on the traditional means of support such as endowments, tuition gifts, etc., yet they are in the business of training workers for the public sector.

## FEDERAL ASSISTANCE TO SCHOOLS OF PUBLIC HEALTH

### I. Institutional Support

Federal assistance to encourage development of experienced public health professionals began with traineeship support in 1956, thus making federal aid to Schools of Public Health one of the oldest health manpower training programs. Federal institutional support was authorized in 1958 and the special project grants program began in 1960. Since the federal assistance program began, the number of accredited schools has almost doubled from 11 to 21 and the enrollment has increased five fold.

Institutional support for Schools of Public Health was authorized in 1958 and began in FY 1959. The original rationale for federal assistance was partial reimbursement of costs incurred by the schools in providing comprehensive training of personnel for federal, state and local service. Institutional support under this program was allocated to the schools on a formula basis.

Under P.L. 94-484, the law was changed and the schools began to receive institutional support on a capitation basis for the first time in FY 1978. The basic intention of federal capitation support to health professional schools is to increase the supply of health manpower in fields where the demand is high and/or where shortage exists. Given current and forthcoming federal policy initiatives,

the capitation program is appropriate for Schools of Public Health.

The Administration has proposed the termination of capitation funds for all health professions schools in FY 1980, based on the assumption that capitation grants are incentive payments to schools to increase their enrollments and are no longer needed.

ASPH believes, in the absence of studies* to document this assumption, that the demand for the types of health manpower trained by Schools of Public Health will increase as a result of current and future legislative initiatives stressing health promotion and disease prevention as a means of improving the quality of life and reducing health care costs.

In view of the growing demand for health manpower stimulated by recent passage of federal programs such as health planning, clean air, clean water, toxic substances, health maintenance organizations, older americans act, nutrition programs, PSROs, and other federal initiatives such as hospital cost containment, child immunizations, child health, health promotion, rural and urban health initiatives, among others, the ASPH believes that continued institutional support is justified by the nature of public health as a governmental enterprise aimed at the improvement of the public's health. Furthermore, the Schools of Public Health presently represent the major source of supply of trained personnel to implement and manage those federal health programs and initiatives. Institutional support is simply a partial reimbursement of costs incurred by the schools in providing comprehensive training of personnel for federal, state and local governments, industry and voluntary health agencies charged with the responsibility of carrying out federal programs and meeting federal health requirements. As a Senate report (No. 94-887) said:

> It simply does not make sense to the Committee for the Federal government to foster programs that will require substantial numbers of health planners, public health administrators and other health management personnel without insuring that financial resources are available to provide for the competent training of such personnel (p. 231).

*One study conducted in 1973 by the University of North Carolina School of Public Health predicted a short fall in every public health manpower category by 1980. (See Attachment No. I).

In passing the "Health Professions Educational Assistance Act of 1976" the Congress provided for the extension and expansion of vitally needed federal support for Schools of Public Health and their students. The schools were recognized as national resources that needed to be supported by the federal government.

Unfortunately the commitment of dollars has not kept pace with Congressional intent. In fact, when inflation and the growth of the schools is taken into account the average federal support per school under all public health service authorities has declined by over 50 percent in constant dollars since 1970 (See Attachment No. II, Table I). Average institutional support alone has been effectively reduced by 48 percent since 1970 due to school growth and inflationary pressure (See Attachment No. III, Table II). In addition the change in computation for institutional support for the formula grant to the capitation grant allocation resulted in 12 schools receiving an actual cutback in institutional support in 1978, the first year of the capitation grant awards. As a consequence of this erosion of federal support most schools now face serious financial problems.

At the same time the demand for public health manpower is expected to continue and increase as Congress enacts new programs to improve the quality of life and reduce health care costs. To meet this increasing demand the schools need additional basic institutional support to maintain and improve the quality of their training programs.

ASPH Funding Request for Institutional Support

Mr. Chairman, the Association of Schools of Public Health request that capitation grants* to Schools of Public Health be funded at $9.8 million for FY 1980. This will allow capitation awards of $1400 per student for 7000 students. The $1400 figure represents only a small share of the costs incurred by the schools to train one student per year. Average annual education costs per public health student runs around $7,400. (According to the Institute of Medicine it costs $8,600 a year to train a medical student). ASPH believes that the $1400 per student figure represents the federal governments "fair share" and "sound investment" in return for the schools preparing personnel for public service consistent with national priorities. The federal government has a direct interest in assuring that an adequate supply of public health manpower is trained in

*Section 770 (a)(2) of P.L. 94-484

quality institutions to manage and operate this country's health delivery system(s).

II. Traineeships

Federal assistance to encourage development of experienced public health professionals through traineeship support began in 1956. The traineeship program supports graduate or specialized training of health professional personnel in such key public health fields as biostatistics and epidemiology, environmental and occupational health, dietetics and nutrition, health administration, health planning and health policy analysis, preventive medicine and dentistry.

Traineeships are awarded to train students enrolled in Schools of Public Health and other public and non-profit institutions which provide graduate or specialized training in public health.

The program is intended to attract high caliber students and to offer the economically disadvantaged, especially minorities, an entry point into the system. The rising cost of tuition and other expenses will make it even more difficult for low-income students, particularly minorities, to afford graduate education in public health schools. Furthermore, many undertake graduate study in public health at mid-career and have important family obligations. Others have already accrued heavy debts from their previous education.

Over 56 percent of students received some form of financial help in 1977-78.

The graduates, unlike many of the other health professions, do not enjoy lucrative incomes. Over 95 percent of the graduates are employed by governmental and community agencies and universities. Their modest salary levels are reflected in a recent survey which showed an average of only $24,000 after 15 years of experience.

The North Carolina study indicated that the need for public health professionals could double and perhaps triple between 1973 and 1980. The proliferation of health programs and agencies has increased - not decreased - the need for trained people in a variety of public health specialities: administration and planning, environmental and occupational health, nutrition and maternal and child health, biostatistics and epidemiology, preventive medicine and dentistry, among others. In 1976 a Senate Report (No. 94-887) stated:

> Advances in the mechanisms through which health care is delivered and

> managed and advances in the measurement of environmental pollutants are placing new demands on public health professionals and the institutions who prepare them. These institutions must meet the challenge of preparing public health professionals for the increasingly varied and challenging roles they will be asked to play (p. 230).

The Schools of Public Health are dependent on both federal capitation and traineeship support to maintain their programs and enrollment levels. In return for capitation funds, the schools must maintain and increase their enrollment levels. Without sufficient traineeship funds to attract qualified students they will not be able to do so and could lose capitation support as well.

Calculated in constant dollars, traineeship support has declined by 48.6 percent since 1970 (See Attachment No. IV, Table III). With enrollments growing in that same period (52 percent) this has meant less money to be spread among more students.

ASPH Funding Request for Traineeships

Mr. Chairman, the Association of Schools of Public Health requests that traineeships* for students in Schools of Public Health be funded at $10 million for FY 1980. This fully authorized level would allow a modest expansion of the program and would regain some of the 48.6 percent loss the program has suffered since 1970.

The present traineeship authority requires that a specified percentage of traineeship awards shall go to students with a postbaccalaureate degree or with three years work experience in health services, and who are pursuing a course of study in designated areas of specialization. To implement this provision, schools must stress recruitment of older students with prior work experience or other professional degrees, and discourage recruitment of recent college graduates. This provision has added additional burdens on the schools. The less traineeship money available, the harder it is to meet this requirement because, traditionally, public health students have tended to be older and often in mid-career. Going to graduate school imposes financial burdens on these students. Traineeships eases, somewhat, the financial strain. In addition, to impose arbitrary percentage requirements for traineeship eligibility distorts the recruitment process.

*Section 748 of P.L. 94-484

Further, traineeship funds have been used to attract disadvantaged students, especially minorities, to public health careers. To be competitive, schools require flexibility to make awards based on need rather than arbitrary restrictions.

It should be noted that the limitation on the amount of an individual traineeship award puts the Schools of Public Health at a competitive disadvantage in recruiting physician students in residency programs. In revising the administrative regulations, ASPH urges HEW's Bureau of Health Manpower to provide latitude on the amount of traineeship funds allocated to physician students up to the level paid to physicians in clinical residency training in the same institution.

Finally, the traineeship program should be fully funded because traineeship funds, although originally intended only for public health school students, are now available to all eligible students in public or non-profit institutions providing graduate training in public health. The authorization level was raised $1 million for each year to accommodate the expanded eligibility but the funds have decreased since that amendment was adopted (from $9.1 million in 1978 to $7 million in 1979).

ASPH urges Congress to continue and increase traineeship support for students in Schools of Public Health, including funds for preventive medicine and dentistry residencies.

III. Special Project Grants

The special projects grants program began in 1960 and was intended to aid accredited Schools of Public Health to develop new programs and expand existing programs in biostatistics and epidemiology, health administration, health planning, health policy analysis and planning, environmental and occupational health and dietetics and nutrition. An amendment by the 95th Congress opened this authority to any educational entity offering programs in the above areas without increasing the authorization level.

Project grants provide support for the development of training opportunities in public health to meet emerging national priorities for public health manpower competencies. These include the training of leadership for management and specialized responsibilities in new and projected health agencies such as HMO's, PSRO's, HSA's and agencies to control environmental health hazards.

Project grant appropriations have been decreasing since 1973. Inflationary pressures have accelerated that decline. Calculated in constant dollars the FY

1979 appropriation of $5.0 million is 40 percent less than the FY 1973 appropriation of $6.0 million (See Attachment No. V, Table IV).

Further, Schools of Public Health do not receive all of the money appropriated. As a competitive program, Schools of Public Health must now compete with all programs in health administration, environmental health, nutrition and other educational entities offering training in the specified fields.

ASPH Funding Request for Special Project Grants

Mr. Chairman, the Association of Schools of Public Health requests that special project grants* for Schools of Public Health be funded at $6 million for FY 1980. Here is our justification. Training and research funds are available in certain fields such as toxicology, nutrition, occupational safety and health to partially support students and to purchase supplies and equipment. However, there are no categorical funds available, except the old formula grants and the present capitation grants, that provide support for curriculum development and program support. ASPH believes that our increased request for special project grants would provide the basic generic support for improving the quality of the curriculum, and teaching techniques, and enhance the capacity of the schools to provide health promotion and disease prevention activities in the community.

Further, the increase will partially off-set the losses brought on by inflation. As inflation has gone up, the Congressional appropriation has gone down. In FY 1973, the Congress appropriated $6 million for special projects; in FY 1979, it approved $5 million. That later figure represents $3.3 million in 1972 dollars.

Summary

In summary, Mr. Chairman, the Association of Schools of Public Health request the following amounts for programs of primary concern to the Schools:

*Section 792 of P.L. 94-484

| Program | FY '79 Appropriations House Allowance | FY '79 Appropriations Senate Allowance | Final FY '79 Appropriation | FY '80 Auth. | FY '80 Pres. Request | ASPH Re-quest |
|---|---|---|---|---|---|---|
| | | | (MILLIONS) | | | |
| INSTITUTIONAL SUPPORT | 9.0 | 7.6 | 5.9 | 11.0 | 0.0 | 9.8 |
| SPECIAL PROJECTS | 5.0 | 5.0 | 5.0 | 6.0 | 5.0 | 6.0 |
| TRAINEESHIPS | 5.1 | 7.0 | 7.0 | 10.0 | 7.0 | 10.0 |
| TOTAL | 19.1 | 19.6 | 17.9 | 27.0 | 12.0 | 25.8 |

The schools need a stable base of federal support to continue training public health workers. This federal assistance is actually an investment at the front end of the health care system. The products of our efforts will not only help prevent illness but will also help slow down the rapidly escalating costs of medical care. Providing basic institutional support is a means whereby the federal government can share the costs with states and private institutions for the training of public health personnel to manage and operate governmental health programs. Public health is a public responsibility. Schools of Public Health train personnel for public service. The federal government has a direct interest in assuring that an adequate supply of public health personnel is trained in quality institutions to manage and operate the health delivery system in the national interest.

For the record, Mr. Chairman, I would like to ask that Attachment No. VI be included as part of our written testimony. It shows a chart that depicts the relationship between constant dollars (1972) and current dollars allocated to the schools. I am also enclosing Attachment No. VII that lists eight of the most frequently asked questions concerning the Schools of Public Health and the rationale for continuing federal support.

We thank you for the opportunity to present our views to you and Members of the Subcommittee.

ATTACHMENT NO. I

U.S. Estimated Supply of and Requirements for Selected Categories of Professional Public Health Manpower*

| Occupational Category | Professionals with masters level training or higher[a] | | | |
|---|---|---|---|---|
| | Base year supply (1970 unless specified) | 1980 Supply, assuming[b] | | Possible 1980 Requirements[c] |
| | | Constant school output | Reduced school output | |
| Environmental | 2,200 | 4,300 | 3,800 | 5,000 |
| Epidemiology | 1,000 | 1,800 | 1,500 | 2,000 |
| Health education | 2,000 | 3,600 | 3,100 | 6,000 |
| Health services administration | 8,500 | 18,200 | 15,300 | 25,200 |
| Health statistics | 1,100 (1971) | 1,700 | 1,500 | 2,500 |
| Maternal health, family planning & child health | 800 | 1,800 | 1,500 | 2,000 |
| Mental health | 200 | 400 | 350 | 1,100 |
| Public health dentistry | 300 | 550 | 500 | 550 |
| Public health nursing | 2,457 (1968) | 5,200 | 4,500 | 5,700 |
| Public health nutrition | 1,000 | 1,800 | 1,500 | 2,600 |
| Public health veterinary medicine | 200 | 350 | 300 | 550 |

*Department of Health Administration, School of Public Health, University of North Carolina. Professional Health Manpower for Community Health Programs. Chapel Hill, North Carolina, 1973.

(a) Numbers over 1,000 rounded to nearest 100, and below 1,000 to nearest 50.
(b) "Constant school output" is based on the size of the average graduating class in the early 1970s. "Reduced school output" assumes that the Administration's proposed FY 1974 budget was implemented according to plan, resulting in a 35% reduction in the combined school output from the 1973-74 academic year on.
(c) The projected requirements do not take into consideration the continuing demands being made on American schools of public health to train foreign students in connection with the U.S. foreign assistance program and the requirements of the World Health Organization. Foreign student enrollments have averaged over 9.8% in recent years.

TABLE I ATTACHMENT NO. II

Budget History

Public Health Training Appropriations

(Constant Dollars)[1]

1964 - 1978

| Year | No. Schools | GNP Deflator | Total[2] | Project[2] | Formula[2] | Traineeships[2] |
|---|---|---|---|---|---|---|
| 1964 | 14 | 63.3 | $12,788,300 | $3,159,550 | $3,001,570 | $6,627,170 |
| 1965 | 14 | 65.1 | 14,592,900 | 3,840,240 | 3,840,240 | 6,912,440 |
| 1966 | 15 | 68.4 | 21,198,800 | 5,847,950 | 5,116,950 | 10,233,910 |
| 1967 | 15 | 72.5 | 23,103,400 | 6,896,550 | 5,172,410 | 11,034,480 |
| 1968 | 15 | 76.9 | 21,456,400 | 5,851,750 | 5,201,560 | 10,403,120 |
| 1969 | 16 | 81.9 | 21,332,100 | 6,003,660 | 5,560,430 | 9,768,000 |
| 1970 | 16 | 88.3 | 20,465,400 | 5,568,516 | 5,836,910 | 9,060,020 |
| 1971 | 17 | 94.5 | 19,016,900 | 4,779,890 | 5,348,140 | 8,888,880 |
| 1972 | 17 | 100.0 | 18,471,000 | 4,517,000 | 5,554,000 | 8,400,000 |
| 1973 | 18 | 107.5 | 20,093,000 | 5,581,390 | 5,581,390 | 8,930,230 |
| 1974 | 18 | 118.9 | 17,258,200 | 4,793,940 | 4,793,940 | 7,670,310 |
| 1975 | 19 | 127.3 | 16,119,400 | 4,320,500 | 4,634,720 | 7,164,180 |
| 1976 | 19 | 137.7 | 14,901,900 | 3,994,190 | 4,284,670 | 6,623,090 |
| 1977 | 19 | 146.2[3] | 14,035,500 | 3,761,970 | 4,035,560 | 6,238,030 |
| 1978 | 21 | 150.3[4] | 11,909,500 | 3,326,680 | 3,925,480 | 4,657,350 |

1 Implicit price deflator for GNP, 1972 = 100. Economic Report of the President, January 1976

2 Rounded

3 Second quarter 1977

4 Estimated

ATTACHMENT NO. III

Table II

Appropriations History

Public Health Institutional Support

Current and Constant Dollars

1964 - 1978

| Fiscal Year | No. Schools | Appropriation | (State/local gov't) GNP Deflator [1] | Appropriation (in constant dollars) | Average per School [2] |
|---|---|---|---|---|---|
| 1964 | 14 | $1,900,000 | 63.3 | $3,001,570 | $214,390 |
| 1965 | 14 | 2,500,000 | 65.1 | 3,840,240 | 274,300 |
| 1966 | 15 | 3,500,000 | 68.4 | 5,116,950 | 341,130 |
| 1967 | 15 | 3,750,000 | 72.5 | 5,172,410 | 344,820 |
| 1968 | 15 | 4,000,000 | 76.9 | 5,201,560 | 346,770 |
| 1969 | 16 | 4,554,000 | 81.9 | 5,560,430 | 347,520 |
| 1970 | 16 | 5,154,000 | 88.3 | 5,836,910 | 364,800 |
| 1971 | 17 | 5,054,000 | 94.5 | 5,348,140 | 314,590 |
| 1972 | 17 | 5,554,000 | 100.0 | 5,554,000 | 326,700 |
| 1973 | 18 | 6,000,000 | 107.5 | 5,581,390 | 310,070 |
| 1974 | 18 | 5,700,000 | 118.9 | 4,793,940 | 266,330 |
| 1975 | 19 | 5,900,000 | 127.3 | 4,634,720 | 243,930 |
| 1976 | 19 | 5,900,000 | 137.7 | 4,284,670 | 225,510 |
| 1977 | 19 | 5,900,000 | 146.2[3] | 4,035,560 | 212,390 |
| 1978[5] | 21 | 5,900,000 | 150.3[4] | 3,925,480 | 186,928 |

1 Implicit price deflator for GNP, 1972 = 100. Economic Report of the President, January 1976

2 Rounded

3 Second quarter 1977

4 Estimated

5 First year for Capitation grant allocation

TABLE III . ATTACHMENT NO. IV

Budget History

Public Health Traineeship Appropriations

(In Current and Constant Dollars [1])

1964 - 1978

| Year | No. Schools | (Current $) Traineeships | GNP Deflator | (Constant $) Traineeships [2] |
|---|---|---|---|---|
| 1964 | 14 | $4,195,000 | 63.3 | $6,627,170 |
| 1965 | 14 | 4,500,000 | 65.1 | 6,912,440 |
| 1966 | 15 | 7,000,000 | 68.4 | 10,233,910 |
| 1967 | 15 | 8,000,000 | 72.5 | 11,034,480 |
| 1968 | 15 | 8,000,000 | 76.9 | 10,403,120 |
| 1969 | 16 | 8,000,000 | 81.9 | 9,768,000 |
| 1970 | 16 | 8,000,000 | 88.3 | 9,060,020 |
| 1971 | 17 | 8,400,000 | 94.5 | 8,888,880 |
| 1972 | 17 | 8,400,000 | 100.0 | 8,400,000 |
| 1973 | 18 | 9,600,000 | 107.5 | 8,930,230 |
| 1974 | 18 | 9,120,000 | 118.5 | 7,670,310 |
| 1975 | 19 | 9,120,000 | 127.3 | 7,164,180 |
| 1976 | 19 | 9,120,000 | 137.7 | 6,623,090 |
| 1977 | 19 | 9,120,000 | 146.2 [3] | 6,238,030 |
| 1978 | 21 | 7,000,000 | 150.3 [4] | 4,657,350 |

1 Implicit price deflator for GNP, 1972 = 100. Economic Report of the President January 1976

2 Rounded

3 Second quarter 1977

4 Estimated

TABLE IV

ATTACHMENT NO. V

Budget History
Special Projects in Public Health
(Current and Constant Dollars[1])
1964 - 1978

| Year | (Current $) Project | GNP Deflator | (Constant $) Project[2] |
|---|---|---|---|
| 1964 | $2,000,000 | 63.3 | $3,159,550 |
| 1965 | 2,500,000 | 65.1 | 3,840,240 |
| 1966 | 4,000,000 | 68.4 | 5,847,950 |
| 1967 | 5,000,000 | 72.5 | 6,896,550 |
| 1968 | 4,500,000 | 76.9 | 5,851,750 |
| 1969 | 4,917,000 | 81.9 | 6,003,660 |
| 1970 | 4,917,000 | 88.3 | 5,568,516 |
| 1971 | 4,517,000 | 94.5 | 4,779,890 |
| 1972 | 4,517,000 | 100.0 | 4,517,000 |
| 1973 | 6,000,000 | 107.5 | 5,581,390 |
| 1974 | 5,700,000 | 118.9 | 4,793,940 |
| 1975 | 5,500,000 | 127.3 | 4,320,500 |
| 1976 | 5,500,000 | 137.7 | 3,994,190 |
| 1977 | 5,500,000 | 146.2[3] | 3,761,970 |
| 1978 | 5,000,000 | 150.3[4] | 3,326,680 |

[1] Implicit price deflator for GNP, 1972 = 100. Economic Report of the President, January 1976

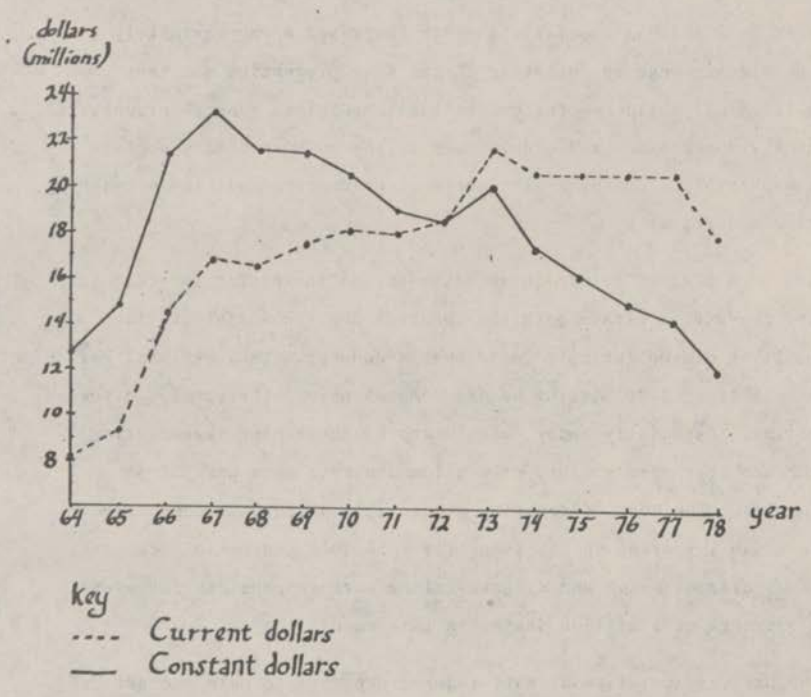
[2] Rounded

[3] Second

[4] Estimated

ATTACHMENT NO. VI

Appropriations History
Current and Constant Dollars
1964-1978



STATEMENT OF CHARLES B. ARNOLD, M.D., PAST PRESIDENT, AMERICAN COLLEGE OF PREVENTIVE MEDICINE

Mr. Chairman, subcommittee members, I am Charles B. Arnold, Immediate Past President of the American College of Preventive Medicine and current chairman of the College's Committee on Prevention Policy. I am pleased to appear before you today to express the views of the College regarding the President's FY 80 budget for preventive health care services.

The ACPM is a medical specialty society comprised of approximately 1800 physicians engaged full-time in the four preventive medicine specialties of public health, occupational medicine, general preventive medicine and aerospace medicine. Ours is the only specialty society whose membership represents all facets of preventive medicine - teaching, practice and research.

We have been pleased to see in recent years an increasing interest in disease prevention within both the Congress and the Administration. Still, it is disappointing to note that a country with a personal health services bill of $180 billion has no comprehensive strategy for disease prevention. Especially today, when means of containing skyrocketing health care costs are sought, prevention deserves more careful examination. The cost of treating preventable disease is compounded by the human suffering which it entails - in 1976 preventable cancers, cardiovascular diseases and diabetes alone were responsible for over three quarters of a million deaths in this country.

Yet, we have at our disposal many federal programs to make a start toward eradicating preventable diseases. Many such programs, if adequately funded, could provide us with valuable information regarding the effectiveness of prevention. The Administration, in its FY 80 budget, has requested levels of funding which we support for many of these programs. Other programs need additional attention. Among the more important of these are:

FORMULA GRANTS FOR PREVENTIVE HEALTH CARE SERVICES

Late last year P.L. 95-626 was signed into law. This statute contains, among other things, a number of authorities for public health programs at the local, state and federal levels. Among these is a new program

of grants to states to reduce, through application of primary and secondary prevention, one or more of the five leading causes of mortality within each state.

The health communications component of the formula grant program is a provision which deserves particular comment. Any first-stage program designed to deal comprehensively with the delivery of preventive services must pursue two courses simultaneously - 1) the development of a program of intensive personal preventive services, delivered to defined populations, and 2) a program to bring health promotion and disease prevention education to the entire public.

Enough is known now about the means of preventing certain diseases to mount an aggressive health education mass communications campaign. The message of such a campaign should be simple: 1) chronic disease is not an inevitable consequence of aging, and 2) a few simple actions taken each day by people can prevent the development of many serious illnesses. A political by-product of such a mass education campaign will be the development of a constituency for health promotion. Once the public understands the extent to which their self-interest in health is affected by their personal inaction, the eventual political support that will be necessary to move "prevention" ahead on the list of our national health priorities will emerge.

Since the combined marketing budgets of the fat-producing industries (dairy, meat, and their processed products) and tobacco alone probably exceeds $2 billion annually, the program which is proposed is extremely small in comparison ($.10 annually per person as compared to advertising of $10.00 annually per person). With such relatively limited funds, therefore, it is important that this program be centrally administered and coordinated at the state level.

We are pleased to see that the Administration's budget request includes $18 million for funding of the first year of this program.

Health Incentive Grants for COMPREHENSIVE PUBLIC HEALTH SERVICES

In the past, under Section 314(d) of the Public Services Act, states have been awarded grants to provide comprehensive public health services. The states have established a positive record of performance under this program, although federal appropriations under this section have amounted to less than 3 percent of the total public health expenditures of official state agencies. Unfortunately, while grants under Section

314(d) have allowed the states flexibility in designing programs to meet local needs, funding for such programs has been fixed at a meager $90 million since 1966. By providing stable generic support for public health activities that are also an incentive to additional investment by states and localities, this program will greatly assist local jurisdictions in carrying out their responsibilities for enforcement of control over environmental as well as other types of health hazards.

Unfortunately, the Administration's budget request of $52 million would severely cripple existing state efforts in this regard. Last year's level of $90 million, the same level of funding as has prevailed annually for the last 13 years, represents a real dollar decrease of 50% since 1966. It is crucial, therefore, that the amounts allocated to the states be increased substantially so that they may continue and expand many of the valuable efforts that are now being undertaken.
For FY 80 we recommend an appropriation of $115 million for this program, $35 million below the authorized level.

Office of the Assistant Secretary for Health, Office of Health Information and Health Promotion

It is critical that this office continue to exist and be funded at a level far greater than it was in FY 79 (1.4 million). A single coordinating federal office for disease prevention is crucial both for coordination and planning.
In terms of coordination, OHIHP is in a position to reduce duplication of effort between the various HEW agencies with similar programs or to link programs together which could benefit from cooperative endeavors. Coordination of program effort could also be assured through OHIHP, with non-HEW departments, such as Agriculture, Defense and Interior.

OHIHP is also in a position to assure better planning for prevention, specifically in such areas as:

1) Program goals (e.g. access to preventive services)
2) Health education
3) Budgeting

OHIHP should engage in oversight regarding planning for prevention within the six PHS agencies.

After the fact, OHIHP should examine the effectiveness of programs which are undertaken.

4) State planning

OHIHP could assist the states in implementing the Preventive Health Care Services formula grants program as well as in examining the results of such programs.

The OHIHP has tremendous potential for achievement in these and other areas. We therefore strongly support the Administration's request of $5 million for FY 80.

COMPREHENSIVE DEMONSTRATIONS FOR DELIVERING PREVENTIVE HEALTH CARE SERVICES

This program was newly enacted in 1978 as part of P.L. 95-626. The Administration has not requested funding for FY 80. We are recommending a funding level of $6 million.

Currently we do not know how to put together the best mix of prevention services. We only have models - such as those of the Stanford Research Institute and the American Health Foundation - that work in certain areas. What is needed are specialized centers that can be turned to for research and planning for community health services.

Unfortunately, federal health dollars are awarded according to disease categories, rather than risk factors which cut across all diseases. Funding of specialized centers such as those under this authroity would yield much needed information which is currently not available from existing programs.

PREVENTION MANPOWER

Currently, the health promotion manpower is lacking that will enable us to launch a comprehensive disease prevention strategy. We do have sufficient manpower for selected demonstrations; however, once programs become more sophisticated and widespread a much enlarged workforce will be required.

As in any discipline, a pool of potential leaders for prevention is essential. Unfortunately, the funding history for training in preventive medicine has been one marked by uncertainty and

unsufficient funding. Unless this is changed we will be faced, in the years ahead, with an inability to deliver prevention programs which may prove effective.

For FY 80 we are therefore recommending funding of $10 million for public health traineeships, an increase of $3 million above the Administration's request. We also support the Administration's request of $6 million in FY 80 for primary care special projects.

CONCLUSION

Today no model for delivering prevention services exists which is the analogue to the hospital for disease services. We therefore need to examine how to structure and deliver prevention services, as the part of the design of a comprehensive strategy for prevention. One means to accomplishing this end is to begin to strengthen existing programs as suggested here. Only then will be on our way toward insuring a healthier future for the citizens of our country.

AMERICAN COLLEGE OF PREVENTIVE MEDICINE

SUMMARY RECOMMENDATIONS

FY 80: PREVENTIVE HEALTH CARE SERVICES

(in millions)

| | FY 79 App. | FY 80 Admin. | FY 80 ACPM |
|---|---|---|---|
| Formula Grants for Preventive Health Care Services (P.L. 95-626, Title II, §203) | - | $18 | $18 |
| Health Incentive Grants for Comprehensive Public Health Services (P.L. 95-626, Title II, §201) | $90 | $52 | $115 |
| Office of the Assistant Secretary for Health, Office of Health Information and Health Promotion | $1.4 | $5.0 | $5.0 |
| Comprehensive demonstrations for delivering preventive health services (P.L. 95-626, Title IV, §401) | - | - | $6.0 |
| Prevention Manpower | | | |
| Residency Traineeships (P.L. 94-484, §748) | $7.0 | $7.0 | $10.0 |
| Special Projects (P.L. 94-484, §788) | $7.1 | - | - |
| Primary Care Special Projects | - | $6.0 | $6.0 |

STATEMENT OF CHARLES W. GIBLEY, JR., PH. D., PRESIDENT, AMERICAN ASSOCIATION OF COLLEGES OF PODIATRIC MEDICINE

Within the past year, there have been several significant milestones in the partnership established in the mid-1960's between the federal government and the five colleges of podiatric medicine:

(1) In August 1978, the Health Resources Administration of DHEW issued its Report to the President and the Congress on the Status of Health Professions Personnel. The Report indicates that there is both current and projected serious shortage of podiatrists and projects a need to double the number of podiatrists by 1990. The Report also characterizes podiatric medicine as the most unevenly distributed of the health professions.

(2) Under the reorganization of the Health Resources Administration (HRA) announced in September 1978, programs involving podiatric medicine were transferred to HRA's Division of Medicine. Thus, this Division now administers programs for schools of allopathic, osteopathic, and podiatric medicine.

(3) In March 1979, the Surgeon General announced that National Health Service Corps (NHSC) Scholarships would be awarded for the first time to podiatric medical students in the fall of 1979.

These milestones point to the growing cooperative relationship between the federal government and the colleges of podiatric medicine and demonstrate the need to develop programs in which the colleges may contribute to the achievement of national health goals. Thus, the milestones cited above form a solid basis for the recommendations made in the testimony.

I Capitation

FY 79 Appropriation: $960,000 (based on 20% rescission)

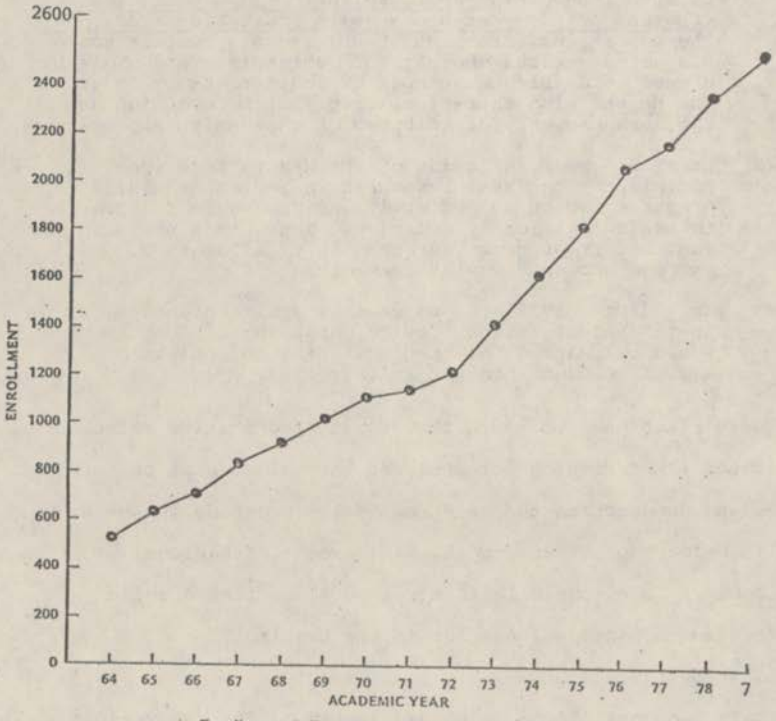
FY 80 Authorization:$2.2 million

FY 80 Budget Recommendation: "zero"

FY 80 AACPM Recommendation: $2.2 million

The primary objectives of the Congress in initiating capitation in the 1960's were to increase the number of health professionals and to permit the schools to insure improved fiscal and institutional planning.

Under the impetus of capitation, the five colleges of podiatric medicine have dramatically increased their enrollments and numbers of graduates. In 1964, there were 500 students enrolled in the colleges, today there are 2,500. In 1964, the colleges awarded degrees to 100 students, and in 1979 the number will be about 550. The following chart and table illustrate in detail the colleges' progress:




*Enrollment, Colleges of Podiatric Medicine,* 1963–64 to 1978–79

*Graduates, Colleges of Podiatric Medicine,* 1964–78

| College | Year | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 78 | 77 | 76 | 75 | 74 | 73 | 72 | 71 | 70 | 69 | 68 | 67 | 66 | 65 | 64 |
| CCPM | 97 | 78 | 145* | 67 | 54 | 49 | 52 | 51 | 47 | 43 | 42 | 25 | 30 | 25 | 20 |
| ICPM | 158 | 132 | 114 | 81 | 57 | 48 | 65 | 38 | 42 | 28 | 26 | 42 | 37 | 26 | 21 |
| NYCPM | 69 | 61 | 59 | 52 | 43 | 50 | 47 | 45 | 44 | 42 | 35 | 30 | 18 | 29 | 16 |
| OCPM | 118 | 112 | 112 | 100 | 99 | 70 | 78 | 76 | 90 | 58 | 37 | 50 | 50 | 42 | 39 |
| PCPM | 101 | 96 | 67 | 50 | 52 | 41 | 44 | 31 | 28 | 33 | 22 | 18** | – | – | – |
| Total | 543 | 479 | 497 | 350 | 305 | 258 | 286 | 241 | 251 | 204 | 162 | 165 | 135 | 122 | 96 |

*Double graduating class. See explanation above.
**PCPM graduated its first class in 1967.

Yet, despite these significant advances, there is a critical shortage of podiatristsin the nation. In the Report on the Status of Health Professions Personnel, the Health Resources Administration cites the progress of the colleges of podiatric medicine in expanding enrollments and in developing educational programs. At the same time, HRA projects a 30% shortfall of podiatrists by 1990 and recommends a doubling of the number of podiatrists to avert that shortfall.

Thus, capitation support is needed to assist the colleges in at least maintaining their current levels of enrollment. Any reduction in enrollments would exacerbate the already serious shortage of podiatrists which the nation faces.

The financial exigencies of the colleges of podiatric medicine are especially difficult since all five are private, freestanding institutions, which are not affiliated with state governments and are not situated within a university. Thus the colleges do not have access to substantial state funds and cannot avail themselves of the cost savings made possible through a university organization.

One result of the private, freestanding status of the colleges is that students must bear a high percentage of the institutional cost of education. Student tuition in 1979 will be $6,000 and will pay for more than 50% of the estimated $11,000 per student cost of education. By contrast, tuition in medical schools covers only 20% of the institution's cost of education. Thus, a reduction or elimination of capitation support will increase the already heavy burden being borne by podiatric medical students.

The recent Congressional approval of a 20% rescission of FY79 capitation funds was based on estimates that the country now has an adequate supply of certain health professionals. The conclusion drawn by some was that since the capitation program has already achieved its primary objective, it should be phased

out or eliminated. The alternative proposed is the development of targeted federal support for those institutions which meet national goals in the area of health professions education.

However, AACPM recommends that the capitation program for colleges of podiatric medicine continue to be funded at least until alternative programs and funding sources are developed. This recommendation is based on the following reasons:

(1) The current and projected shortages of podiatrists strongly indicate that the capitation program has not yet achieved its objective of giving the nation an adequate supply of podiatrists.

(2) AACPM agrees that alternatives to capitation should be developed, but until these alternatives are available, the elimination of capitation will cause a disruption of educational programs and increases in the already high tuitions being paid by students.

(3) The colleges of podiatric medicine are the sole source of podiatrists in the nation, and capitation will enable these institutions to maintain current capacity for educating podiatrists.

In light of critical shortage of podiatrists and the adverse effects on programs and student tuition if capitation is eliminated, AACPM recommends continued funding of capitation at least at the FY79 level but more appropriately at the FY80 authorized level of $2.2 million.

II National Health Service Corps Scholarship Program:

FY 79 Appropriation: $75 million

FY 80 Budget Recommendation: $78 million

FY 80 AACPM Recommendation: $78 million

FY Authorization: $200 million

AACPM commends the Congress for the steady increases in the funding of the NHSC Scholarship Program since these

increases reflect the Congress's priority for solving the maldistribution problem of health professionals.

AACPM also commends the Congress for its directing DHEW to address the serious maldistribution of podiatrists through the award of NHSC scholarships. In the Senate and House reports on the FY79 Appropriations Bill, the Congress directed that NHSC scholarships be awarded to podiatric medical students,and subsequently DHEW informed AACPM that these scholarships would be awarded in the fall of 1979. The official announcement of the availability of the scholarships appeared in the Federal Register on March 19, 1979 at page 16599.

This action by the Congress represents a significant step in addressing the maldistribution problem of podiatrists, which was delineated in detail in the DHEW Report on the Status of the Health Professions Personnel. (August 1978)

The Report describes podiatric medicine as the "most unevenly distributed" of all the professions studied by DHEW. One of the facets of the podiatric maldistribution problem cited in the Report is that more than 50% of all podiatrists practice in the five states where the colleges are located (New York, Pennsylvania, Ohio, Illinois, and California). These states, however, comprise only about 33% of the nation's population. Moreover, in these five states, the ratio of podiatrists to population is about 5 per 100,000, while in the other 45 states, the ratio is less than 2 per 100,000.

This maldistribution problem among podiatrists is also reflected in the number of foot care shortage areas currently designated by DHEW. In July 1979, DHEW designated over 800 of the nation's 3,100 counties as foot care shortage areas. Accordingly, the Surgeon General of the United States has indicated that the number of NHSC scholarships to be awarded will be determined on the basis of the number of shortage areas.

Thus, the actions with regard to the award to podiatric

medical students of NHSC scholarships is a first step in addressing the current maldistribution problem. Other steps recommended elsewhere in this testimony are the development of new schools of podiatric medicine in areas of the country with acute shortages, e.g. the South and the Pacific Northwest, the development of regional educational programs at the existing colleges of podiatric medicine, and participation by the colleges in the Area Health Education Centers (AHECs).

III Special Projects

Title VIII of the Health Professions Educational Assistance Act of 1976 (P.L. 94-484) is devoted to Special Projects and contains authorities for a number of educational projects which are of vital importance to the colleges of podiatric medicine.

In general, "special projects" funds have enabled the colleges of podiatric medicine to undertake both educational and patient care delivery initiatives which are targeted at national goals and which are within the missions of the colleges.

For example, the colleges have been able to develop expanded clinical outreach programs, which benefit both the students and the patients who receive foot care services. In addition, the colleges have utilized special project funds to expand efforts to recruit women, minorities, American Indians, and other disadvantaged students. Furthermore, special project funds provided the seed money to develop for students a deferred cost of education plan. This plan, which has been incorporated into P.L. 94-484 as part of the Health Education Assistance Loan (HEAL) Program, has become increasingly vital to podiatric medical students as tuition and living expenses connected with podiatric medical education have escalated.

(A) Section 781: Area Health Education Centers (AHECs)

FY 79 Appropriation: $20 million

FY 80 Authorization: $40 million

FY 80 Budget Recommendation: $5.85 million

FY 80 AACPM Recommendation: $20 million

The primary objective of the program is to correct problems of geographic maldistribution of health professionals by encouraging educational programs in rural and medically underserved areas. Since this program is just beginning to have an impact on the education and practice of health professionals, it would be wasteful to curtail drastically the resources currently directed to AHECs. Thus the Administration's FY80 Budget Recommendation is likely to result in the dismantling of certain AHEC programs and will not permit the expansion of surviving programs to include broader representation by individual health professions such as podiatric medicine.

Thus far, colleges of podiatric medicine and their students have not had the opportunity to participate in the AHEC program. Because of the acute maldistribution of podiatrists, the AHEC program is needed to provide foot care services to underserved populations and to encourage podiatrists to practice in underserved areas upon graduation.

The drastic reduction in AHEC funds will make it impossible for colleges and students of podiatric medicine to participate in the AHEC program and this will further exacerbate the current unavailability of foot care services, especially in rural areas.

For these reasons, AACPM recommends funding the AHEC program at $20 million level appropriated in FY79.

(B) Section 787: Educational Assistance to Individuals from Disadvantaged Backgrounds

FY 79 Appropriation: $1.9 million

FY 80 Budget Recommendation: $19.068 million

FY 80 AACPM Recommendation: $19.068 million

This program has proved to be a valuable asset to the colleges of podiatric medicine in the recruitment and retention

of disadvantaged students. With the assistance of federal funds from this program, the colleges of podiatric medicine have been able to dramatically increase the enrollment of women from less than 1% of the student body in 1972 to more than 15% in 1979. While representation of minority students has remained constant for the past several years, this has not been the result of decreased efforts to recruit and retain individuals from minority groups. Rather, many minority and disadvantaged students have been prevented from attending a podiatric medical college because of high costs and limited student financial aid.

More effort is needed in recruiting both women and minorities and the Administration's FY 80 Budget Recommendation will make it possible to continue and expand the efforts already initiated by the colleges of podiatric medicine.

Recognizing the current needs of women and minority students, two colleges of podiatric medicine are already engaged in recruitment and retention projects funded under section 787. However, AACPM has already developed and submitted to DHEW for approval a coordinated, national effort directed at disadvantaged students. This effort would involve AACPM, all five of the colleges, and the podiatry profession, and would be focused on the nation's land-grant colleges as a source of students.

(C) Section 788 (a): Start-up Assistance

FY79 Appropriation: $5 million
FY80 Authorization: $5 million
FY80 Budget Recommendation: "zero"
FY 80 AACPM Recommendation: $5 million

The rationale offered to justify elimination of start-up funds is that the adequate supply of health professionals makes the development of new schools unwise and unnecessary. This reasoning, however, does not apply to podiatric medical colleges.

Previously cited were DHEW's findings on both the critical shortage and serious maldistribution of podiatrists. If the nation is to begin to address these problems, federal

support is needed for two types of activities designed to increase the supply of podiatrists:

(1) The expansion of the existing colleges of podiatric medicine into regional schools of podiatric medicine: This would involve utilizing the existing facilities for both basic science and clinical education and developing additional extramural clinical programs in cities within the states near the college. It would also necessitate expanding contractual agreements with underserved states which wish to support the education of their residents in podiatric medicine.

(2) The development of new colleges of podiatric medicine, preferably within academic health centers: At present, two such schools are under consideration, one in a private institution, the other in a public institution. The development of these institutions is critical to addressing the problem of the shortage of podiatrists, and because these new schools would represent the first colleges of podiatric medicine to be located within an academic health center, they would provide a setting for podiatric medical education in which there would be expanded opportunities for clinical programs, research, and interdisciplinary education.

Although the two institutions considering new schools of podiatric medicine recognize the appropriate role of podiatric medicine in the U.S. health care system, still federal funds are needed to provide the institutions with the necessary incentives and resources to undertake the development of new colleges of podiatric medicine. Without federal assistance to meet the heavy costs of starting a new program in

podiatric medicine, it may be impossible for university boards of trustees to give their approval to such programs.

Thus, federal start-up funds are needed to assist the existing colleges expand into regional schools and to permit the new colleges of podiatric medicine being planned to be developed in academic health centers.

(D) Section 788 (b): Financial Distress Grants

FY79 Appropriation: $5 million
FY80 Authorization: $5 million
FY80 Budget Recommendation: $5 million
FY80 AACPM Recommendation: $5 million

AACPM commends the Budget Recommendation of $5 million for financial distress. In general, these funds will be utilized to assist institutions which have developed financial difficulties because of such reasons as reduced patient care, increased energy costs, and efforts to expand educational programs.

While it is hoped that not all financial distress funds will be expended in FY80, AACPM recognizes that such funds must be available to meet financial crises. Otherwise, there is a danger of curtailment of programs or enrollments in colleges of podiatric medicine, and such cutbacks can only further exacerbate the already acute shortage of podiatrists.

(E) Section 788 (c) and (d): Interdisciplinary Training and Curriculum Development

FY79 Appropriation: $7.14 million
FY80 Authorization: $1.5 million
FY80 Budget Recommendation: "zero"
FY80 AACPM Recommendation: $7.14 million

The proposed elimination of these special project funds will deprive the colleges of podiatric medicine and other health professions schools of the flexibility and resources needed to meet national health priorities. For example, the project areas designated for FY79 as priority areas are geriatrics,

nutrition, and environmental health. Funds made available under these headings will enable the colleges of podiatric medicine to address specific projects which meet national goals, but which are beyond the ordinary financial means of the colleges.

Moreover, the elimination of FY80 special project funds appears to be contrary to the targeted funding approach recommended by DHEW for health professions schools. Under such an approach, institutions would receive funds to the extent that they met national priorities, such as geographic maldistribution, ambulatory care, and primary care. Such an approach has much merit, and therefore, AACPM recommends that funds for interdisciplinary training and curriculum development be continued at the FY79 level of $7.14 million and that these funds be utilized to meet national health priorities.

The following is a description of projects which AACPM has identified as priorities for the Fiscal Year 1980:

(1) Role Definition. The recommended approach to this project is a study to examine the expanding role of the podiatrist in health care and to delineate the full range of health services which the podiatrist is capable of delivering. Since 1960, there has been a revolution in podiatric medical education and a concommitant expansion of the podiatrist's role and function as a health care provider. In particular, the evaluation of the role and function of the podiatrist will provide a basis for the development of a competency-based curriculum and will help define the podiatrist as a primary care provider.

(2) Competency-Based Curriculum. This project is designed to evaluate the validity of the current podiatry curriculum in achieving the goal of podiatric medical education: a health professional capable of providing those services which meet patient needs and which are permitted under state licensure laws. The project would also focus on how to provide students with greater self-direction in their programs, how to structure the curriculum to permit rapid evaluation of a student's progress in achieving objectives, and how to adjust curriculum to achieve feasible objectives.

(3) Model for Interdisciplinary Health Care Delivery. Now that podiatric medicine is situated in HRA's Division of Medicine, which supports interdisciplinary education programs, interdisciplinary health care delivery is the next logical step requiring development of models. The colleges of podiatric medicine and

their extramural clinical programs can serve as an ideal laboratory in which to construct such delivery models. This might include projects which encourage the use of podiatrists in health maintenance organizations as has been done in many of the Kaiser-Permanente groups in California. Moreover, because of the role of the colleges in continuing education, these models can be readily communicated to practitioners.

(4) Continuing Education. Although the colleges are already involved in continuing education, more research and experimentation is needed to learn the types of programs that can more effectively meet the needs of practitioners. Thus, interdisciplinary programs, group practice techniques, and issues relating to national health insurance can be explored. The need for expanded continuing education programs is particularly acute since the number of states requiring continuing education credits is now about 30.

(5) Clinical Teaching Facilities in Underserved Areas. Because of the need to develop many new clinical programs to meet the increases in students and the demands of a broader curriculum, the colleges have had to concentrate on clinical programs that were already functioning or readily available. Clinical programs in underserved areas and among underserved populations require additional financial resources and knowledge of the structure and needs of the area or population to be served. Thus, this project would enable the colleges to garner the resources and expertise indispensable for establishing effective programs in underserved areas or among underserved populations.

(6) Podiatric Assistants. At present, only one program to train assistants is operational, whereas two years ago there were three. One of the two which ceased operations was located at a college of podiatric medicine, but financial exigencies forced the discontinuation of that program. However, there is clearly a need for such programs and they would be most appropriately situated within a college of podiatric medicine. Yet, both the role of these assistants in podiatric care as well as the institutions to sponsor appropriation training programs for assistants must be identified. In addition, more data are needed on the extent to which assistants can increase the productivity of podiatrists, thus helping alleviate the critical shortage of podiatric medical doctors.

(7) Affiliations with Academic Health Centers. Although informal relations now exist between the colleges and certain academic health centers, more effort is needed to encourage formal affiliations between the colleges of podiatric medicine and these centers. Such affiliations would stimulate interdisciplinary education and provide a variety of resources to the individual components of the health science center. Affiliations of this nature would also foster cost effectiveness by eliminating duplication of expensive equipment and human resources.

IV Student Assistance

The current crisis in student assistance in the colleges of podiatric medicine stems from several factors:

(1) All of the colleges are private freestanding, not-for-profit institutions which do not have a parent university to rely on for financial support.

(2) The result is that podiatric medical students currently pay more than 50% of the institutional cost of education. By contrast, medical students pay about 20% of the institution's cost of education.

(3) Virtually no scholarship support has been available to podiatric medical students. Only one first-year student in each school received an Exceptional Financial Need Scholarship in 1978-79; however, for the first time, podiatric medical students will be eligible for NHSC scholarships in 1979-80.

(4) Many students have already exhausted their $15,000 eligibility under the Guaranteed Student Loan Program (GSL),and the funds available under the Health Professions Student Loan Program (HPSL) and the National Direct Student Loan Program (NDSL) are inadequate to meet student financial needs.

(5) The result has been that podiatric medical students have already been forced to borrow under the more costly Health Education Assistance Loan Program (HEAL) and many more will have no other option as the cost of tuition and living expenses increases.

AACPM commends the Congressional action which resulted in the DHEW announcement of the award of NHSC scholarships in the fall of 1979, but we urge the Congress to make available additional scholarship funds and provide for more low-cost loan funds under the GSL and HPSL programs.

Unless the Congress moves in this direction, two results are likely:

(1) Students will incur debts of $150,000 - $200,000 and will have little choice but to practice in affluent areas and charge fees at a level sufficient to meet their monthly debt payments.

(2) Disadvantaged students, especially minorities and economically disadvantaged students from underserved areas, will be unable to continue their education. Moreover, many disadvantaged students will be unwilling to apply for admission to the colleges of podiatric medicine because of the enormous debts which must be incurred to obtain their "Doctor of Podiatric Medicine" degree.

In light of these factors, AACPM makes the following comments and recommendations about the various student assistance programs:

(A) HEAL (Title IV)

This program was designed to permit students to borrow up to $50,000 to meet the costs of education. However, there are certain features which make the program more costly than other loan programs and which have made HEAL a loan program of last resort for many students:

(1) The maximum interest rate is 12%,

(2) Students must pay interest while in school unless the lender defers interest payments,

(3) If interest is paid while in school, the student receives less cash to meet educational expenses. Thus if a student borrows $10,000 a year for four years at 10% interest, he realizes only about $29,000 in cash, and

(4) Students must also pay an insurance premium, the current rate of which is 1/2 of one percent.

Despite the negative features of the program, podiatric medical students have become the heaviest borrowers under the

program. Appendix A of this testimony contains DHEW's Summary report of the HEAL program as of December 31, 1978. The report reveals these striking facts:

- Of the 121 loans made to students in all the eligible health professions, 60 were made to podiatric medical students.
- Of the $895,096 loaned to all students, $518,613 (58%) was loaned to podiatric medical students.

However, the difficulty with HEAL lies not in borrowing the money but in repaying it. Below is the chart contained in the HEW brochure on the HEAL program. The chart assumes a 12% interest rate and a 10 year repayment period. Of course, if the repayment period is longer, (and it may be up to 23 years under the law), and if interest is deferred, monthly payments will be substantially higher:

| AMOUNT OF TOTAL DEBT | MONTHLY PAYMENTS | |
|---|---|---|
| | In-School (interest only) | During Repayment (120 mo) (principal and interest) |
| $ 5,000 | $ 50 | $ 72 |
| 10,000 | 100 | 143 |
| 15,000 | 150 | 215 |
| 20,000 | 200 | 287 |
| 25,000 | 250 | 359 |
| 30,000 | 300 | 430 |
| 35,000 | 350 | 502 |
| 40,000 | 400 | 574 |
| 45,000 | 450 | 646 |
| 50,000 | 500 | 717 |

As indicated above, a debt of this size can force a podiatrist to practice in an affluent area and charge fees which will enable him to repay his debts. Furthermore, it must be remembered that expenses incurred in obtaining a podicatric medical education are only part of the total debt obligations of a podiatrist. The following are the most likely components of the total debt picture:

- undergraduate loans
- loans during his podiatric medical education
- costs of starting a practice

- mortgage and auto payments
- insurance

AACPM recognizes that the current authorizing legislation will have to be amended to deal forcefully and satisfactorily with the fiscal problems outlined here, but AACPM wishes to bring these facts to the Congress's attention in dealing with the Appropriations Bill. The fact is that certain programs are already authorized which can alleviate the existing crisis, - for example, HPSL and NDSL loans, and Exceptional Financial Need Scholarships.

(B) National Health Service Corps (Title IV)

(see above, p. 8)

(C) Health Professions Student Loans (HPSL) (Title IV)

FY79 Appropriation: $10 million
FY80 Authorization: $28 million
FY80 Budget Recommendation: "zero"
FY80 AACPM Recommendation: $20 million

This program is an excellent vehicle for supporting students, and the recommendation to eliminate all funding for HPSL loans will especially affect disadvantaged students. The attractive features of the program are:

- financial need is used as a criterion for participation,
- the interest rate is 7%,
- students receive tuition + $2500 in loans, and
- there is a revolving fund which is replenished through student repayments.

In light of these features and of the high cost of HEAL loans, it is vital that Congress fund the HPSL program at a level above the FY79 level. As already indicated, the magnitude of the student aid problem makes it imperative that lower cost forms of financial aid be made available to health professions students in general and to podiatric medical students in particular.

(D) Scholarships to First-Year Students of Exceptional Financial Need (section 758):

FY79 Appropriation: $7 million
FY80 Authorization: $18 million
FY80 Budget Recommendation: "zero"
FY80 AACPM Recommendation: $18 million

The Administration's Budget Request for $18,068 million for recruitment and retention of disadvantaged students is puzzling when it is contrasted with the "zero" Budget request for Exceptional Financial Need (EFN) Scholarships.

One of the principal frustrations encountered by the colleges of podiatric medicine has been the ability to attract students to apply and the inability to offer them sufficient student assistance to encourage them to enroll. It would be anomalous for the Congress to appropriate substantial sums to recruit disadvantaged students and then to fail to appropriate adequate funds to permit these same students to begin their podiatric medical education.

Therefore, AACPM recommends that this program be funded at its full authorized level.

Conclusion

The recommendations presented here focused on certain critical problems being faced by colleges of podiatric medicine:

(1) the need for federal institutional capitation support to continue efforts by the colleges to address the current and projected shortage and maldistribution of podiatrists which was indicated in the DHEW Report on the Status of Health Professions Personnel.

(2) the need for targeted federal support for "special projects" to address national health goals in such areas as geriatrics, primary care, interdisciplinary education, and cost containment, and

(3) the need for affordable student aid to enable students to meet the high costs of a podiatric medical

education arising in part from the quality of the program and in part from the status of all the colleges as private, freestanding, not-for-profit institutions.

The colleges of podiatric medicine have cooperated with the federal government since the 1960's in accomplishing national goals for health care and health professions education. The colleges stand ready to continue this partnership with the federal government and urge the Congress to act on the recommendations presented to foster this partnership between the federal government and the colleges of podiatric medicine.

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STATEMENT OF RALPH H. HINES, EXECUTIVE VICE PRESIDENT, MEHARRY MEDICAL COLLEGE, NASHVILLE, TENN.

MY NAME IS RALPH H. HINES. I AM THE EXECUTIVE VICE PRESIDENT OF MEHARRY MEDICAL COLLEGE, LOCATED IN NASHVILLE, TENNESSEE. IT IS A PLEASURE AND PRIVILEGE TO PRESENT THIS TESTIMONY TO YOU TODAY. I AM HERE TO INFORM YOU ABOUT MEHARRY AND ITS SPECIAL NEEDS.

MEHARRY MEDICAL COLLEGE, FOUNDED IN 1876, IS THE NATION'S ONLY PRIVATELY ENDOWED, PREDOMINANTLY BLACK INSTITUTION OF THE HEALTH SCIENCES. THE COLLEGE HAS GRADUATED 43 PERCENT OF THIS NATION'S PRACTICING BLACK PHYSICIANS AND DENTISTS. IT CONSISTS OF SCHOOLS OF MEDICINE, DENTISTRY, GRADUATE STUDIES, AND THE ALLIED HEALTH DISCIPLINES. DURING THIS DECADE THE COLLEGE HAS REALIZED A DRAMATIC ENROLLMENT INCREASE, IN KEEPING WITH THE NATIONAL CONCERN ABOUT ALLEVIATING HEALTH MANPOWER SHORTAGES, SHORTAGES WHICH HAVE BEEN PARTICULARLY SERIOUS IN MINORITY COMMUNITIES. TODAY MEHARRY HAS A TOTAL ENROLLMENT OF 1,010 STUDENTS IN ALL PROGRAMS, COMPARED TO 434 TEN YEARS AGO. SLIGHTLY OVER HALF OF THIS TOTAL IS IN MEDICINE AND DENTISTRY, WITH 479 PREPARING FOR THE M.D. DEGREE. SOME 77 PERCENT ARE BLACK, 23 PERCENT ARE NON-BLACK, CONCISTING OF WHITE, HISPANIC, NATIVE AMERICAN, FOREIGN AND ASIAN AMERICAN STUDENTS.

MEHARRY, THROUGH ITS HISTORY, HAS SERVED AS A SPECIAL NATIONAL AND REGIONAL RESOURCE FOR EXPANDING ACCESS TO HEALTH SCIENCES TRAINING AND SERVICE. THERE ARE SEVERAL WAYS IN WHICH MEHARRY HAS LED THE NATION, WAYS WHICH ADD

FURTHER IMPACT AND SIGNIFICANCE TO THE ESSENTIAL ROLE IT PLAYS. FOR EXAMPLE, THE COLLEGE LEADS THE NATION IN THE PERCENTAGE - 76 PERCENT - OF ITS GRADUATES WORKING AMONG THE URBAN AND RURAL POOR, GROUPS WHICH HAVE THE HIGHEST RATES OF ILLNESS IN OUR NATION. ALSO, OF ALL BLACK STUDENTS IN THE TWENTY NINE MEDICAL SCHOOLS LOCATED IN THE SOUTH, 34 PERCENT ARE ENROLLED IN STUDY AT MEHARRY.

SOME 40 PERCENT OF THE COLLEGE'S MEDICAL GRADUATES RETURN TO THE SOUTH TO SETTLE AND PRACTICE, TWICE THE NUMBER OF ALL OTHER MINORITY MEDICAL GRADUATES AND NEARLY TWICE THE NUMBER OF ALL OTHER GRADUATE PHYSICIANS. MEHARRY GRADUATES ARE KNOWN FOR THEIR COMMITMENT TO PRIMARY CARE AND MORE OF THEM GO INTO PRIMARY CARE SETTINGS THAN DO THE GRADUATES FROM ANY OTHER MEDICAL SCHOOL. FINALLY, FOR THE NATION AS A WHOLE, 15 PERCENT OF ALL MEDICAL STUDENTS COME FROM "DISADVANTAGED" BACKGROUNDS, FROM FAMILIES WHERE TOTAL INCOME IS BELOW $10,000 ANNUALLY; AT MEHARRY THAT FIGURE IS 49 PERCENT, THE HIGHEST IN THE COUNTRY.

THIS RECORD OF NATIONAL LEADERSHIP IS RELATED TO SEVERAL CRITICAL PROBLEMS WHICH PLACE MEHARRY IN A SPECIAL SITUATION AMONG THE NATION'S PRIVATE MEDICAL INSTITUTIONS IN TERMS OF THE OBSTACLES IT FACES IN ACHIEVING ADEQUATE FINANCING TO MAINTAIN AND IMPROVE ITS TEACHING AND INSTRUCTIONAL STRENGTH.

ONE OF THESE PROBLEMS IS THE RESULT OF THE COLLEGE'S UNIQUE NATIONAL MISSION. MEHARRY'S TRADITIONAL PURPOSE EXPRESSES ITSELF AS AN "EMPATHY FOR THE DISADVANTAGED OF ALL ORIGINS." IN KEEPING WITH THIS HISTORIC AND UNIQUE MISSION THE COLLEGE ENROLLS MORE DISADVANTAGED STUDENTS, AS MENTIONED ABOVE, THAN ANY OTHER MEDICAL SCHOOL IN THE UNITED STATES. SOME 86 PERCENT OF OUR STUDENT BODY REQUESTS AND RECEIVES FINANCIAL AID TO HELP THEM PAY TUITION AND OTHER EXPENSES. TUITION COSTS STAND CURRENTLY AT $4,000 PER ANNUM, UP 60 PERCENT FROM TWO YEARS AGO. WHILE THE COLLEGE RELIES HEAVILY ON TUITION AND FEES FOR INCOME, RAISING THE TUITION MUCH BEYOND THE PRESENT LEVEL WOULD RESULT IN ONLY A MARGINAL INCRUMENT IN OPERATING INCOME, AND WOULD BE COUNTER-PRODUCTIVE TO THE COLLEGE'S SPECIAL ROLE IN EDUCATING THE DISADVANTAGED. EVEN FOR THOSE FEW WHO CAN PAY, THE GAP BETWEEN TUITION AND FEES AND WHAT THEIR EDUCATION COSTS PER YEAR IS SIZEABLE. THUS MEHARRY'S SCHOLARSHIP NEEDS ARE SUBSTANTIAL, AND MEETING THEM PLACES SIGNIFICANT FINANCIAL BURDENS ON THE COLLEGE.

ANOTHER FACTOR WHICH CONTRIBUTES TO A WEAKENED FINANCIAL SITUATION

IS RELATED TO THE SPECIAL EDUCATIONAL NEEDS OF OUR STUDENTS. MANY BRING WITH THEM THE REMNANTS OF PRIOR EDUCATIONAL DISADVANTAGE. ACADEMIC ENRICHMENT ACTIVITIES ARE, THEREFORE, A REGULAR PART OF THE COLLEGE'S PROGRAM. THESE EFFORTS REQUIRE CORE STAFF AS WELL AS QUALIFIED SUPPORT PERSONNEL. THIS MEANS THAT ALREADY SCARCE RESOURCES HAVE MORE DEMANDS MADE UPON THEM IN TERMS OF PERSONNEL ALLOCATIONS. AS A RESULT, FOR EXAMPLE, THE NUMBER OF OUR FULL-TIME BASIC SCIENCES FACULTY HAS INCREASED ONLY MARGINALLY DURING A PERIOD WHEN TOTAL MEDICAL SCHOOL ENROLLMENT HAS NEARLY DOUBLED.

THE COLLEGE'S BACKGROUND SUGGESTS ANOTHER FACTOR WHICH IMPACTS UPON ITS FINANCES. MEHARRY WAS THE CREATION OF THE FREEDMAN'S AID SOCIETY DURING THE RECONSTRUCTION ERA. ITS EARLY YEARS WERE CHARACTERIZED BY BOTH STRUGGLE AND MINIMAL RESOURCES. IT SURVIVED AND THE FLEXNER REPORT PRAISED MEHARRY AS AN INSTITUTION "WORTH PRESERVING." SINCE THEM IT HAS RESOLUTELY CARVED OUT FOR ITSELF A UNIQUE PLACE IN THE NETWORK OF HEALTH SCIENCES INSTITUTIONS IN THIS COUNTRY. HOWEVER, THE YEARS OF DOING "SOMEWHAT MORE" WITH "SOMEWHAT LESS" HAVE MEANT THE COLLEGE'S ENDOWMENT BASE IS INSIGNIFICANT AND THUS HAS BEEN UNABLE TO KEEP PACE WITH GROWTH AND DEMANDS IN OTHER AREAS. IN ADDITION, THERE IS NO DIRECT STATE SUPPORT WHICH WE CAN COUNT ON. TENNESSEE IS ONE OF FIVE STATES THAT PROVIDES ONLY NEGIBLE FUNDING FOR PRIVATE MEDICAL SCHOOLS AND AMONG THESE STATES, TENNESSEE IS AT THE BOTTOM.

A FINAL ITEM WHICH HAS CONTRIBUTED TO THE FINANCIAL SITUATION OF THE COLLEGE IS ONE COMMON TO MANY EDUCATIONAL INSTITUTIONS. I REFER TO THE ESCALATING COSTS OF OPERATIONS. OVER THE PAST SEVERAL YEARS FUEL AND ENERGY COSTS HAVE INCREASED DRASTICALLY, AS HAVE BUILDING UPKEEP AND INSURANCE PREMIUMS, SERVICE EXPENSES, SALARY AND EMPLOYEE BENEFITS, AND MATERIAL AND SUPPLY EXPENSES. AT MEHARRY EVERY EFFORT IS BEING MADE TO REDUCE EXPENSES AND TO CUT BACK NON-ESSENTIAL ACTIVITIES. MANAGEMENT TECHNIQUES HAVE BEEN INTRODUCED TO IMPLEMENT COST REDUCTIONS WHEREVER POSSIBLE. INCREASED COSTS REMAIN A A REAL PRESSURE POINT, HOWEVER, AND IN COMBINATION WITH THESE OTHER FACTORS HAVE ADDED TO THE COLLEGE'S WEAK FINANCIAL SITUATION.

MEHARRY HAS BEEN IN FINANCIAL DISTRESS FOR MANY YEARS. IT HAS BEEN ONE OF SEVERAL INSTITUTIONS FOR WHICH CONGRESS SOUGHT TO PROVIDE SPECIAL ASSISTANCE UNDER SECTION 773 OF THE PUBLIC HEALTH SERVICE ACT, THE COMPREHENSIVE

Health Manpower Training Act of 1971 (P. L. 92-157). Under Section 773, grants were authorized to assist any school of medicine, dentistry, optometry, veterinary medicine, pharmacy or podiatry which is ...cial straits. Meharry has qualified for and received grant awards under this financial distress mechanism since its inception. This assistance has been invaluable.

However, while the financial distress program has provided Meharry certain relief in meeting its needs, a number of less than beneficial side effects have also resulted, effects which undermine and curtail our future financial stability. Many of the hoped for goals envisioned for the program under Section 773 have not been realized satisfactorily. Some of its side effects have contributed to worsening the situation, in fact, and the posture of Meharry today is such that our very survival is at issue. I want to briefly assess some of these critical problem areas under the current legislative authority, as they impact on Meharry, and propose a new approach to meeting our special needs.

One problem is the atmosphere of uncertainty stimulated by the distress program and its funding cycle. In designing a budget at an institution having operating expenses in the neighborhood of $31 million, as Meharry has, careful plans are a prerequisite for anticipated outcomes. Certain items must be known ahead of time in estimating dollar amounts and needs. There must be an understanding about sources of funds, which can be counted on and which cannot. The distress grant does not meet these all important criteria. One is never completely certain about the program itself, what amount might be eligible, what could be received, and whether or when awarded! There is a distressing lack of surety about the program itself, and no surety as to the money from year to year. Estimates remain only estimates, and realistic planning is almost impossible. This drawback is especially meaningful when from 15 to 30 percent of one's unrestricted budget depends on distress grant funding, as does Meharry's. Yet, because of current guidelines and funding mechanisms, it is nearly impossible to know, with certainty, ahead of time about these funds. This greatly complicates the budgetary processes at the institution.

ANOTHER MAJOR DIFFICULTY ASSOCIATED WITH THE CURRENT FINANCIAL DISTRESS PROGRAM HAS TO DO WITH WHAT AMOUNTS TO THE DEFICIT SPENDING REQUIREMENT. BEFORE AN INSTITUTION IS ELIGIBLE TO APPLY FOR AND RECEIVE FUNDS, IT MUST BE IN SERIOUS FINANCIAL DISTRESS. THIS MEANS THAT A CERTAIN AMOUNT OF DEFICIT FINANCING WILL HAVE OCCURRED. AS THIS HAPPENS YEAR IN AND YEAR OUT, SERIOUS PROBLEMS ACCUMULATE. ONE IS A CASH FLOW PROBLEM. BEFORE THE DISTRESS AWARD IS MADE, OTHER FUNDING SOURCES HAVE TO BE IDENTIFIED AND USED UNTIL THE FINANCIAL DISTRESS AWARD IS MADE. THIS MEANS HEAVY BORROWING. THESE COSTS INCREASE THE DEBT SERVICES OF THE INSTITUTION, OUTLAYS WHICH MEHARRY CAN ILL-AFFORD. HEAVY BORROWING ALSO STIMULATES INCREASED INTEREST RATE ACTIVITY ACROSS THE BOARD FOR THE INSTITUTION, AND OFTEN RESULTS IN DELAYED FUNDING. THE IMPACT ON THE INSTITUTION'S CREDIT RATING IS OFTEN NOT CONSTRUCTIVE. FOR EXAMPLE, $3 MILLION BORROWED OVER THE COURSE OF SEVERAL MONTHS, AT AN INTEREST RATE OF SOMETHING LIKE EIGHT (8) PERCENT, WOULD ACCRUE A QUARTER OF A MILLION DOLLARS IN INTEREST PAYMENTS OVER A YEAR'S TIME.

THEORETICALLY, OF COURSE, THE DISTRESS GRANT ALLOWS FOR THE REIMBURSEMENT OF THAT EXPENSE. HOWEVER, THOSE FUNDS GO TO THE INSTITUTION BUT ONLY TO BE PASSED THROUGH ON THEIR WAY TO THE BANK OR LENDING SOURCE. THESE FUNDS ARE NOT AVAILABLE FOR THE EDUCATIONAL AND INSTRUCTIONAL PROGRAMS WHICH SO DESPERATELY NEED SUPPORT.

THE EXCESSIVE BORROWING IMPASTS NOT ONLY OUR CREDIT POSITION WITH BANKERS, IT ALSO INFLUENCES OUR RELATIONSHIP WITH VENDORS. AS EXPENSES RISE AND BORROWED CASH IS BEING WAITED FOR, PURCHASE ORDERS, REQUISITIONS AND INVOICES ARE HELD BACK, OUT OF NECESSITY. OFTEN TIMES WE LOSE POTENTIAL DISCOUNTS WITH MANY VENDORS, AND OUR BARGAINING POSITION IN DEALING WITH A LARGE NUMBER OF THEM IS WEAKENED. FEWER ARE INTERESTED IN PROVIDING US WITH NECESSARY SERVICES. THESE FACTORS RESTRICT OPPORTUNITIES FOR DEALING COMPETITIVELY WITH THE BROADER COMMUNITY IN THE EXCHANGE OF GOODS AND SERVICES.

THE STAFF TIME INVOLVED IN BUDGETARY MATTERS IN AN ATMOSPHERE OF UNCERTAINTY, THE HIGH INTEREST RATES AND PROBLEMS ASSOCIATED WITH CONTINUED BORROWING, THE WEAKENED RELATIONSHIPS WITH VENDORS, NOT TO MENTION THE TIME INVOLVED IN SQUABBLES OVER MATTERS OF THIS KIND, ALL CONTRIBUTE TO A VERY UNSETTLED ENVIRONMENT FOR TEACHING AND SERVICE. THESE PROBLEMS HURT MEHARRY

EDUCATIONALLY AND FINANCIALLY. IF THE COLLEGE IS TO BE SOUNDER FINANCIALLY, AN ALTERNATIVE APPROACH MUST BE MADE IN THE FUNDING AVAILABLE TO US.

I AM RESPECTFULLY REQUESTING, THEREFORE, THAT THIS COMMITTEE AND OTHER APPROPRIATE LEGISLATIVE COMMITTEES OF THE CONGRESS INITIATE A SELECTED PROGRAM WHICH WOULD IDENTIFY NATIONAL RESOURCE INSTITUTIONS SUCH AS MEHARRY, XAVIER'S SCHOOL OF PHARMACY AND TUSKEGEE'S SCHOOL OF VETERINARY MEDICINE AND CREATE IN HEW'S APPROPRIATIONS A LIVE AMOUNT OF FINANCIAL SUPPORT FOR THESE SCHOOLS. EACH OF THE SCHOOLS MENTIONED DESERVEDLY QUALIFY TO RECEIVE FEDERAL ASSISTANCE BECAUSE OF OUR CRITICAL ROLE IN GUARANTEEING THE FULFILLMENT OF NATIONAL POLICIES IN CERTAIN FIELDS OF RECOGNIZED NATIONAL PRIORITY.

NATIONAL RESOURCE INSTITUTIONS ARE, THEN SINGLED OUT BECAUSE THEY SERVE A VITAL NATIONAL INTEREST. I AM URGING YOU TO CONSIDER A FIVE YEAR PROGRAM, UNDER THIS NATIONAL RESOURCE INSTITUTION SUPPORT PROGRAM, WHICH WOULD AUTHORIZE LEGISLATION TO EXTEND TO MEHARRY MEDICAL COLLEGE $5 MILLION A YEAR. THESE MONIES WOULD BE INCLUDED AS A LINE ITEM IN THE DEPARTMENT OF HEALTH, EDUCATION AND WELFARE'S ANNUAL BUDGET. THIS MECHANISM WOULD REPRESENT AN ENORMOUS IMPROVEMENT OVER THE MEANS PRESENTLY AVAILABLE TO ASSIST MEHARRY AND WOULD EFFECTIVELY ERADICATE MOST OF THE SERIOUS PROBLEMS OUTLINED ABOVE. IT WOULD HELP CREATE THE GUARANTEES WE NEED IN OVERCOMING THESE OBSTACLES, ASSURE OUR SURVIVAL, AND SECURE THE FINANCING REQUIRED TO MAINTAIN THE COLLEGE'S UNIQUE EDUCATIONAL STRENGTH IN PURSUIT OF ITS INDISPENSABLE NATIONAL MISSION.

I AM GRATEFUL FOR THIS OPPORTUNITY TO PRESENT THIS IMPROVED APPROACH TO MEETING OUR SPECIAL NEEDS, AND URGE YOUR EARLY AND FAVORABLE CONSIDERATION. THANK YOU.

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STATEMENT OF WALTER C. BOWIE, DEAN, SCHOOL OF VETERINARY MEDICINE, TUSKEGEE INSTITUTE

I am Walter C. Bowie, Dean of the School of Veterinary Medicine at Tuskegee Institute, Alabama. I am deeply appreciative of the opportunity to appear before this committee to present a statement relative to the special needs of the veterinary school I represent as regards the 1980 Labor-HEW Appropriations Bill.

The School of Veterinary Medicine at Tuskegee, one of only 22 schools of veterinary medicine in the United States and the only one located on a predominantly black college campus, has extraordinary financial need which is inextricably related to its tenuous probational accreditation status. It has been unable to meet the new and more demanding standard of accreditation now being applied to all schools of veterinary medicine.

The special and unique role which the Tuskegee Institute School of Veterinary Medicine has played in the training of some 90 percent of all minorities in veterinary medicine (less than two percent of the total) is well known. Yet its role as a national resource in the training of veterinarians has not been limited to minorities, and today claims title to being the most integrated school of veterinary medicine in the United States. From its inception, it has served as a regional training institution through the Southern Regional Education Board; and its graduates are universally distributed in 44 states, the District of Columbia, and 15 foreign countries. Recognition by Congress of the role of this institution in the provision of both regional and national training has led to the awarding of special construction funds to Tuskegee Institute's School of Veterinary Medicine under a 1977 amendment to the Health Professions Educational Assistance Act.

Because Tuskegee Institute is a private instituion, it does not receive major state support. Its School of Veterinary Medicine receives less than ten percent of its budget from that source. Therefore, for several years, it has had to turn to the federal government for assistance, under the Financial Distress Grant mechanism, P. L. 94-484, 788-B, in order to meet its annual costs of operation. As has been pointed out recently by the National Advisory Council on Health Profes-

sions Education, this authorization, although helpful, does not address the very critical program requirements essential for full accreditation and financial stability.

The House, through its appropriate Subcommittee on Appropriations, Labor and Health, Education, and Welfare has also addressed the above concerns. It stated in its Report #95-1248 that "the Committee recognizes the historically important role that the Tuskegee Institute School of Veterinary Medicine of Alabama; Xavier University College of Pharmacy of Louisiana; and Meharry Medical College of Tennessee have played in the education of disadvantaged students and expects the Department of Health, Education, and Welfare to provide financial assistance from the funds appropriated to these schools which are experiencing operating deficits." It further directed the Secretary of the Department of Health, Education, and Welfare to summarize the current financial status of these institutions and propose methods for meeting the immediate financial crisis for a long-term proposal to achieve fiscal stability.

The Secretary has, through appropriate task forces, reviewed these three institional program efforts and requirements and final positive recommendations are expected in April. Without appropriate funding for the Financial Distress mechanism in 1980, the School of Veterinary Medicine at Tuskegee Institute will be unable to meet the accreditation requirements at a time when its program is to be reviewed (October, 1979) for full accreditation.

We respectfully urge the Committee to fund at the $10 million level--Section 788-B, Health Manpower legislation (Financial Distress). We further request your assessment of the longer term "up-front" funding requirements of this most important program in keeping with the anticipated recommendations of Secretary Califano. Without some assurance

of funding through this or similar mechanism, the viability of the Tuskegee Institute School of Veterinary Medicine is in doubt. The loss to the nation of this unique and respected training effort is irreplaceable, especially at a time when President Carter seeks to strengthen further the black colleges.

The continued uncertainty of available capitation funds to schools of veterinary medicine gives further credence to the need to provide sufficient time and resources to implement an effective plan to resolve the School's current and chronic financial situation.

The long-term needs for this program amount to $7.5 million over a five-year period and are based on the following considerations.

--Expenditure outlay of $3.75 million in equipment and expanded library holdings over the five-year period.

--Specialized faculty additions of 16 professionals to accommodate the increased student enrollment.

--Technical and support staff increases of 15 persons to accommodate expanded faculty and program demands.

--Salary adjustments for current faculty to bring the level up to a competitive one using the 1978 American Veterinary Medical Association Comparative Data Summary as a guide.

--Education and general operational funds in keeping with expanded program (including satellite clinic operations) of education, research, and service.

--Revenue requirements to cover non-academic costs including administration, physical plant maintenance costs, utilities, etc.

Data are herewith submitted to detail income and expenditure requirements as projected for the current fiscal year and for the next four years.

The above request for a five-year period of support will permit the proposed plan for financial solvency to develop. Such a plan includes the identification of replacement funds of approximately $750,000 per year of the federal

support requested for recurring expenditures. Replacement support at the end of the five-year period is expected to be generated through increased student enrollments, increased levels of tuition and fees, additional SREB/other states contracts, corporation/foundation and research support as well as additional hospital income resulting from the provision of expanded medical services.

In summary, the extraordinary financial needs of the veterinary medical program at Tuskegee Institute are not currently being met through existing Health Manpower legislation which has served to supplement other sources of support available to the institution. The unique role which this school plays in meeting the new mandate for manpower as reported only recently by the Bureau of Health Manpower is unquestioned. We have and will continue to meet the need of a segment of society which has been traditionally neglected. Serious accreditation problems are threatening the continued viability of this program and a special financial subsidy is needed to undergird this program effort so as to meet the rigid standards of accreditation.

TUSKEGEE INSTITUTE - SCHOOL OF VETERINARY MEDICINE

| | 1979-1980 | 1980-1981 | 1981-1982 | 1982-1983 | 1983-1984 |
|---|---|---|---|---|---|
| Number of D.V.M. Students | 207 | 222 | 237 | 252 | 265 |
| INCOME: | | | | | |
| Capitation | $ -0- | $ -0- | $ -0- | $ -0- | $ -0- |
| State Appropriations | 250,000 | 300,000 | 300,000 | 350,000 | 350,000 |
| SREB/Other Contracts | 899,000 | 965,000 | 1,159,000 | 1,172,000 | 1,339,000 |
| Teaching Hospital | 125,000 | 145,000 | 175,000 | 200,000 | 225,000 |
| Gifts/Endowment | 65,387 | 70,387 | 75,387 | 80,387 | 85,387 |
| Student Fees/Tuition | 496,800 | 621,600 | 711,000 | 756,000 | 795,000 |
| Institutional Development | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Reimbursable Instructional Charges | 81,832 | 86,832 | 91,832 | 96,832 | 100,000 |
| Research Contracts | 400,000 | 400,000 | 400,000 | 450,000 | 450,000 |
| Program Grants | 172,230 | 189,453 | 204,453 | 219,453 | 224,453 |
| | $2,565,249 | $2,878,272 | $3,216,672 | $3,424,672 | $3,668,840 |
| EXPENSE: | | | | | |
| Personnel | $1,929,323 | $1,957,897 | $2,175,792 | $2,284,582 | $2,398,811 |
| Operation | 275,073 | 289,406 | 303,876 | 303,876 | 334,264 |
| Research | 400,000 | 400,000 | 400,000 | 450,000 | 450,000 |
| Equipment/Library Accessions | 550,000 | 600,000 | 650,000 | 650,000 | 700,000 |
| Other | -0- | -0- | -0- | -0- | -0- |
| Teaching Hospital | 190,060 | 197,265 | 205,046 | 213,450 | 222,526 |
| Administrative Charges | 855,981 | 956,395 | 1,061,830 | 1,114,922 | 1,170,668 |
| Total Expense | $4,200,437 | $4,400,963 | $4,796,544 | $5,016,830 | $5,276,269 |
| Total Expense | $4,200,437 | $4,400,963 | $4,796,544 | $5,016,830 | $5,276,269 |
| Total Income | 2,565,249 | 2,878,272 | 3,216,672 | 3,424,672 | 3,668,840 |
| Financial Need | ($1,635,188) | ($1,522,691) | ($1,579,872) | ($1,592,158) | ($1,607,429) |

## Statement of Michael Ford, Chairman, Legislative Committee, National Coalition for Adequate Alcoholism Programs

At last week's Subcommittee hearing on the FY 1980 budget for the Institutes of the Alcohol, Drug Abuse and Mental Health Administration, you asked the alcoholism and drug representatives to provide you with additional information on the estimated impact of the elimination of the state formula grants. You will be receiving a more detailed letter from the National Association of State Alcohol and Drug Abuse Directors, one of our Coalition members, whose constituents are in the best position to estimate such an impact. We do, however, wish to respond to your request, as well as going on record as in support of the response you will receive from the State Directors' organization.

The Coalition's primary concern is that the elimination of the formula grants would absolutely dismantle a health delivery system which has been in place for more than eight years, in the case of alcoholism programming. Over this period of time, some $350 million has been expended at the Federal level to assist all fifty states in establishing, maintaining and improving direct services to citizens in need. A system has been put in place to insure services to some 100,000 individuals through creation of staff positions, training slots, preventive efforts, referral and treatment programs and attempts to coordinate the delivery of alcoholism services with other comprehensive health programs in each state.

It is apparent that the proposal to eliminate the funding for this vital system was put forward merely to reduce the overall budget, and not in concert with a systematic approach to dealing with alcohol problems throughout the country. As pointed out in our testimony, HEW already estimates the annual societal cost for alcoholism and related problems to be approximately $43 billion. Over and above inflationary considerations, elimination of the state grants would cause this figure to rise dramatically, due to lost productivity of untreated alcoholic workers, increased health and medical costs, additional accidents, logjammed courts and the incalculable costs of human suffering. We conservatively estimate that these costs would amount to a minimum 3%-5% increase per year above the $43 billion mark. This amounts to some $1.3 to $2.2 billion per year.

We are only now beginning to see the benefits to our society from a deliberate and systematic approach to dealing with our citizen's problems with alcohol. The elimination of the state formula grants would severly impede this systematic approach, and would be devastating step backwards in our fight against this ever-present and unique public health problem.

We value this opportunity to expand on our remarks, and appreciate your interest in the area. If we can provide more information on alcoholism to you, please do not hesitate to notify us.

# Statement of the National Hispanic Committee for the Implementation of the Reports and Recommendations of the President's Commission on Mental Health

## NHC Purpose and Objectives

The National Hispanic Committee (NHC) was established by COSSMHO in an effort to work closely with ADAMHA and other units of DHEW in the implementation of the reports and recommendations of the President's Commission on Mental Health (PCMH). The purpose of the NHC is to provide an Hispanic input and perspective into the planning process for mental health, drug, and alcohol programs for the coming years. NHC objectives are to: (1) study the PCMH reports and their implications for the national Hispanic population, including the distinct subpopulations that comprise it -- Cubans, Latinos, Mexican Americans, and both mainland and island Puerto Ricans; (2) review plans and strategies for implementation of these reports; (3) provide assistance and consultation to agencies, groups, and officials responsible for such implementation; and (4) monitor, on behalf of Hispanics in mental health and related professions, the implementation of PCMH recommendations.

NHC membership is composed of Hispanic mental health and substance abuse experts who are representative of all major Hispanic American populations, major mental health professions, and services delivery, program administration, research, and training.

## Background on This Report

This is the second in a series of commentaries by the NHC on proposals developed by the DHEW Task Force on PCMH implementation. The first report was submitted to the Task Force on August 25, 1978. That report commented on initial draft implementation plans prepared by staff of the DHEW Task Force and reflected deliberations of the NHC in its first meeting of August 17-18, 1978, in Washington, D.C.

The present report comments on subsequent Task Force proposals, including the final Task Force document dated December 15, 1978. This NHC report reflects (1) conclusions reached at the second NHC meeting on October 12, 1978, and (2) NHC analyses of the final DHEW Task Force report made subsequent to its release on December 15, 1978. This NHC report begins

with a lead section entitled "General Comments"; the sections that follow address selected categorical areas contained in the final Task Force report -- mental health personnel, knowledge development, services, prevention, public understanding, and social and community supports.

As action shifts from the DHEW Task Force to follow-up by designated responsible officials in DHEW and by Congress, it is the NHC's intent to continue to contribute additional perspectives and guidance on matters of major Hispanic concern. Appropriate follow-up activities by DHEW officials and Congress are critical in achieving the spirit and intent of both the PCMH recommendations and the Task Force proposals that address the needs of unserved, underserved, and inappropriately served populations.

The NHC appreciates the assistance provided by Dr. Marta Sotomayor who functioned as liaison from the DHEW Task Force staff to the NHC and by D.J. Curren of the COSSMHO staff who assisted in the drafting, editing, and production of this report.

## GENERAL COMMENTS

The NHC has carefully studied the DHEW Task Force reports. Our concerns have ranged from training, research, and services, to the areas of prevention, public understanding, and social and community supports. From these deliberations, two major and basic priorities have emerged: knowledge development and personnel development. Through this report, the NHC underscores the urgent Hispanic needs in these areas.

### Knowledge Development

To establish a plan for the immediate and long-term future, knowledge developed on a base of reliable and valid data is needed.

-- The first step in this process is to obtain information on the prevalence and incidence of mental health, alcohol, and drug abuse disorders among Hispanics, considering their ecological and cultural contexts.

-- Secondly, investigations must address diagnosis. The problems of diagnosis are extremely complex, many of them stemming from a lack of understanding of the cultural biases of the existing diagnostic methodologies. Moreover, in the

past there has been an almost exclusive diagnostic focus on the individual. However, a contemporary thrust in the field -- and one that is especially relevant to an Hispanic orientation -- emphasizes that diagnosis must also consider the ecology of the individual, including family and community support systems.

-- Finally, strategies for culturally sensitive and culturally specific Hispanic treatment approaches require development, demonstration, and investigation. Many current service delivery systems are underutilized by Hispanics and may provide inappropriate treatment which in some instances even results in an increase in iatrogenic syndromes.

Personnel Development

Both a knowledge of prevalence and incidence, and a better understanding of diagnosis and treatment would better equip those impacting on the mental health system to plan and provide appropriate assistance to Hispanics. However, to implement these research strategies, research personnel are needed -- and to implement their findings, service personnel are also needed.

Data on minority personnel reveal that the number of Hispanic psychiatric social workers and nurses is small, that the number of Hispanic psychiatrists and psychologists in service areas is negligible, and that Hispanic mental health researchers are almost non-existent. In order to build a national cadre of qualified Hispanic mental health service and research specialists, a major targeted effort is necessary. The NHC considered various strategies to build Hispanic mental health personnel and agreed that multi-level, longitudinal programs are needed. The emphasis of these programs should be on attracting, supporting, and enriching the experiences of individuals with the potential of becoming Hispanic professionals, beginning at the high school level and continuing through the postdoctoral level. Whereas the NHC felt that Hispanic-oriented programs must be sensitive to cultural and ethnic differences in admission and training procedures, lower quality programs to train or prepare Hispanic mental health workers and professionals should be

avoided. Clearly, the emphasis should be on cultural appropriateness and sensitivity at admission and throughout training without lowering the ultimate standards of training and credentialing.

In addition to the priority given to training Hispanic mental health professionals, there is a dire need to develop Hispanic-oriented clinical and research curricula and training programs. Since Hispanic Americans have not yet developed their own centers of higher education, there is a critical dearth of Hispanic curricula and of Hispanic professionals and intellectuals.

## MENTAL HEALTH PERSONNEL

### Overview

In light of the severe underrepresentation of Hispanics in mental health professions -- a problem recognized in the PCMH report, the DHEW Task Force report, and the PCMH Sub-Task Panel on Mental Health of Hispanic Americans -- the NHC underscores training as a major Hispanic priority in mental health. A recent survey by the American Psychological Association, for example, estimated that of all doctoral level health providers in psychology, 0.4% are Hispanic. When this figure is compared to the proportion of potential Hispanic consumers, it becomes evident that Hispanic psychologists are underrepresented 1 to 15, compared to non-minority groups. That is, in order for the proportion of Hispanic psychologists to Hispanic consumers to equal that of non-minority groups, it would be necessary to have about 15 times as many Hispanic psychologists as there are now. Similarly, severe underrepresentation of Hispanic mental health professionals also exists to different degrees in the professions of psychiatry, social work, and psychiatric nursing.

The process of developing a qualified cadre of Hispanic mental health professionals and paraprofessionals is complex -- it will require short-term strategies to solve immediate shortages, as well as long-term strategies that take into consideration the mental health needs of this country's rapidly growing Hispanic population. Both short- and long-term strategies will require the redirection of existing training resources and the targeted allocation of new funds.

For the immediate future, strategic allocation of available funding is needed to encourage, foster, and direct graduate training programs to develop more Hispanic professionals (including those specializing in services to special populations, e.g., women, children, youth, the elderly, and migrant and rural populations) and Hispanic-relevant mental health curricula. Long-range success in increasing the number of minority/Hispanic professionals rests on longitudinal efforts to provide support and enhance motivation at all educational levels.

Regarding the nature of mental health education, it is necessary to point out that, traditionally, training programs have prepared mental health and related personnel to provide those types of services that are now under-utilized by Hispanics as well as by other underserved populations emphasized by the PCMH. The NHC echoes the PCMH's concern that priority must be given to mental health education and re-education that is more sensitive to the needs and characteristics of Hispanic populations. However, the DHEW Task Force proposals are not sufficiently explicit on this issue. It is the NHC's recommendation that minority content be integrated into the training of all mental health personnel so that they are better prepared to provide services to minorities.

Retraining of existing personnel is required in order to enhance their ability to provide services to Hispanics and other special populations, as well as provide non-traditional services. In this regard, non-traditional services may refer to non-traditional counseling services such as family and ecological therapies or indigenous therapies, as well as the so-called indirect services such as consultation and education, prevention, and community support systems related work; it may even include notions of cross-systems linkages and systems management.

The Task Force report notes that for many years NIMH has worked with the States to help them develop continuing education systems responsive to State and local needs. The NHC believes that NIMH should now take a strong leadership role in assisting State personnel development activities to focus on the training of personnel serving the special populations identified by the PCMH.

The following are specific comments and recommendations by the NHC on selected topic areas addressed by proposals in the Mental Health Personnel section of the DHEW Task Force report.

Information Systems and Research on Personnel

The NHC reiterates our previous recommendation calling for a comprehensive assessment of mental health personnel training needs by cultural and/or ethnic subgroup, profession, and geographical area. Models for estimating personnel needs should incorporate the specific and differential needs of various groups. The use of supply/need/demand models which include only aggregate data hide the severe shortages of trained Hispanic professionals, as well as professionals trained to work with high-risk populations or trained to provide non-traditional services. It is of concern to the NHC that the Task Force proposal does not identify this assessment as a fundamental information gap to be filled.

Institutional Support for Training of Mental Health Specialists

The NHC supports the Task Force's proposal that the Director of NIMH "provide funds to educational institutions for the training of mental health specialists only when the programs either focus on a single service delivery or underserved population priority or address in a significant manner at least two of the major priority areas."

Children, Adolescents, and the Elderly

Missing from the final Task Force proposal and analysis in this area is the clear emphasis given in a previous draft to insure that "mental health specialists are prepared to provide services to these special populations within the contexts of the many subcultures and language groupings that exist within the U.S." That earlier draft also noted that in many cases "the nature of specialty training should emphasize service needs within the community, problem-oriented approaches, and the generation of greater understanding and motivation for service delivery to the underserved." These are significant perspectives which, in accord with PCMH intent, should be included in the interpretation and implementation of the Task Force proposal on training for work with children, adolescents, and the elderly.

Provision is made in the Task Force proposal for special attention to

minority and bilingual children in efforts to increase mental health content in basic training programs of psychiatrists, clinical and community psychologists, social workers, and psychiatric nurses. The NHC strongly supports this requirement and further recommends that priority coverage be expanded to include minority and bilingual adolescents and elderly persons.

Student Support

The NHC supports the Task Force proposal that the NIMH Director give priority to minorities in any program of student support. The proposal also recommends that, if service payback obligations are incurred, placement criteria should recognize the need for qualified minorities in academic, administrative, and research positions, as well as in direct service delivery. In the implementation of this proposal, the NHC urges that job eligibility for fulfilling traineeship paybacks be sufficiently flexible to allow for non-traditional modes of community service that have developed or are developing in minority communities.

Minority Programs at the High School and College Level

The PCMH recommendations urge DHEW to:

-- Develop, at the high school level, special projects to interest minority high school students in mental health careers and augment them by a program of summer and part-time internships which provide work opportunities in mental health facilities and programs.

-- Develop, at the college level, a program to provide scholarship support in the social, behavioral, and biomedical sciences to outstanding juniors and seniors interested in graduate training in the mental health professions, with stipends also provided for summer jobs in mental health settings.

The two Task Force proposals in this area which call only for "expanded" NIMH efforts are weak and need to be strengthened if they are to respond to the PCMH recommendations. It is noteworthy that the Task Force's own analysis indicates that recruitment of minority students into the mental health professions is hampered by the limited pool of highly qualified and motivated candidates for training and that meaningful support and interventions must be made at the secondary (high school) and postsecondary (college) levels. Yet the Task Force proposals in this regard are weaker than its own analysis warrants. The Task Force proposals need to be operationalized

and made programmatic. Ways to achieve this are listed in the Task Force analysis as possibilities for NIMH effort.

Because of the need for action, the NHC reiterates that programs at the secondary and postsecondary levels are required to help identify potential Hispanic mental health professionals, encourage their interest in this field, support their involvement in education, and provide the kinds of enrichment opportunities that will help develop them into qualified candidates for graduate training in mental health.

The NHC also recommends that NIMH give recognition and support to other vehicles for entry into the mental health professions. Increasingly, minority students are enrolling in applied associate and bachelor's level, college-based mental health training programs. These programs could be utilized as steps within a mental health career ladder leading to graduate training for students so motivated. The NHC thus urges recognition of para-professional training as one rung in a career ladder leading to more advanced mental health degrees.

Minority Programs at the Faculty Level

The NHC welcomes and supports the Task Force proposal calling on the NIMH Director to "develop a fellowship program to enable minority personnel in mental health administrative positions and minority faculty in the mental health professions in educational institutions to complete their doctoral work or to receive postdoctoral training."

Sponsoring Further Programs Specializing in Minority Training, Curriculum Development, and Other Educational Resources

In this area, Task Force proposals are addressed primarily to the NIMH Director. The NHC recommends that in the development, conduct, and evaluation of such programs, the NIMH Director give priority for funding to minority professionals, agencies, associations, coalitions, institutions, and similar groups. In addition, these groups should be actively involved in any such programmatic endeavors. The development of Hispanic curricula and a variety of educational resources pertinent to Hispanics, as well as centers and consortia sponsoring specialized training in Hispanic mental health services and research, should be fostered.

What is especially needed is information on Hispanic mental health

that can be easily adapted for inclusion in Hispanic mental health curricula and other educational resources. In order to develop this kind of information, there is a need to conduct research that has direct applicability to Hispanic mental health and whose findings can be promptly adapted for use. Thus, close attention should be given to the support of research training in applied research activities that have the potential to yield usable materials for the development of Hispanic mental health curricula and other educational resources.

The NHC also reiterates the recommendation from our previous report that strategies be developed for involving mental health related professional associations. These are frequently responsible for establishing training, curriculum, and accreditation standards. DHEW should insure that such standards are sensitive to Hispanics and other minorities by establishing cultural/ethnic appropriateness as a criterion for funding support.

Funding of Training Programs

The Task Force proposed that the DHEW Secretary increase the funding for clinical and service manpower development and training programs of NIMH to $85 million in FY 1980, adjusting annually for inflation in subsequent years. Adequate funds were also proposed for program support.

The NHC is concerned that -- despite the clear need for additional funding to improve training, especially in response to PCMH priorities in training -- the Administration's FY 1980 budget request for NIMH in this area would result in a decline of about four percent from the level of last fiscal year, with the only new initiative being some $2.4 million to be earmarked to train primary care providers in mental health problems. We also note that the funding request for research training would stay at about the same level as in FY 1979, despite the call of the PCMH and the Task Force for the development of minority-specific programs in research training.

The NHC supports efforts to secure funding of at least the $85 million level for FY 1980 and adjusted thereafter for inflation, as proposed by the Task Force. We also support the provision calling for adequate funds for the program support needed to mount and maintain training initiatives. However, regardless of the level of training funds, minority-oriented training should receive funding priority.

KNOWLEDGE DEVELOPMENT

The PCMH called for a rebuilding of the national mental health research capacity. For Hispanics, however, the priority focus is on the initial building of such a capacity. Accordingly, the NHC has identified research on Hispanic mental health and substance abuse among our highest priorities. Without better knowledge of Hispanic problems, and without better and more culturally/linguistically relevant diagnostic, treatment, and prevention strategies, Hispanic progress is at a standstill.

As is well documented, the state of knowledge on Hispanic mental health and substance abuse is minimal. An Hispanic research tradition in these fields has begun to emerge only in the past five years, and hitherto the few available researchers have been able to raise only a handful of the questions that need to be explored, with most answers yet to be developed.

The urgency for an intensive research campaign on Hispanic mental health and substance abuse cannot be overemphasized. Compared to the current level of need and projected future need, the number of Hispanic researchers in these fields is negligible and the level of knowledge tragically inadequate.

It is of special concern to the NHC, therefore, that follow-up actions on PCMH recommendations and proposals demonstrate a thorough understanding and a deep commitment to minority/Hispanic research needs. Our comments and recommendations on this subject are presented here in reference to the four general topic areas contained in the Knowledge Development section of the Task Force report.

Research Funding and Directions

The NHC endorses the PCMH recommendations on funding increases in the research budgets of NIMH, NIAAA, and NIDA which are now included in the Department's FY 1980 budget request for ADAMHA. Sizeable portions of these increases, together with adjustments of current funding, should be earmarked for ethnic and racial minorities. The analysis of research priorities, however, should not be tied only to increased dollars -- unserved, underserved, and inappropriately served populations should be ADAMHA's research priorities, regardless of budget size.

It is vital that research strategies differentially prioritize the needs of minority, high-risk, and underserved populations. In this regard, funding should be targeted both for technical assistance and for research and demonstration projects sponsored by or aimed at diverse Hispanic populations. Assurances should be provided that research on Hispanics is conducted by persons who are sensitive to them. This may be achieved, in part, by obtaining better Hispanic representation on Initial Review Groups and on the National Advisory Councils of the three ADAMHA Institutes. The impending reorganization of the IRG structure within ADAMHA, and the current and upcoming vacancies on the above Councils, provide excellent opportunities to increase Hispanic representation. Moreover, research funding programs need to reach out to Hispanic researchers and other Hispanic professionals in mental health and substance abuse fields.

With regard to more specific directions for research, the NHC recommends that:

(1) DHEW should give high priority to supporting a program of research (probably one involving multiple projects) to create a comprehensive national data base on Hispanic mental health, substance abuse, and social conditions. Reliable data should be gathered on the incidence of problems in these areas and on the utilization of services, with particular attention being given to Hispanic children, adolescents, women, the elderly, and migrant and rural populations. This recommendation underscores the significance given by Hispanics to improved epidemiological and services research in all ADAMHA Institutes.

(2) Research should address prevention, social and community support systems, and the development of valid and reliable instruments for measuring risk, stress, and needs of specific Hispanic populations, as well as the quality of life and mental health as defined by Hispanic perspectives.

(3) Encouragement should be given to basic and applied research that examines the processes and structures of the delivery of services, and develops and investigates new modes of culturally/linguistically appropriate services delivery.

(4) Topics proposed for the research programs of the three ADAMHA

Institutes should include a focus on studies that are minority group-specific. This is clearly needed to develop knowledge on specific racial and ethnic minorities and other special populations (e.g., Hispanic women, youth, children, older persons, and migrant and rural populations) identified by the PCMH as unserved, underserved, or inappropriately served. Although in the Task Force report this focus is evident in the descriptions of some topics proposed for NIMH research, it should be more pervasive and explicit in NIMH, as well as in topics proposed for NIAAA and NIDA research.

(5) In the area of mental health and substance abuse treatment research, studies aimed at culture- and language-specific treatment are of paramount importance. Such studies should consider ethnic, cultural, and linguistic variables as variables of individual differences, taking into account that different groups may require different kinds of therapies. In addition to this priority for mental health research, emphasis in drug and alcohol research should be given to such studies since much needs to be known about effective treatment approaches and methods for diverse Hispanic populations.

Research Management

The NHC reiterates concern that the time lag between the development of research findings and information and their application to program operations at governmental and field levels needs to be shortened with deliberate speed. The NHC supports further research on dissemination strategies targeted on diverse publics, but this should not delay the immediate dissemination of available findings and information, using currently known methods and technologies. Minority/Hispanic communities and minority/Hispanic professionals should be involved at all levels of the dissemination effort, i.e., at the level of obtaining, analyzing, and packaging the findings and information; at the level of disseminating them to the professional community and other publics; and as a target audience to receive this information.

In order to reach and involve minorities/Hispanics, support should be provided to facilitate this dissemination via national and regional networks developed by minority/Hispanic organizations in the fields of mental health, substance abuse, and related health and human services.

Increasing State Support for Mental Health Research

The Task Force proposed that "the Administrator of ADAMHA establish a work group to develop and evaluate options for Federal guidelines and incentives to stimulate State support of mental health research."

The NHC recommends that such a work group consider the following points on its agenda:

(1) In all implementation efforts in this area, the term "State" should include Puerto Rico as to eligibility.

(2) Incentive and matching support programs should require that States be responsive to national priorities, emphasizing unserved and underserved populations within the State, including Hispanic populations. This should encompass the vigorous enforcement of P.L.94-311 in all data collection efforts at State levels. This law requires the leading domestic Federal agencies to improve the collection and publication of statistics on social, health, and economic conditions of Hispanics.

(3) In implementing Federal-State matching funding and/or incentives, care should be taken to avoid penalizing Hispanic researchers in States that are indifferent to Hispanic concerns and priorities.

(4) If regional centers for research training are established, their selection, location, and operation should be sensitive to the needs of Hispanic populations and their geographical distribution in various regions.

(5) Special attention should be given to building the research, demonstration, evaluation, and implementation capacity of Hispanic staff in State agencies in States with sizeable Hispanic constituencies.

Research Personnel

Implementation of PCMH recommendations on research personnel is critical to the future of Hispanic mental health and substance abuse. Both the PCMH and the Task Force reports underscore the importance of minority research training. The NHC strongly endorses the Task Force proposal that "the ADAMHA Administrator develop a minority research training program to be implemented as soon as possible." We recommend that appropriate representation of Hispanic researchers and mental health professionals be appointed to advise and provide guidance on the development of this program and to externally

monitor its progress. It is not clear from the Task Force report what the various roles of the three ADAMHA Institutes will be in this proposed program, but we recommend that any such program encompass minority research training in mental health and substance abuse.

With regard to the Task Force proposal for an ADAMHA review of research training policies, the NHC supports the recommendation (repeated from previous years in the 1978 report of the National Research Council's Commission on Human Resources) that, to aid in the recruitment and retention of minority students, ADAMHA establish a policy to provide predoctoral support for minority students starting with their first year of graduate training.

## SERVICES

The Services section of the Task Force report is devoted to the presentation of a proposed new Community Mental Health Systems Act. NHC comments here are directed first to an overview of the Act, then to specific provisions therein.

### General Comments on the Proposed Act

The Act is built on a philosophical basis of fostering services for hitherto neglected, underserved, or unserved populations and encouraging special attention to high-risk groups. It highlights the need to give priority to the mental health concerns of ethnic and racial minorities. Its implementation would, in general, fulfill recommendations by the PCMH for a more responsive services delivery system.

The Act gives a major emphasis to strengthening the role of the States. In responding to this emphasis, the NHC is concerned that in the past many States have neglected, dismissed, or given little thought to the particular concerns of their minority constituencies. Nevertheless, the NHC recognizes that some safeguards are advanced in the Act to assure compliance by States with fundamental national priorities identified by the PCMH. For example, the proposal to foster the development of system management skills within State mental health authorities and to provide Federal funding contingent

on State compliance with Federal mental health guidelines are necessary steps to insure the development of a thorough mental health system responsive to minority needs. The Act also proposes to establish a cooperative relationship with State mental health authorities which can provide the Federal Government with some leverage over State policies on mental health. Properly managed, such provisions may provide the mechanism by which States can be brought into more uniform compliance with Federal guidelines established to protect the rights of minorities. It is of the utmost importance, however, that explicit and clear legislative language be used to assure compliance with Federal guidelines for minority mental health priorities.

Currently, some minority communities may not have the capability, but have the potential, to develop needed comprehensive mental health services. Financial and technical assistance is required to foster the development of such expertise in these communities. Planning or initiation grants can be of major assistance in this regard, if properly targeted at minority-directed and minority-operated groups in these communities.

As the NHC noted in our previous report, a two-tiered approach is needed to establish and promote Hispanic mental health services on a comprehensive scale. First, it is necessary to encourage the development of culturally appropriate services for Hispanics through research and demonstration mechanisms. This initial effort may need to take place outside of the mainstream of mental health service delivery systems. Second, it is necessary to incorporate and/or integrate Hispanic programs into the mainstream of mental health service delivery systems to insure their adequate access to accreditation and the development of a sound financial base under various reimbursement procedures, such as third party payments. This second step may be accomplished within the structure of the proposed Community Mental Health Systems Act.

Comments on Specific Provisions

(1) State and local mental health planning. The proposed single comprehensive State mental health plan should identify how the State will meet national service priorities with regard to unserved, underserved, and special populations. Proportional representation of these groups

should be integrally involved -- at State and local levels -- in the planning, implementation, and assessment of mental health services for these populations.

(2) Linkages between health and mental health services. For Hispanics, the linkage grant mechanism, with its priority on children and youth, represents major progress in facilitating increased and more effective use of mental health services. The NHC recommends that both service planners and providers fully exploit the potential of this mechanism in reaching and serving Hispanic communities. In this regard, such linkages also have great potential in ameliorating the severe inaccessibility and underutilization of services by Hispanic elders, migrant worker families, and persons in rural and isolated communities -- all of whom are very needy and neglected populations.

(3) Assurances and Technical Amendments: Bilingual Services. In this area the proposed language does not clearly address the intent of the related PCMH recommendations* nor does it provide the explicit assurances found in existing law (P.L.94-63) which recognizes the need for and the importance of providing services in appropriate language and cultural contexts and in involving bilingual/bicultural personnel in the delivery of these services. Without similar explicit assurances, the proposed Act would be a step backward for Hispanics.

Therefore, the NHC strongly recommends that the Act include provisions for the planning and delivery of bilingual and bicultural services (i.e., services that are culturally relevant and are provided in the appropriate language) and provisions for bilingual and bicultural staff at all service delivery and policymaking levels who will plan, provide, and assess such services, as well as provide guidance to others with respect to cultural sensitivities and bridging linguistic and cultural differences.

Moreover, the NHC recommends that the following language in the proposed Act -- "Where a substantial proportion of the population are non-

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*The PCMH recommended that mental health service programs should "(a) actually involve ethnic and racial minorities in planning and developing services; (b) provide culturally relevant services and staff them with bilingual, bicultural personnel; and (c) contract with minority community-based organizations for delivery of services." (PCMH Report, Vol. I, p. 21.)

English speaking, bilingual services shall be provided" -- be changed to read as follows: "Where a substantial proportion of the population are of limited English-speaking ability or are bilingual and bicultural, bilingual and bicultural services shall be provided and shall be staffed by appropriate bilingual and bicultural personnel at policy, planning, and service delivery levels."

(4) Mental health, health, and related human service planning. The Task Force proposal -- that the Administrator of HRA, in consultation with the Administrator of ADAMHA, monitor the inclusion of mental health and substance abuse goals and objectives in Health Service Plans and progress toward attaining these goals -- should add the requirement that this monitoring specifically encompass as well the following areas recommended by the PCMH:

> -- That DHEW require that Health Systems Agencies perform biannually a culturally relevant assessment of mental health needs. Special attention should be given to ascertaining the needs of children, adolescents, and the elderly (PCMH Report, Vol. I, p. 21).
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> -- (That there be) inclusion in the Health Systems Agency Plan of a mental health component developed by local and regional mental health authorities with the assistance of representative ethnic, professional, and consumer citizen advisory groups (PCMH Report, Vol. I, p. 66).

(5) Demonstration programs for management of all services funds: systems approach. The NHC recommends that at least one of the five States selected to take part in this proposed demonstration be one with a significant Hispanic population concentration. This would help test the spirit, feasibility, and impact of this approach on a major U.S. cultural/ethnic population.

## PREVENTION

The Task Force proposal for an NIMH prevention program takes a most positive step forward by explicitly calling for the review of NIMH prevention program planning "by appropriate representatives for its relevance to and impact on special populations identified by the PCMH -- including ethnic and racial minorities, women, and the elderly." This accords with the NHC's concern, expressed in our earlier report, that recognition be given to the need for an in-depth and differential analysis of the impact of planned prevention strategies on various minority groups, including the national Hispanic population as well as the diverse groups that comprise it.

The NHC further urges that these representatives include Hispanic and other minority group representatives from inside and outside of government, with the latter being drawn from national organizations and their networks in Hispanic and other minority communities, from Hispanic and other minority professional associations or similar groups, and from consumer groups. With regard to Hispanic participation, it is important that such representation involve the diverse groups within this national population -- Cubans, Latinos, Mexican Americans, and both mainland and island Puerto Ricans. Further, the NHC urges that these representatives be involved in the development as well as the review of this plan.

Many of the observations on prevention made previously by the NHC are congruent with the Task Force's analysis of challenges facing prevention programming in mental health and related human services. This is especially evident in the attention given in the analysis to the need to focus on social conditions and life situations among high-risk groups and the need to link prevention strategies with social and community support systems. Several items discussed in the previous NHC report continue to be of relevance here and should be considered when solutions to these challenges are conceptualized in prevention program planning. These items are:

(1) Preventive initiatives are needed that ameliorate the stresses confronting Hispanics as a result of their minority and bilingual/bicultural status. In this respect, initiatives are especially needed to address the impact of prejudicial attitudes and actions, as well as inter-ethnic relations.

(2) Prevention is a most appropriate area for incorporating the PCMH emphasis on social and community support systems. Planning should be reviewed and evaluated throughout to ascertain if it fully exploits the potential of this conceptual strategy for prevention. Proposed strategies should be assessed carefully to insure that they respect and strengthen such natural support systems as the family. In particular, every effort should be made to protect the positive contributions that an Hispanic socio-cultural context can provide to Hispanic children. There are yet other existing mechanisms which can be well utilized in maximizing prevention stretegies among Hispanics -- primary among these is the health care system (e.g., linkage

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grants and related activities described throughout the Task Force report), although religious, educational, and mass media systems must also be impacted.

(3) The NHC heartily concurs with the strong emphasis given to children as a priority in prevention. This is especially significant for Hispanics, given the youthfulness of our population, its rate of increase and the disproportionately high numbers of low-income Hispanic families with children living in hazardous environments in major U.S. metropolitan areas. A greater emphasis on the family as the focus of prevention strategies for Hispanic children is desirable. The NHC also endorses the fostering of prevention efforts which address the normal development of Hispanic children and their families. In particular, this familial context should be emphasized in child care programs (e.g., Head Start, foster care) involving Hispanics. Furthermore, we especially welcome the Task Force proposal to reduce "the number of children in foster care by incentives for communities to provide additional supports to parents and families." This proposal addresses a serious social policy concern among all Hispanic groups. Properly managed, this proposal which is supportive of the family represents a more culturally sensitive method of handling Hispanic children than foster placement.

(4) Given that preventive efforts seek to anticipate problems and reduce their cost, both human and financial, it is important and productive to also target prevention research and development on other identified high-risk groups such as ethnic and racial minorities, women, the elderly, and migrant and rural populations.

(5) It is crucial to establish comprehensive prevention programs for uniquely vulnerable Hispanic subpopulations that warrant closer attention and study:

-- Agricultural migrant worker families and children who lack basic community support systems because of their seasonal migration patterns, as well as rural families in isolated areas which usually lack adequate resources. Strategies must be developed to integrate them and their

needs into the mainstream of policy, research, and service planning. In this regard, special attention should be given to strategies to streamline the delivery of comprehensive services through local or regional networks.

-- Undocumented Hispanic persons. Because of their legal status, they are unlikely to receive the kinds of services they need for maintaining a healthy level of functioning. Special attention and legislation may be necessary to assure humane attitudes and treatment toward them.

-- Newly released groups of Cuban prisoners. Efforts are needed to meet unique problems of adaptation that will be encountered by these persons who, though now free, bear the legacy of being imprisoned longer than any group of political prisoners in our recent history.

PUBLIC UNDERSTANDING

This section can be considered a specific area of concern within prevention, since increased public understanding of mental health and mental illness can lead to better adjustment and earlier identification of problems. The DHEW Task Force report takes a broad, progressive, and sensitively thoughtful view of the potential of effective strategies in this area. Task Force proposals are congruent with the NHC's position to support the use of education to promote public understanding of mental health and mental illness and to further study innovative and effective ways to achieve this goal. This needs to be done with the awareness that Hispanic concepts of health and illness may differ from other groups' conceptual phenomenology.

Most Task Force proposals on this subject call for study and planning by various groups within government (e.g., among DHEW units) and involving both public and private sectors (in particular, representatives of the mass media). The NHC recommends that representatives of the major broadcasting networks and the Corporation for Public Broadcasting be involved in these study and planning efforts. The NHC also recommends appropriate Hispanic and minority

representation in these study and planning groups. It should be especially noted that in the U.S. there is a large Hispanic mass media that can be incorporated into public understanding plans and strategies.

The following are further NHC comments on this subject:

(1) Although attention is called to issues related to minority groups, follow-up action on Task Force proposals should assure that minority concerns are addressed, especially with regard to educating important groups of care-givers and decision-makers who influence the opportunities for care to which Hispanic Americans are entitled.

(2) The area of research on attitudes toward mental illness is especially significant for Hispanics because of the double stigma and stereotype of being a minority and a mentally ill person.

(3) In carrying out public understanding plans and programming, the NHC recommends that attention be given to:

-- Training of Hispanic mental health professionals in public information skills and utilization of existing Hispanic media networks to disseminate mental health information.

-- Training of Hispanic media professionals in mental health concepts. As we have noted previously, the U.S. has a large Hispanic mass media that should be incorporated into public understanding plans and strategies.

-- Development of bilingual/bicultural public information material targeted at Hispanic communities.

## SOCIAL AND COMMUNITY SUPPORTS

As was noted in our previous report, the NHC endorses the PCMH's recognition of social and community supports as a basic building block of the mental health of our communities. This approach, which emphasizes the strengths of individuals and families and not their weaknesses, highlights hitherto neglected areas for study and applications. The Task Force analysis and implementation proposal on this subject reflect both strong appreciation and enthusiasm for the benefits this approach can yield in

comprehensive, holistic services and care for diverse communities and special populations. Especially welcome is the recognition given to the potential of a social and community support systems approach for strengthening services -- in non-threatening, culturally and linguistically sensitive ways -- to unserved, underserved, or inappropriately served sectors of the population.

On this subject, the NHC submits the following comments:

(1) There should be recognition that some groups may be better served by mental health service models which rely heavily on a community support systems conceptualization (e.g., Hispanics, the elderly) and that for many groups the family constitutes the primary and most significant support unit (e.g., children, youth, elders, Hispanics in general).

(2) Whereas reference is made to improving linkages between community support networks and formal mental health services, it may be necessary in Hispanic communities to integrate formal mental health services with some community support systems.

(3) Grant application guidelines should include a statement of impact of the proposed activities on social and community support systems. The purpose of such a statement is to develop an awareness -- on the part of applicants as well as members of review committees -- of the potential beneficial or detrimental effects of proposed projects on these systems. This recommendation builds upon and expands the Task Force implementation suggestion to include social and community support concepts in referral guidelines for research, training, and demonstration grants.

(4) In research, the Task Force analysis calls for the allocation of funds from the recommended increase in the research budget for studies on social networks and natural helping networks, and on the effects of social support on the utilization of health and mental health services. In light of the recognition given earlier in the analysis to the potential of the social and community supports approach for unserved, underserved, or inappropriately served populations, the studies to be undertaken should give emphasis to support systems among these populations.

The previous NHC report noted that natural community support systems appear to have been deteriorating over the past decades, and that there is

little scientific information to indicate the factors contributing to this decline or to suggest possible strategies for reversing this trend. We continue to emphasize that basic and applied research, including demonstration projects, are needed in this area.

(5) With regard to the suggested use of a Visiting Scientist or Interagency Personnel Agreement, the mandated functions should include addressing the application of social and community support concepts to minority underserved and special populations.

## CONCLUSION

The NHC takes this opportunity to thank COSSMHO for the support that it has provided us in the pursuit of our objectives. We look forward to continuing the dialogue that we have initiated with DHEW.

As this report reveals, our own position is, in most instances, very similar to that of the PCMH and the DHEW Task Force on PCMH implementation. We are all working together to improve conditions for our most needy populations. Throughout this report we have found ourselves, more often than not, supporting the thrust of the PCMH and/or the DHEW Task Force. Beyond this, we have provided guidance and suggested strategies that might maximize benefits to Hispanic Americans. In some instances, our recommendations have gone beyond Hispanic concerns to incorporate, more generally, minority issues as well as special population groups.

As we look toward the future, we invite DHEW officials to utilize our Committee as an Hispanic sounding board for their plans. In general, as a representative group of Hispanic mental health and substance abuse professionals, we will seek to be involved in DHEW plans, particularly those of ADAMHA, that might affect our communities. Specifically, the NHC is interested in the development of the DHEW Hispanic initiatives currently under preparation. In this regard, we recommend that DHEW seek input from Hispanics within the Public Health Service -- and especially ADAMHA -- as well as major Hispanic groups outside of the Federal Government.

Finally, we take this opportunity to reiterate that Hispanic concerns range from training, research, and services to the areas of prevention, public understanding, and social and community supports. Among these, the NHC has identified two major and basic Hispanic mental health and substance abuse priorities: knowledge and personnel development.

## STATEMENT OF PHILLIP W. HYRY, DIRECTOR, KEWEENAW BAY TRIBAL COUNCIL ALCOHOLISM PROGRAM

Senate Report 95 - 1119, p. 68 states:

> It has come to the attention of the Committee that the Institute has been reducing its support for Indian Alcoholism Projects on a dollar for dollar basis with every project that is transferred to the Indian Health Service. Alcoholism is still the number one health problem among Native Americans and the Committee feels the Institute cannot neglect such a major problem. The Committee directs that the Institute maintain its fiscal 1977 level of support for Indian Alcoholism Projects by initiating new projects as the matured programs are transferred to IHS.

The 1977 level of support was $14,816,000.

The 1979 level of support to Indian Programs as reported to the Committee is:

65 Total Projects
$8,173,000

This actual support is $6,643,000 LESS THAN WHAT WAS DIRECTED BY THE COMMITTEE.

Meanwhile, the Institute will administratively remove approved Indian projects which have been unfunded - some for as long as 3 years - as of March 31. There were 80 Indian Projects recommended for funding at approximately $9,000,000 before being removed from active consideration. April 1, 24 will remain for consideration totalling $3,300,000.

In a telephone conversation with an Institute budget specialist, I was told that the Institute could not comply with the Senate's directive because additional funds were not appropriated and that OMB would not premit increases in Indian Alcoholism Programs because the total IHS and NIAAA support for 1979 exceeded the 1977 level. OMB has taken the position that funds transferred from NIAAA to IHS are all part of the total ADAMHA budget.

There is one of two possible dynamics involved:

1. Either the Senate is directing the Institute to provide support that cannot be provided without additional appropriations

or

2. The Institute has found a way to avoid the Senate's directive by using OMB as a scapegoat for their unwillingness to comply.

Whichever of these conclusions is reality the facts remain the same:

1. The Committee directed the Institute to maintain the 1977 level of funding support ($14,816,000) to Indian alcoholism programs.

2. The Institute has cut their support by 45% in 1979. The actual Indian alcoholism support from the Institute is only $8,173,000.

3. As of April 1, the Institute will only have 24 projects recommended for funding totalling $3,300,000. Fifty-six will be administratively withdrawn in March 1979, which would have totalled $6,700,000. The $6,700,000 is approximately the amount of funding that SHOULD HAVE BEEN PROVIDED HAD THE COMMITTEE'S DIRECTIVE BEEN FOLLOWED.

While the Committee and Institute battle over who's responsible for what and who didn't do what and who should've done what; the alcoholic Indian continues to suffer. Since neither the Senate nor the Institute argues the point that Indian people have a profound need for alcoholism services and both profess a desire to help, the simplest solution to this legislative - administrative argument should be:

> Drafting special legislation that will require the Institute to maintain the 1977 level of support to Indian alcoholism programs for the next 6 years, regardless of the support IHS provides. With this legislation, the Committee must also deal with necessary appropriations if the Institute in fact cannot comply without new appropriations.

## STATEMENT OF RONALD H. BROWN, VICE PRESIDENT, WASHINGTON OPERATIONS, NATIONAL URBAN LEAGUE, INC.

I urge you to lend your most diligent support to ensure that the Adolescent Pregnancy Prevention and Service Project, recently enacted by Title VI of Pub. L. 95-626, receives fiscal appropriation from the Labor- HEW Appropriations Committee.

The thrust of the legislation is to reduce not only the health, educational and economic risks associated with teenage pregnancy but also to reduce the spiraling government expenditure that is generated by 1,000,000 teenage pregnancies a year. Because the legislation focuses on the prevention of unwanted adolescent pregnancies and the care of adolescent mothers and their babies, it is spearheading a cost-saving approach to one of our nation's most serious and complex problems.

While government expenditures must be scrutinized, especially at a time of economic austerity, I firmly believe that the appropriation requested ($7 million for 1979, $60 million for 1980, $70 million for 1981) would be a wise and c st-saving investment, as its thrust is to reduce the human cost and the social cost associated with teenage pregnancy. The present cost of teenage pregnancy to the government is $3 billion, or 50 times greater than requested appropriation for fiscal year 1980 ($60 million).

In the United States today, teenage pregnancy is an everyday occurrence in urban, suburban and rural communities, which cuts economic and ethnic lives. But its ultimate human tragedy is the risk of health complications, incomplete education, joblessness and economic dependency being perpetuated for another generation.

These statistics underscore the scope of the problem of teenage pregnancy:

1. In the United States today - there are some 11 million teenagers, twice as many as there were twenty years ago.

2. The average age for physical maturation in girls dropped four years in the last century (from 16.5 to 12.75).

3. One out of every ten teenagers (10-19 years old) becomes pregnant every year. Two-thirds (600,000) of these pregnancies are unintended.

4. One out of every five live births in the U.S. is to a teenager.

5. Between 1966 and 1975 births to single mothers 15-19 years of age have increased 64 percent.

The incidence of health risks are twice as high for mothers under 15 and their infants than for mothers in their twenties. As the age of the mother declines, infant mortality, low birth weight, cerebral palsy, mental retardation on birth defects for infant increase.

Pregnancy is the most common cause for girls to drop out of school. For those who become mothers while in junior high nine out of ten do not complete their high school education and four out of ten never complete the eighth grade.

Young teenagers lack knowledge in basic parenting skills and that parenting by young teenagers is often jeopardized by their own stage of adolescence. Thus, the infant of a young teenager is often born and raised in a climate of tension, guilt and anxiety.

The Adolescent Pregnancy Prevention and Service Projects focus on two critical issues - prevention of unwanted adolescent pregnancy and care of pregnant adolescents and their babies.

The intent of the legislation is clear, to reduce unwanted high risk teenage pregnancies, to reduce the educational and economic jeopardy of those adolescents who become pregnant, and to ultimately enable young people to become independent economic contributors rather than economic liabilities to American society.

The reduction of the human suffering associated with teenage pregnancy could also be offset by a reduced cost to government of the present multi-billion dollar expense. That alone warrants serious consideration of the far-reaching impact Title VI of Pub. L. 95-626 could have.

## STATEMENT OF JAY WELLS, CHAIRMAN, AMERICAN PARENTS COMMITTEE DIVISION, CHILD WELFARE LEAGUE OF AMERICA

Mr. Chairman. Thank you for the opportunity to testify on the Labor/HEW Appropriations bill. These appropriations affect many of America's children and families, as well as programs of the Child Welfare League of America. We appreciate the invitation to address this subcommittee.

I am Jay Wells, unpaid chairman of the American Parents Committee Division of the Child Welfare League of America (CWLA). The American Parents Committee, founded in 1947 by George Hecht, is the oldest Washington group lobbying exclusively on behalf of Federal legislation for children. In 1977 the American Parents Committee merged with the Child Welfare League of America and became a public policy division of the League.

The Child Welfare League of America was established in 1920, and is the national voluntary membership and standard setting organization for child welfare agencies in the United States; our agencies provide adoption, day care, day treatment, foster care, institutional care, maternity home care, protective services, residential treatment, runaway and shelter care, and services to unmarried parents. The League is a privately supported organization devoting its efforts completely to the improvement of care and services for children. There are nearly 400 child welfare agencies directly affiliated with the League, including representatives from all religious groups as well as nonsectarian public and private nonprofit agencies.

My remarks today will primarily focus on health services, particularly Title VI of the Health Services and Center Amendments of 1978 -- Adolescent Health Services, Title X of the Public Health Service Act, the Child Health Assessment Program (CHAP) and Maternal and Child Health Programs. I will also briefly address the need for an expanded child welfare services program, an increase in the Title XX ceiling, and describe how cutbacks in the Social Security programs affect children.

Title VI of the Health Services and Centers Amendments of 1978 -- Adolescent Health Services

The purpose of the Adolescent Health Services legislation (PL 95-626) is:

> to establish better coordination,integration and linkages among existing programs in order to expand availability of and access to comprehensive community services which assist in preventing

> unwanted initial and repeat pregnancies among adolescents; enable pregnant adolescents to obtain proper care; assist such teenagers and parents to become productive and independent contributors to society and provide primary emphasis on services to pregnant adolescents or parents under 17; promote innovative comprehensive and interested approaches to delivery of such services.[1]

This legislation authorizes a new program to integrate existing services to provide continuous, long-term prenatal and post-natal care to pregnant adolescents and adolescent parents.

The need for these services is great. Figures show that there were approximately 1.1 million teenage pregnancies in 1976.[2] The Final Natality Statistics for 1976 show a total of 570,600 live births to women 15-19 years old.[3] This is about one-fifth of all births in the United States. Ninety-three percent of all adolescent mothers keep their babies, an increase of 8 percent over the last five years.[4]

These statistics have significant consequences for society. About half of the pregnant adolescents receive no prenatal care in the first trimester, and more than 10 percent have not had care in the second trimester.[5] Girls under 15 years of age are least likely to have prenatal care; 5.8 percent had no prenatal care at all.[6] 44 percent of adolescent mothers will be pregnant again within the first year when contraceptive services are not available and 25 percent if services are available.[7] Teenage mothers are two and one half times as likely to be receiving welfare. The Urban Institute, a non-profit, independent research organization, estimates that nearly $4.7 billion, one-half of the total 1975 Aid to Families with Dependent Children (AFDC) expenditures, were paid to families of teenage mothers.[8]

A more recent analysis concluded that expenditures as a consequence of the nearly 600,000 births to adolescents that will occur in 1979 will be no less than $8 billion over the next 19 years. Government expenses fall into two categories: medical costs for mothers and their children and welfare costs.

Estimated government expenditures in 1979 on doctors, hospitals, medicines and technical support is $484 million. Medical expenditures with a net present value of $1,180 billion are projected to be made over the next 19 years. Welfare costs, largely expenditures through Aid to Families

with Dependent Children, Food stamps, other nutrition programs, subsidized public housing and social services are estimated to be relatively low in 1979 -- $274 million -- since they are assumed to begin approximately with the individual births of babies through the 12 months. They more than double next year, and the net present value of welfare expenditures over the next 19 years is projected to be $7 billion.[9]

Comprehensive programs to pregnant adolescents are a critical point of intervention in a potential cycle of frustration, poverty and marital disruption. The Child Welfare League of America testified before both the House and Senate authorizing committees in support of the comprehensive services provided in this legislation. Approximately 210 of our 400 agencies provide services to unmarried parents -- services which include day care, individual and group counseling, health and family life education, and parent preparation programs. In addition the Florence Crittenton Association of America merged with the Child Welfare League of America in 1976. For 96 years the major program of the 33 member agencies of the Florence Crittenton Division has focused on comprehensive services to pregnant adolescents and young mothers and their infants. (I have attached to my testimony descriptions of two comprehensive Florence Crittenton programs.)

As the major representative of providers of services to pregnant adolescents in the voluntary sector, we support the President's request for a supplemental appropriation for this program for 1979 and urge this committee to appropriate at least $7 million. In addition we support the President's request for $60 million in 1980. We urge the Congress to act expeditiously on a supplemental appropriation so this program can acquire staff, consider grant proposals, and most important, transfer dollars to community programs.

The President's budget request is a modest beginning but will provide a significant addition to existing services. There are only two sources of information on the availability of services throughout the country. A 1977 survey of 50 urban and rural community agencies concluded that the "pattern of services is at best a 'patchwork quilt' with few comprehensive programs in place largely because essential services are either not available or are virtually inaccessible for the agencies in question."[10]

The other source of information on services to pregnant adolescents was a 1976 survey,[11] a follow up to a 1970 survey, of 125 cities(out of a possible 164) with populations over 100,000. The survey revealed the following:

--Of the 125 cities responding, 107 or 85.6% reported having a special program but most of these programs served relatively small numbers of pregnant adolescents. In comparison to 1970, the number of large cities with special programs did not increase.

--All but 10 of the 125 responding cities reported at least one unmet need. The most frequently reported need was for social services. Social services included outreach support services, psychological and emotional support, foster care, special group homes, emergency housing, legal services, crisis intervention, marriage counseling and adoption services. It is interesting to note that these are the specific services provided by member agencies of the Child Welfare League of America. We hope social services will be an important component in a comprehensive service system and that the predominance of required health services will not exclude quality social services important to pregnant adolescents.

--92 cities reported that specific comprehensive programs served a total of 29,023 girls in 1974. The same cities reported 141,255 live births. This means only 20.5% of all pregnant teenagers were accommodated.

Comprehensive programs should have three primary objectives:

--Provide critical health services to mothers and infants

--Encourage pregnant adolescents and adolescent parents to continue their education

--Help adolescents through counseling and other social services to cope with new responsiblities; determine their needs, priorities, and hopes in life, and help them decide on a plan to accomplish these goals for themselves and their infants.

Can comprehensive programs accomplish these objectives? Preliminary evaluation of existing programs show significant results.

--Comprehensive adolescent pregnancy centers have demonstrated that prematurity rates can be halved by proper prenatal and postnatal care. In addition, complications of pregnancy, e.g., anemia, toxemia, malnutrition have been reduced.[12]

--One model program reports that the school drop-out rate by mothers has been reduced by 80%.[13]

--Analysis of 13 state funded programs in California shows a repeat pregnancy rate of 4.1% (compared to the national average of 25%). In addjtion, one-third of the mothers in the program were no longer on AFDC.[14]

In hard terms these statistics represent savings of public money.

A recent study by the Urban Institute points out that early motherhood increases substantially the likelihood that a woman and her family will live in poverty. The study concludes: "clearly it is in the mutual interest of government, individuals, and families to help teenagers prevent unwanted pregnancies and to mitigate the consequences of early childbearing when prevention measures fail."[15] The appropriations for the Adolescent Health, Services, Pregnancy Prevention and Care Act of 1978 will begin to mitigate the negative consequences of early childbearing.

Title X of the Public Health Service Act -- Family Planning and Population Research

Support services to pregnant adolescents must be coupled with an equal commitment to prevention. A key element in the effectiveness of the adolescent pregnancy program is the existence of a strong family planning system able to accept referrals, counsel on options, and provide contraceptive information and services.

The importance of Title X for adolescents is already evident. 28% of all women served in Title X programs were adolescents. Title X programs must be able to continue serving adolescents but not at the expense of low-income women. The original Title X legislation passed by Congress 1970 provided low- and marginal-income Americans, as well as higher-income adolescents, with highly effective preventive family planning services. The President's 1980 budget request cannot maintain services to those two populations.

Last year the Congress authorized $203.8 million in 1979 and $234.4 million in 1980 for family planning services. This significant increase is intended to serve sexually active young adults and to continue to attempt to reach the estimated 3.5 million low-income women who are still unable to have voluntary access to such services. The President has requested $145 million for 1979 in a supplemental appropriations -- a $10 million increase over current appropriations -- and $145 million again for 1980. The 1979 appropriations of $145 million will permit Title X programs to maintain present patient capacity and permit a minimum amount of growth. The 1980 appropriation of $145 million will not only prevent expansion but will actually cause a reduction in program capacity.

Family planning programs will be faced with a choice: will they decrease the number of adults being served to increase the number of adolescents served? Will they decrease services to both adults and adolescents? It makes little sense to serve adolescents at the exclusion of adults. It also makes little sense to serve fewer adolescents and fewer adults when demand continues to increase. It only makes sense to appropriate sufficient funds--a minimum of $175 million to permit more adults and more adolescents to be served by Title X programs. The cost-savings to the federal government through pregnancy prevention is obvious.

This Committee's support for Title X programs in past years has encouraged the growth of an effective family planning system in this country. We hope that your support will continue even under pressure to cut spending. Money spent for family planning services and pregnancy prevention realizes significant savings in other federal programs.

Title X provides specific authority for appropriations to support research in the bio-medical, contraceptive development, behaviorial and social science fields related to family planning and population policy. Last year Congress authorized a significant increase for population research over the current appropriation of $69.5 million -- 105.0 million for 1979 and $120.8 million for 1980. This incerease was to continue existing research and investigate causes and methods to alleviate the problems of infertility and sterility.

The President's request of $76.7 million in 1979 and $82.3 million in 1980 will permit minimum expansion of research efforts but will not encourage significant new investigation. We have not developed any absolutely fail-safe contraceptive. Many methods are not appropriate for adolescents. The pill carries documented risks with prolonged use and is not an ideal method for women who smoke, or those inclined toward high blood pressure, a condition particularly associated with black women. The IUDs cause discomfort and other side effects for some women. Contraceptives for men are still undeveloped. The range of contraceptive choices, while significantly expanded in the last fifteen years, still does not meet the needs of many men and women. Motivation to use contraceptives, particularly among the adolescent population, is an area in need of further study. Now is the time to mover ahead in the research

area. We ask the committe to appropriate at least $76.7 million in 1979 and $87.5 million in 1980.

Child Health Assessment Program (CHAP)

Preventive health programs are effective measures of cost-containment. We support the President's request for $288 million for CHAP.

CHAP strengthens and broadens the Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT). EPSDT's original focus was to detect chronic disabling conditions and serve handicapped children or those with potentially handicapping conditons. CHAP would maintain the original purpose but also:

1) Expand eligibility to children who are not presently on Medicaid but whose family cannot afford basic health care;
2) Extend dental, vision, hearing, prescription drugs, and ambulatory mental health benefits to all Medicaid children;
3) Improve the administration of the program so that a greater proportion of eligible children would actually receive the health care to which they are entitled;
4) Institute a performance-based system of graduated incentives to states based on the number of children in continuing care as well as the number of children screened and in treatment;
5) Increase the share of program costs paid by the federal government.

In addition, CHAP, coupled with the Adolescent Health Services legislation will significantly expand health services to low-income pregnant women.

Title V of the Social Security Act -- Maternal and Child Health Programs

The Maternal and Child Health program has a long history going back to President Roosevelt's original Social Security Act in 1935. Title V authorizes services to reduce infant mortality, promote health of mothers and children, and care for children who are crippled or who are suffering from conditions leading to crippling. Maternal and child health centers serve primarily high risk pregnant women. These centers have helped to reduce infant mortality among the population and prevent the need for long term care resulting from inadequate prenatal and post-natal care. The law also authorizes demonstration projects to reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with childbearing, to promote the health of children and youth

of school or pre-school age and promote dental care for children. We are committed to continuing this valuable preventive health program and ask that the full authorization of $399.864 be appropriated.

Child Welfare Services

Legislation proposing improvement in the child welfare program including adoption systems has been reintroduced during this Congress. It is critical that Title IV-B be moved from its current $266 million authorization and be fully funded as an entitlement program at $266 million, with a maintenance of effort clause. This is needed so states can finance improvement in their own child welfare systems and increase services to families and children on the basis of their need for services. Special emphasis should be placed on services to strengthen the homes of vulnerable children, to return children placed in foster care to their own homes whenever possible, and when this is impossible, free them for adoption, or provide quality long-term arrangements.

We support federally funded adoption subsidies; training for child welfare workers, adoptive parents; and a provision to allow nonprofit organizations to be reimbursed directly for training under Section 426 of the Social Security Act. We urge the committee to support a full appropriation of $9 million for child welfare training under that section. Finally, with regard to adoption services, we strongly support the continuation of a $5 million appropriation to implement the Adoption Opportunities Title of P.L. 95-266.

Social Services Amendments -- Title XX

Congress approved a one year increase in the Title XX ceiling to $2.9 billion at the close of the last session. We support an increase in the ceiling to $3.1 billion, an amount less than the $3.6 billion the program would have reached if the original $2.5 billion had a cost of living factor in place. Agencies delivering services to children could be faced with a huge reduction in available funds if new legislation is not enacted this year. We do not support the Administration's proposed ceiling on training funds.

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Social Security

Approximately five million children of workers who died prematurely, are disabled, or retired, receive monthly Social Security benefits. In most instances, the mothers of these children are also entitled to dependent's benefits to assure their care. Social Security is a self-financed program in which benefits are paid as a matter of earned right based on past earnings and contributions.

We strongly support this basic program and will actively resist any effort to reduce or modify family benefits to which the government has long been committed. We do not support the Administration's proposed cuts in the Social Security program.

FOOTNOTES

1. Senate Report No. 95-1206 to accompany S2910 - Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978.

2. Christopher Tietze, "Teenage Pregnancy: Looking Ahead to 1984." Family Planning Perspectives. Vol. 10. No. 4., p. 205-7.

3. Final Natality Statistics 1976. National Center for Health Statistics.

4. Julius B. Richmond, Assistant Secretary for Health, Department of Health, Education and Welfare. March 2, 1978, House Select Committee on Population Hearings. Fertility and Contraception in America: Adolescent and Pre-Adolescent Pregnancy. Volume II, p. 149.

5. Ibid.

6. Final Natality Statistics 1977. National Center for Health Statistics.

7. Richmond. Ibid. p. 164.

8. Kristin Moore, Urban Institute. February 28, 1978 before the House Select Committee on Population Hearings, p. 35.

9. Stanford Research Institute. An Analysis of Government Expenditures Consequent on Teenage Childbirth, Stanford University: California, February, 1979.

10. National Alliance Concerned with School Age Parents, 1977.

11. Hyman Goldstein and Helen M. Wallace, "Services for and Needs of Pregnant Teenagers in Large Cities of the United States, 1976." Public Health Reports. Vol. 73, No. 1. January - February 1978, p. 46-54.

12. Special HEW Task Report. Family Development Program. Submitted to Joseph A Califano, Jr. March 17, 1977, House Select Committee on Population hearing, p. 657.

13. Ibid., p. 666.

14. SB 1860 Evaluation Results at the End of Two Years for Thirteen Programs. House Select Committee on Population, p. 645.

15. Kristin A. Moore, Sandra L. Hoffreth, Steven B. Caldwell and Linda J. Waite. Teenage Motherhood: Social and Economic Consequences. Urban Institute: 1897, p. 47.

SUMMARY OF AMERICAN PARENTS COMMITTEE/CHILD WELFARE LEAGUE OF AMERICA RECOMMENDATIONS

Title VI of the Health Services and Centers Amendments of 1978 - Adolescent Health Servs.

Comprehensive services to pregnant adolescents are a critical point of intervention in a potential cycle of frustration, poverty and marital disruption. Federal support for comprehensive services to pregnant adolescents can realize significant results: reduction in maternal and infant morbidity and mortality, reduction of repeat pregnancies, encouragement to remain in school and secure employment. We support the President's request for an appropriation of $7 million in 1979 and $60 million in 1980.

Title X of the Public Health Service Act -- Family Planning and Population Research

Continued support for primary pregnancy prevention programs is needed for low-income women as well as adolescents. Title X is the major source of federal support for family planning programs. The President's request for $145 million in 1980 will not only prevent expansion of Title X programs to meet increased demand but will cause a reduction in family planning services. We support a supplemental appropriation for 1979 of $145 million and appropriations for 1980 of $175 million.

Title X also provides specific authority for appropriations to support research in the biomedical, contraceptive development, behavioral and social science fields related to family planning and population policy. Limitations on contraceptive options, understanding of motivation and basic reproductive biology require that we increase our support for population research. At a minimum we support the President's request for a supplemental appropriation of $76.7 million in 1979 and an appropriation for 1980 of $87.5 million.

Child Health Assessment Program (CHAP)

Preventive health programs are effective measures of cost-containment. The Child Health Assessment Program would strengthen and broaden the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) to detect chronic disabling conditions and serve handicapped children or those with potentially handicapping conditions. We support the President's request for $288 million in 1980 for this program.

Maternal and Child Health Programs

We are committed to the extension of the Title V Maternal and Child Health Programs and ask that the full authorization of $399.864 be appropriated.

Child Welfare Services -- Title IV-B

Legislation to improve child welfare programs including Title IV-B has been introduced. It is critical that Title IV-B be moved from its current $266 million authorization to a fully funded entitlement program at $266 million with a maintenance of effort clause. This is needed so that states can finance improvements in their own child welfare systems and increase services to families and children. In addition, we urge the full appropriation of $9 million for child welfare training.

Title XX -- Social Services Amendments

We support an increase in the ceiling to $3.1 billion. Agencies delivering services to children could be faced with a huge reduction in available funds if the ceiling is moved back to $2.5 billion without new legislation this year.

Social Security

Social Security benefits are paid as a matter of earned right based on past earnings and contributions. We strongly support this basic program and actively resist efforts to reduce or modify family benefits to which the government has long been committed. We do not support the Administration's proposed cuts in the Social Security programs.

SUMMARY OF COMPREHENSIVE SERVICES OFFERED BY TWO FLORENCE CRITTENTON AGENCIES

TOLEDO CRITTENTON SERVICES (TCS)

Toledo Crittenton Services is supported by the community and helps pregnant adolescents work through problems associated with adolescent pregnancy. Toledo Crittenton clients can attend the program's school which is part of the Toledo Public School System, use the TCS medical program, live at the TCS residence or in an apartment near the agency, and participate in the child-care classes and other programs. Individual counseling is continued throughout the girl's pregnancy and after delivery. Families and boyfriends participate in counseling as requested by the client. TCS reports a recidivism rate of 6% as compared to the national average of 25%.

Goals of the Toledo Crittenton Services are:

1) To provide the community with a comprehensive coordinated program of social, educational, vocational, health, and related services to pregnant adolescents.
2) To provide a process to educate the community about the problem of adolescent pregnancies and to help change attitudes about the necessity for family life education and the need to disseminate sex and birth control information in the public school system.
3) To reduce the growing rate of adolescent pregnancy.
4) To reduce the incidence of repeat pregnancy through the provision of concentrated social services.
5) To reduce the rates of infant and maternal morbidity and mortality.
6) To provide services to the families with the objective of strengthening family life.
7) To detect prenatal problems through medical and nursing services.
8) To provide after-care services following delivery.

LULA BELLE STEWART CENTER (LBSC) DETROIT CRITTENTON AGENCY

Lula Belle Stewart Center is a multi-purpose agency formed to address the needs of young, low-income and expectant parents. The program provides practical help: food, clothing, financial assistance, shelter, medical care, education, counseling, day care, employment job training. Continuing education, an alternative education program, is operated at the Center through the cooperation of the Board of Education. Fathers are encouraged to participate in all aspects of the program.

Goals of the Lula Belle Stewart Center are:

1) To alleviate problems confronting adolescent parents in areas such as employment, child care, housing, etc.
2) To conduct research into the conditions which contribute to adolescent parentage and to disseminate information.
3) To enable clients to obtain medical services and maintain good health.
4) To enable clients to obtain employment or job training where appropriate.
5) To improve family and inter-personal relationships.
6) To increase community understanding of the problems and needs of adolescents, parents, and help bring needed changes in rules and regulations of schools, welfare departments, employment resources, juvenile courts, etc., which constitute obstacles for adolescent parents.

BUDGET RECOMMENDATION

| | 1980 Authorization | 1980 President's Request | APC/CWLA Recommendation |
|---|---|---|---|
| 1. Title VI of the Health Services and Centers Amendments of 1978 - Adolescent Health Services | $65 million | $60 million | $60 million and a $7 million supplemental |
| 2. Title X of the Public Health Service Act Family Planning | $234.4 million | $145 million | $175 million and a $145 million supplemental for 1979 |
| Population Research | $120.8 million | $82.3 million | $87.5 million |
| 3. Child Health Assessment Program | | $288 million | $288 million |
| 4. Maternal and Child Health Program | $399.864 million | $357.4 million | $399.864 million |
| 5. Child Welfare Services - Title IV-B | $266 million | $141 million | $266 million Entitlement program |
| Training Fund | | $5 million | $9 million |
| 6. Social Services Amendment Title XX | | $2.9 billion | $3.1 billion |

STATEMENT OF CLYDE E. SHOREY, JR., VICE PRESIDENT, PUBLIC AFFAIRS, NATIONAL FOUNDATION--MARCH OF DIMES

The goal of the March of Dimes is to prevent birth defects and improve the outcome of pregnancy. To meet this goal we urge that every action be taken to meet the critical health risks to mother and infant that are too often the tragic results of adolescent pregnancy.

The March of Dimes supports the funding of Adolescent Health Services:

1. In FY 1979 with a Supplemental Appropriation of $7 million
2. In FY 1980 with an Appropriation of $60 million

Birth defects are the nation's major child health problem. Some quarter-million infants are affected every year by mental or physical handicaps that deny them an equal chance to live full, productive lives. Many of these infants die before their first birthday.

Adolescents bear nearly 600,000 babies each year - one-fifth of the nation's births. Half are illegitimate. The youngest of these teenagers, 17 and under, have the highest rate of any age group of dead or damaged babies.

Low birthweight, our most common birth defect, is prevalent among babies of teenage mothers and substantially greater as a percentage of births than at any other age. Low birthweight is the cause of the greatest number of deaths in the first year of life, and the major cause of disability in childhood. Brain damage or learning disabilities, often accompanied by emotional and behavioral problems, and structural defects can be a lifetime burden for a baby born too small or too soon.

While prenatal care is not the only influence on birthweight, its importance is obvious wherever data on the outcome of pregnancy have been examined. The results were especially revealing for teenage mothers. A study in New York City showed that among teenagers whose pregnancies were not at either social or medical risk, low weight ratios varied from 5.5 percent for those who began care in the first trimester, to 8.5 percent when care started in the second and third trimesters, to 9.9 percent for mothers who had no prenatal care at all. Among teenage mothers with high risk pregnancies, the low weight ratios also reflected the influence of prenatal care, varying

from 15.4 percent of births for those whose medical care began in the first trimester, to 23.1 percent among mothers who had no care at all.

It is primarily the lack of early, continuous prenatal care including adequate nutrition that results in the higher incidence among mothers of this age group of iron-deficiency anemia, hypertension, toxemia, and premature or prolonged labor. In turn, these conditions threaten her baby with greater incidence of mental retardation, physical malformations, and early infant death.

In 1975, some 280,000 teenage mothers in this country either had late prenatal care or had no care at all during pregnancy.

Shame, fear of parental reaction, lack of knowledge of where to get services, lack of funds, or the simple fact that a young girl does not realize she is having a baby, are common reasons why she does not seek medical help early enough. The relationship between prenatal care and maternal/infant health has been amply demonstrated.

While prenatal health care is only one part of the total services to be brought together under the program of Adolescent Health Services, it is one of major importance. It must be coordinated with the other services for maximum effect, particularly for the newborn infant. Even though the major focus of the March of Dimes is the health of the newborn, we are fully aware that the full range of social, economic and educational services must be brought together for mother, father, and child to assure the newborn any kind of a decent start in life. For this child, a life begun in poverty often continues in poverty and a cruel cycle is perpetuated.

Because of the devastating effects that teenage pregnancy can have on young lives, the March of Dimes has given top priority to the problem of "children having children". Together with national and local leaders in the health, educational and social service fields, we are working to change this delemma that denies society the potential strengths of these mothers and babies.

Throughout its network of chapters, March of Dimes representatives --staff and volunteers--collaborate with other organizations in focusing public attention on the concerns of adolescent pregnancy. To stimulate development and expansion of programs fitting community needs, the March of Dimes, as part of this collaboration, has funded health

education and prenatal care grants in recent years in an effort to bring together and coordinate services to the high-risk pregnant teenager.

In each instance the March of Dimes grant provided the essential element that made it possible for existing services to expand to cover more of the teenage pregnancy requirements of that community. These grants were made in all types of communities, large and small, urban and rural. The March of Dimes had demonstrated that, with small seed money grants, services can be expanded and coordinated in most any community. We believe that through the program of Adolescent Health Services, the federal government can accomplish this same objective on a nationwide basis.

To carry out this program the March of Dimes supports the Administration request of $7 million for FY 1979. This sum will provide the funds to staff this new program, establish the procedures for reviewing and approving applications for grants and funding about 25 grants. We, therefore, urge approval of $7 million for Adolescent Health Services in 1979 Supplemental Appropriation.

To fund this program in its first full year of operation, the March of Dimes supports the Administration request of $60 million for FY 1980. This would provide for approximately 315 grants to communities for coordinated services for adolescent pregnancy programs.

This is the first attempt at the coordination of services at the community level on a nationwide basis. It has proven to be successful in a number of individual programs throughout the country. Coordinated services can make a difference.

## JOINT STATEMENT OF THE AMERICAN PUBLIC HEALTH ASSOCIATION, THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS, AND THE ALAN GUTTMACHER INSTITUTE

This statement is submitted on behalf of the American Public Health Association, the American College of Obstetricians and Gynecologists and the Alan Guttmacher Institute. We appreciate this opportunity to express our views and request that the full text of the statement be included in the record.

The American Public Health Association is the oldest and largest professional society of public health workers in the world. Its aggregate membership numbers over 53,000, including 51 state and local affiliate organizations. Members include physicians, nurses, epidemiologists, social workers, sanitarians, statisticians and many other health-related disciplines. The American College of Obstetricians and Gynecologists represents over 20,000 specialists in the health care of women and their infants. And the Alan Guttmacher Institute is a corporation for research, policy analysis and public education.

Mr. Chairman, we propose to speak to the two major programs in the administration's budget proposals which bear most directly on the issue of adolescent pregnancy. These programs are the new Adolescent Health, Services, and Pregnancy Prevention and Care Act, which is designed to provide a range of health, education and social services for pregnant adolescents and adolescent parents, and the Family Planning Services and Population Research Act, which, since 1970, has been providing educational and medical services to prevent unwanted pregnancy for low and marginal income women and adolescents. At the outset, Mr. Chairman, we are encouraged to see that the administration is now placing a high priority on the provision of pregnancy-related services to teenagers, and we hope that our suggestions will help to lay the foundation for a well-balanced adolescent pregnancy program.

Although much has been said in these chambers about the scope and seriousness of the adolescent pregnancy problem in this country, we would like to take this opportunity to remind you of some of the facts and figures. Approximately 1.1 million American teenagers become pregnant each year[1]--

that is roughly one in ten young women in this age group--giving the U.S. one of the highest teenage pregnancy rates in the world.[2] Yet most of these pregnancies are not intended. In 1976, about 780,000 adolescents became pregnant premaritally[3] (and, in general, unintentionally) and, even among pregnancies conceived by married teenage women, one in six was unintended.[4] Over half of the pregnancies to adolescents resulted in live births (over 570,600 in 1976[5]), while the remainder were terminated by induced abortion or miscarriage. Four in ten of the births were out-of-wedlock--accounting for almost half of all out-of-wedlock births[6]--and the vast majority of young unmarried mothers chose to keep their babies. Less than three percent of the first births to unmarried teenagers resulted in adoptions.[7]

For the individuals involved and for their families, the problems of adolescent childbearing are enormous and potentially devastating.[8] Young teenage mothers and their babies face significantly higher health risks than do their older counterparts. They are also more likely to have their education truncated, to experience unstable marriages, to exceed their desired family size and, among those who manage to find employment, to experience greater job dissatisfaction and have lower incomes than women who postpone childbearing. Moreover, the ramifications of the problem extend beyond the individuals involved and their families to society as a whole. Teenage mothers are more likely than older women to depend on welfare for support and it has been estimated that, in 1975, $4.65 billion (almost half of the government's disbursements through AFDC) was paid to households containing women who had borne their first child while still teenagers.[9]

A truly comprehensive national program to deal with the problem of adolescent pregnancy would have to include two components: the prevention of initial pregnancies among adolescents and supportive services for pregnant adolescents and adolescent parents. Included in the preventive component of the program would be information and services to help young people avoid a first unintended birth. Emphasis would be placed on the provision of basic information, honestly presented, on human sexuality,

pregnancy and reproduction, fertility control and the responsibilities of parenthood and family life. And family planning services would be readily available to those adolescents who did not wish to become pregnant. Early pregnancy detection services should also be included, accompanied by sensitive and balanced counseling designed to ensure the exercise of free and informed choice by pregnant teenagers with respect to the outcome of their pregnancies, as well as prompt referrals for appropriate care. An important adjunct to this element of the program would be the recognition and support of contraceptive research as a priority on the nation's research agenda. While the development of safer and more effective contraceptive methods would benefit all Americans, it would be particularly important in meeting the special needs of the adolescent population. The second major program element--supportive services to pregnant adolescents and adolescent parents--would include adequate prenatal and obstetrical care for the young women, pediatric care for their infants, family planning services to prevent or postpone subsequent pregnancies, and education to prepare young people for the responsibilities of parenthood. However, because adolescent parents are not quite adult themselves, programs designed to serve them must recognize that fact and not assist them exclusively in their role as parents. Their needs also encompass assistance in continuing and completing schooling, preparation for entry into the employment market and a variety of ancillary services such as transportation and infant day care. Many of these support services may be required for several months--even years--after childbirth.

In light of the multitude of problems attendant to adolescent childbearing and parenting, we believe that the most humane, the most effective, and in fact, the most widely desired way of dealing with the problem is to provide adolescents ready access to the education and services they need to avoid unintended pregnancies. Not only is this, in our opinion, the soundest approach from a human perspective but it is also the most cost-effective approach. It has been estimated that the provision of comprehensive family planning education and services will cost less than $75 per patient in 1980, while the administration estimates that services to already-pregnant adolescents and adolescent parents provided through the new adolescent

pregnancy program will cost $750 per patient (and that figure excludes a variety of costs, such as day care, welfare payments, etc.) Nevertheless, we recognize the need for supportive services to already-pregnant adolescents and adolescent parents and we strongly support the provision of such services to young people who decide to assume the responsibilities of parenthood.

As you know, Mr. Chairman, the Adolescent Health, Services, and Pregnancy Prevention and Care Act, enacted last year, includes only part of a comprehensive adolescent pregnancy program as outlined above. Despite the words "Pregnancy Prevention" in the title, the focus of the program is not the prevention of adolescent pregnancy but rather support services to pregnant adolescents and adolescent parents. Services to be provided include pre-and post-natal care, family planning services to prevent repeat unwanted pregnancies, family life education and a variety of counseling services related to pregnancy, parenthood, education and employment. The primary target population is, to quote the legislation, "adolescents who are 17 years of age or under and are pregnant or who are parents." Adolescents who are not already pregnant or parents are eligible only for pregnancy testing, education in sexuality and family life, and counseling and referral for family planning. In the current climate of fiscal constraint, we believe that this focus is entirely appropriate. The national family planning program is already providing preventive services to over a million adolescents each year[10] and has the capability to expand services quickly and efficiently, given adequate funding. Thus, there is no need to initiate a major new adolescent pregnancy prevention program. Programs for pregnant adolescents and adolescent parents, on the other hand, have long been obliged to make do with a patchwork of federal, state and local funds to support their efforts.

The problem, Mr. Chairman, is not with the concept of the program, which we strongly support, but rather with the way in which the legislation was formulated. The result, as it now stands, is a vague and unfocused program. The single largest problem is that the legislation was designed without an adequate data base: it is unclear how many pregnant adolescents and adolescent parents are in need of subsidized services, there is no general agreement on which services are needed by these young people and

little is known about the current availability, cost and utilization of services. Without such basic information, it is impossible to chart a sensible program designed to meet clearly defined needs. A second problem is that the legislation is based on the assumption that needed services are available at the community level and need only to be "linked" and coordinated. However, this premise is clearly not substantiated by available research and experience. Furthermore, the manner in which the diverse services are to be linked or coordinated is not spelled out in the legislation.

Clearly, these and similar problems cannot be remedied at this time by the Congress. It is, however, well within the province of the administration--indeed, it is the administration's responsibility--to develop an accountable program, within the parameters of the legislation adopted by Congress. This could be accomplished through the establishment of specific service objectives for the program, through the development of a national evaluation plan to monitor progress toward those objectives, through the definition of the concept of service "linkages" at the community level, through the development of criteria for making grant awards, etc. Absent such groundwork, we are concerned that it will be impossible to determine what kinds and quantities of services are being purchased with public monies and what impact the program is having on the health, education and welfare of the adolescents it is designed to serve. However, we see very little evidence of the administration's intent to develop a responsibly administered, accountable program. The clearest example of this are the proposed regulations which appeared in the Federal Register on March 12 and which, far from clarifying major unresolved administrative questions about the program and offering guidance to potential grantees, for the most part simply restate the legislation. According to the preamble to the regulations, DHEW Secretary Califano seems to see no need to elaborate on the legislation: "Because this statute is extremely explicit in many areas", he writes, and "in order not to limit further the flexibility of grantees to devise innovative approaches to providing services, the Secretary has simply repeated many of the statutory provisions in the regulations." We disagree with his approach.

Nevertheless, in recognition of the pressing needs of many of the 570,600 adolescents who give birth each year, and particularly the 227,400 aged 17 and under, we support the administration's budget request for the Adolescent Health, Services, and Pregnancy Prevention and Care Act: $7 million for this fiscal year and $60 million for FY 1980. According to administration estimates, this will enable 78,750 adolescents to receive care in the first year of program implementation.

However, Mr. Chairman, we stress that an appropriation for the new adolescent pregnancy program must be accompanied by an increase in funding for the Family Planning Services and Population Research Act (Title X, Public Health Service Act). There are two major reasons for this. First, as we have already observed, an adolescent pregnancy initiative which focuses entirely on supportive services and ignores prevention is meaningless--and Title X has done more than any other program to prevent unwanted pregnancies among adolescents. Second, the new program will place increased demands on Title X-funded programs since its grantees are required by law to "make maximum use of funds available under Title X of the Public Health Service Act." While we know of no estimates of the number of adolescents who might be referred to Title X agencies for family planning services under the new program, it is clear that these patients will place a significant new burden on Title X dollars.

The president's budget proposals for Title X provide an increase of only $10 million (for a total of $145 million) for family planning services for this fiscal year and no increase beyond that for FY 1980. For research, they recommend an increase of $10.7 million for FY 1979 (for a FY 1979 total of $76.7 million) and only $6.1 million additional for FY 1980. These funding levels will barely allow programs to keep pace with inflation and will certainly not enable them to expand services to the approximately two million adolescents who are sexually active and at risk of unwanted pregnancy.[11] They also fail to anticipate the burden to be placed on Title X programs by the referral of clients from the new adolescent pregnancy program to existing family planning agencies.

To enable the national family planning program to provide urgently

needed preventive services to adolescents who are at risk of unwanted pregnancy as well as to those who will be referred to family planning agencies by grantees under the new adolescent pregnancy program, we urge this committee to recommend the following funding levels for Title X:

- For FY 1979, at least $155 million for services and $76.7 million for research. This would allow the program to serve between 170,000 and 240,000 additional patients, of whom between 51,000 and 72,000 would be adolescents;
- For FY 1980, a minimum of $175 million for services and $86.7 million for research. This would allow 140,000 to 220,000 new patients, including 42,000 to 66,000 adolescents, to receive care.

Finally, together with this committee's support for the administration's budget proposals for the adolescent pregnancy program, we recommend that language be included in the committee report urging the Labor and Human Resources Committee to closely monitor the new program through the conduct of oversight hearings. We believe that this mechanism will allow the Congress and the public to be sure that federal dollars are spent for a responsibly administered program.

Mr. Chairman, in our opinion these recommendations form the basis of a balanced adolescent pregnancy program designed to prevent unwanted teenage pregnancy, to improve the outcome of pregnancies to very young mothers and to enhance the life chances of adolescent parents and their families.

We appreciate the opportunity to express our views on this critically important issue. Thank you.

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## STATEMENT OF ROY F. GODDARD, M.D., PRESIDENT, PEDIATRIC PULMONARY ASSOCIATION OF AMERICA

I am Dr. Roy F. Goddard, President of the Pediatric Pulmonary Association of America, and my colleague, Mrs. Jacqueline Zaslow, is its Executive Vice President. We have had the privilege of appearing before this Committee for many years on behalf of the Pediatric Pulmonary Center Program, almost since its inception as an idealistic concept for coping with the problem of chronic lung diseases in infants and children. Thanks to the compassionate understanding demonstrated by Congress, as poineers of this program, we have had the satisfaction of seeing part of this dream become a reality. In 1973, we urged Congress and the Administration to establish the Pediatric Pulmonary Centers as a permanent component of the research and training programs of Maternal and Child Health Services , under whose aegis it exists today, authorized under Section 511, Title V, of the Social Security Act.

Since that time, we have striven to keep Congress informed of our progress and to provide this Committee with sufficient justification for appropriating much needed increases in funding levels. Along with our dedication to the needs of the millions of American youngsters who, in varying degrees, are afflicted with the ravages of asthma, allergies, cystic fibrosis and other pulmonary dysfunctions, we have also been acutely conscious of the dilemma facing Congress each year - a shrinking budget, an ever increasing demand for federal support of clinical and research services, and the rapidly dwindling buying power of the dollar itself. Therefore, we have been torn between our sensitivity as healers and our sensibility as conscientious American citizens.

In our past entreaties to this Committee for increased support, this conflict between idealsim and logistics was assuaged by our faith in the methodology by which this program would be implemented by Maternal and Child Health. Although the sum of approximately $2.5 million which was allocated in the FY 79 budget for the funding of the Pediatric Pulmonary Centers hardly seemed adequate for growth, we were extremely grateful to be able to keep our doors open; and we are doubly appreciative of the cognizance this Committee has taken of our requests and recommendations.

In our testimony last year, we tried to bring to your attention the absolute need for better standardization of the program, together with the vital

necessity of developing reliable data and patient statistics. This aspect has become an essential factor, in terms of improving care, better utilization of resources and to ensure that the limited dollar at our disposal was reaping maximum benefit by providing an optimal program, bought and paid for by the American tax paying public. Towards this end, in the 78 testimony, we cited "Children and Their Lungs", a preliminary, but comprehensive report on the status of pediatric pulmonary disease, the centers and the relationship of other government sponsored programs. This study was supported in part by a grant from MCHS, and was later reprinted by that agency for their own use. The report contained recommendations for future study and action to be initiated by Maternal and Child Health. Sad to say, since the publication of this study, no action has been taken towards the implementation of any of these proposals.

Because of this, we would again prevail upon the wisdom of Congress in helping us overcome, what we consider to be a serious lack in the fabric of the program. We would ask you, in your deliberations concerning the FY 80 Appropriations bill to consider making certain provisos in the MCHS research and training budget, as it pertains to the support of the Pediatric Pulmonary Center Program.

We would like to see included in the language accompanying the bill, specific directives relevant to the 77/78/79 discussions. In this connection, we respectfully suggest that a portion of the appropriation allocated to the Pediatric Pulmonary Program be designated to implement a mandatory system of uniform standard reporting procedures relating to the performance and progress of each federally funded center. This kind of accountability is sorely lacking in the entire program, making it very difficult to either objectively evlauate its impact or to make valid recommendations for future direction and objectives. Further, we would like to suggest that MCHS be directed to take immediate action in FY 80, and bring back to Congress next year, a report indicating that these measures have been taken.

In support of this request, we would like to inform this Committee that the past indolence in this connection has impeded advancement, to the point where the Center's potential is an unknown factor in its impact upon combatting chronic pediatric respiratory diseases. Until MCHS come to grips with the situation, we would not feel justified in seeking an increase in the funding level for the Pediatric Pulmonary Center Program.

Other lacks of regulatory nature are also giving us cause for some concern. Although we, along with our fellow citizens deplore the mass of bureaucratic red tape which is snarling the country today, we deplore even more, an apathetic attitude by government officials towards what we consider to be ethically essential in adherence to good medical practices. The Guidelines for Pediatric Pulmonary Centers, published by MCHS in April, 1975, were largely based upon the input furnished by the Association of Pediatric Pulmonary Centers, which at that time, was comprised of the medical directors of the 10 or 11 federally funded centers. In that era, it was an exploratory phase for both MCHS and the directors themselves, therefore the information transmitted was based more upon hypotheses rather than upon actual experience. It was obvious to us then, that if the program were to progress and become a viable part of the nations health care structure, revisions would have to be made in the future and modifications adopted where necessary. Throughout the last three or four years, our concurrent discussions with MCHS have included strong suggestions for establishing standardized criteria for center site visits and similar citeria for the selection of impartial, but qualified site visiting personnel. Although in 1977, when we discussed these matters with Dr. Edward Martin, Director of Bureau of Community Health Services, he assured us that these matters would receive priority attention within that fiscal year, to the best of our knowledge, these important recommendations have been totally ignored. As this Committee well knows, it is an uphill struggle to gain deserved recognition for a new, but much needed program and even more strenuous to achieve financial support through the Congressional mechanism. Therefore, at this point in time, our feelings of frustration are understandable, but we believe this particular problem can be remedied for the good of all, if this Committee so desires.

As the recod will show, we are deeply committed to the alleviation of pain and suffering that is inflicted upon innocent children who have chronic respiratory diseases. Consistent with this, we have great faith in the talent and skill available in the United States,today to overcome the problem, provided that this expertize is properly harnessed and nurtured by those with the administrative authority to direct the program. By the same token, we would not be proud to be considered the architects of a blue print whose edifice became structurally weakened by inept artisans. It is because of our deep concern in this connection, that we presume to bring these matters before your attention. In essence, we are asking this Committee to keep the FY 80 appropriation for MCHS's 'R & T' allocation for Pediatric Pulmonary Centers, "harmless", at a level of $2.5 million, pending further discoveries as to the true need and current fulfillment of that need.

## STATEMENT OF JAMES H. SAMMONS, M.D., EXECUTIVE VICE PRESIDENT, AMERICAN MEDICAL ASSOCIATION

In your deliberation on health care programs for fiscal year 1980, the American Medical Association urges that consideration be given its recommendation for increased appropriations to improve access to quality health care, its suggestions to increase administrative efficiency and its concerns to reduce health care costs.

With the constant pressure of inflation and the increasing awareness of the need to re-examine and control government spending, fiscal year 1980 becomes a critical year in selecting funding priorities for programs. Inflation is increasingly recognized as the major domestic issue facing the United States. The declining value of the dollar affects all citizens and continues to erode our standard of living. Therefore, it is imperative that inflation be controlled, lest the gains our country has made over the past years improving the quality of life for all our citizens evaporate. Uncontrolled federal budgets and unrestrained increased deficit spending must be curbed. We believe the President's proposed budget for fiscal year 1980, projecting a decrease in deficit spending is a beginning in easing federal spending pressures on our inflationary economy. Therefore, we are limiting our recommendations for additional appropriations, over what is contained in the President's budget presented to the Congress for fiscal year 1980, to those health programs we believe hold the greatest promise for improving our nation's health. Our suggestions place special emphasis on disease prevention; health education; and promotion for fitness, for young and old alike.

We have met with the President and the Secretary of HEW during this past year to exchange views involving cost containment, comprehensive health care, fraud and abuse, and other major medical care issues. We hope to continue those meetings.

We are working with Congress to develop legislation that will focus on positive health strategies as well as health program cost reductions. The challenge is to act with fiscal constraint and responsibility, while making sure our federal tax dollars are spent in the best possible way.

The American Medical Association has also been concerned with the rising cost of providing health care services. Recently, the AMA convened a National Commission on the Cost of Medical Care which deliberated these issues for over eighteen months and then submitted its report to the AMA. This Report was reviewed by the AMA House of Delegates and adopted in large part. The AMA is now in the process of implementing many of these recommendations intended to improve access to quality health care at a reasonable cost. The AMA is also joined with AHA and FAH in the successful voluntary effort to restrain hospital cost increases.

We believe the efforts we have enumerated above will play an important role in restraining cost increases. It is also necessary that other steps be taken by Congress and the Administration. These steps should include:

* Support the voluntary effort for containing hospital costs as a workable program in reducing health outlays;

* Continued implementation of the anti-fraud and abuse legislation recently enacted;

* Continued vigorous implementation of a Medicare-Medicaid quality control and management program; Congressional review of additional legislative reform measures to ensure

that their result will not be further disruption in the provision of needed medical services to the beneficiaries of these programs;

* Support of successful efforts of the Professional Standards Review Organization Program for improving the quality of health care delivered. PSRO's offer the possibility of self-regulation by the medical profession to reduce unnecessary utilization of health care services;

* Reduction in spending in all operating expenses of all federal agencies and departments of at least two percent annually;

* Continued consideration of budget proposals for advance funding so more effective and efficient use can be made of federal funds by states and localities as they formulate their budget cycles and determine matching fund needs;

* Support of "Sunset" plans that would provide for periodic review of federal spending programs by the Administration and Congress;

* Support of actions to reduce the high costs caused by excessive federal regulation of the health care industry. These costs reduce the money available to provide patient care, educate health professionals and conduct biomedical research;

* Support of health education, promotion and prevention programs that will improve life styles and reduce costs.

Our budget recommendations are based on an assumption of continuation of existing statutory authorizations. As additional legislative initiatives may be enacted during the 96th Congress, we may make additional recommendations on funding levels for fiscal year 1980. Will you please make this letter and the attachments a part of the Committee hearing record.

We urge your favorable support of our suggestions.

HYPERTENSION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 11,000,000 | 11,000,000 | 13,261,000 | 13,261,000 |

The AMA agrees with the increase over FY 1979 proposed in the President's budget for fiscal year 1980, for a total of $13,261,000.

The additional funds can be used to strengthen and expand the national program and permit states to maintain or modify their existing efforts. Through a change in legislative authority, assistance to states will be provided through project grants rather than formula grants, starting in 1980. This should assist in promoting uniform reporting and accounting and improve program management.

MATERNAL AND CHILD HEALTH

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 380,479,000 | 380,479,000 | 375,045,000 | 415,000,000 |

The AMA recommends a $40,0 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $415,000,000.

This amount would permit the maintenance of current state health activities on behalf of mothers and children and would assist the states in expansion and improvement of these services. Specialized services for crippled children could be maintained and improved. Continued emphasis could also be given to special projects and research to further reduce infant and maternal mortality and to improve prenatal and perinatal care. The increased funding would allow for expansion of training programs, newborn screening, dental health, accident prevention, immunization tracking, and outreach services for mothers and newborns, in this International Year of the Child.

FAMILY PLANNING

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 135,000,000 | 145,000,000 | 145,000,000 | 170,000,000 |

The AMA recommends a $25.0 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $170,000,000.

This amount would permit the continuation and expansion of those activities that have shown to be successful in dealing with problems of unwanted pregnancy, which is especially acute at the present time among teenagers. These additional funds will allow direct family planning services and education to individuals and families and can also be used to properly train adequate personnel for the provision of these services.

The problems of unwanted pregnancies are best dealt with by ensuring that individuals have both the knowledge and the means to prevent unwanted conceptions and by ensuring that persons who do become pregnant are referred for appropriate medical care.

MIGRANT HEALTH

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 34,500,000 | 34,500,000 | 41,400,000 | 41,400,000 |

The AMA agrees with the increase over FY 1979 proposed in the President's budget for fiscal year 1980, for a total of $41,400,000.

The funds should be targeted to high impact migrant areas with the greatest need for medical services. Emphasis should also be placed on the treatment of occupational injuries and the immunization of the children of migrant workers. Priority should be given to serving high-risk mothers and infants and to providing necessary hospital services.

EMERGENCY MEDICAL SERVICES

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 42,625,000 | 42,625,000 | 39,625,000 | 45,000,000 |



The AMA recommends a $5.4 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $45,000,000.

This additional amount should be used to increase knowledge about the epidemiology and prevention of injuries and other emergency medical conditions and to continue the development of a nationwide network of self-supporting regional emergency medical services systems. The effort to improve accessibility to emergency medical services should be maintained.

VENEREAL DISEASE

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 32,000,000 | 32,000,000 | 32,000,000 | 46,000,000 |

The AMA recommends a $14,0 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $46,000,000.

This amount should allow an accelerated effort to prevent and reduce the incidence of these highly communicable diseases which are still at unacceptably high levels. Increased efforts are needed to develop control methods, educational plans, and prevention programs. Funds should also be made available to encourage additional research efforts and studies toward the development of vaccines against these diseases.

This Nation has a responsibility to puruse the reduction of incidence of these highly communicable diseases wherever they occur, and should work closely with other countries to reach these goals.

IMMUNIZATION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 29,400,000 | 50,000,000 | 33,532,000 | 38,000,000 |

The AMA recommends a $4.5 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $38,000,000.

The AMA is encouraging physicians to be more aware of and responsive to the needs for increased immunization of children. Additionally, the AMA Auxiliary is actively working to make families more mindful of the need to have their children immunized against infectious diseases.

The budget increase is needed to control preventable infectious diseases such as measles, rubella, polio, mumps, diptheria, and tetanus and to raise immunization of the nation's children to the highest possible numbers.

In addition, these funds would permit a gradual increase of the ongoing influenza immunization program directed at high-risk populations most likely to suffer complications or to die from influenza.

The AMA supports the President's initiative to develop and implement a nationwide program to immunize children; to coordinate this effort with other screening and treatment programs will require these additional resources, and these funds should allow for a more orderly transition from an intensive immunization program to a continuing maintenance level program.

CHILDHOOD LEAD BASED PAINT POISONING PREVENTION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 10,250,000 | 10,250,000 | 10,250,000 | 12,750,000 |



The AMA recommends a $2.5 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $12,750,000.

This amount would allow diversification of programs to include older owner-occupied as well as rental housing apart from inner-city apartment buildings. Children with undue lead burdens must be identified and child screening and follow-up programs should be supported with health education efforts. Public awareness programs need to be developed to the continuing problem of lead paint induced toxicity and programs should be expanded to identify and eliminate significant secondary environmental sources.

HEALTH EDUCATION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 10,060,000 | 10,112,000 | 12,700,000 | 15,000,000 |



The AMA recommends a $2.3 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $15,000,000.

There is need for increased emphasis upon health education programs that can prevent disease, promote health and contribute to cost containment. Adequate funding and long-term commitment are necessary to attain these goals. The additional funds can be used to develop evaluation techniques and to develop, replicate and disseminate effective programs.

OCCUPATIONAL SAFETY AND HEALTH

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 61,994,000 | 62,557,000 | 76,552,000 | 76,552,000 |

The AMA agrees with the increase over FY 1979 proposed in the President's budget for fiscal year 1980, for a total of $76,552,000.

These funds should be used to expand basic and applied research efforts which are necessary to assure safe and healthful working conditions. An increased investment now can help contain the later costs of occupational illness and injury.

In addition, there should be increased emphasis on upgrading the governmental qualifications and competence of personnel, as well as improved education programs for workers concerning common occupational illnesses and accidents.

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NATIONAL INSTITUTES OF HEALTH

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 3,189,439,000 | 3,215,726,000 | 3,172,430,000 | 3,400,000,000 |



The AMA recommends a $227.6 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $3,400,000,000.

The increased funding should be used principally to support fundamental biomedical research on which all progress in the prevention of disease, maintenance of health and cure of illness are founded. An increased proportion of the total allocated to the Institutes should be provided to study the cause, treatment and effects of trauma.

The process of search and discovery remains vital. The continued advancement of research is essential to enlarge the body of knowledge from which practical results can be achieved. Scientific inquiry in a setting devoted to the study of the biomedical sciences and their relationships to human health and illness should be conducted with the greatest possible intellectual freedom. It is this process that will be the source of new means of controlling disease, understanding the aging process, improving human health, and assuring the most effective use of resources for medical and other health care.

The Federal government continues to be the primary provider of health research dollars in the country spending approximately 65% of such funds. Most health research activities are funded by the National Institues of Health, which accounts for 67% of federal research dollars (and also more than 75% of HEW's total research budget). Since "outlays" represent dollars appropriated in the previous year or years, federal expenditures for health research in FY 80 will continue to increase notwithstanding the freeze on authorizations for expenditures. This means that the impact of the freeze or cutback, were it to be acceded to by the Congress in its appropriations, would not be felt until the following year in laboratories throughout the United States.

MENTAL HEALTH

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 573,633,000 | 574,095,000 | 534,114,000 | 563,000,000 |

The AMA recommends a $28.9 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $563,000,000.

Much of this increase should underwrite concerted efforts by states and local communities to provide comprehensive care for patients who are chronically mentally ill and are not institutionalized.

We are pleased with the high priority the President and Congress are placing on mental health care. We are also pleased with the special focus the President's Commission on Mental Health has given to mental health needs such as manpower, delivery of services, prevention and the special requirements of certain population groups, such as the elderly and children. Congressional action on the President's budget for fiscal year 1980 should also reflect needed emphasis on research into the etiology of mental illness and the efficacy of various approaches and modalities.

ALCOHOLISM

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 175,105,000 | 175,065,000 | 134,016,000 | 193,807,000 |

The AMA recommends a $59.8 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $193,807,000.

There is need for expanded activities by the National Institute of Alcohol Abuse and Alcoholism on a national level, as well as through states and communities, in preventive programs involving special groups at risk, including children of alcoholic parents, pregnant women and teenagers.

Increased funding also would facilitate needed manpower training programs, with particular emphasis on alcoholism diagnosis and treatment in undergraduate, graduate and continuing medical education.

HEALTH PROFESSIONS EDUCATION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 359,951,000 | 314,881,000 | 241,625,000 | 385,000,000 |

The AMA recommends a $143.4 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $385,000,000.

Institutional Assistance, Student Assistance
Special Educational Assistance, Medical Facilities

This amount should emphasize the federal financial assistance to medical schools and to other schools of the health professions, which prepare practitioners to serve the medical and other health needs of the nation in a timely, safe, and effective manner.

With this increased level of funding, Institutional Assistance should provide basic funding to the individual health professions schools as the national share for the support of health professions education in the United States. These schools serve to meet national ,as well as regional and local needs. Student Assistance programs should provide scholarship support for economically

disadvantaged, able students and those with a dedication to serve in medically underserved areas. A degree of subsidy of interest rates on student loans also should be supported. Special Educational Assistance programs should be supported and responsive to national and regional needs as well as to the special needs of the health profession schools. This is a most useful type of federal assistance which provides for the initiation, development, and improvement of programs which are beneficial to the public. They also assist in establishing a reasonable balance among the basic sciences, and the clinical sciences and specialties of medicine. Support for Medical Facilities is needed for construction and renovation of basic science and clinical facilities necessary for health professions education. Emphasis should be given to renovation and maintenance of existing plants and to the development of ambulatory care teaching facilities.

AMA did not support the President's proposal to rescind funds appropriated by Congress for Health Professions Education in FY 1979, nor do we support the subsequent low level Presidential request for FY 1980.

We believe the abrupt termination of these funds could be extremely disruptive to many health professions students and their schools. Therefore, we urge Congress to reject the President's proposal and to help seek alternative funding changes to meet the nation's health manpower needs.

This is not a time to force students to interrupt, defer, or forego entirely their education; or to force some schools to curtail present educational activities for a short-term budget benefit. Health professions schools represent a national resource that can only be rebuilt slowly if damaged or allowed to deteriorate.

SPECIAL HEALTH PROGRAMS

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 5,975,000 | 6,021,000 | 27,329,000 | 27,329,000 |

The AMA agrees with the increase over FY 1979 proposed in the President's budget for fiscal year 1980, for a total of $27,329,000.

The increased amount responds to new legislative initiatives eancted during the 95th Congress. This new money will permit the development of additional programs addressing disease prevention and health promotion; programs in international health; as well as other special health related activities.

AGING PROGRAMS

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 508,750,000 | 520,000,000 | 558,766,000 | 590,750,000 |

The AMA recommends a $32.0 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $590,750,000.

This additional amount would allow a continued emphasis on service programs that are aimed at securing and maintaining independence and dignity for older Americans and would improve care and services which support independent living of the physically and mentally impaired elderly. The increased amount could be effectively spent on improving comprehensive and coordinated community service programs that give priority to physical and mental health services, adequate nutrition, suitable housing, opportunities for employment, meaningful activity in retirement, and the benefit from proven research knowledge. These additional funds could contribute to the support of the hospice concept to encourage the extension of this specialized approach for the provision of care to the terminally ill.

FOOD AND DRUG ADMINISTRATION

| new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 295,154,000 | 303,799,000 | 316,296,000 | 344,304,000 |



The AMA recommends a $28.0 million increase over the amount proposed in the President's budget for fiscal year 1980, for a total of $344,304,000.

This amount would allow the FDA to expand its activities to protect the health and safety of the public, principally in the fields of drugs, foods, and medical devices. In addition, this amount would provide for recruitment of additional highly qualified professional staff as well as improvement of physical resources so that the FDA can meet the complex challenges of its responsibilities.

INDIAN HEALTH SERVICE AND FACILITIES

| new BA eancted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to Congress FY 1980 |
|---|---|---|---|
| 560,789,000 | 560,789,000 | 585,356,000 | 585,356,000 |

The AMA agrees with the increase over FY 1979 proposed in the President's budget for fiscal year 1980, for a total of $585,356,000.

This amount could assist the recruitment, training and retention of skilled health professionals to provide improved health care for Indians and Alaska natives, especially in remote medically underserved areas. These funds would permit the renovation and expansion of Indian Health Service facilities which do not meet adequate standards. These resources could also be effectively used to provide better health care for Indian children and adults. With this funding, essential medical care could be obtained by expanding contractual arrangements which supplement and complement other health care resources available to Indian people.

Additional AMA Funding Priorities and Concerns

A. NATIONAL HEALTH SERVICE CORPS - SCHOLARSHIPS

The AMA continues to support adequate funding for the National Health Service Corps, as it supports other scholarship programs under the Health Professions Education Assistance Act. This program has enjoyed a measure of success and is one means of increasing the availability of medical and other health services in rural and urban communities where such services are not available to those who need them. The AMA believes this program deserves continued support.

B. VETERANS ADMINISTRATION

1. Alcohol Treatment Programs

The AMA agrees with the recommendations of Congress supporting an increased effort to Alcoholism Treatment Programs to meet the most prevalenc primary and secondary diagnosed illness among veterans.

The AMA, therefore, recommends that funds be provided to expand the scope of the treatment of alcoholism among veterans on a contractual basis with existing community-based programs, so that deficiencies such as program goals, alcoholism treatment services, and an evaluation system can be addressed during fiscal year 1980.

2. Medical Care

The AMA is concerned with the Administration's proposals and actions to reduce hospital staff and personnel, as well as education and research programs. Such cutbacks could erode patient care services and deprive patients of needed medical care.

C. DEPARTMENT OF JUSTICE - LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The AMA is aware of Administration and Congressional efforts to reorganize and to reauthorize this agency. During consideration of this effort, funding has been substantially reduced.

We, therefore, recommend that, during efforts to make programs within this Agency more efficient and effective, the funding levels not be reduced in programs that have been successful in achieving their goals.

The American Medical Association and the Law Enforcement Assistance Administration are involved in such a program, a pilot program to improve medical care and health services in correctional institutions. The AMA has long been concerned with the lack of adequate medical care in the nation's jails and has made progress in producing a set of national medical standards that provides accreditation for correctional institutions. This pilot program involves several states and a variety of jails. With proper budget support this program could reach many more states this year.

COMPARISON TABLE

| Item | new BA enacted law FY 1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to the Congress FY 1980 |
|---|---|---|---|---|
| HYPERTENSION | 11,000,000 | 11,000,000 | 13,261,000 | 13,261,000 |
| MATERNAL AND CHILD CARE | 380,479,000 | 380,479,000 | 375,045,000 | 415,000,000 |
| FAMILY PLANNING | 135,000,000 | 145,000,000 | 145,000,000 | 170,000,000 |
| MIGRANT HEALTH | 34,500,000 | 34,500,000 | 41,400,000 | 41,400,000 |
| EMERGENCY MEDICAL SERVICES | 42,625,000 | 42,625,000 | 39,625,000 | 45,000,000 |
| VENEREAL DISEASE | 32,000,000 | 32,000,000 | 32,000,000 | 46,000,000 |
| IMMUNIZATION | 29,400,000 | 50,000,000 | 33,532,000 | 38,000,000 |
| LEAD BASED PAINT POISONING PREVENTION | 10,250,000 | 10,250,000 | 10,250,000 | 12,750,000 |
| HEALTH EDUCATION | 10,060,000 | 10,112,000 | 12,700,000 | 15,000,000 |
| OCCUPATIONAL HEALTH AND SAFETY | 61,994,000 | 62,557,000 | 76,552,000 | 76,552,000 |

COMPARISON TABLE

| Item | new BA enacted law FY,1979 | new BA proposed FY 1979 | new BA estimates FY 1980 | AMA Recommendations to the Congress FY 1980 |
|---|---|---|---|---|
| NATIONAL INSTITUTE OF HEALTH | 3,215,726,000 | 3,189,439,000 | 3,172,430,000 | 3,400,000,000 |
| MENTAL HEALTH | 573,633,000 | 574,095,000 | 534,114,000 | 563,000,000 |
| ALCOHOLISM | 175,105,000 | 175,065,000 | 134,016,000 | 193,807,000 |
| HEALTH PROFESSIONS EDUCATION (I.A., S.A., E.A., M.F.) | 359,941,000 | 314,881,000 | 241,625,000 | 385,000,000 |
| SPECIAL HEALTH PROGRAMS | 5,975,000 | 6,021,000 | 27,329,000 | 27,329,000 |
| AGING PROGRAMS | 508,750,000 | 520,000,000 | 558,766,000 | 590,750,000 |
| FOOD AND DRUG ADMINISTRATION | 295,154,000 | 303,799,000 | 316,296,000 | 344,304,000 |
| INDIAN HEALTH SERVICE | 560,789,000 | 560,789,000 | 585,356,000 | 585,356,000 |
| TOTALS | 6,442,381,000 | 6,422,612,000 | 6,349,297,000 | 6,962,509,000 |

AMA BUDGET PROPOSAL TO CONGRESS
FY 1980

| SUMMARY OF INCREASES OVER PRESIDENT'S FY 1980 REQUEST | $ IN MILLIONS |
|---|---|
| HYPERTENSION | * |
| MATERNAL AND CHILD HEALTH | 40.0 |
| FAMILY PLANNING | 25.0 |
| MIGRANT HEALTH | * |
| EMERGENCY MEDICAL SERVICES | 5.4 |
| VENEREAL DISEASES | 14.0 |
| IMMUNIZATION | 4.5 |
| CHILDHOOD LEAD BASED PAINT POISONING PREVENTION | 2.5 |
| HEALTH EDUCATION | 2.3 |
| OCCUPATIONAL HEALTH AND SAFETY | * |
| NATIONAL INSTITUTES OF HEALTH | 227.6 |
| MENTAL HEALTH | 28.9 |
| ALCOHOLISM | 59.8 |
| HEALTH PROFESSIONS EDUCATION (Institutional Assistance, Student Assistance, Educational Assistance, and Medical Facilities) | 143.4 |
| SPECIAL HEALTH PROGRAMS | * |
| AGING PROGRAMS | 32.0 |
| FOOD AND DRUG ADMINISTRATION | 28.0 |
| INDIAN HEALTH SERVICE | * |
| TOTAL | 613.4 |

* Agree with the President's proposed increase

## Statement of Leo J. Gehrig, M.D., Senior Vice President, American Hospital Association

On behalf of the American Hospital Association (AHA), which represents over 6,400 member hospitals and health care institutions as well as more than 27,000 personal members, I am pleased to relay to you our views on a selected number of HEW health program appropriations for Fiscal Year 1980. In our review of the President's FY 1980 health budget, we identified key program areas which are of primary concern to our membership. Following is our assessment of funding needs for these priority programs in FY 1980.

Community Health Services

Last year, AHA supported the enactment of legislation creating two new hospital-related ambulatory care programs in medically underserved areas: hospital-affiliated primary care centers and hospital-linked community health centers. These initiatives, in our view, are a necessary step towards providing better access to quality care in underserved areas and assuring more appropriate use of outpatient facilities. Therefore, we urge that the $25 million authorized to implement the hospital affiliated program (Sec. 328, PHS Act) be appropriated for FY 1980.

We see the National Health Service Corps as a primary force in meeting the health needs of medically underserved areas. We are interested in seeing additional Corps personnel assigned to primary care programs sponsored by inner city and rural hospitals. We endorse the Administration's request of nearly $82 million for the operation of the Corps in FY 1980 and recommend that the Corps scholarships be increased by at least $25 million.

Home health care and emergency medical services programs continue to be a priority Association concern. A Center for Ambulatory and Home Health Care Services was established within AHA last year to serve as a focal point for such activities. We are concerned with the $5.2 million cut in the Bureau of Community Health Services' Home Health Service program and the $3 million reduction in the Bureau of Emergency Medical Services program. We understand there are still 653 counties serving 9.2 million people without the services of a home health agency, which demonstrates the continuing need for the grant program. The cut for EMS is similarly unwarrented since new programs are needed in 13 regions in order to complete the service network mandated by law. AHA urges that these needed programs be funded in 1980 at no less than the current levels of $6 million and $42.6 million respectively.

Health Promotion and Disease Prevention programs have recently assumed an even stronger focus at AHA through the establishment of our Center for Health Promotion. This Center has as its primary mission encouraging and assisting hospitals to improve and expand their programs in patient education, community health education, and employee health programs.

The AHA supports the Administration's bold steps in increasing

the funding for federal programs in disease prevention and health promotion. While we believe the additional $6.2 million requested for programs within the Office of Health Information and Health Promotion and the Center for Disease Control's Bureau of Health Education are not adequate, we are heartened by the fact that a start has been made through the suggested increases for these programs.

The total $137 million increase for prevention is scattered throughout the Department and focuses on many content areas and various goals. Therefore, we urge special attention in 1980 and subsequent years to ensuring that these prevention programs are carefully coordinated in order to avoid duplication and to maximize the benefits to the general public.

Nurse Training

Once again, the Administration is proposing to terminate capitation support to nursing schools and funding for advanced nurse training, nursing student loans, scholarships, and traineeships. We do not believe that the current supply of registered nurses is adequate to meet current health needs. In fact, AHA, in cooperation with a number of allied hospital associations, recently conducted a survey which revealed a continuing shortage of registered nurses in many areas of the country. For example, 17 percent of the budgeted registered nurse positions in hospitals are unfilled. In the Greater Milwaukee area, the reported shortage is 12 percent; in Western Tennessee, the shortage is 33 percent; in Arizona, 21 percent; and in Texas, 14 percent. In addition, the Illinois Hospital Association reports a shortage of 3,500 nurses in that state. I think you will agree that there is little justification for the termination of federal assistance. AHA recommends at least $100 million for nurse training programs for FY 1980.

Health Facilities

We continue to be dismayed by the failure of the Administration to support funding for Section 1625 of the Public Health Service Act. This program authorizes project grants for construction or modernization of medical facilities so that safety hazards can be eliminated, and accreditation and licensure requirements can be met. It is clear that deterioration and obsolescence of many vital health facilities continues, especially in medically underserved urban and rural areas serving the poor. A recommitment to this effort is consistent with other programs aimed at meeting the needs of the medically underserved. Therefore, we urge your subcommittee to recommend at least $50 million for this program.

There are, of course, many other important health programs AHA is interested in and concerned about. However, we thought it would be most appropriate to comment on those of the highest priority. We hope you take our views into consideration when your deliberation begins.

## STATEMENT OF DR. MARCELLA MAXWELL, CHAIRPERSON, COMMISSION ON THE STATUS OF WOMEN

The New York City Commission on the Status of Women wishes to go on record for the Senate Labor HEW Subcommittee hearings as supporting medicaid funding for abortions. The narrowness of current language which permits funding only when the woman's life is endangered and in cases of rape and incest and where there would be long-lasting and severe physical health damage, contains serious omissions. In cases of fetal disease and deformity and where the woman's mental health is threatened, federal funding of abortions is critical.

HEW Secretary Joseph Califano told the House Labor - HEW Sub-committee on March 7, 1979 that since the implementation of abortion regulations in February, 1978 there has been a 99% decrease over 1976 figures in federally financed abortions. This decrease clearly shows that restrictive regulations mean that medicaid-eligible women do not have equal access to abortions.

According to a February 1979 Harris poll, a substantial 60-37 percent majority of Americans support the U.S. Supreme Court decision that legalized abortions. By 73-25 percent, a majority nationwide feel that the decision on an abortion is a matter between a woman and her doctor.

Low-income women must have the same access to abortion as middle- and upper-income women. Federal regulations should not be so restrictive as to effectively preclude poor women from exercising their right to choose.

## EDUCATION PROGRAM

**STATEMENTS OF:**
**EDWARD D. JORDAN**
**JEROLD ROSCHWALB**
**ROBERT D. EVANS**
**HASKELL RHETT**

Senator MATHIAS [presiding]. The subcommittee will come to order.

This afternoon we will hear testimony on appropriations for the education programs of the Labor-HEW bill. Because we have so many witnesses who have asked to testify, as witnessed by the long line in the hall, we have tried to simplify this process by scheduling eight panels on various aspects of the education budget.

Now, I don't have to tell you that we are pressed for time, so I will ask all witnesses to keep their testimony very brief so that we can hear as many of the panels as possible. If you have written statements, they will be included in the record as fully as if read. If time runs out before all the panels have had a chance to testify, any remaining witnesses will be able to submit statements or make oral statements for the record,

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with the committee staff, and while those statements would not be part of the published record of the hearing, it would be useful for the committee in making decisions on funding levels for programs in fiscal 1980. In any case, the written Statements of all scheduled witnesses will be placed in the record in their entirety.

The first panel will be on the subject of higher education. And will you please identify yourselves for the record.

STATEMENT OF JEROLD ROSCHWALB

Mr. ROSCHWALB. Mr. Chairman, I am Jerold Roschwalb, director of governmental relations for the National Association of State Universities and Land Grant Colleges. I am pinchhitting for the witness who was to have been here, Dr. Glen Terrell, president of Washington State University, who had a plane to catch, unfortunately.

If I may introduce the other gentlemen on the panel: To my right is Dr. Edward Jordan, of Catholic University, who is particularly concerned about the problem of "Section 504, Handicapped." To my left is Robert Evans, of the American Bar Association, concerned about the clinical experience program. To his left is Mr. Haskell Rhett, of the State of New Jersey, who is concerned about SSIG, 1202 planning commissions, and educational information centers.

We can be brief, in response to your request, Mr. Chairman. I will summarize the remarks that would have been delivered by Dr. Terrell, and then my colleagues will add to them, and then we will respond to questions, as you deem appropriate.

May I, before I make the statement, note that one of the things that Dr. Terrell was looking forward to doing was, as a citizen of the State of Washington, putting into the record the affection and respect that everybody in that State holds for the chairman of this committee. His having to get a plane doesn't in any way suggest that that respect is in any way diminished.

Senator MATHIAS. Will you tell Dr. Terrell that that's the one part of his testimony that does not need to be condensed. [Laughter.]

Mr. ROSCHWALB. May I add, Mr. Chairman, that his having to leave presents me with an opportunity, as a citizen of Maryland——

[Laughter.]

Mr. ROSCHWALB [continuing]. And as someone who you are well aware has been at your door on a number of occasions, not only for matters concerning this committee, but for things like funding for the National Science Foundation. We have been in your debt, not only for the concern you have shown and the leadership you have shown, but for the direction you have given us and the mandate you have given us in higher education to get our own house in order and to make certain that in our presentations before the Congress we knew what we were talking about and make the best possible case. And we are grateful for that.

INSTITUTIONS IN HIGHER EDUCATION

The content of this afternoon's testimony, I think, can be focused on one special note. There are 14 associations on the document that is submitted for the record. They are primarily institution-based associations, and it's the notion of the institution in higher education that we feel needs to be focused on in this testimony, not to the detriment of anything else. Rather having supported and continuing to support the massive funding for student aid, which we will be asking for increases in, the Congress has, we feel, perhaps failed to recognize the implications that such funding in the past several years has had for the welfare of the institution, as such. We are in danger today of creating access for more and more students, and that is noteworthy and laudable. But there are students who are going to come to institutions less qualified to offer them the kind of services that they should be offered.

There are any number of programs, which I won't delineate in any detail affected by this concern, I point out that we are concerned over the fact that such relatively small programs as the student information allowances, a matter of some $40 million that would be made available to institutions to provide services that they need to provide to students, have for the past 2 years not been funded.

FACILITIES

We turn to something that you are very familiar with: The problem of facilities. It's a question of increasing concern, aggravated by the problem of energy conservation and the problem of complying with safety and health regulations. The new problems we face in complying with "504" regulations and, for that matter, simple maintenance have put our institutions in an extraordinary bind, a fiscal bind, which we ask the Congress to consider.

We do not expect the Congress to pick up the costs. We ask the Congress to assist us by providing some funds to alleviate the extraordinary pressures we face. Within our testimony there is a detailed breakdown, program by program, of what the President has requested, what the funding was last year, and what we recommend, and I don't think I need take the time of the committee at this point to discuss that.

We would hope that the committee would pay attention particularly to programs like SEOG, which are balancing programs to round out support in the large basic grant program, and we certainly hope to have the committee pay attention to such programs as TRIO, which the administration has slated for cuts rather than increases. We think those programs are working and should continue to have sound funding.

INFLATION AND HIGHER EDUCATION

One final matter and one final statement. That is, we are aware of inflation, and because higher education may, in fact, have been affected by inflation more than many other sectors, of the necessity to be very prudent in the spending of dollars. However, we wish to emphasize that

because of the nature in which money is spent by this Congress, by the nation, for higher education, we believe that a case could be made for it being less inflationary, if inflationary at all, than expenditures generally.

That is my statement, Mr. Chairman.

Senator MATHIAS. Thank you very much.

### STATEMENT OF EDWARD D. JORDAN

Dr. JORDAN. Mr. Chairman, I would like to give as an example some of the severe problems facing a private institution of higher education in trying to comply with the Federal regulations section 504 of the Rehabilitation Act. And using as an example our university, Catholic University is a private, nonprofit postsecondary institution serving the needs of more than 7,500 graduate and undergraduate students. Because we have been in existence for over 90 years, our buildings do not lend themselves to excessive remodification. We will need an extensive amount of funding approval in order to comply with Federal law.

#### ACCESSIBILITY MODIFICATIONS

The university has limited resources of obtaining money to fund accessibility modifications. We want to be of service to handicapped persons, but our resources are not sufficient to deal singlehandedly with Federal requirements.

We would have to pass on the costs for these modifications to our students, making our already competitive cost disadvantage even more serious. Indeed, this could reach a point where we would lose large numbers of students because of these increased costs.

As a private university, we do not have funds from Federal or State sources. Our funds come from our students.

In the current fiscal year the University is dedicating about $40,000 for facility modifications to achieve program accessibility for the handicapped. Next year, 1979–80, the university will budget more than $75,000 for this purpose. In addition, there are other funds for devices to make the classrooms and programs accessible to the visually, orally, and manually handicapped.

Since passage of the Rehabilitation Act, there is every indication that in the future the disabled student population at the university will substantially increase.

Now, in addition, we also should look forward to making the campus barrier-free. To do this would require eight elevators in elevator buildings, at estimated costs of $125,000 each, and a total cost of $1 million.

It would also include visual warning signals for the deaf, comprehensive graphic systems readable by the blind, universitywide restroom modifications, and other interior modifications. To meet the requirements of the American National Standards Institute, these additional costs could be on the order of $800,000.

Therefore, to make the campus barrier-free, approximately $1,800,000 would be needed, exclusive of modifications required to provide barrier-free housing.

FUNDS REQUIRED AFTER 1980 DEADLINE

Another point, I think, that has to be considered—and we're looking forward now toward the first part of the program to make the campus program-accessible—is that universities are dynamic institutions, and, because of that, programs keep changing. In time, new programs are added, old programs are compressed. With the change of programs and also their inherent space relationships, there is continual need to modify physical facilities even beyond the June 3, 1980 deadline. Hence, funds will be required after that date.

So, for all these reasons, we especially request consideration of Federal funding for these programs.

Senator MATHIAS. Let me just interject. Yours is a very familiar story. I have heard a good many like it, sitting at this table, and I guess the question becomes more money or less Federal standards.

Dr. JORDAN. That's a good question. I think it's a combination of the two.

Senator MATHIAS. More of one and less of the other. [Laughter.]

What's known as the best of all worlds.

Well, thank you.

STATEMENT OF ROBERT D. EVANS

Mr. EVANS. Mr. Chairman, I am here very briefly to express the ongoing support of the American Bar Association for two very small programs, but they are programs that we think are very important.

COUNCIL ON LEGAL EDUCATION OPPORTUNITY

The first of those is the Council on Legal Education Opportunity, or CLEO program, which has over the last decade enabled a substantial number of disadvantaged students from disadvantaged cultural and educational backgrounds to obtain legal education.

Approximately 1,200 students have completed law school, thanks to this program, and while it is a program that is not narrowly focused on minority groups, its impact has been significant in that area, and we have seen over the last decade a more than doubling of the number of lawyers in the legal profession who are minority members. This program, I think, in large part can take credit for much of that increase.

CLINICAL LEGAL EDUCATION PROGRAM

The other program is the title XI clinical legal education program, which you have been very supportive of in the past, and I hope you will continue to be so. It is funded currently at a level of $2 million. The administration has again recommended no funding for it.

The clinical legal education program in law schools, I think, is perhaps a reflection of how far behind the medical schools we are that we have only gotten into this area in the last 10 years or so. It's an important area. There have been a lot of charges about the incompetency of members of the bar to provide services to members of the public.

Certainly, one way that that situation could be remedied is by providing students while in law school with the opportunity to actually take on the responsibilities as a professional of handling cases under strict supervision.

We find, mostly in terms of malpractice actions that were brought against lawyers, that usually the deficiency is not one of lack of knowledge about the law; they have gotten that schooling in law school. But it's a failure to perform that which they should intellectually know how to perform. And I think the clinical program is an excellent component of the law school.

As I am sure you know, it is far more expensive than conducting a traditional large lecture class sort of format. The law schools have made a significant contribution to these kinds of programs, but, like other educational institutions, it's hard to divert resources from other needed areas to this area. We're spending about $16 million a year, by most recent count, on such programs. The $2 million that we would like to see continued here during the coming year, I think, would have a multiplier effect for a lot of law schools in terms of getting additional funds in.

I might note, in closing, that of these two programs, which total $3 million, they happen to be the only programs that the Federal Government finances that I am aware of that exclusively benefit legal education, and, in effect, the administration has recommended a two-thirds cut in funding for these programs. And we would like to see the maintenance of the funding at current levels for the current fiscal year.

Senator MATHIAS. Thank you very much.

## STATEMENT OF HASKELL RHETT

Mr. RHETT. Senator, I work for a State government, and I am here to represent the views of those who work in State government in higher education, on three programs.

### POSTSECONDARY PLANNING COMMISSION

The first is the 1202 planning commission, postsecondary planning commission, which is recommended for zero funding by the administration, to our recurrent disappointment. A number of States use these funds, which come out to less than $100,000 a State, as the mechanism for coordinated planning across sectors, vocational and higher education, and proprietary. And some of the cases we're facing in some of the States, I think especially in some of the smaller States that don't have the resources—I work in New Jersey; we have planning funds of our own, as well as these. But some other States don't have those funds, and they really need the planning capacity to prevent the redundancy of programs. They can't afford not planning as we move into the 1980's.

### EDUCATIONAL INFORMATION CENTERS

Somewhat the same situation is true of the educational information centers, which the administration again recommended zero funding. We

would like to see an increase to $5 million from the $3 million mark on that. We're just getting those programs off the ground across the country.

In our State, in the first 4 months, we were able to help 2,500 students find educational opportunities on a Statewide basis, at no fee—again, on an allocation that comes out to $45,000, a very modest expenditure.

STATE STUDENT INCENTIVE GRANT

The third program is the State student incentive grant, which we think is a real bargain. The States have to put in a dollar for every dollar that the Federal Government puts in. There is no increase recommended by the administration. We would like an increase to $100 million. The States currently put in about a billion dollars in State student aid. And we think growth is necessary in the SSIG program because it is an incentive program, and the only way you get some of the smaller States to build up to any capacity is to have the incentive, keep increasing at a modest level each year.

So, on those three programs, I represent the State point of view that we would like more money.

FISCAL RESTRAINT

Senator MATHIAS. Let me just address one philosophical question to all of you on this panel. Let me first put this in perspective. I think there is very real concern in the Congress about some fiscal restraint. Right at this very table last year we cut $10 billion from the President's budget. We came up with a smaller total figure for Federal expenditures, but that doesn't mean that we trimmed each item. We reordered some of the priorities within the President's budget to what we felt were the genuine national needs. The chairman, Senator Magnuson, was, I think—he used a very thoughtful perspective.

But having said that, I might recount to you an experience I had within the last week of sitting down with the fellows of a distinguished American university, and they were taking a long look at educational investments, scientific investments.

They finally came up with the theory that the thing that really broke down the British Empire was the fact that throughout the 19th century Britain did not invest enough in education and in scientific research to be able to administer and advance in its empire responsibility as the world became more complex and complicated.

Does that make any sense to any of you?

Mr. ROSCHWALB. I think it not only makes sense to us, Senator, but we find a remarkable contradiction between what the President has stated in his science research messages to Congress and the numbers that accompany the messages.

If I may read five lines from the fiscal year 1980 U.S. budget requests:

> An important set of Federal policies seek to promote capital formation and increase productivity. This includes investment tax credits and support of research and development, in addition to equal opportunity programs and programs that contribute di-

rectly to labor mobility. All help increase productivity, alleviate structural unemployment, and help make it possible to achieve employment goals with less inflationary pressure.

The President is right on target and the Statement is right on target. And I think our contention is that what we are seeking here, while it is dollars and we have to worry about dollars, as taxpayers, obviously, these are special kinds of dollars. They are investment dollars.

Senator MATHIAS. You're not sitting here and arguing with the policy, but with the execution of the policy.

Mr. ROSCHWALB. There is a contradiction there.

Senator MATHIAS. This is not the time to dwell on that, but I'll admit that.

Mr. RHETT. I spent some time working in a British university. I happen to think that the diagnosis you heard was essentially correct. A large part of their population is uneducated, by many other worldwide standards, past a decent grammar school level.

And many of these funds that several of us have spoken to today I think are vitally necessary if we want to maintain access in the face of some very real, stringent operating conditions in terms of costs of operating a campus, the cost of State support for public institutions, or in our State, for the private institutions as well.

I think the Federal presence in that partnership has to remain.

Senator MATHIAS. The argument you make about redundancy, which is just a sheer waste of money, that's simply not taking advantage of opportunities. That certainly is a serious argument. And you ought to be able to invest enough money to avoid waste.

Mr. RHETT. Yes, sir.

Senator MATHIAS. That is really just a question of the simplest kind of prudence in fiscal management.

Mr. RHETT. There are going to be, as the competition for students in some sections increases, that danger becomes real, as redundant programs are built to try to compete and attract the same students.

But from the state point of view, we're trying to prevent that.

Senator MATHIAS. Prior to this hearing I had a request from former Senator William Hathaway of Maine to have a statement, which he will submit, included in the record.

And I will indicate that that should appear in the record at this point.

Senator MATHIAS. Thank you all very much.

[The letter and statements follow:]

MARCH 29, 1979.

Sen. MCC. MATHIAS,
*Russell Senate Office Building, Room 358,*
*Washington, D.C.*

DEAR MAC: It was good talking to you yesterday. I understand the comments on career education funding have to be filed by tomorrow, so I'll be brief.

First, I would like to make reference in the record to the Congressional Record of October 20, 1977, pages S17522–S17529, where I outlined in considerable detail the entire career education program.

Second, I would like to endorse wholeheartedly the statement submitted to you recently by the College Placement Council, Inc., emphasizing the importance of funding postsecondary education. I would only add to the Council's statement that our colleges and universities serve as models for elementary and secondary educational institutions,

particularly with respect to their curriculums, so it's extremely important that post-secondary education be funded as well as elementary and secondary.

Finally, I would like to, of course, stress the importance of funding the elementary and secondary program. I don't want my statement to be construed as simply endorsing postsecondary.

Thanks very much for giving me this opportunity and I would hope you would make this letter a part of the record.

Sincerely,

WILLIAM D. HATHAWAY.

## STATEMENT OF GLEN TERRELL, PRESIDENT, WASHINGTON STATE UNIVERSITY

Thank you for this opportunity to testify on the Administration's FY 80 budget request for the Education Division, on behalf of the fourteen higher education associations listed on this statement.

This statement deals with the two priorities of the higher education community: adequate funding of student assistance, and the need for categorical support to enable colleges and universities to meet recognized national objectives. We are deeply concerned that the Administration's budget recommendations would restrict educational opportunities for students and undermine the precarious fiscal balance that characterizes most higher education institutions today. Our specific recommendations for increases are outlined in the chart appended to this testimony. Also appended is our letter of March 21 concerning three issues affecting the FY 79 supplemental.

We wholeheartedly support the Administration's clear commitment to meeting the full payment schedule for the Basic Grant program. Affirmation of this commitment by the Congress will assure that Basic Grants will be provided as the foundation of support for some 2.8 million students in academic year 1980-81, with grants averaging $1,000.

At the same time, we must point out that a Congressional Budget Office study has already found that the Administration's request for Basic Grants and other student aid programs is inadequate to meet program needs, because of questionable economic assumptions and estimation procedures.*

We are also distressed that the Administration has failed to repeat its FY 79 request for funds to renovate academic facilities, which is a major problem that must be addressed for the coming decade. The budget also fails to recognize the importance of several smaller categorical programs (such as grants for college libraries and for community services) in strengthening the nation's institutions of higher education. Following are our specific comments on the details of the Administration's recommendations:

A. Student Aid

We support the Administration's recommendation to carry out the full payment schedule for Basic Grants as essential to provide the program stability which will enable this program to serve as the foundation for all student assistance. At the same time, we note that CBO studies find the $2.4 billion budgeted for Basic Grants seriously underestimates probable funding requirements. Including carryover from previous years, CBO estimates that a total of $2.8 billion in budget authority will be needed for FY 80.

* Human Resources/Community Development Division Budget Issue Memoranda, Bob Reischauer and David Mundel, February 3, 1979.

SEOG: $400 million. The Administration's request for $340 million for Supplemental Educational Opportunity Grants represents a distressing lapse in its expressed intent to expand aid to middle-income students. One of MISAA's most important provisions was to raise the funding floor for SEOG's to $370 million to assure that increased aid would be available to students at higher cost institutions. As the CBO study notes, the Administration's recommendation of level funding for SEOG not only violates the letter and spirit of the law, it would result in a reduction of benefits to students in higher cost institutions to the extent that inflation erodes the purchasing power of these funds. We recommend $400 million for SEOGs to continue to make progress in this area, by providing grants to an additional 105,000 students.

College Work Study: $600 million. The Administration's request of level funding for College Work Study at $550 million also represents an effective reduction in program operating levels. CWS currently is providing almost 1 million jobs; an appropriation increase is needed to offer the same number of jobs and keep pace with inflation. We recommend $600 million to increase to 1,100,000 million the number of students served by this vital program.

Direct Loans: $310 million. This is one program where maintenance of the current level of funding, as we recommend, would increase the operating level, because available contributions to the NDSL revolving funds will make more loan funds available at many institutions (although substantially less than the Administration estimates). Such an increase is essential in the light of current restrictions on the availability of loan funds in the private market. CBO estimates that Guaranteed Student Loans "will not remain compretive in FY 80 with other options available to private lenders;" therefore the $90 million cut in NDSL capital contributions proposed by the Administration would result in "a significant reduction in resources available to students with the greatest financial need."

State Student Incentive Grants: $100 million. We recommend $100 million to double the number of initial year awards and stimulate further growth in state student assistance, since dollar-for-dollar matching is required.

Student Information Allowances: $45 million. Current law authorizes an institutional allowance of $10 for each student receiving a Basic Grant or Guaranteed Loan, to help cover the costs of improved student information and strengthened program administration. As we have emphasized earlier in this statement, these funds are more necessary than ever to accomplish the Administration's goal of improving the administration of student aid. The FY 79 bugdet recognized the need for these funds (and we are renewing its request for the supplemental appropriation); HEW's budget sought to renew the request for FY 80 but was denied by the Office of Management and Budget. With the cost of processing student aid exceeding $100

per student at many institutions, this is most emphatically a high priority need of all colleges and universities.

B. Renovation of Facilities: $100 million.

Next to adequate funding of student aid, the greatest need of America's colleges and universities is for assistance in meeting overwhelming necessities for renovation of academic facilities in the decade ahead. On virtually every campus, all but the most recent structures require substantial reconstruction to make them more energy-efficient, to provide access for the handicapped, and to meet frequently changing federal, state, and local government standards for occupational safety and health and environmental protection.

These needs are so extensive that appropriations of $500 million a year (the full amount authorized under Part E of Title VII HEA) for a decade would only fund a fraction of the task: we estimate that it would take $4 billion to make existing heating plants fully energy-efficient, another $4 billion to meet health and safety standards, $750 million to provide full program access for the handicapped, and on the order of $20 billion to remove the current backlog of maintenance projects which should be accomplished to keep campus facilities in full operation.

We do not ask the federal government to meet more than a small fraction of this task. We simply point out that higher education cannot do it all alone, and we ask for $100 million to help us get on with it.

C. Other Categorical Programs

We support the Administration's funding requests for Developing Institutions ($120 million), expansion of Minority Fellowships ($15 million), and the Institute of Museum Services ($11 million), a new program to encourage disadvantaged students to pursue training biomedical sciences ($3 million), and continuation of CLEO fellowships for legal training for the disadvantaged ($1 million).

At the same time, we strongly object to the Administration's unjustified attempt to eliminate nine categorical programs which, though small, provide important help in meeting national objectives. We urge the Subcommittee to provide increases for several of these vital programs:

College Library Grants: $20 million. College libraries have been particularly hard hit by skyrocketing publication costs and demands for additional services required by curriculum changes and a growing enrollment of nontraditional students. We recommend a doubling of the current program level to permit payment of the full $5,000 grant per eligible institution and to provide supplemental grants for libraries in severe financial crises.

Library Training and Research: $9 million. The funds are needed to increase the number of minority librarians and librarians trained for community outreach, and to develop new systems for processing and disseminating information.

Community Services: $30 million. The current program level should be doubled to provide programs to meet the demands of older citizens, women re-entering the job market, and those seeking retraining for new careers.

Education Information Centers: $5 million. This new program should be increased from the current $3 million level to stimulate further efforts by states to provide networks for information on educational opportunities, available financial assistance, and job placement assistance. The states provide two-thirds of the cost of this program.

Graduate Fellowships. We deplore the Administration's failure to request funding for Public Service Fellowships and Mining Fellowships under Title IX of the Higher Education Act. The budget request would cut off hundreds of graduate students in the middle of programs that they entered on the basis of the commitment of federal support. We recommend maintaining the current level of $4 million for public service education, to continue these fellowships and the modest institutional support which strengthens graduate programs aimed at better public sector management. To prepare persons needed to tap the nation's mineral resources for our energy needs, we also recommend level funding of $4.5 million for mining fellowships. This amount will admit a new entering class and maintain second- and third-year continuing awards.

Current funding should also be maintained for Law School Clinical Experience ($2 million) and State Postsecondary Commissions ($3.5 million). Initial funding for the new Career Education postsecondary authority, appropriated at $7.5 million in FY 79 but recently subjected to rescission, should be restored in FY 80.

* * *

We also oppose the Administration's proposal for cuts in two important programs. We recommend that Special Services for the Disadvantaged should be expanded from the current $140 million to $170 million. These programs (Talent Search, Upward Bound, Special Services, Educational Opportunity Centers) have proven successful in helping disadvantaged students enroll and succeed in college, yet they serve only a small percentage of students who should receive this assistance. It is important to serve a greater share of the eligible population—not cut back by $10 million. We support the current funding level of $19 million for Veterans Cost of Instruction, rather than the proposed reduction to $14.4 million.

* * *

Although the Administration is proposing a $1 million increase in Language and Area Studies to $18 million, this is not sufficient to maintain the current operating level in the face of inflation. We urge a substantial increase to

$25 million to address the evident national need for better knowledge and understanding of other languages and cultures.

We recommend $20 million for Cooperative Education. The Administration request for level-funding at $15 million ignores USOE's recent evaluation study which concludes that the program is highly successful in placing graduates in higher paying jobs more closely related to their vocational interests.

We also recommend an increase in Title II-C aid to Research Libraries. Although the Administration requests level-funding at $6 million, the importance of helping national research libraries maintain their collections and make them more readily available to other libraries justifies an increase to at least $10 million.

In providing access to handicapped students there is an immediate need for support services such as interpreters for the deaf and readers for the blind. The only current authority providing such auxiliary aids for colleges and universities is Section 625 of the Education of the Handicapped Act, for which the Administration is requesting level funding of $2.4 million. In view of the importance of support services in carrying out the mandate of Section 504 of the Rehabilitation Act of 1973, we recommend funding of Section 625 at the full authorization of $12 million.

Three important programs outside the Office of Education—the Fund for the Improvement of Postsecondary Education, the National Institute of Education, and the National Center for Education Statistics, deserve better treatment than they received at the hands of the Office of Management and Budget. We recommend the budget levels originally porposed by the Department: $20 million for FIPSE, $105 million for NIE, and $14 million for NCES.

The budget proposes modest increases for Teacher Centers ($13 million) and the Women's Educational Equity Act ($10 million). We recommend substantial increases in both programs, as well as in the level funded Teacher Corps ($37.5 million).

We also note with concern the Administration's failure to request funds for several authorized programs:

Title IX Part A grants to strengthen graduate education by encouraging the development of programs to assist new populations of Americans pursuing advanced study for the first time, and to enable graduate education to play a major role in the national commitment to basic research.

Title X grants for the expansion of community colleges to develop programs for persons whose educational needs have been adequately served, especially among the handicapped, older persons, and part-time students who otherwise would be unlikely to continue their education beyond the high school.

Title VI grants for equipment to improve undergraduate instructions--a program serving students at some 900 institutions in FY 78, but unfunded last year.

Title I Part B, authorized in 1976 to encourage Lifelong Learning.

Detailed justifications for all or our recommendations are contained in a separate document which we have provided to members of the Subcommittee.

Higher Education Recommendations--FY 80 Budget
Programs of the Education Division (DHEW)
($ Millions)

| | FY 79 Appropriation | FY 80 President's Budget | Higher Ed Recommendation |
|---|---|---|---|
| Student Assistance (HEA IV) | | | |
| Basic Opportunity Grants | $2600 | $2444 | $2700 |
| Supplemental Opportunity Grants | 340 | 340 | 400 |
| College Work Study Grants | 550 | 550 | 600 |
| National Direct Student Loans (FCC) | 310.5 | 220 | 310.5 |
| State Student Incentive Grants | 76.8 | 76.8 | 100 |
| Student Information Allowance--BEOG | 0 | 0 | 30 |
| Student Information Allownace--GSL | 0 | 0 | 15 |
| Facilities Renovation (HEA VII) | 0 | 0 | 100 |
| Categorical Programs | | | |
| Special Pgrms. for Disadvantaged (HEA IV) | 140 | 130 | 170 |
| Education Info. Centers (statewide) | 3 | 0 | 5 |
| Developing Institutions (HEA III) | 120 | 120 | 120 |
| Foreign Studies & Lang. Dev. (NDEA VI) | 17 | 18 | 25 |
| Fulbright-Hays Training Grants | 3 | 4 | 4 |
| Com. Serv. & Cont. Ed. (HEA I-Part A) | 16 | 0 | 30 |
| Lifelong Learning (Part B) | 0 | 0 | 5 |
| State Postsecondary Ed. Commissions | 3.5 | 0 | 3.5 |
| Veterans Cost of Instruction (HEA IV) | 19 | 14.4 | 19 |
| Cooperative Education (HEA VIII) | 15 | 15 | 20 |
| Grad. Ed. (HEA IX): Part A-Grants | 0 | 0 | 10 |
| Part B-Fellowships | 8 | 15 | 15 |
| Part C-Pub. Serv. Fellowships | 4 | 0 | 4 |
| Part D-CLEO | 1 | 1 | 1 |
| Mining Fellowships | 4.5 | 0 | 4.5 |
| Community College Expansion (HEA X) | 0 | 0 | 25 |
| College Libraries (HEA II): Part A-Grants | 10 | 0 | 20 |
| Part B-Training & Research | 3 | 0 | 9 |
| Part C-Research Libraries | 6 | 6 | 10 |
| Undergraduate Equipment (HEA VI) | 0 | 0 | 10 |
| Law School Clin. Exp. (HEA XI) | 2 | 0 | 2 |
| Fund for Improvement of Postsec. Ed. | 13 | 14 | 20 |
| Other Education Division Programs | | | |
| National Institute of Education | 97 | 98.3 | 105 |
| National Center for Education Statistics | 11 | 11 | 14 |
| Teacher Centers | 12.5 | 13 | 52 |
| Teacher Corps | 37.5 | 37.5 | 45 |
| Career Education (Higher Ed. Sec. 11) | 7.5 | 0 | 7.5 |
| Postsecondary Programs-Handicapped (EHA Sec. 625) | 2.4 | 2.4 | 12 |
| Womens Educational Equity Act | 9 | 10 | 20 |
| Institute of Museum Services | 8 | 11 | 11 |
| Biomedical Sciences | 0 | 3 | 3 |

LETTER FROM CHARLES B. SAUNDERS, JR., VICE PRESIDENT FOR GOVERNMENTAL RELATIONS, AMERICAN COUNCIL ON EDUCATION

March 21, 1979

The Honorable Warren G. Magnuson
Chairman, Subcommittee on Labor-HEW
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As the Labor-HEW Subcommittee prepares the FY 79 Supplemental Appropriation, we urge your consideration of three issues of major concern to the higher education community:

1. Clarification of Treatment of Independent Students in the BEOG Program.

The Chairman and ranking members of this Subcommittee have advised the Secretary of Health, Education and Welfare by letter of February 2 that it was the intent of Congress, in passing the Middle Income Student Assistance Act last fall, that expanded Basic Grant assistance made available under the Act to all eligible students in FY 79. Nevertheless the Administration has chosen to defer until FY 80 MISAA's provision which would make some 63,000 independent students newly eligible, and make more equitable awards to thousands more independent students. The Administration estimates that this will achieve a budgetary saving of $130 million in FY 79.

We fully support the Chairman's position that equitable treatment of independent students should be achieved in FY 79, and not delayed an additional year. The FY 79 Basic Grant appropriation of $2.6 billion should be sufficient to do so, based on the Administration's estimate of $2.435 billion without the independent student provision. We hope that the Committee will restate its intention to fund this provision in its report on the FY 79 Supplemental.

2. Title VII HEA Facilities ($50 million).

The Administration requested $50 million in FY 79 to help colleges and universities make necessary renovations of their facilities to provide access for the handicapped, as required by Section 504 of the Rehabilitation Act of 1973. Congress deferred action on this request and directed the Secretary of Health, Education and Welfare to make a study of the costs involved in making all of the Department's programs accessible to the handicapped.

Although this Committee requested that the study be delivered by December 1978, it has not yet been completed by the Department. Nevertheless we understand that the Department's work has essentially verified our earlier estimates that

at least $750 million will be needed to provide program access to higher education facilities for the handicapped. We urge the Subcommittee to support a $50 million supplemental for Title VII HEA, as originally requested by the Administration, to begin to address this important problem.

The Administration also requested appropriations language in FY 79 to release approximately $30 million from the Academic Facilities Loan Insurance Fund to make loans available for reconstruction and reconversion, not only for handicapped access but also to make facilities more energy efficient, and to meet federal, state and local requirements for occupational safety and health. We again urge the Subcommittee to provide such language, which would not involve any additional budget obligation.

3. Student Information Allowances ($20 million).

The Administration's FY 79 budget sought funds for institutional allowances for the Basic Grant program ($9.5 million) and the Guaranteed Loan program ($10 million) to support improved student information and strengthened administration for the student aid programs. The request was accepted by the House, and dropped in conference on the Labor-HEW Appropriations Bill.

We renew our request for these funds in a supplemental, in view of the recognized need for improved administration of these programs.

This statement is submitted on behalf of:

American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Catholic Colleges and Universities
Association of Jesuit Colleges and Universities
Association of Physical Plant Administrators of Universities and Colleges
Council for the Advancement of Small Colleges
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Schools and Colleges of the United Methodist Church
National Association of State Universities and Land-Grant Colleges

Sincerely,

Charles B Saunders Jr

Charles B. Saunders, Jr.
Vice President for Governmental Relations

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## Statement of Edward D. Jordan, Director, Information Systems and Planning Office, The Catholic University of America

My name is Edward D. Jordan. I am the Director of the Information Systems and Planning Office at The Catholic University of America in Washington, DC. Catholic University is a private, non-profit, postsecondary institution serving the needs of more than 7,500 graduate and undergraduate students. Because we have been in existence for 90 years, our older buildings do not easily lend themselves to accessibility modifications mandated by Section 504 of the Rehabilitation Act. We will need a substantial amount of funding for barrier removal in order to comply fully with the Federal Law.

The University has limited sources of obtaining money to fund accessibility modifications. We want to be of service to handicapped persons in every sense but find that our resources are not sufficient to deal singlehandedly with federal requirements. We would have to pass on the costs for these modifications to our students, making our already competitive cost disadvantage ever more serious. Indeed this could reach a point where we would lose large numbers of students because of these increased costs. As a private University we do not receive funds from federal or state sources. Our funds come from our students.

In the current fiscal year, the University is dedicating about $40,000 for facility modifications to achieve program accessibility for the handicapped. Next year (1979-80) the University will budget more than $75,000 for this purpose. In addition, auxiliary aids for visually, aurally, and manually impaired students are projected to cost an additional $8,500. Since passage of the Rehabilitation Act, there is every indication that in the future the disabled student population at the University will greatly increase.

To make the campus barrier-free approximately eight elevators would be required at an additional estimated cost of $125,000 each, or $1,000,000. Other costs would include visual warning signals for the deaf, comprehensive graphics systems readable by the blind, University-wide rest room modifications and other interior modifications to meet the requirements of the American National Standards Institute. These additional costs could be on the order of $800,000. Therefore, to make the campus barrier-free, approximately $1,800,000 would be needed, exclusive of modifications required to provide barrier-free housing.

As universities are dynamic institutions, programs change: new areas are added, old areas are dropped. With the change of programs and their space relationships there is continual need to modify physical facilities even beyond the June 3, 1980 deadline if University programs are to be accessible to the handicapped. Hence funds will be required after the June 3, 1980 deadline.

## Statement of Haskell Rhett, Assistant Chancellor, New Jersey Department of Higher Education

I am Haskell Rhett, Assistant Chancellor of the New Jersey Department of Higher Education, and I appreciate the opportunity to present this testimony on behalf of Chancellor T. Edward Hollander. The Department is the administrative agency for the State Board of Higher Education in New Jersey, and it is responsible for a full range of federal activities in the state, including the Title I Continuing Education and Community Services Program, Educational Information Center, State Student Incentive Grant Program, Guaranteed Student Loan Program, State Financial Aid Training Program, 1202 Postsecondary Planning Commission, Title VI Improvement of Undergraduate Instruction Program, and Title VII Academic Facilities Program. Our purpose in appearing here today is to stress the critical nature of some of these activities as they affect the state-federal partnership in higher education, and to urge as a matter of priority the continuation of funding for three of these programs that have been recommended as not being funded by the administration.

First, the 1202 Postsecondary Planning Commissions are requested for zero funding by the administration, and must be at least restored to the present $3.5 million funding level. This modest amount of national funding is used by every state to promote and continue comprehensive planning activities that span the entire postsecondary education spectrum of institutions. In our state, with a coordinating Board already in place, these funds have been used to augment higher education planning and extend it into areas such as vocational-technical education. Typical activities funded from this source include publication of directories of educational

opportunities for students, and county-wide inventories of educational programs across different types of postsecondary education institutions so that future program planning may avoid duplication. In other states these funds provide virtually the only source for statewide planning and coordination. For this program not to be funded coordinated planning in those states would suffer a serious setback, just at a time when it is most needed to face the pressures of the next decade.

Next we would seek restoration of funding for the Educational Information Centers Program, which is presently funded at $3 million and for which the administration has requested zero funding. This program, begun recently through the 1976 amendments, will not enter its second year of funding until next fall. All participating states receive only $45,000 apiece, and many states have used those initial funds to plan for the implementation of such a statewide center. In New Jersey, we were fortunate to have some of the groundwork done and were able to implement the Information Center during this academic year. In its first three months of operation, this Center, which utilizes toll-free statewide telephone hotlines, made over 4,000 referrals of students to postsecondary educational opportunities - covering a range from the State University to local apprenticeship programs. These Centers meet a very real need of students to have an "honest broker" of information on a statewide basis so that they may best be matched with the appropriate educational opportunity. In an era of rising costs, it is critically important that students find exactly the right opportunity and thus not apply funds - either their own or tax-supported grants or loans - in vain for an educational program that is inappropriate for their objectives. This program badly

needs expansion so that many states may begin implementation after the planning phase, and we strongly urge the funding level of $5 million for its continuation.

Finally, the administration's request for level funding for the State Student Incentive Grant (SSIG) Program is contrary to its intent. This program should act as a model for the incentive approach to a state-federal partnership, but in its present form it is clearly becoming a model of state effort and federal rhetoric. The legislative intent was to make federal funds available to match increased state effort, and since 1974-75 this approach resulted in increasing the number of states with grant programs for students from 37 to 50. Yet over the same period the states have increased their expenditures by almost $400 million, and are continuing to do so while the federal recommendation remains stable. This program, which is authorized at $200 million, should be funded at $100 million for FY80, in the expectation that it will once again act as an incentive for states to increase their effort.

Thank you very much for this opportunity to present our views. We will be glad to supply any further information that might be of use to the Subcommittee.

STATEMENT OF ROBERT D. EVANS, ASSOCIATE DIRECTOR, GOVERNMENTAL RELATIONS OFFICE, AMERICAN BAR ASSOCIATION

I am Robert D. Evans, the Associate Director of the Governmental Relations Office of the American Bar Association. I appear before you today to voice the Association's support for the continued funding of two Higher Education Act programs: the Title IX, Part D, Council on Legal Education Opportunity program; and the Title XI, clinical legal education program.

An indication of the importance the Association attaches to these issues is the fact that the funding of these two programs constitute two of the twelve legislative issues selected by our current President, S. Shepherd Tate, as "Presidential Priorities" for the current year.

President Carter, in his Supplemental State of the Union Message delivered to Congress this past January, stressed equal education opportunity as a major thrust of the Administration's education program. CLEO is a time-tested and proven program whose major thrust is to ensure such equal opportunity.

The CLEO program was established in 1968 by the American Bar Association, the Association of American Law Schools, the National Bar Association and the Law School Admission Council to make it possible for economically and culturally disadvantaged students to attend law school. In 1972, the La Raza National Lawyers' Association became a sponsor as well. Seed money from the sponsoring organizations and from the Ford Foundation allowed the program to get established and develop its system of recruitment, pre-law school training institutes and financial assistance. In 1972, Congress realized the program's value and authorized its funding under the Higher Education Act. In 1974, CLEO received its first federal funds, and since then the program has received funding of roughly $1 million each year, the current authorization ceiling.

Since its inception, CLEO has enabled over 1200 students to receive a law school education, not counting the 500 CLEO scholars now in law school. The record indicates that CLEO students, despite the fact that their LSAT scores and undergraduate grade point averages showed them to be high risks, have performed at a level consistent with or better than their fellow law school students, in terms of

the percentage enrolling who graduate and the percentage gaining admission to the bar. While these broad statistics are impressive, individual instances of excellence and achievement by CLEO "fellows" are perhaps more striking. Despite its brief history -- the first CLEO class graduated from law school less than eight years ago -- CLEO can already number at least three state representatives, three law professors at major universities, a federal bankruptcy judge, and two directors of statewide legal services programs among its alumni.

The CLEO program's focus on the disadvantaged has, predictably, meant that a large number of its participants have been members of minority groups, and the program has made a significant contribution to the increase in minority members of the legal profession over the past decade. At the same time, its primary emphasis on economic factors in selecting participants comports fully with the Supreme Court's decision in the Bakke case. Last September, Secretary of Health, Education and Welfare Joseph Califano stated:

> Shortly after Bakke was decided, I ordered a review of all HEW programs and regulations to determine their legality in light of the Supreme Court's decision. Although the final report is not quite complete, I can announce today the major conclusion we have reached: In general, the Bakke decision will not interfere with or restrict HEW programs of special value and concern to minority groups.
>
> And today, I can specifically name several important programs for which our review is complete; programs we will continue to support and strengthen:
>
> > The CLEO program, which helps needy and minority students attend law school and enter the legal profession. This program will continue.

A major problem facing the CLEO program has been its contraction due to inflationary pressures. Its funding level has remained virtually unchanged for the past five years, while the cost-of-living has risen almost 40%. With this inflationary pressure and a fixed budget, the program could have adjusted the stipend amounts upward to keep pace with inflation; but doing so would have reduced the number of stipends that could be awarded. The program chose instead to keep the number of participants constant, even though the stipend amounts, in terms of real dollars, were being reduced significantly each year. The result has been to place great financial strains on both the already-disadvantaged students participating in the program, as well

as the law schools which accept the students and, typically, absorb much of the remaining cost of educating the student.

The problem would not be as serious if CLEO had been providing generous stipends before the inflationary pressures were felt, but such was not the case. At $1,000 per year, CLEO stipends have always been considerably lower than those of comparable federal programs. At present, the stipends are barely one-fourth the amount of those provided under other Title IX programs.

We believe the CLEO program should be expanded, and we will be working with the committees of Congress having jurisdiction over higher education programs to achieve that objective. In the interim, we urge you to continue to appropriate the authorization ceiling figure of $1 million to CLEO.

Title IX -- the clinical legal education title -- was enacted in 1968. But like CLEO, the major funding for clinical efforts in the early years was provided by private sources, most notably the Council on Legal Education for Professional Responsibility and the law schools themselves. At present, law schools nationally devote about $16 million per year to clinical programs. The federal contribution to these efforts has remained quite small -- $1 million in Fiscal Year 1978 and $2 million in the current fiscal year.

The last few years have seen numerous calls for improved training of law students to better prepare them for the realities of client representation upon graduation. Clinical programs have been perhaps the most significant effort of law schools to provide students with such an educational experience. To be a meaningful educational experience, however, the clinical program must involve close supervision, analysis and feedback to the student by a skilled instructor. Clinical programs often, though not always, involve the maintenance by the law school of facilities for receiving and interviewing clients and require the provision of secretarial and other support services. In short, they are expensive programs for law schools to operate, considerably more so than the traditional large lecture classes. As indicated above, the law schools have made a substantial investment in these programs, but a continued federal investment in this area will enable far greater utilization of such programs by the law schools.

Such programs do far more than teach an aspiring lawyer where the courthouse is and how to prepare a complaint. They provide him or her with the opportunity to assume major responsibility, under appropriate supervision, for making the numerous decisions that must be made in handling a legal matter. This assumption of professional responsibility and decision-making will greatly increase the ability of the student, upon graduation, to apply his or her knowledge of the law to a client's situation, and thus to serve well the general public.

We urge this Subcommittee to continue the funding for the Title XI clinical legal education program in Fiscal Year 1980 at a level at least equal to that provided for the current fiscal year.

## EDUCATION FOR THE HANDICAPPED

STATEMENTS OF:

FRED WEINTRAUB, ASSISTANT EXECUTIVE DIRECTOR FOR GOVERNMENTAL RELATIONS, COUNCIL FOR EXCEPTIONAL CHILDREN

DR. JOHN MARKWOOD, LEARY EDUCATION FOUNDATION

RICHARD NACEWICZ, NATIONAL SOCIETY FOR THE CARE OF AUTISTIC CHILDREN

SUSAN R. BUSWELL, THE MARYLAND ASSOCIATION OF THE BOARD OF EDUCATION

MICHAEL BENDER, JOHN F. KENNEDY INSTITUTE AND JOHNS HOPKINS UNIVERSITY

Senator MATHIAS. The next panel will be on the subject of the education of the handicapped. The panel will take their places and I will return in just a minute.

[A brief recess was taken.]

Senator MATHIAS. Ladies and gentlemen, I think you heard my admonition to the last panel. So I can invite you to identify yourselves for the record and to give us a brief summary of your statements, which will appear in full in the record.

### STATEMENT OF FRED WEINTRAUB

Mr. WEINTRAUB. Senator, I'm Fred Weintraub, assistant executive director for the Council for Exceptional Children.

I appreciate this opportunity to appear. It's kind of like bringing coals to Newcastle appearing before you to talk about the problems of education of the handicapped.

We appreciate what you've done over the years.

I'd like to keep my remarks very short, since the statement will be in the record.

#### EDUCATION FOR HANDICAPPED CHILDREN ACT

I direct my remarks to four issues. One concerns Public Law 94-142, the Education for Handicapped Children Act.

The administration this year, while proposing a small increase, is basically for the first time breaking off of the cycle in terms of the in-

crease in the Federal responsibility for education of handicapped children.

As you know, in 1975, Congress passed Public Law 94–142, realizing the problems the States were facing in terms of educating handicapped children.

As part of that, the Congress and the Federal Government entered into a partnership with the States, saying here's what we want you to do for handicapped children. In fact, here is what you are required to do, as well as saying, we will try to be part of a financial responsibility of the system here.

Until this time, the Federal Government has lived up to that commitment. For the fiscal year 1981, the Federal Government's budget says we will no longer honor that partnership.

What this, in a sense, does, Senator, is that this year, fiscal year 1979, is the first real year of implementation of Public Law 94–142. This is the year that it's happening. Although we are talking about a budget for fiscal year 1981, if this year the Congress reinforces the position of the administration, then our fear is that what the Congress will be saying to the States and to the school districts of this country is that it is no longer committed to the objective of Public Law 94–142 of educating the handicapped children, and we can now relax the mandates and relax what we're trying to accomplish.

We've seen that behavior first in State government. New Jersey in 1911 mandated educating handicapped children. They're still not doing it. Why? Because the State legislature very quickly turned around and said, we're really not serious about our mandates because we're not going to meet our financial obligations.

We realize the difficulty of appropriating $2.1 billion. While I would love to be here and argue for that, what we are suggesting is that something that is a symbol of good faith, a symbol of partnership and commitment, is necessary to continue at least through this fiscal year, at least through this budget, to continue to convey to the States the importance of commitment and funding.

### AID TO STATE-SUPPORTED SCHOOLS AND INSTITUTIONS

Secondly, I'd like to suggest that in Public Law 89–313, the aid to State-supported schools and institutions, the administration is once again in its budget refusing to recognize the law. And, you know, that program which helps the most severely handicapped children in State schools and in institutions is set up as an off-the-top funding from title I. It's automatically funded and it's not subject to appropriation.

Once again, the authorizing committees, in passing the Elementary and Secondary Education Act, considered this matter, and once again, decided to keep the automatic funding.

The administration is suggesting holding this program level and basically calling upon the Appropriations Committee to write authorizing language to accomplish that.

We urge this committee that this year, of all years, is not the year to begin to cut back in this effort.

### PRESCHOOL INCENTIVE PROGRAM

The third area I would bring to your attention is the preschool incentive program.

As you will remember, Senator, the original versions of the Education for the Handicapped Act called upon mandating preschool programs.

The Senate, in its consideration, decided it did not want to go as far as mandating preschool programs for handicapped children, but to leave that option up to the States.

At the same time, the Senate said we will pass an incentive program. We realize the importance of preschool programs, that they're essential to the children. Let's have an incentive. For every child that you serve, we will give you an additional $300.

It was a great idea: If you can't mandate change, buy it.

However, what we decided to do, or what was done, was we didn't fund it. We can't have an incentive for financial incentive when there's no money.

The result has been that growth of preschool programs has ground to a halt. States that weren't serving preschool children before are not serving them now.

We've stopped what was probably one of the most important things that handicapped children needed.

I would urge you to reconsider and move the preschool program and fully fund it.

### TEACHER TRAINING AND RESEARCH AND DEVELOPMENT

The other two areas are just, we feel, as critical to maintain an effort in this year in teacher training and not accept the cutbacks that the administration has recommended.

And secondly, just to ask for a small increase, an inflationary increase, a very minor amount in the area of research and development.

We need to improve the technology. We need to improve the quality of the education of the kids. We've seen no growth in this program. A very minor increase in that would at least help offset that.

### PROGRAM FOR THE GIFTED AND TALENTED

The final point I would like to make, and I know it's not on the handicapped committee, but I'll ask for your attention and we'll talk to the staff more about it later, about the new program which the Congress passed last year for the gifted and talented.

The administration has refused to accept the new rule, and while they have put some minor money in for the gifted and talented, the same amount as last year, they have funded it under a commission discretionary program, and not under the new law.

We would ask that the money be deferred to the new law and ask that you support these modest increases.

Thank you, Senator.

Senator MATHIAS. Thank you very much. You're talking about preschool incentive grants.

I was looking around for Dr. Percy Williams. Ah, there he is. I thought his ears would be perking up on that.

STATEMENT OF DR. JOHN MARKWOOD

Dr. MARKWOOD. Senator, my name is John Markwood. I'm with the Leary Educational Foundation in Winchester, Va.

We operate a private school for handicapped children. We're serving about 60 severely emotionally disturbed adolescents.

I come from a point of history, and looking at the future in the private sector of special education. The education of the handicapped has as much—it was to us that parents turn when their children are being excluded from public school. It was from us that a lot of public educators received their early experience in working with the handicapped.

And we're continuing to serve, usually in devoting attention to the most severely handicapped kids who are still being excluded from programs in the public schools, students who are not able to be provided for appropriately in the public school setting.

We're subject to rigorous ratesetting processes in most of our States, which recognize services devoted specifically to the students and allow cost for those, severely hampering what we are able to do, and continuing our role in innovation and creativity and finding new ways. We've been told to go back to having tea and cookies with the ladies clubs.

But private philanthropy has really changed in this area. It's an area where the Government has loudly stated that its responsibility—and we're being told by philanthropic organizations that that's not public responsibility. Go elsewhere.

States put us on a very low priority.

Senator MATHIAS. Also, you're being told by the courts that it's public responsibility.

Dr. MARKWOOD. We're told the same thing by States. We're told the same thing by the State agencies who have the discretionary dollars through Public Law 94–142 that the need in the public sector is so great, that nothing is going to go again toward these most severely handicapped in these centers.

And we want to continue to serve. We're not asking for any special favors. We're simply asking to be able to be placed in a position of competing on a quality basis with what the public centers are doing to take care of these people.

STATEMENT OF RICHARD NACEWICZ

Mr. NACEWICZ. My name is Richard Nacewicz. I'm the third vice president of the National Society for Autistic Children and chairman of the National Affairs Committee.

The majority of my testimony will be addressed toward Public Law 94–142.

We know that investments in enlightened treatment result in a gain in long-term economics. Appropriate programs for autistic children range in costs from $3,000 to $30,000 per year. The higher figures are for residential programs for those children who are in acute need. Only the most severely autistic child will require this and, even then, not usually for all his school years.

Conceivably, it could cost up to $16,000 to educate an autistic child at an average cost of about $8,000 a year, which is still far less than the alternative, $400,000 for a lifetime lost in an institution.

Appropriate education of any handicapped child is a passport to a more normal life. Yet, for many years, this was granted capriciously, if at all. Congress in 1975 rectified that injustice by passage of Public Law 94–142 and underscored its commitment by meeting the authorization level for the first 2 years.

However, this was not carried out this year and the program was further threatened with reduction in support for fiscal year 1981. While there have been larger sums appropriated with each fiscal year, the level of Federal support declined in relation to both authorization levels and the recommended percentages for Federal participation.

The seriousness of this situation is exacerbated by declining State and local revenues because of proposition 13 type cutbacks in taxation rates and escalating populations to be served by Public Law 94–142.

The school year for which you are today considering funding is the first year of mandated full service, all children 3 to 21 are to be receiving appropriate education free. It is ironic that although the intent of Public Law 94–142 is to provide Federal assistance to the States to meet the admittedly higher costs of special education, Congress is reducing its commitment while simultaneously expecting the States to increase theirs.

PERCENTAGE EXPENDITURE PER PUPIL

Even at full funding, the authorized Federal commitment is modest. It is based on an annually increasing percentage per pupil.

One must assume a larger eligible population each year because no State was serving all its handicapped children at the inception of the program. The current budget is not adequate. The $804 million appropriated in the 1979 budget for 1980 represents 12 percent of the average per pupil cost, not the 20 percent authorized by law.

The recommended budget figure for fiscal year 1980 is again 12 percent when it should be the authorized 30 percent—$862 million instead of $2.1 billion.

Put another way, the President suggested that Congress should allocate between $210 and $226 per handicapped child when the States are expecting to spend between $512 and $552 per child and every budget accordingly.

I was not going to speak about Maryland, but as you know, the State Board of Education has petitioned the Maryland delegation to change Public Law 94–142 so as to lower its costs because there are certain costs that they are trying to assess the parents. We recommend full funding of the program and in no case should the appropriation be less than $1.4 billion requested by the House Authorizing Committee.

One way of reducing the cost of special education is to begin early. Early intervention can reduce the level of impairment resulting from a disability and sometimes even eliminate the need for future special education. Minimally, early childhood education enhances the handicapped youngsters' ability to take advantage of education during his regular school year.

At present, almost two-thirds of this Nation's handicapped schools remain unserved. Further, we note with some relief that title I, the educational disadvantaged and vocational re-education programs have not been cut. We believe they should be increased at least commensurate with inflation. Many of the children served by title I are in State institutions for the developmentally disabled and are not served by Public Law 94–142 programs.

VOCATIONAL EDUCATION

Vocational education has failed to reach the handicapped in spite of a mandate to set aside 10 percent of its funds to do so but recently issued new regulations to strengthen its efforts in this regard. Both programs should be given the resources to meet their mandates. We suggest a minimum of 7-percent increase for each.

HEAD START

Lastly, we are pleased to see an increase for Head Start and recommend that Congress follow the administration's lead there. This program has consistently increased the number of handicapped children served exceeding in some States the 10-percent mandate and is an excellent example of the effect of early interventions mentioned before.

Senator MATHIAS. Ms. Buswell.

STATEMENT OF SUSAN R. BUSWELL

Ms. BUSWELL. Senator, I am delighted to have an opportunity to share our thoughts with you. I am Susan Buswell, President of the Maryland Association of Boards of Education and also serving as the Chairman of the Howard University Board of Education.

Public Law 94–142 changed and broadened, in a very significant way, the scope of education far beyond what you or I perceived it to be. I am certainly not here in the name of public school systems to argue or to dispute the responsibility of the public schools to provide a free and appropriate education for all students within this Nation.

However, it has involved us in a number of other services previously provided by other agencies. The mandate is clear and the mandate is one we must live within.

I find myself, though, on the very other end of the continuum of those interested in providing public education for all children. I am left with the responsibility of the mandated obligation to provide a level of services in which I am not permitted to deviate.

That level of services was entered into with the cooperative spirit between the Federal Government and we feel a pledge of a level of funding that would assist the locals to provide the education living up to that mandate. A lacking ingredient has been the continuation of the financial assistance from the Federal Government at the level which was anticipated to be forthcoming and believed by the locals to have been promised.

FLEXIBILITY

We feel that there are a number of instances where other programs are not mandated with the same rigidity. It is flexibility. If the funds are forthcoming, you will provide services up to this level. This is a program where that flexibility is simply not left to us.

You have here the anticipation and the desires and expectations of parents who have children within our system who are desperately eager that the standard of supply of services be provided by the local educational facilities. We are finding ourselves in an increasingly difficult position to provide that level of services.

Senator MATHIAS. You are suggesting a situation where they come out and say I want five volunteers. You, you, you, you and you.

Ms. BUSWELL. That is right. When the parents wish to complain about the level of services, I am sure you do hear about it, too, although they know very well your support of education.

However, your telephone number is not as accessible to the parents within your schools and within my school system who have a complaint about the level of services we are now providing and who are able to quote chapter and verse of the mandate.

Senator MATHIAS. Quite a few find it in the Maryland Suburban Directory, however. [Laughter.]

Ms. BUSWELL. I would not want to be accused of having supplied them with your number.

Senator MATHIAS. It is listed there.

Ms. BUSWELL. Senator Mathias, we are indeed very concerned that the level of funding live up to the level of authorization legislation. An increase of merely 7 percent over this year's current funding is not an increase. The inflationary factor to education is far greater than the CPI would indicate.

We are a very labor intensive purveyor of services and for that reason, our costs go up with a greater rapidity than those who deal with housing and other services.

Consequently, we urge you to consider funding up to the level of authorized legislation.

STATEMENT OF MICHAEL BENDER

Mr. BENDER. Thank you, Senator Mathias.

After listening to the rest of the panel, rather than repeat, I would like to bring out perhaps some other information. I am Michael Bender, Director of Special Education at the John F. Kennedy Institute in Baltimore and at Johns Hopkins.

I think perhaps one of the things we are beginning to overlook is the fact that the euphoria is over that Public Law 94–142 is here and handicapped children are being served. We are pretty much, I guess, reading in the papers everyday that there are new programs for the deaf, the deaf blind, severely retarded, or therapeutically handicapped and other handicapped individuals.

IDENTIFICATION OF CHILDREN

My concern is that we haven't even scratched the surface of other types of handicapped children who are still being denied these programs. These children include those with acute heart conditions, TB, sickle cell anemia, epilepsy, leukemia, diabetes, and perhaps most important of all, we are now finding a whole cachement area of children with lead paint poisoning who most typically reside in the inner cities.

I am concerned because when we talk about such areas as child find, we are perhaps looking most at those kids easiest to find. I know we have systems to find kids. We advertise for children, et cetera. My real concern is that we are still not finding all of the children.

Perhaps one of the reasons I might offer is that it might be very difficult to provide programs for some of the children we do indeed find. I also find a backlash in that teachers and parents I work with are saying to me I am trying to report that my child is handicapped, but they are still saying he will either outgrow it after advice by a physician or the school says let's give it a little longer try in one type of program before we really recognize there is a legitimate concern or need for programing.

I find also that the ceilings that have been set in terms of funding, like everyone said here, are not really enough. It is an old story, but inflation certainly has taken its toll. Unfortunately, it has taken its toll on handicapped kids.

One more added fact I would like to add which would conclude and make my testimony very short is the tremendous need for research and development in areas of interdisciplinary training.

In other words, we tend to forget that most of the kids who are placed in programs are done so under the advice of professionals. I am sad to say that many professionals lack the expertise and the experience to make some of those decisions.

I think there is a tremendous need to create interdisciplinary programs where there is training in areas such as pediatrics, hearing and speech, psychology, genetic counseling, and others which will enable us to better identify children. Once I think this type of training is initiated, we would be better able to find the kids and accurately diagnose them.

Speaking as a person who runs school programs, directs them, ranging from preschool handicapped to the severely and profoundly handicapped, I can only say that I still find that there are many children who are not being served and I also find that many of those children who we say we are serving are still not being served appropriately.

Thank you, Senator.

Senator MATHIAS. I am not going to challenge you on the figures. I would agree with you as far as the demand as you have described it. If I could control the votes that are represented by the chairs at this table, I think we wouldn't have any further problem.

Let me ask your thoughts on several other matters which are importantly related. One is whether you agree with the statement that was just made that there are many handicapped children who are not being served at the present time?

Mr. WEINTRAUB. If I could comment, I think I would have to say yes. I am not sure if we do find all of them, that we will find the 7 and 8 million that we talked about years ago. There are reasons why those figures may not be as accurate. But there are more children than we know are being served.

Let me give an example in one city which I would rather not mention at the moment. The estimate is—it is more than an estimate. There are 40,000 children in that city who are in referral. The best way to not serve a child is to have somebody refer him and then do nothing about the referral or simply say it is taking us time to get the testing together and get everything together.

The one area in Public Law 94-142 where there are no time lines is in the referral or identification. Once you have identified a child and declared him to be handicapped, there are time lines that require you to service him. The easiest thing to do is to jam up the referral.

We have visited another school district where in fact I have a memorandum from the superintendent of schools that went out to all school principals and teachers ordering them not to refer any more children because the school district didn't have the money to serve them.

I am not accusing school districts of illegal behavior. The point of the matter is when you are caught in the crunch, it is easier to serve the children whose parents come before you. I really believe there are very few children left in the country whose parents march before the school board and say here is my child. Help him. I don't think these people are being turned away.

What those children are getting is one question. But for the children who are more substantially handicapped or their parents don't know the kids are in serious trouble, those are simply being buried in the system and the system is not bringing them out because of the financial consequenses.

Ms. BUSWELL. I think one of the things Dr. Bender indicated earlier is the need for professional training. One of the problems that I think is universally being found to be true by most school districts is that since the beginning of Public Law 94-142, the need for trained personnel has escalated phenomenally. The ability to identify carefully and appro-

priately serve children is perhaps one of the most difficult functions that a school district has at this point.

Finding the personnel, even the personnel mandated by the law, has become an extremely difficult situation for school districts. They are priority people and it is true that the difficulty in placing and the type of situation where due process must be, and validly should be, protected all the way down the line means the referral process and testing process is a lengthy one.

DEFINITIONS OF HANDICAPPED

Senator MATHIAS. That brings me to my next and final question. Would it alarm you or comfort you more if the Congress attempted to delineate more carefully some of the categories of the limits of handicapped, for example, to which the public school system should address itself in the area of responsibility?

I ask that question very carefully. Would it alarm you or reassure you? One of the questions that comes before this committee time and again, and the chairman, Senator Magnuson, is concerned, is the indefinite nature of this problem, part of which is due to the fact that we had so little experience with it. It is a problem neglected for so long that we are not sure what is the kind of academic definition of the problem.

Mr. WEINTRAUB. I am not sure—I am not being disrespectful of the chairman in any way——

Senator MATHIAS. Let me associate myself with the chairman.

Mr. WEINTRAUB [continuing]. That it is indefinite. Don't forget, all States have definitions, criteria that establishes who is eligible. If anything, the problems are often not over inclusive such as it is often those who can benefit from some of the programs who are not eligible to benefit.

If anything, the trend in some of the States has been to become increasingly more restrictive in the definition.

Don't forget, the Federal Government doesn't establish the definitions. The States themselves establish the definitions. If you look at Maryland, the eligibility criteria as to who is eligible and who is not eligible, I am not sure there would be much to be gained by greater Federal attention to the definition. All it would do would throw the State systems into chaos.

Ms. BUSWELL. If the purpose of a further definition of the handicapping condition were tied in some way to a financial obligation to levels of handicapping, there might be some merit to that.

Senator MATHIAS. I think that is the way in which the question arises.

Ms. BUSWELL. There is no question that the youngster who has a handicapping condition may receive a single service which may be a very limited service. The dollar amount which is identified for a handicapped child in terms of Federal funding may very adequately handle the excess cost or a large portion, even the 20 percent we might be talking about, for a youngster who has a rather minimally handicapping condition.

However, that youngster may need five different services he is only counted as a handicapped youngster once.

Senator MATHIAS. My thought is it might be useful to hold hearings in the field on this subject and to at least explore the dimensions of the problem. It may not be a serious problem.

Mr. BENDER. In terms of the term "handicapped"—Head Start was mentioned. While this might not have a direct bearing, what we are seeing now is that most Head Starts are reporting their percentages that, by law, they must, the 10 percent, and I think the question that we will have to also perhaps raise in these hearings is how you define, like you are saying, handicapped varies specifically for that population.

Senator MATHIAS. Let me suggest this, since the other panels are waiting: This record will be open until the 4th of April. I would personally appreciate any further thoughts which you could offer to us in writing upon reflection on this subject, because it is a very serious subject, one which under the financial pressures that we operate on day to day could become more and more serious. I wish you would include in your further remarks on that subject or response on this subject any thoughts you have about the level of paperwork which is involved in this program cause both as to what it does to absorbing the energies of the educational community and what it does as to the actual cost of delivery of educational services.

I wish we could spend all day talking about this, but I think we better give way to the next panel.

Thank you all very much.

Ms. BUSWELL. Thank you.

[The statements follow:]

## STATEMENT OF FREDERICK J. WEINTRAUB, ASSISTANT EXECUTIVE DIRECTOR FOR GOVERNMENTAL RELATIONS, THE COUNCIL FOR EXCEPTIONAL CHILDREN

We thank you for the opportunity to appear before this distinguished panel of the 96th Congress to offer the views of The Council for Exceptional Children with respect to the fiscal aspects of P.L. 94-142, the Education for All Handicapped Children Act. May we also take this opportunity to express to you the continuing admiration and warm appreciation of the membership of the Council for your unrelenting efforts on behalf of America's exceptional children.

As you know, The Council for Exceptional Children is a national organization with a membership of approximately 70,000 professionals in the field of special education. One of the most fundamental ongoing missions of the Council, which has brought us to Capitol Hill on so many occasions through the years, is to seek continual improvement of Federal provisions for the education of America's exceptional children and youth, both handicapped and gifted.

### The Fiscal Promise

We find ourselves now nearly three and one half years beyond enactment of the landmark Public Law 94-142, that most significant Federal affirmation, in concert with corresponding State legislative mandates and court decrees, of the right to a free, appropriate public education for all of this Nation's handicapped children. Furthermore, we are now in the critical months of Federal, State and local implementation of major substantive provisions of this Act.

Because this law addresses the real instructional needs of children rather than systems-oriented factors, the Act certainly has generated its fair share of detractors. But we would contend that the number of such detractors are far outweighted by the number of both organizations and individuals in this country who are staunch supporters of both the mission and the consequent mechanisms of P.L. 94-142.

It may be worth noting that, when the issue becomes that of exactly which professionals will actually be on the front line with the difficult but challenging task of implementing this law, our members of The

Council for Exceptional Children certainly stand in the forefront of that group. But while our members have "their feet to the fire" to fulfill the mission of P.L. 94-142, I am here today on their behalf to reiterate their continuing support for that law.

It is not our purpose today to discuss again, "Why P.L. 94-142?" "Why the specific component parts of P.L. 94-142?" Literally a dozen volumes of Senate and House hearing testimony coupled with the larger legislative history accumulated over four long years of careful Congressional development of this Act provide thorough and complete answers to those questions. Rather it is our purpose today to discuss the critical fiscal promise that accompanied the educational rights guarantees of P.L. 94-142.

In the first two years under the law, the federal government clearly lived up to that fiscal promise. However, we are now deeply concerned that this escalating commitment as originally agreed to in P.L. 94-142 may be sidetracked in midstream.

Very briefly, the figure of $804 million for the coming school year, recommended by the Administration and duly appropriated by the Congress, is already well below the authority for that year of $1.2 billion. The Congress is now about to commence consideration of appropriations under this vital federal support program for fiscal year 1981. The authority for that year is approximately $2.103 billion. Despite the fiscal possibilities and and consequent expectations on the part of the nation's school systems, the Administration is recommending only $862 million in actual appropriations for fiscal year 1981. The Administration is clearly asking us to step off the escalator, and we hope that the Congress will refuse to go along.

Education Turnkey Systems, which has conducted a study of the implementation of P.L. 94-142--an implementation which is now in its second, and final, crucial phase during this school year--made the following pointed statement in its summary of preliminary findings:

> First, compared with recent education legislation, never have so many SEAs and LEAs initiated so many activities with relatively few federal resources to implement the provisions of a federal mandate. In all sites, some initiatives have been undertaken to

implement the provisions as quickly as possible in spite of increased time burdens and scarce resources.

And herein lies the core of the issue: the school systems have worked during this school year and the last school year to fulfill the mandate of P.L. 94-142 before actually having received much of the larger fiscal appropriations also attendant to P.L. 94-142. Now that compliance is being achieved, those monies are flowing, and flowing rapidly. Nonetheless, the question is: does the Congress intend to honor its escalating fiscal commitment which does not stabilize until fiscal 1982? We do not believe that it would be an exaggeration to maintain that "The Nation is watching." We therefore believe that it is essential that the Congress appropriate a figure which constitutes a "good faith" acknowledge of that escalating fiscal promise.

Per-Child Allocations

It is apparently the ambition of the Department of Health, Education and Welfare to have received a child count of 4.1 million children for fiscal year 1981 (school year 1980-81). If that does in fact occur, we will actually witness a reduction in the number of dollars per child under P.L. 94-142 if the Congress adheres to the President's budget request for fiscal 1981. At the existing appropriation level of $804 million for the coming school year (fiscal 1980), with an estimated child count of 3.7 million children, the approximate dollars per child will be $217. With the President's request for fiscal 1981 of $862 million, factoring in the HEW ambition of 4.1 million children counted, the approximate allotment per child will be $210. Moreover, even were the child count lower at that time (3.8 million or 3.9 million children) the increase under the President's proposal would be minimal.

Correspondingly, if the program were funded at $1.2 billion in fiscal 1981, the per child allotment would be $341 per child with the 4.1 million child count. If the program were fully funded at the $2.1 billion figure, with the 4.1 million child count, the per child allotment would be $512.

Consequences of "no growth"

Permit us to very briefly cite some of the potential consequences of the failure to maintain the fiscal promise of P.L. 94-142.

(1) In some quarters there may in fact be an inclination to "back-off" from the promise and mandate of this landmark legislation.

(2) What the Congress fails to allocate from the Federal revenue to fulfill the mission of educating our handicapped children may mean increased property and other local taxes.

(3) The quality of our children's education may be hampered through resorting to larger class loads.

(4) There may be an increasing inclination to freeze children into the referral process, i.e., delaying (perhaps indefinitely) assessment of whether a handicapping condition exists, thus avoiding the potential need to provide a special education program.

(5) Preschool handicapped children will have no chance of a special education program at all (which we will discuss in more detail later).

(6) All of our children may suffer, handicapped and nonhandicapped, because there will be the strong temptation to juggle resources in the ancient tradition of "robbing Peter to pay Paul."

The Pipline Allegations

The assertion has been made that there is a considerable back up of appropriations under P.L. 94-142 in the so-called pipeline, i.e., monies as yet unobligated by the federal government to the states, or monies as yet not outlayed by the states to the local school districts. Such gross allegations are terribly misleading if the actual conditions are not analyzed. We offer the following:

(1) The first major appropriation under P.L. 94-142 was the approximately $254 million for fiscal 1978 (school year 1977-78). But it must always be born in mind that the required state plans in order to receive those funds were perhaps the most critical state plans from the standpoint of demonstrating compliance with P.L. 94-142 provisions. Thus, there were obvious delays in order to achieve state plan approval. That money is now obligated and outlayed.

(2) Of the fiscal 1979 appropriation of $565 million for the current school year, at least $370 million has already been obligated. Since the U.S. Office of Education is now at the peak of the 1979 state plan approval process, all obligations should be made at an accelerating pace.

(3) It must be borne in mind that under law respecting all education programs, the state education agencies actually have a 27 month period in which to make their own outlays. Funds appropriated for a given fiscal year become available for obligation by the federal government on July One of the preceding fiscal year, which availability continues for 15 months. Then, under the terms of the Tydings Amendment, the states may outlay through the fiscal year following the fiscal year for which appropriations were made. The Congress deliberately made this decision to allow a greater outlay period in the interests of a better planned use of funds. The education of the handicapped program should not be singled out when administrators wish to take advantage of that opportunity.

(4) This spend-out rate situation is to be expected in a large new program like that authorized in P.L. 94-142. Title I of ESEA had similar spend-out characteristics in its first years, and Title I carried far fewer crucial eligibility requirements.

Summary of This Segment

It is the belief of the Council that the positive arguments for staying on target toward full funding of P.L. 94-142 remain compelling, including at least the following:

(1) to enable the Congress to fulfill its original fiscal promise respecting the education of handicapped children;

(2) to allow the federal government to fulfill its objective of participating as a meaningful fiscal partner with state and local education agencies in providing appropriate education services for these children;

(3) to acknowledge, and provide relief respecting the fiscal responsibility of State and local education agencies to provide not only special education, but necessary "related services" to a considerable population of our handicapped children:

(4) to offset in this period of fiscal retrenchment (including the phenomenon of "Propositon 13 fever" as witnessed by at least 12 states passing some form of tax relief in the last general election) the considerable cost of providing through cooperative agreements among public agencies the special education and related services required to meet the unique needs of each handicapped child; and

(5) to guarantee continuing good faith between the federal government and the state and local education agencies in relation to their respective responsibilities.

State Handicapped Program (P.L. 89-313)

The State handicapped program was created in 1966 by P.L. 89-313. Presently it serves approximately 224,000 children in over 6,900 centers or schools. It received $121.6 million in fiscal 1978 to meet its responsibilities through an automatic entitlement within Title I, ESEA.

As the program has grown, it has changed in character as well. In 1966, 97 percent of its children were in residential schools. In fiscal year 1978, 40 percent were in residential programs, 49 percent in State-supported day programs, and 8 percent in follow-along programs administered by local school systems.

During the last legislative session, the House Committee on Education and Labor held deliberations concerning the reauthorization of the 89-313 program. Although representatives of GAO reported on a variety of perceived problems with the program, the Committee, after considerable debate, proposed no amendments to the program. According to its Committee report, it perceived most of these problems to be "correctible administratively, and...now (was) not the time to try to re-shape this program when the closely-related general program to educate handicapped children (P.L. 94-142) (was) just now being implemented."

The idea that P.L. 89-313 and P.L. 94-142 should be combined to develop a uniform program of services and funding for all handicapped children was also discussed. After a variety of concerns were raised, however, as to whether the actual level of appropriations for P.L. 94-142 would grow fast enough to successfully accommodate this merger, the amendment was dropped.

In the Administration's proposed FY 80 budget which was sent up to the Congress this past January, it was suggested that appropriations for the 89-313 program be capped. For many of the same reasons arrived at by the Committee during their deliberations concerning this program last year, CEC would recommend that this recommendation be rejected. Such a cap at this point in time would most definitely jeopardizes the provision of appropriate special educational services to those children, usually the most severely handicapped, with the greatest need. Such a move, particularly when FY 80 appropriations for P.L. 94-142 are considerably under the authorization level originally proposed by the Congress, and with the threat of an even greater disparity anticipated for FY 81, is, at best unconceivable

The Preschool Incentive Program

Every state and their localities, under the terms of P.L. 94-142, are required to make available special education and related services to handicapped children aged three to eighteen by September 1, 1978, and three to twenty-one by September 1, 1980. However, this mandate does not apply for children in the three to five and eighteen to twenty-one age ranges if the requirement is inconsistent with state policies. The original versions of P.L. 94-142 were amended to allow state option for the 3-5 year population.

The decision was then made to "buy" what we will not "mandate" through inclusion in P.L. 94-142 of the preschool incentive grant program. The incentive grant component is aimed at encouraging the states to provide special education and related services to its preschool handicapped children. Each handicapped preschooler aged three to five who is counted as served was to generate a special $300 entitlement, to be used by state education agencies to further develop preschool programs for handicapped children. However, this figure has never been realized, in fact, only about one third of that amount is being received.

By removing the mandate and creating the incentive grant program in conjunction with a failure to appropriate the authorized level of funds for that program, we have created the worst of both worlds. States with permissive or no early childhood policies are not focusing on preschool handicapped children. We are seeing the momentum of the late 60's and early 70's

in this area come to a grinding halt. Fewer states are lowering their service ages to 3 or 4, and fewer still are appropriating necessary funds.

It is conservatively estimated that there are one million handicapped children of preschool age (0-5). Approximately 350,000 are receiving some form of early childhood educational services from either public and/or private sources. This leaves approximately 65 percent of the preschool handicapped children without needed services.

Educational Programs for the preschool handicapped child are mandated in only about eleven states. Where there were voluntary programs, funds are running thin and programs are folding. It is absolutely essential to reinstate the original Congressional commitment to the very young handicapped child and to his future which would be greatly enhanced by preschool experiences. We must supply the fiscal resources necessary to maintain the momentum that was obtained by a long and hard battle.

The available data regarding the impact of early intervention on handicapped children presents a strong case for special preschool considerations. Persons concerned about handicapped children have long concurred on the critical importance of early developmental programs for such children. The best evidence clearly demonstrates that with appropriate early intervention some handicapping conditions are reversible, some handicapping conditions are susceptible to a high degree of amelioration and, in some instances, the multiplying consequences of a disability can be sharply curtailed.

In a report entitled The Economics of Mental Retardation, Ronald Conley stated,

> A more stimulating environment (could enable) over half of the retarded to achieve I.Q. scores above the arbitrary cut off point (for mild retardation).

According to Conley, the economic loss due solely to lowered I.Q. attributed to environmental conditions may be quite significant. Secondly, early childhood specialist Betty Caldwell has concluded that:

> Differences on most cognitive variables can be demonstrated as a function of an early childhood spent in environments presumed to differ in the amount and quality of available stimulation.

In essence, the earlier a handicapped child obtains stimulating, developmentally appropriate experiences the greater his chance of participating in the larger society.

Final figures from the 57 state education jurisdictions indicate that the averaged count of handicapped children aged three through five for purposes of this entitlement will be at least 220,000 children. This count generates an authority of $66 million. We urge the Congress to reverse the disastrous course we are now set upon by fully-funding this incentive program.

A 1974 HEW-funded study by the Rand Corporation entitled, "Services for Handicapped Youth: A Program Overview," observes:

> For handicapped children, age 6 is past the optimal time to start the child in programs designed to reverse the disability.

The Support Components

In an effort to aid states in their provision of services to handicapped children, Congress developed a number of discretionary programs (EHA, Parts C through F). The objective of such programs is to supplement the basic state grant programs authorized under P.L. 94-142 by encouraging states, localities, and the profession generally, to initiate innovative techniques and practices in such areas as early intervention, personnel preparation, and research and development. These programs, in light of the comprehensiveness of the P.L. 94-142 mandate, have become a crucial factor in the ability of the states to comply. Only through such resources will states be able to train the necessary personnel, develop the skills, materials, and model programs that will eventually result in the delivery of appropriate special education and related services to handicapped children. We would like to focus on two of these support components.

Personnel Development (EHA, Part D)

Public Law 94-142 requires that every handicapped child receive the special education and related services that are necessary for that child to reach his full potential. This requirement presents the enormous administrative challenge of making available a wide array of services. A fundamental step in the provision of such services is the preparation of necessary personnel.

In light of the least restrictive environment and related services provisions of the law, the personnel required to carry out the mandate far exceed the field of special education. In addition to the critical shortage of special education teachers, there is now a dire need for regular teachers with special education skills, speech therapists, psychologists, school social workers, audiologists, occupational and physical therapists, and teacher aids just to name a few.

As part of their first P.L. 94-142 Annual Program Plan, states were asked to identify personnel available and needed. The states estimated that an additional 65,000 special education teachers would be needed for the 1978-79 school year and 85,000 for 1979-80. However, higher education institutions are presently producing only 20,000 new special educators a year. Other personnel needs include an additional 31,000 teacher aids, 5,000 psychologists, and 3,000 speech pathologists and audiologists.

In addition to these preservice needs, states identified the inservice training needs of their current personnel. The states anticipate providing special education inservice training to nearly 50,000 persons in school year 79-80.

It is important to observe the action taken by the 95th Congress, subsequent to enactment of P.L. 94-142 in the 94th Congress, in its five year extension (P.L. 95-41) of the support discretionary programs for the education of handicapped children (i.e., such components as research, regional resource centers, personnel development, model programs). The Congress, in P.L. 95-41, kept all authorizations at conservative levels with the exception of those for personnel development which were greatly increased, peaking at an authority for $95 million in fiscal 1982. The Congress was clearly acknowledging the urgent need for expanded federal resources in this area. For all of the preceding reasons, CEC is compelled to request the full authority of $85 million for fiscal year 1980.

Finally, the preservice training needs of American Indians wishing to provide special education and related services to American Indian handicapped children is not solely the responsibility of the Bureau of Indian Affairs. With the inclusion of the children residing on reservations under the mandate of P.L. 94-142 the U.S. Office of Education was committed to this need. It

follows, then, that special education training programs operated under the aegis of EHA, Part D, make special consideration of this population.

Research and Development

Part E of the Education of the Handicapped Act has authorized the Bureau of Education for the Handicapped (BEH) to conduct a modest program of research and development to improve the quality of education for handicapped individuals.

This program seeks to improve the effectiveness and efficiency of the educational system for handicapped children by supporting the development and validation of new service models and techniques; by packaging information into usable form; and by systematically assuring that this information is disseminated to appropriate consumers and interested parties. Activities are designed so that quality research and development products can be expeditiously integrated into the educational delivery system. Recent examples of such activities include:

- Major efforts in the development of curriculum and instructional materials for the mentally retarded.
- Development and testing of reading aids for the visually handicapped.
- Studies of language development and instruction for preschool and infant handicapped children.
- Increased attention to the educational problems of very severely emotionally disturbed children.

The Council for Exceptional Children, however, believes there is an even greater need for a more substantial research and development effort in this area on the part of the Federal Government. With the passage and implementation of P.L. 94-142, CEC would envision that at least the following areas be explored if the U.S. Commissioner is to fulfill his supportive responsibilities under the law:

- implementation of individualized education programs for all handicapped children
- development and evaluation of management information systems
- definitional studies (such as in the area of specific learning disabilities)

- implementation of the "excess cost" constraint in P.L. 94-142 (especially from accounting standpoint)
- effective procedures for State-level and U.S. Commissioner validation of child counts under the entitlement formula
- educational referral and assessment standards and procedures
- alternative systems for the implementation of effective and efficient due process
- standards and procedures relating to child flow within least restrictive placement

In addition to the need for an expanded programmatic research effort, CEC also sees the necessity to improve upon our exceedingly fragile link-up with educational and medical technology. We are increasingly concerned that to date the still incredible pace of technological innovation and improvement has not been interfaced in any organized, consistent, and comprehensive manner to assist exceptional persons in meeting their everyday educational as well as individual needs.

For instance one might use the Kurzweil Reading Machine as an illustration of the importance and benefit of such applied technology in the education of handicapped individuals. This machine, invented by Raymond Kurzweil of Cambridge, Massachusetts and funded as a BEH-supported project, speaks the pages of books, magazines, newspapers, typewritten letters, and similar materials at the synthesized human speech rate of 200 words per minute, spelling or repeating if the user desires.

This electronic breakthrough gives the visually impaired or blind almost unlimited access to all printed material. Easy to operate, the machine automatically starts speaking after the user places the paper with print face down on a glass plate, and presses a button. A major feature of Kurzweil's system is that it can distinguish a variety of type fonts, and actually "learn" new ones from a computer program.

In essence, this is the problem: too often we wait for a dedicated researcher or scientist to come knocking at the Federal door with a good idea. We must develop a permanent link-up with the scientific and technological community in order to at least reduce the number of what have certainly been

too many lost opportunities for applied technology to the benefit of exceptional persons.

In essence, we would hope that the Congress would consider a modest increase in the appropriation for research (EHA, Part E), an appropriation which has been without increase for a number of years.

Conclusion

In closing, may we again thank you for the opportunity to appear. We stand ready to provide whatever assistance or information may be useful to you and other members of this panel during the course of the 96th Congress.

Note: Appendix items are drawn from USOE-BEH report to the Congress, submitted in January, 1979, respecting implementation of P.L. 94-142.

Gifted and Talented Education

The 95th Congress recognized the pressing special education needs of America's estimated 2.5 to 5 million gifted and talented children when it legislatively moved this program out of the Special Projects Act (Title IV, Section 404 of P.L. 93-380) to enable it to become a free standing act under Title IX of the Educational Amendments of 1978. Congressional commitment to the gifted and talented was further demonstrated through the increase in the level of authorization it provided for this population (e.g. from $12.5 million in FY 78 to $30 million in FY 80).

Considerable debate occurred between both Chambers of the Congress as to specifically what type of program it wished to establish with regard to gifted and talented education. As a compromise, it was decided that the Gifted and Talented Children's Act of 1978 would initially begin as a basic discretionary State grant program. Once appropriations reached $15 million, however, Federal monies for this act would be distributed by a State formula grant program. The initiation and development of a State formula grant program that will truly assist State and local education agencies to develop and operate viable programs for their gifted and talented children will obviously require a much greater Federal financial commitment than is presently provided through its meager $3.78 million appropriation.

It should also be recalled that the original Senate proposal as offered by Mr. Javits had included an automatic trigger which would have guaranteed a minimum appropriation under current figures of approximately 18 million for this program. During the course of colloquy in the Senate Chamber, however, this trigger was removed only after an assurance from Senator Warren Magnuson that the leadership of the Appropriations Committee would be attentive to the enlarged fiscal authority of this revised gifted legislation.

Finally, we must express a serious concern respecting the attitude and intention of the Executive Branch. If our interpretation is correct, the Administration, as part of the overall fiscal 1980 budget which was submitted to the Congress recently, appears to have totally ignored the existence of the new legislation just mentioned. Instead, the Administration has chosen to recommend for fiscal 1980 the continuance of the existing appropriation level of $3.7 million, to be operated under a special Commissioner-discretionary authority. In this context, Mr. Chairman, we would strongly urge this committee recommend to the Appropriations Committee that, regardless of what level is agreed to for the Gifted and Talented Program for fiscal 1980, that appropriation must be clearly designated for the purposes of the new legislation, namely, "The Gifted and Talented Children's Education Act of 1978."

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**TABLE 2**
**Incentive Grants for Preschool Handicapped Children**

| State | Children Served (Ages 3-5) | Preschool Incentive Grant (FY 1978) |
|---|---|---|
| U.S.Total for All States and Territories | 196,277 | $12,500,000 |
| U.S. Total for States Only | 195,058 | 12,422,368 |
| Albama | 443 | 28,213 |
| Alaska | 378 | 24,073 |
| Arizona | 774 | 47,382 |
| Arkansas | 446 | 28,404 |
| California | 24,370 | 1,552,016 |
| Colorado | 1,936 | 123,295 |
| Connecticut | 1,244 | 79,225 |
| Delaware | 474 | 30,187 |
| Florida | 5,274 | 335,877 |
| Georgia | 3,719 | 236,846 |
| Hawaii | 190 | 12,100 |
| Idaho | 658 | 41,905 |
| Illinois | 20,891 | 1,330,454 |
| Indiana | 1,214 | 77,314 |
| Iowa | 3,844 | 244,807 |
| Kansas | 2,575 | 163,990 |
| Kentucky | 1,470 | 93,618 |
| Louisiana | 4,759 | 303,079 |
| Maine | 678 | 43,179 |
| Maryland | 1,145 | 72,920 |
| Massachusetts | 4,750 | 302,506 |
| Michigan | 13,725 | 874,084 |
| Minnesota | 4,221 | 268,817 |
| Mississippi | 1,195 | 76,104 |
| Missouri | 5,846 | 372,305 |
| Montana | 449 | 28,595 |
| Nebraska | 2,493 | 158,768 |
| Nevada | 764 | 48,656 |
| New Hampshire | 289 | 18,405 |
| New Jersey | 4,755 | 302,825 |
| New Mexico | 666 | 42,415 |
| New York | 6,114 | 389,373 |
| North Carolina | 4,110 | 261,747 |
| North Dakota | 402 | 25,602 |
| Ohio | 4,069 | 259,136 |
| Oklahoma | 2,762 | 175,899 |
| Oregon | 2,280 | 145,203 |
| Pennsylvania | 11,007 | 700,986 |
| Rhode Island | 1,069 | 68,080 |
| South Carolina | 3,778 | 240,604 |
| South Dakota | 452 | 28,786 |
| Tennessee | 7,316 | 465,923 |
| Texas | 23,066 | 1,468,970 |
| Utah | 1,478 | 94,127 |
| Vermont | 535 | 34,072 |
| Virginia | 4,230 | 269,390 |
| Washington | 1,582 | 100,750 |
| West Virginia | 834 | 53,114 |
| Wisconsin | 4,032 | 256,780 |
| Wyoming | 337 | 21,462 |

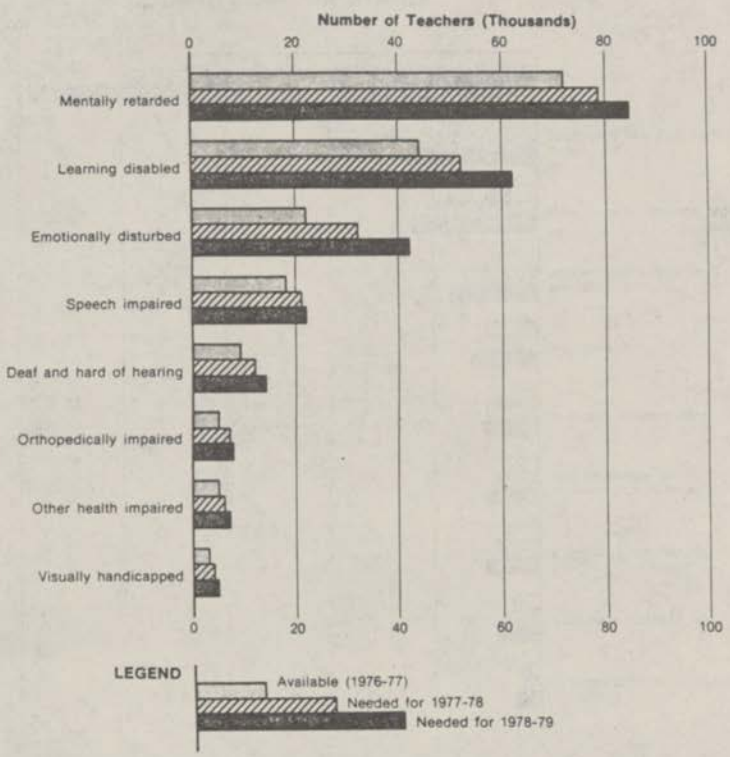
## Incentive Grants for Preschool Children Total $12.5 Million

Because it is generally accepted that the earlier you identify and work with a handicapped child, the better the chances of ameliorating some of the effects of the handicap, the new law introduced a system of incentive grants to States serving handicapped children ages 3-5. Entitlements for these grants are calculated on the basis of $300 for each child. However, the $12.5 million appropriation for this program limited the amount available to the States to a proration of $64.69 for each child.

Allocations are shown in Table 2. California, Texas, and Illinois received the largest awards. Their grants account for more than one-third of the total appropriation. Nine states received grants of less than $30,000. Hawaii had the smallest award ($12,000).

See Appendix D, Table D-3.4

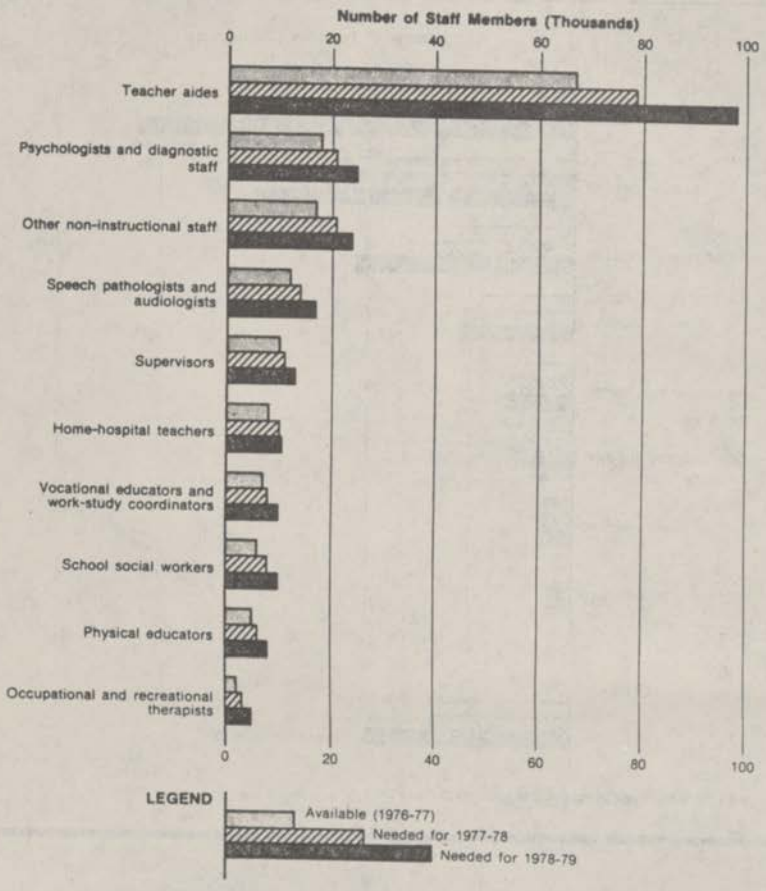
**Figure 3.4** **Special Education Teachers Available and Needed by Type of Handicapping Condition of Child Served[1]**




[1]Some States combined categories. See Appendix D, Table D-3.4.

See Appendix D, Table D-3.5

**Figure 3.5** School Staff Other Than Special Education Teachers Available and Needed[1]




[1]Some States combined categories. See Appendix D, Table D-3.5.

## TABLE D-3.4
## Special Education Teachers[1] Available and Needed by Type of Handicapping Condition of Child Served, School Years 1976-77 to 1978-79

| State | Mentally Retarded | | | Learning Disabled | | | Emotionally Disturbed | | |
|---|---|---|---|---|---|---|---|---|---|
| | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 |
| Alabama | 168 | 468 | 546 | 49 | 109 | 133 | 88 | 174 | 205 |
| Alaska | 45 | 0 | 0 | 21 | 42 | 88 | 10 | 24 | 57 |
| Arizona | 0 | 0 | 0 | 150 | 159 | 167 | 78 | 83 | 87 |
| Arkansas | 150 | 172 | 172 | 71 | 91 | 107 | 64 | 64 | 70 |
| California | 651 | 733 | 810 | 947 | 985 | 997 | 645 | 672 | 719 |
| Colorado[2] | 326 | 345 | 365 | 133 | 143 | 154 | 64 | 71 | 82 |
| Connecticut | — | — | — | 338 | 344 | 350 | 111 | 111 | 111 |
| Delaware | 52 | 52 | 52 | 40 | 23 | 65 | 29 | 31 | 64 |
| District of Columbia | 20 | 43 | 6 | 30 | 79 | 57 | 21 | 33 | 23 |
| Florida | 709 | 957 | 959 | 265 | 339 | 346 | 214 | 379 | 380 |
| Georgia | 460 | 502 | 630 | 327 | 280 | 323 | 109 | 115 | 134 |
| Hawaii | — | 2 | 10 | 52 | 55 | 69 | 15 | 15 | 18 |
| Idaho | 90 | 94 | 100 | 55 | 61 | 67 | 12 | 29 | 35 |
| Illinois[2] | 1,658 | 1,973 | 1,973 | 588 | 1,068 | 1,010 | 705 | 705 | 705 |
| Indiana | 683 | 1,056 | 1,056 | 218 | 1,618 | 1,618 | 53 | 82 | 82 |
| Iowa | 27 | 48 | 67 | 184 | 225 | 278 | 67 | 94 | 118 |
| Kansas | — | — | — | 96 | 109 | 141 | 17 | 33 | 54 |
| Kentucky | 372 | 386 | 394 | 123 | 181 | 211 | 33 | 40 | 55 |
| Louisiana | — | — | — | 148 | 157 | 246 | 63 | 148 | 308 |
| Maine | 1 | — | — | 29 | 102 | 87 | 8 | 19 | 12 |
| Maryland | 418 | 241 | 420 | 123 | 143 | 167 | 88 | 91 | 93 |
| Massachusetts | 1,905 | 2,192 | 2,253 | 219 | 234 | 239 | 240 | 279 | 289 |
| Michigan | 1,370 | 1,398 | 1,427 | 443 | 444 | 446 | 323 | 326 | 330 |
| Minnesota | 658 | 698 | 738 | 71 | 95 | 119 | 87 | 113 | 139 |
| Mississippi | 251 | 580 | 784 | 107 | 178 | 414 | 18 | 53 | 106 |
| Missouri | 654 | 661 | 667 | 150 | 216 | 253 | 81 | 88 | 99 |
| Montana | 198 | 230 | 267 | 16 | 19 | 22 | 13 | 15 | 17 |
| Nebraska | — | — | — | 65 | 65 | 65 | 42 | 44 | 46 |
| Nevada | 39 | — | 2 | 23 | — | 22 | 19 | — | 8 |
| New Hampshire | 161 | 182 | 201 | 40 | 45 | 52 | 121 | 137 | 151 |
| New Jersey | 1,251 | 1,093 | 1,095 | 196 | 210 | 211 | 88 | 98 | 99 |
| New Mexico | — | — | — | — | — | — | — | — | — |
| New York | 1,286 | 1,193 | 1,229 | 419 | 421 | 484 | 154 | 175 | 204 |
| North Carolina | 10 | 80 | 100 | 213 | 390 | 475 | 40 | 125 | 140 |
| North Dakota | 0 | 0 | 0 | 9 | 13 | 16 | 2 | 4 | 4 |
| Ohio | — | — | — | 381 | 396 | 471 | 200 | 216 | 288 |
| Oklahoma | 252 | 260 | 279 | 106 | 113 | 120 | 35 | 57 | 62 |
| Oregon | 189 | 216 | 220 | 48 | 59 | 62 | 27 | 30 | 30 |
| Pennsylvania[2] | — | — | — | 542 | 570 | 1,296 | 503 | 552 | 581 |
| Puerto Rico | 17 | 57 | 72 | 90 | 101 | 135 | 4 | 22 | 52 |
| Rhode Island | 0 | 0 | 0 | 15 | 0 | 0 | 16 | 16 | 16 |
| South Carolina | 466 | 585 | 611 | 164 | 196 | 204 | 67 | 89 | 91 |
| South Dakota | 1 | 1 | 1 | 32 | 35 | 35 | 11 | 11 | 11 |
| Tennessee | 560 | 780 | 790 | 230 | 250 | 285 | 35 | 70 | 105 |
| Texas[2] | 1,624 | 1,724 | 1,824 | 515 | 615 | 735 | 460 | 510 | 610 |
| Utah | 0 | 0 | 4 | 5 | 11 | 14 | 8 | 12 | 17 |
| Vermont | 0 | 0 | 0 | 33 | 37 | 37 | 5 | 7 | 7 |
| Virginia | 513 | 579 | 637 | 222 | 236 | 261 | 58 | 58 | 64 |
| Washington[3] | — | — | — | 127 | 130 | 133 | 39 | 37 | 38 |
| West Virginia | 207 | 247 | 345 | 56 | 59 | 101 | 43 | 37 | 74 |
| Wisconsin | 930 | 1,025 | 1,047 | 199 | 206 | 214 | 118 | 152 | 186 |
| Wyoming | 0 | 0 | 0 | 27 | 60 | 87 | 6 | 10 | 15 |
| American Samoa | 2 | 3 | 5 | 3 | 6 | 7 | 1 | 2 | 2 |
| Guam | 1 | 8 | 8 | 9 | 14 | 14 | 0 | 0 | 0 |
| Trust Territories | 7 | 15 | 25 | 12 | 21 | 27 | 3 | 5 | 7 |
| Virgin Islands | 4 | 6 | 8 | 6 | 8 | 10 | 2 | 4 | 6 |
| Bur. of Indian Affairs | 6 | 49 | 54 | 4 | 23 | 42 | 3 | 10 | 18 |
| Total | 18,390 | 20,944 | 22,254 | 8,787 | 11,791 | 13,766 | 5,341 | 6,377 | 7,314 |

## TABLE D-3.4 (Continued)
## Special Education Teachers Available and Needed by Type of Handicapping Condition of Child Served, School Years 1976-77 to 1978-79

| State | Speech Impaired* | | | Deaf / Hard of Hearing | | | Orthopedically Impaired | | |
|---|---|---|---|---|---|---|---|---|---|
| | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 |
| Alabama | 2 475 | 2 675 | 3 132 | 314 | 773 | 837 | 78 | 478 | 508 |
| Alaska | 111 | 163 | 206 | 279 | 378 | 413 | 30 | 66 | 141 |
| Arizona | 1 026 | 1 077 | 1 133 | 1 093 | 1 175 | 1 236 | 440 | 467 | 491 |
| Arkansas | 813 | 823 | 883 | 238 | 411 | 430 | 27 | 42 | 81 |
| California | 3 210 | 3 258 | 3 395 | 4 933 | 5 321 | 5 963 | 2 304 | 2 511 | 2 832 |
| Colorado[2] | 860 | 838 | 833 | 1 209 | 1 259 | 1 294 | 367 | 442 | 461 |
| Connecticut | 1 187 | 1 443 | 1 699 | 1 337 | 1 593 | 1 797 | 906 | 1 014 | 1 134 |
| Delaware | 213 | 221 | 301 | 320 | 359 | 575 | 171 | 190 | 256 |
| District of Columbia | 275 | 397 | 736 | 132 | 458 | 423 | 107 | 212 | 208 |
| Florida | 2 761 | 3 891 | 5 385 | 1 509 | 1 654 | 1 857 | 835 | 1 260 | 1 271 |
| Georgia | 2 319 | 2 292 | 2 402 | 835 | 900 | 1 076 | 551 | 591 | 813 |
| Hawaii | 176 | 187 | 192 | 293 | 302 | 308 | 34 | 37 | 40 |
| Idaho | 203 | 226 | 238 | 373 | 397 | 412 | 46 | 56 | 63 |
| Illinois[2] | 4 104 | 4 913 | 4 913 | 2 863 | 3 254 | 3 254 | 2 572 | 6 769 | 6 769 |
| Indiana | 1 987 | 3 252 | 3 252 | 279 | 982 | 982 | 184 | 2 769 | 2 769 |
| Iowa | 1 224 | 1 420 | 1 601 | 1 036 | 1 273 | 1 710 | 201 | 438 | 1 254 |
| Kansas | 789 | 828 | 856 | 559 | 625 | 867 | 226 | 275 | 492 |
| Kentucky | 1 881 | 1 734 | 1 774 | 635 | 744 | 901 | 165 | 220 | 298 |
| Louisiana | 1 853 | 1 937 | 2 093 | 764 | 983 | 1 298 | 229 | 399 | 664 |
| Maine | 219 | 593 | 426 | 176 | 273 | 35 | 26 | 658 | 150 |
| Maryland | 1 349 | 1 392 | 1 421 | 1 711 | 1 890 | 1 961 | 271 | 372 | 391 |
| Massachusetts | 1 609 | 1 825 | 1 898 | 1 005 | 1 144 | 1 190 | 1 096 | 1 232 | 1 316 |
| Michigan | 3 362 | 3 314 | 3 265 | 1 258 | 1 591 | 2 013 | 1 355 | 1 440 | 1 530 |
| Minnesota | 1 679 | 1 730 | 1 755 | 1 905 | 1 940 | 1 976 | 260 | 295 | 330 |
| Mississippi | 1 295 | 1 331 | 1 657 | 272 | 370 | 758 | 6 | 226 | 918 |
| Missouri | 1 923 | 2 064 | 2 131 | 1 094 | 2 184 | 2 471 | 491 | 589 | 687 |
| Montana | 246 | 285 | 331 | 442 | 513 | 595 | 48 | 57 | 66 |
| Nebraska | 728 | 748 | 768 | 227 | 247 | 257 | 126 | 136 | 146 |
| Nevada | 139 | — | 95 | 254 | — | 51 | 23 | — | 19 |
| New Hampshire | 181 | 202 | 226 | 181 | 202 | 226 | 172 | 193 | 212 |
| New Jersey | 1 436 | 1 554 | 1 557 | 1 231 | 1 514 | 1 526 | 950 | 1 068 | 1 072 |
| New Mexico | – | – | – | – | – | – | – | – | – |
| New York | 4 195 | 4 280 | 4 555 | 2 398 | 2 732 | 3 333 | 3 230 | 3 048 | 3 140 |
| North Carolina | 3 043 | 2 853 | 2 863 | 419 | 540 | 645 | 229 | 629 | 720 |
| North Dakota | 194 | 200 | 208 | 128 | 137 | 157 | 16 | 24 | 36 |
| Ohio | 4 070 | 4 110 | 4 467 | 1 636 | 1 821 | 2 777 | 210 | 260 | 444 |
| Oklahoma | 889 | 989 | 1 054 | 834 | 990 | 1 064 | 27 | 37 | 46 |
| Oregon | 406 | 443 | 463 | 729 | 802 | 845 | 102 | 150 | 149 |
| Pennsylvania[2] | 5 162 | 6 218 | 5 894 | 1 397 | 1 751 | 4 787 | 1 090 | 1 003 | 5 853 |
| Puerto Rico | 506 | 668 | 830 | 31 | 87 | 143 | 20 | 92 | 167 |
| Rhode Island | 180 | 220 | 215 | 195 | 247 | 262 | 92 | 117 | 122 |
| South Carolina | 1 925 | 2 488 | 2 500 | 468 | 640 | 640 | 248 | 327 | 327 |
| South Dakota | 186 | 202 | 206 | 139 | 199 | 213 | 25 | 33 | 35 |
| Tennessee | 1 465 | 2 000 | 2 120 | 1 640 | 1 640 | 1 700 | 355 | 465 | 565 |
| Texas[2] | 1 934 | 2 109 | 2 434 | 1 618 | 1 978 | 2 153 | 389 | 539 | 839 |
| Utah | 148 | 177 | 197 | 10 | 35 | 16 | 49 | 72 | 116 |
| Vermont | 106 | 134 | 173 | 47 | 55 | 65 | 26 | 43 | 43 |
| Virginia | 1 686 | 1 755 | 1 930 | 965 | 1 150 | 1 265 | 254 | 349 | 384 |
| Washington[2] | 979 | 1 008 | 1 027 | 517 | 533 | 543 | 365 | 376 | 384 |
| West Virginia | 892 | 875 | 1 148 | 272 | 539 | 647 | 57 | 61 | 146 |
| Wisconsin | 1 771 | 1 783 | 1 802 | 1 245 | 1 384 | 1 544 | 564 | 710 | 910 |
| Wyoming | 138 | 145 | 140 | 227 | 231 | 219 | 39 | 48 | 99 |
| American Samoa | 8 | 8 | 9 | 7 | 8 | 14 | 0 | 0 | 0 |
| Guam | 44 | 52 | 52 | 6 | 16 | 14 | 0 | 7 | 7 |
| Trust Territories | 9 | 21 | 33 | 4 | 8 | 12 | 9 | 16 | 24 |
| Virgin Islands | 46 | 62 | 56 | 7 | 12 | 24 | 4 | 8 | 32 |
| Bur. of Indian Affairs | 60 | 74 | 168 | 47 | 72 | 74 | 10 | 34 | 87 |
| Total | 71 67[illegible] | 7[illegible]485 | 85 09[illegible] | 43 998 | 52 236 | 61 596 | 21 707 | 32 900 | 42 076 |

## TABLE D-3.4 (Continued)
## Special Education Teachers Available and Needed by Type of Handicapping Condition of Child Served, School Years 1976-77 to 1978-79

| State | Other Health Impaired | | | Visually Handicapped | | |
|---|---|---|---|---|---|---|
| | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 | Teachers Available 1976-77 | Teachers Needed 1977-78 | Teachers Needed 1978-79 |
| Alabama | 81 | 170 | 197 | 6 | 50 | 64 |
| Alaska | 8 | 21 | 55 | 5 | 9 | 17 |
| Arizona | 1 | 1 | 1 | 100 | 106 | 112 |
| Arkansas | 50 | 50 | 50 | 43 | 45 | 55 |
| California | 411 | 473 | 568 | 406 | 430 | 451 |
| Colorado[2] | — | — | — | 43 | 45 | 48 |
| Connecticut | 36 | 66 | 96 | 69 | 93 | 117 |
| Delaware | 1 | 2 | 3 | 12 | 10 | 16 |
| District of Columbia | 21 | 33 | 34 | 92 | 33 | 18 |
| Florida | 200 | 316 | 321 | 109 | 174 | 175 |
| Georgia | 152 | 158 | 175 | 86 | 96 | 114 |
| Hawaii | 128 | — | — | 5 | 5 | 10 |
| Idaho | 28 | 32 | 39 | 44 | 53 | 57 |
| Illinois[2] | — | — | — | 189 | 227 | 275 |
| Indiana | 102 | 435 | 435 | 77 | 269 | 269 |
| Iowa | 65 | 92 | 120 | 48 | 67 | 118 |
| Kansas | 26 | 43 | 55 | 40 | 44 | 58 |
| Kentucky | 153 | 198 | 232 | 41 | 27 | 33 |
| Louisiana | 127 | 132 | 217 | 56 | 63 | 113 |
| Maine | — | 12 | — | — | 24 | 15 |
| Maryland | 28 | 13 | 26 | 52 | 70 | 80 |
| Massachusetts | 128 | 150 | 153 | 160 | 169 | 174 |
| Michigan | 155 | 144 | 133 | 136 | 137 | 137 |
| Minnesota | 136 | 136 | 140 | 42 | 59 | 76 |
| Mississippi | — | 89 | 215 | 22 | 44 | 75 |
| Missouri | 0 | 0 | 4 | 22 | 28 | 44 |
| Montana | 1 | 1 | 1 | 1 | 1 | 1 |
| Nebraska | 8 | 8 | 8 | 32 | 34 | 36 |
| Nevada | 20 | — | 23 | 8 | — | 6 |
| New Hampshire | 131 | 149 | 164 | 20 | 22 | 26 |
| New Jersey | 343 | 355 | 357 | 113 | 116 | 117 |
| New Mexico | — | — | — | — | — | — |
| New York | 1,658 | 1,522 | 1,613 | 356 | 389 | 443 |
| North Carolina | 41 | 170 | 185 | 63 | 135 | 150 |
| North Dakota | 0 | 0 | 0 | 2 | 4 | 9 |
| Ohio | 86 | 136 | 169 | 119 | 134 | 196 |
| Oklahoma | 0 | 0 | 0 | 30 | 36 | 38 |
| Oregon | 24 | 28 | 34 | 34 | 35 | 35 |
| Pennsylvania[2] | — | — | — | 193 | 314 | 93 |
| Puerto Rico | 21 | 33 | 68 | 7 | 30 | 70 |
| Rhode Island | 0 | 0 | 0 | 7 | 7 | 7 |
| South Carolina | 124 | 152 | 150 | 94 | 111 | 85 |
| South Dakota | 2 | 2 | 2 | 13 | 17 | 18 |
| Tennessee | 270 | 290 | 340 | 145 | 165 | 200 |
| Texas[2] | — | — | — | 64 | 89 | 129 |
| Utah | 54 | 57 | 60 | 1 | 3 | 1 |
| Vermont | 5 | 5 | 5 | 61 | 61 | 61 |
| Virginia | 11 | 4 | 4 | 54 | 65 | 71 |
| Washington[3] | 5 | 5 | 5 | 18 | 19 | 19 |
| West Virginia | 90 | 81 | 105 | 33 | 38 | 62 |
| Wisconsin | 34 | 54 | 76 | 80 | 83 | 87 |
| Wyoming | 4 | 6 | 9 | 3 | 3 | 3 |
| American Samoa | 1 | 1 | 1 | 1 | 2 | 2 |
| Guam | 0 | 0 | 0 | 4 | 4 | 4 |
| Trust Territories | 5 | 8 | 11 | 4 | 8 | 12 |
| Virgin Islands | 0 | 2 | 4 | 2 | 2 | 8 |
| Bur. of Indian Affairs | — | 21 | 36 | 1 | 16 | 38 |
| Total | 4,977 | 5,855 | 6,698 | 3,467 | 4,317 | 4,746 |

NOTES TO TABLE D-3.4

SOURCE: Tables 2A, B, and C of State Annual Program Plans for FY 1978. A dash generally indicates that the data were not available to the States.

1. Includes regular, special and itinerant/consulting teachers.

2. Colorado, Illinois, Pennsylvania and Texas each reported a combined count for teachers of the orthopedically impaired and other health impaired. Mississippi similarly reported a combined count only for available teachers. The counts are shown in the orthopedically impaired column; dashes are placed in the other health impaired column. In Illinois, the count of teachers needed for 1977-78 for the hard of hearing includes audiologists.

3. Washington reported a combined count of teachers for the speech impaired and teachers for the learning disabled. The count is shown in the teachers for the learning disabled column; a dash is placed in the speech impaired column.

4. Eleven States reported only combined counts of teachers for the speech impaired and speech pathologists. In Florida, Georgia, Illinois, Indiana, Kansas, Missouri and Tennessee, the counts were reported under teachers of the speech impaired and are displayed in this table. In Connecticut, Louisiana, Ohio, and Pennsylvania, the counts were reported under speech pathologists and are displayed in Table D-3.5.

STATEMENT OF DR. JOHN M. MARKWOOD, EXECUTIVE DIRECTOR, LEARY EDUCATIONAL FOUNDATION, WINCHESTER, VA.

The educational services currently being provided to the handicapped children of America have many of their roots in the innovations, creativity, and dedication to service of private schools. It was to us that parents turned when their children were excluded from public schools. It was from us that many of the educators and administrators currently guiding public special education programs received their early experience in working with handicapped children. It is on our pioneering ventures that many of the programs in the public schools are based.

And we continue to serve. It is to us that public school systems turn for services to children for whom they cannot provide educational services--usually the most severely handicapped and the most difficult to manage students. We continue to offer practical training experiences for students preparing for professional careers in the education and training of handicapped children. We continue to use our flexibility in exploring new methods to more effectively meet the needs of the children we serve--methods which can contribute to the education of handicapped children everywhere.

But our creativity is being stifled. Money is the principal reason. We are subject to rigorous rate setting procedures by public education agencies. And this is just. But the procedures restrict our rates to services being provided directly to those students currently being served. No allowance is made for the costs of research and program development. No provision is made for the cost of innovation. If we are to continue we must find funds elsewhere.

Recently, in discussing our problems with a nationally recognized leader in the field of special education, an individual who got his start in a private school, I was advised to ". . . go back to having tea and cookies with the ladies' clubs." But, as has been nationally recognized, private philanthropy has changed. Funds are very difficult to obtain, particularly in areas where the government has declared public responsibility as loudly as it has in the education of handicapped children.

Now, Congress has recognized the role of the private sector. We are specifically included in the language of Public Law 94-142. We are specifically identified as eligible to compete for funds that are made available. But in Virginia, at least, we compete on a very unfair basis. I have been advised that the Commonwealth has no mechanism for distributing funds to private non-profit organizations. When I pointed out that we are specifically identified by law as being eligible to compete for the funds, I was advised that ". . . (the Virginia Department of Education) would probably fund every project submitted by a public agency, <u>regardless of quality</u>, before funding a project submitted by a private agency."

In summary, I am not asking for any special favors. I simply want to emphasize the role that we are ideally suited to assume. We have demonstrated our innovative capability. We have demonstrated our commitment to children. We cannot allow ourselves to become simply a "dumping ground" for those children for whom the public education agencies cannot provide an appropriate educational opportunity. We are willing to serve these children, but only in the same tradition that has characterized our history: only with the flexibility and the funding to ensure that these children are provided with the full appropriate educational opportunity which is their right.

## STATEMENT OF RICHARD NACEWICZ, CHAIRMAN, NATIONAL AFFAIRS COMMITTEE, NATIONAL SOCIETY FOR AUTISTIC CHILDREN

My name is Richard Nacewicz, I am the Third Vice-President of the National Society for Autistic Children and the Chairman of the Society's National Affairs Committee. And I am the father of a teen-aged autistic son. I and the other parents and the professionals who make up the Society's membership appreciate this opportunity to express our views on the 1980 budget.

Since its founding 1965, the Society's motto has been "Research and Education," as those two avenues hold the most hope for our children. While we will be confining our remarks today to Education, our statement does address services for autistic adults and, of course, our research concerns; we therefore request that our entire written statement be made a part of the record.

We would also like to make one general observation on the Administration's budget - it is one we will make more specific in our discussion of certain programs. We are distressed at the proposed cut-backs in research and training in the HEW budget. While we are aware of the need to make sometimes painful choices concerning where limited monies can best be spent, we sense an underlying assumption - at least in the President's figures - that research and training are expendable items when times are hard.

This is shortsighted thinking. Research is an essential piece of prevention and a necessity for improving the efficacy and efficiency of treatment, medical and educational; it is our best hope for long-term savings. The disability which never happens costs nothing to treat; the disability which is mitigated by early intervention costs less to treat than the disability which is allowed to develop into a substantial chronic handicap. And the most enlightened treatment and research protocols are useless without trained personnel to carry them out.

EDUCATION

Education for the child with autism is a perfect example of the kind of sane, long-term economics I have been discussing. Appropriate programs range in cost from $3,000 to $30,000 per child per year. The higher figures are for residential programs which meet an acute need; only the most severly autistic child would require them and even then not usually for all his school years. Conceivably it could cost up to $160,000 to educate an autistic child (assuming 20 years in school at an average cost of $8,000/year). That is still far less than the alternative: $400,000 for a lifetime lost in an institution. Appropriate education is any handicapped child's passport to a more normal life; yet, for many years this passport was granted capriciously, if at all. Congress in 1975 rectified that injustice by passage of the Education for All Handicapped Children Act (P.L. 94-142), and underscored its commitment by meeting the authorization levels for the first two years the new law was in effect (Fiscal Years 1978 and 1979). However, this commitment was not carried out this year, and the program is threatened with a further reduction in federal support for FY 1981. (This is a forward-funded program, so the sum in the FY 1980 budget is actually for use in Fiscal 1981, the 1980-81 school year.)

While there have been larger sums appropriated each fiscal year, the level of federal support has declined in relation to both authorization levels and the recommended percentage for federal participation. The seriousness of this situation is exacerbated by declining state and local revenues because of Proposition 13 type cut-backs in taxation rates, and by the escalating population to be served by P.L. 94-142 programs: the school year for which you are today considering funding is the first year of mandated "full service"; i.e., <u>all</u> children ages 3 to <u>21</u> are to be receiving a free appropriate

public education. It is ironic that, although the intent of P.L. 94-142 was to provide federal assistance to the states to meet the admittedly higher costs of special education, Congress is reducing its commitment while simultaneously expecting the states to increase theirs.

Even at full funding, the authorized federal commitment is modest. It is based on an annually increasing percentage of the national average per pupil (NOT per handicapped pupil) expenditure times the number of handicapped children (NOT all children) served the previous year. One must assume a larger eligible population each year because no state was serving all its handicapped children at the inception of the program, and the law itself expands the eligible population by age over time. The forward funding feature does compensate to some extent for the annual disparity between children currently served and actually funded by federal dollars (i.e., counted two years previously). However, the base on which the formula is computed is low (about 1/3 of the average cost of a special education program).

The current budget is not adequate; the $804 million appropriated in the 1979 budget for 1980 use represents 12% of the average per pupil cost, not the 20% authorized by law. The recommended budget figure for FY 80 is again 12% when it should be 30%: $862 million instead of $2.1 billion. Put another way, the President is suggesting that Congress should allocate between $210 and $226 per handicapped child, when the states are expecting between $512 and $552 per child and have budgeted accordingly. Forward funding won't solve that one, nor will it relieve the "Catch 22" created by the cut-back: a state's grant is based on the number of children actually served two years previously; decreased federal support means the state cannot increase the number of children served - at least not at the mandated rate; fewer children served means less money next year.

In my own state of Maryland, the School Board is attempting to levy charges on parents for some cost, costs which two federal laws (P.L. 94-142 and Section 504 of the Rehabilitation Act) have declared public responsibility. Maryland is attempting to get the laws changed! And Montgomery County has just cut $500,000 from its special education program, a cut which will be met by staff reductions which will jeopardize the county's compliance with the law and will certainly jeopardize the education of vulnerable children.

We recommend full funding of this program; in no case should the appropriation be less than the $1.4 billion requested by the House Authorizing Committee.

One way of eventually reducing the cost of special education is to begin earlier. Early intervention can reduce the level of impairment resulting from a disability and sometimes even eliminate the need for further special education. Minimally, early childhood education enhances the handicapped youngster's ability to take advantage of education during his regular school years. At present, almost 2/3 of this nation's handicapped preschoolers remain unserved. The states have identified 220,000 children in the 3 to 5 year-old range who would be eligible for the $300/child promised for new programs under P.L. 94-142, so $66 million should be budgeted for these Preschool Incentive Grants. Instead, the President is proposing $14.5 million, a $3 million reduction in last year's figure. Again, we support full funding and suggest $33 million as an absolute minimum.

Consistent with our comments on the NIH budget, we wish to emphasize the need for training money for educational personnel. Congress was clearly aware of this need when it extended discretionary programs under Title VI of the ESEA. Funds for personnel development were the only item significantly increased, an acknowledgement of the fact that human resources must be increased if we are to serve effectively our handicapped child-

ren. We therefore urge full funding of $85 million for this item.

While we note with some relief that Title I (Educationally Disadvantaged) and Vocational Education programs have not been cut, we believe they should be given an increase at least commensurate with inflation. Many of the children served by Title I are in state institutions for the developmentally disabled and are not served by P.L. 94-142 programs. Vocational Education has failed to reach the handicapped in spite of a mandate to set aside 10% of its funds to do so, but has recently issued new regulations to strengthen its efforts in this regard. Both programs should be given the resources to meet their mandates; we suggest a minimum 7% increase for each.

We are pleased to see an increase for Head Start and recommend that Congress follow the Administration's lead here. This program has consistently increased the number of handicapped children served, exceeding in some states the 10% mandated; and is an excellent example of the effective early intervention mentioned above.

SUPPLEMENTARY and POST-EDUCATION SERVICES *

One of the most innovative programs ever devised to assist the severely handicapped is the Developmental Disabilities program. It is the only federal activity designed to coordinate services around an individual's needs, be they educational, social, economic, domiciliary or legal, without regard to age or income restrictions. Yet, in spite of its comprehensive mandate, it is a low-cost program because it works through existing service systems, enhancing their capacities to meet the specialized needs of developmentally disabled persons.

* NSAC is a member of the Consortium concerned with the Developmentally Disabled, and our recommendations concerning P.L.95-602 programs were developed through the Consortium's Task Force on appropriations. Their summary sheet is attached to our annotated testimony for your reference.

During the last Congress, the enabling legislation was significantly amended in an effort to tighten-up the program, enhance its effectiveness, avoid possible duplication, and ensure a basis for a rigorous evaluation. Yet the program continues to be treated like an unattractive stepchild by the Appropriations Committees. Appropriations for the Grants to States (the core of the program) have never come close to the authorization levels and have never even been increased enough to match ordinary growth, let alone inflation. We are still, after eight years, hovering around the $30 million mark and still expecting miracles. The program needed - and should have received - $55 million this year; the authorization for FY 1980 is $65 million; while we feel that a more reasonable compromise would be $50 million, we can support an appropriation of $47 million because we believe other areas of the program are even more seriously underfunded and need to be increased.

Certainly the Protection and Advocacy Systems are worthy of more than the token support they have been afforded so far. Clearly the Authorizing Committees agreed: the new legislation calls for $9 million this year and $12 million for FY 80. But again, the President has chosen to hold the line by limiting already insufficient expenditures even further, by forcing those most in need of assistance and least able to protest loss, to bear the brunt of fiscal restraint. The P and A Systems must provide case services (often legal) to disabled persons who are experiencing problems in getting services to which they are entitled, or whose human and civil rights are being abridged. At the same time, these systems are charged with the responsibility of establishing a sound financial base for their continuing operation. Since their core or stack-up monies (the federal allocation) has never allowed for more than an average of one and a half professional staff with one or two support staff, Congress has, as with the basic grant program, consistently

demanded the impossible and been very critical when the miracle was not forthcoming. The P and A systems should receive a minimum of $9 million in FY 80, and should be considered a high priority for any FY 79 supplemental appropriation of $3 million. Again, consistent with our opening comments, we find the President's cuts in the research and teaching programs for DD distressing examples of false economy. We can understand the need for cut-backs in the Special Projects, but the 75% reduction recommended by the Administration would be disruptive, causing some activities to be abruptly terminated before their planned completion and thereby rendering virtually useless monies already spent. It seems to us that $10 million (a 50% reduction) is a more reasonable solution. We cannot understand the proposed reduction in the University Affiliated Facilities Program, which provides both personnel training and development of innovative rehabilitation services, and - because of its tie-in with other federal programs (notably Maternal and Child Health) - has the potential for pre-service coordination in both planning and delivery. We believe the UAF program should receive an allocation of $12 million in the 1980 budget in addition to a supplemental appropriation of $1.1 million for 1979.

VOCATIONAL TRAINING

The basic Vocational Rehabilitation Program is another example of spending now to save later. The program provides vocational training and job placement (including some supplemental services) for disabled persons. Although the focus has traditionally been on rehabilitation of workers who have been disabled by illness or injury, in 1973 the Congress amended the Rehabilitation Act to give priority to the severely disabled, including those who have life-long impairments originating in childhood and therefore no normal developmental experiences on which to draw. For them, habilitation is needed, a process which can be significantly more costly than the usual rehabilitation. None-the-less, it is cheaper to train and place a worker than

it is to maintain a person in a state of lifelong dependency. Therefore, we recommend an appropriation of $880 million for the basic Grants to States VR program and $25 million for the Innovation and Expansion Grants, a special effort to provide prevocational training to the severely disabled persons we used to think of as "hapless."

Related to this issue of training and placement, is that of income maintenance. Many disabled people are afraid (and with good reason) to risk getting a job - if they are not able to succeed in employment, they have lost not only self-esteem but income support and medical benefits. NSAC supports the current legislative proposals which would remove these disincentives to employment and agains reminds the Subcommittee that the initial costs (we cannot recommend a specific figure until the proposals are enacted in final form) will result in significant long-term savings (the Administration is projecting a cost-benefit of $582 million by 1984). We therefore strongly encourage the Subcommittee to support whatever appropriations as necessary (in Medicare and Medicaid as well as the basic benefit programs) to effect the elimination of work disincentives.

INDEPENDENT LIVING

The programs just discussed are indicative of current thinking that even the most severely handicapped do not belong in institutions but rather have potential for more normal lifestyles. This new Independent Living Program can provide supports that others cannot but not with only $2 million this year and $10 million next! It is not a "bricks and mortar" program; rather it is a service program to provide ancillary help (transportation, counseling, attendant care, etc.) and training not available from other sources, which will enable a disabled person to maintain himself in the community. Our recommendation of $125 million will seem high if compared to the Administration's figure; it will seem reasonable if compared to the authorization

level for 1980 ($150 million) and insignificant if compared to this nation's annual bill for institutions (approximately $1.9 billion*).

One of the programs which Independent Living will supplement is the Title XX Social Services Program, for which low-income disabled people are eligible and which provides many of the services for daily living which they need. Last year the Congress raised the ceiling on federal expenditures for this program to $2.9 billion, but only for FY 1979. We recommend against a return to the old celing of $2.5 billion and suggest $3 billion as a permanent figure. (The $2.9 billion included a $200 million set-aside for child care which we would suggest eliminating in favor of a higher total general allocation.)

Our final recommendation concerning services is for the pending Child Health Assurance Program (CHAP). This new program would be an improved EPSOT - type service: health screening and follow-ups for low-income children. The President is requesting $288 million, which we urge the Subcommittee to appropriate.

RESEARCH

At one time autism was thought to be a psychogenic illness because its primary symptoms (inability to communicate, lack of social awareness and insistance on routines and sameness in the environment) mimicked those associated with psychosis. Recent research has shown that autism is a neurological impairment with several different physiological bases. When this new information was presented to the Congress, this Subcommittee (and its counterpart in the House) took the initiative in authorizing the National Institute of Neurological and Communicative Disorders

* A study by the Bureau of the Census for HEW (A Survey of Institutionalized Persons: A Study of Persons Receiving Long-Term Care) showed that in 1976 there were 1,550,100 disabled persons in residential care. Based on an average cost of $14 per person per day the federal share (25%) comes to slightly more than 1.9 billion.

and Stroke to develop and implement a strategy for autism research. That was in 1974 and we are still waiting. An autism section has been created in the Developmental Neurology Branch but it exists only on paper - there is no staff and no activity. We hope the Subcommittee will keep this need in mind as it sets the appropriations figures for NINCDS.

NINCDS

NSAC works closely with other organizations with an interest in basic brain research: The Epilepsy Foundation of America, the National Association for Retarded Citizens and United Cerebral Palsy Associations. EFA will be making a formal presentation to the Subcommittee on our research recommendations. We wish here only to emphasize the need to appropriate sufficient money to meet the "250 payline" for research proposals - a cut-off point of Congress's own selection. This means that, rather than accept the President's figure (a $43,000 cut), the Subcommittee needs to add to that $212 million: $19 million for inflation, $42 million to increase grant funding capacity to the 250 payline (approximately 50% of approved grants), and $13 million to begin implementation of the Huntington's and Epilepsy Commissions' recommendations. This would still mean a very basic no-frills program; anything less would be a step backward.

NIMH

Closely related to our concerns on neuroglogical research is work done on mental health, as it is becoming increasingly apparent that at least some mental illnesses have a physiological base. Moreover, pharmacological treatments identified as a result of this type of research have greatly reduced treatment costs, largely because they have made ambulatory care possible for many patients who formerly would have had to be hospitalized.

We are therefore encouraged by the President's recommended increase of $27 million for research and respectfully suggest

that the Committee consider $160 million a minimum amount, as this must cover all mental health research - innovative methods of behavioral treatment as well as investigations into psychobiology and related medical interventions. Since this type of research is the key to prevention as well as to less costly and more effective treatment, and thus has high potential for "payoff" in both fiscal and human terms, a figure of $165 million would not be excessive.

Another program which has reduced the cost of treatment for mental illness is the Community Mental Health Centers program. We cannot understand the Administration's rationale in proposing a cut in the funds for continuation of existing centers, and recommend an appropriation of $281 million, a mere 1% increase over the 1979 appropriation. This increase in funding actually represents a relative decrease, as the percentage of state and third party shares of total costs has increased over the years; while the federal share has declined from 38% in 1971 to 29% in 1978.

Finally, we support the President's figure of $99 million for new initiatives, including conversion and distress grants. Again the economics are unarguable: 2.7 million people served each year in existing centers at an average cost to the federal government of $100 per person!

. . We thank the Subcommittee for its attention to the concerns of autistic citizens and again urge that the brunt of necessary restraints not be imposed on our most vulnerable people.

RECOMMENDED APPROPRIATIONS REQUEST FOR FY '79 SUPPLEMENTAL & FY '80
REHABILITATIO COMPREHENSIVE SERVICES AND DD AMENDMENTS 1978

(figures are in millions)

Derived by Consensus of Coalition of Disability Groups

| Item | Amount Appropriated FY 78 | Administration Budget Request FY 79 | Coalition Recommendation FY 79 | Coalition Recommendation FY 80 |
|---|---|---|---|---|
| BASIC STATE VR SERVICES | $760.472 | $808.000 | $808.0 | $880.0 1/ |
| maintenance of effort | | 9.484 | 9.484 | 9.484 |
| Section 101(b)(1), 110 (b)(2) | | | | |
| INNOVATION & EXPANSION | 18.0 | 18.0 | 21.0 | 25.0 |
| Section 100(b)(2) | | | | |
| RESEARCH (incl.Nat'l Institute) | 31.5 | 31.5 | 40.0 | 50.0 2/ |
| Section 201 | | | | |
| TRAINING SERVICES AND | 7.4 | 4.9 | 11.0 | 20.0 |
| FACILITIES IMPROVEMENTS | | | | |
| TRAINING | 30.5 | 30.5 | 34.0* | 35.0 |
| Section 304 (d) | | | | |
| SPECIAL PROJECTS:** | | | | |
| SEVERELY DISABLED - § 311 | | 7.048 | 15.0 | |
| MIGRANT WORKERS - § 312 | | 1.53 | 2.0 | |
| HELEN KELLER CENTER - § 313 | | 2.5 | 2.5 | |
| READER SERVICES - § 314 | | | 4.0 | |
| INTERPRETER SERVICES - § 315 | | | 6.0 | |
| RECREATION - § 316 | | | 3.0 | |
| CLIENT ASSISTANCE - § 105 | | 1.5 | 1.5 | |
| EVALUATION - § 131 | | | 0 | |
| PROJECTS WITH INDUSTRY | 4.5 | 4.5 | 6.5 | 10.0 |
| Section 623 | | | | |
| Business Opportunities - 612 | | | .5 | |
| INDEPENDENT LIVING - Title VII | | 2.0 | 25.0 | 125.0 3/ |
| Section 731 (a) | | | 3.0 | |
| P & A - Section 731 (d) | | | | |
| NATIONAL COUNCIL | | | .5 | 1.5 |
| Title IV - Section 405 | | | | |
| EMPLOYMENT SERVICES | | | 15.0 | 40.0 |
| Section 732? | | | | |
| DEVELOPMENTAL DISABILITIES: | | | | |
| Title V | | | | |
| STATE GRANT PROGRAM | 30.0 | | 32.1 | 47.0 |
| SPECIAL PROJECTS | 19.5 | | 19.5 | 10.0 |
| UNIV. AFFILIATED FACILITIES | 6.5 | | 7.6 | 12.0 |
| P & A | 3.0 | | 6.0 | 9.0 |

FOOTNOTES

* Authorization ceiling for FY 79

** The Administration's definition of Special Projects made it impossible to derive figures which would coincide with the coalition's.

1/ The State Formula Grant program is a legal entitlement item for which the appropriations committees must provide a full authorization level. The $72 million coalition request in 1980 represents a 9% increase over the FY 79 supplemental coalition request and is the estimated cost of living increase. This is a matching program and it has been determined that states have the money to match all available federal funds.

2/ Congress has indicated that a major new research effort is needed and this recommendation reflects that expectation with an adequate staff complement.

3/ This figure would include all independent living projects currently underway, includin those currently funded by Innovation and Expansion Grant funds as well as full authorized funding for P & A systems.

SUMMARY OF RECOMMENDATIONS - FY 1980

EDUCATION

| | | |
|---|---|---|
| EHA (P.L.94-142) | GRANTS TO STATES | $2,100,000,000. |
| | PRESCHOOL INCENTIVE GRANTS | 66.000,000. |
| | PERSONNEL DEVELOPMENT | 85,000,000. |
| TITLE I,ESEA (Section 121-P.L.89-313) | | 417,300,000. |
| VOCATIONAL EDUCATION (STATE GRANTS) | | 729,740,000. |

OTHER SERVICE PROGRAMS

| | |
|---|---|
| HEAD START | 700,000,000. |
| DEVELOPMENTAL DISABILITIES (TITLE V of P.L. 95-602) | |
| STATE GRANTS | 47,000,000. |
| PROTECTION & ADVOCACY SYSTEMS. | 9,000,000. |
| SPECIAL PROJECTS | 10,000,000. |
| UNIVERSITY AFFILIATED FACILITIES | 12,000,000. |
| REHABILITATION SERVICES | |
| BASIC STATE GRANTS | 880,000,000. |
| INNOVATION & EXPANSION GRANTS | 25,000,000. |
| INDEPENDENT LIVING | 125,000,000. |
| TITLE XX. | 3,000,000,000. |
| CHAP (Anticipated). | 288,000,000. |
| RESEARCH | |
| NINCDS | 286,000,000. |
| NIMH | 165,000,000. |
| CMHCS. | 380,000,000. |

## STATEMENT OF SUSAN R. BUSWELL, PRESIDENT, MARYLAND ASSOCIATION OF BOARDS OF EDUCATION

Mr. Chairman and distinguished members of the committee, I am Susan R. Buswell, President of the Maryland Association of Boards of Education and Chairman of the Board of Education of Howard County. I appreciate the opportunity to express my deep concern with the level of funding of education for handicapped students proposed in the President's budget.

The Education of the Handicapped Act mandates that public school systems provide free appropriate education to all handicapped children, including special education and related services to meet their unique needs. The provisions of this law have broadened the scope of education far beyond what you or I perceived education to be when we were students. While recognizing the purpose of the law to be worthy and commendable, it has created substantial new burdens for the local public school systems.

Children whose care had been provided by various other public and private agencies have now become the financial responsibilities of public school systems. Health and social welfare services must be provided for by education budgets. As an example, residential care costs, previously charged to mental retardation agencies, are now borne by public school systems.

I am not here to dispute the responsibility of providing appropriate education to all children through the public school system. I am here, however, to emphasize yet another portion of the law dealing with education for the handicapped which provides that the federal government will assist the States and localities in responding to the mandate to provide this education.

Localities are trying hard to live up to the requirements of the law, as well as the expectations of parents and students. A lacking ingredient has been financial assistance from the federal government at the level which was anticipated, and believed to have been promised, when the law was passed.

Although $804 million has been appropriated by Congress in FY 1979, this only represents about 12% of the excess cost of education for handicapped children. I need not remind this committee that Congress' commitment in the authorizing legislation was at a level of 20% of the excess cost. In the President's budget for FY 1980 a 7% increase is provided in the line item. With the anticipated increase in the number of students and inflation, this increase will not advance the commitment of the federal government beyond the 12% level of excess cost.

I am not confident that Congress will feel obliged to add funds sufficient to approach the current federally authorized level of 30% of excess cost. However, I feel that an appropriation of substantially less than 30% of the excess cost level will clearly indicate to parents, children, and public school systems that Congress only intended to raise expectations, but was not serious in its pledge to enter into a partnership with local public education systems to provide for each and every child a free and appropriate education regardless of handicapping condition.

Thank you for the opportunity to address this committee.

HOWARD COUNTY PUBLIC SCHOOL SYSTEM

SPECIAL EDUCATION

Summary Revenue and Expenditures
FY 1977 - FY 1980

| | FY 77 Audited | FY 78 Audited | FY 79 Budgeted | FY 80 Proposed |
|---|---|---|---|---|
| Expenditures | | | | |
| Salaries & Materials | $ 2,057,691 | $ 2,571,664 | $ 3,109,654 | $ 3,707,599 |
| Outgoing Transfers | 319,599 | 329,781 | 289,000 | 289,000 |
| Transportation | 246,556 | 325,480 | 469,014 | 683,750 |
| Subtotal | $ 2,623,846 | $ 3,226,925 | $ 3,867,668 | $ 4,680,349 |
| Fixed Charges | 122,764 | 153,408 | 182,783 | 218,051 |
| TOTAL | $ 2,746,610 | $ 3,380,333 | $ 4,050,451 | $ 4,898,400 |
| Revenue | | | | |
| State | | | | |
| Handicapped | $ 1,712,418 | $ 1,732,133 | $ 1,916,262 | $ 2,201,084 |
| Transportation | 216,900 | 282,900 | 376,110 | 569,375 |
| Federal | -0- | 57,334 | 311,000 | 482,174 |
| Local | 817,292 | 1,307,966 | 1,447,079 | 1,645,767 |
| TOTAL | $ 2,746,610 | $ 3,380,333 | $ 4,050,451 | $ 4,898,400 |
| Total Education Budget | $39,554,876 | $42,801,342 | $47,844,607 | $55,118,038 |
| % of revenues for education of the handicapped provided by the Federal Government | -0- | 1.7 | 7.7 | 9.8 |

## ELEMENTARY AND SECONDARY EDUCATION

STATEMENTS OF:

MRS. ROBERT S. McNAMARA, CHAIRMAN, READING IS FUNDAMENTAL, INC.

MRS. RUDY GRAVES, PRESIDENT, RIF, INC.

DR. PERCY WILLIAMS, ASSISTANT STATE SUPERINTENDENT, MARYLAND DEPARTMENT OF EDUCATION

MRS. MARGARET S. BUVINGER, PRESIDENT, NATIONAL SCHOOL BOARDS ASSOCIATION

DR. MARTIN W. ESSEX, NATIONAL COUNCIL OF STATE EDUCATION AGENCY COMMUNITY EDUCATORS

CHALMERS MARQUIS, JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS

MRS. ANN DORR, AMERICAN GEOLOGICAL INSTITUTE

Senator MATHIAS. We now will take the elementary and secondary education.

Ladies and gentlemen, though most of you are well known to the Committee, we will ask you each to identify yourselves for the record.

Mrs. McNamara. Margaret McNamara, Reading Is Fundamental, Chairman of the National Board.

Mrs. Rudy Graves is the President of Reading Is Fundamental.

Dr. Williams. Percy Williams, Assistant State Superintendent, Maryland Department of Education.

Mrs. Buvinger. Margaret Buvinger, President, National School Boards Association.

Dr. Essex. Martin Essex, Superintendent of Public Instruction Emeritus in Ohio, representing the National Council of State Educational Agencies associated with Community Education.

Mr. Marquis. Chalmers Marquis, appearing on behalf of the Joint Council on Educational Telecommunications.

Mrs. Dorr. Ann Dorr, appearing for the American Geological Institute.

Senator Mathias. Who would like to lead off?

I make the same offer to you. Your full statements will be included, but we hope you can——

## Statement of Dr. Percy Williams

Dr. Williams. I don't have a plane to catch, but, not knowing Washington, even though I live close, there is such a thing as parking tickets. One parking lot gave me a ticket and said, "If you are not back by 5:30, your car will remain here until the next morning."

While I don't live so far away——

Senator Mathias. I will lend you mine. [Laughter.]

Dr. Williams [continuing]. 75 miles to get home and my wife wants to see me tonight. [Laughter.]

As indicated earlier, I am from the Maryland State Department of Education and I am responsible for the administration of title I and several other Federal programs.

I have worked in this capacity since Setember of 1965—and I emphasize 1965 because that is when title I of the Elementary and Secondary Education Act went into effect. It was passed and approved and signed by President Johnson, I think on April 10, or somewhere during the month of April.

I appear today on behalf of not only Maryland, but also on behalf of the Education Commission of States. That includes 47 States, Puerto Rico, Virgin Islands, American Samoa, and a few other things.

Our State superintendent, David Hornbeck, would have been here to make a presentation on the part of Maryland. However, he had a State board meeting and there were several questions coming up and he had to be there to answer his board. Otherwise the board might fire him while he was over here, and we couldn't afford to have that.

Secondly, the vice chairman is State Senator Clarence Blount from Baltimore City who also is in session in the General Assembly, and he couldn't come because of the budget that we are trying to get through down there.

I certainly can't take the place of those two individuals and, at the moment, I would like to say I am indebted to all of you for listening to me just for a couple more minutes.

I want everyone in the room to recognize that I appreciate this opportunity, and especially to be in front of the senior Senator from Maryland who is a genuine statesman. It is a great pleasure just to be here, sir.

INCENTIVE GRANT PORTION OF TITLE I

Now, the purpose of my testimony is to talk about the incentive grant portion of title I.

We are recommending a small sum, probably $50 or $60 million, for that portion of title I.

On previous occasions, as I appeared before congressional committees, I have been to try to justify, to plead, to beg, cajole, and have someone listen to our cause in justification for title I.

I think we have gone too far now down the road with such very important documents as those that have come out from the National Institution of Education or the Lawyers Committee for Civil Rights Under the Law, and several others that have proven the fact that we no longer have to raise the question of: Is it worthy?

We know it is worthy. We know that it will pay big dividends in the end.

But we are asking here today that you implement one small section that has not been implemented before known as incentive grants. And we do that for several reasons.

No. 1, the number of children which are served by title I is only about two-thirds.

Secondly, incentive grants, as established in the law, make provisions for a genuine partnership on the part of the Federal, local, and State governments.

I say State government last, realizing that State government is the authorized agency with the responsibility from the 10th amendment of the Constitution to provide education.

Now, the proposal for matching Federal funds with State funds therefore becomes what we would like to say is a carrot that induces local and State agencies to kick in a little money to complete the number of children who need title I assistance and if you just start off with $50 or $60 million, I think you will find more and more States willing to have some incentive grant funds available to educate all of the children who deserve that kind of attention.

I have included, as a part of something you already have, a detailed justification of the recommendations. I am submitting also testimony from Florida and the State of Washington along with the material which I have presented to you.

I would like to just emphasize three things: The incentive grant program is an indispensable part of the total package which was passed in the amendments to title I. It not only will provide additional funds, but it will also provide for the concentration element, which is a second part.

Third, the incentive grant, as I want to point out now, will encourage more State effort, which is a real problem at this time and a basic issue which I think many States have not come to realize.

I would want to say to you that we have at present in Maryland six laws before the general assembly—which will close in 2 weeks—and I think your action in the near future, within that period of time, probably, or your consideration, might be the nudge that causes one of those bills to get passed and we will have more children receiving title I funds or receiving an education which they so badly need.

Now, this kind of activity is not new to Maryland because we have had density aid or incentive grants for over 8 years. Last year it amounted to about $8 million. With this at the same rate, we will get an additional $4 million.

The same is true in many of the other States.

I look forward to the day when we will have more and more States making provision for all of the children who need title I assistance.

Finally, I would say to you that now is the time for some action on incentive grants, while the general assemblies are in session. Maryland will close within 2 weeks, but there are some other general assemblies that will be open through June, and whatever you do between now and that time will be a great incentive for them.

Without the Federal funding in the incentive manner, we think we will weaken a part of the Public Law 95–561.

I urge—I plead—I beg you to act on this very small portion of title I.

Senator MATHIAS. Thank you very much.

STATEMENT OF MRS. ROBERT S. MCNAMARA

Mrs. MCNAMARA. Thank you, Senator Mathias. It certainly is a great pleasure to testify again before your Committee on behalf of the inexpensive book distribution program.

We appear today to request that Congress appropriate $7 million for this program for fiscal year 1980.

For this program Congress has authorized up to $10 million for fiscal 1980. Although the administration has requested $6 million, the same amount appropriated for fiscal years 1978 and 1979, as the contract for the program Reading Is Fundamental is convinced that $7 million is required to keep serving the children already involved in this program.

Like everything else, the price of books has climbed steeply. With less than $7 million, the local projects will not be able to buy enough books in fiscal 1980 for the 2 million children they now serve, not to mention the braille books that are now being used in some of our handicapped programs.

We think this program has really earned the trust that Congress gave when it first authorized this money. Since March 1977 this book program has distributed about 11 million books to nearly 3 million people aged 3 through high school age, and involved at least 130,000 volunteers.

We think Congress will be especially pleased to know that nearly 40 percent of those volunteers are parents.

There are now projects, approximately 2,300, as they keep growing all the time in all 50 States, District of Columbia, Puerto Rico, Guam, Virgin Islands, and with the $6 million of funds appropriated last year.

Over 100,000 volunteers in these projects are bringing 8 million books to about 2 million children.

The cost of this program is impressive, especially in these inflationary times.

Local projects receive Federal matching funds only for books. Not for administration. So it is estimated for every dollar that the Federal Government contributes, the local communities invest another $2 in books, operating costs, and in-kind services.

Every day the Reading Is Fundamental office receives letters from people who tell us that this program works. It succeeds in getting children to read and recently studies in Texas and Pennsylvania have confirmed what our volunteers have told us all along: When children come from homes with plenty of reading material, they score higher in reading tests than children from homes where there are no books, newspapers, or magazines.

To provide book environment—this is very important. It is book environment, whether it is in the home or school or library—through the freedom of choice and, in this case, with Reading Is Fundamental personal ownership, this program really makes readers of children.

We know that Congress shares the concern all Americans feel our youngsters read so little. The inexpensive book distribution program gives citizens an effective way to put that concern into action.

It costs the Government very little, but gives our children a priceless gift: The will to read and to learn. It gets parents concretely involved in their children's education and gives everyone in the community a project they can work on together.

The Congress can be proud of this program. Our local volunteers are proud of their part in it, and the children they serve are grateful.

In order for those volunteers to keep serving children at current levels, Reading Is Fundamental respectfully requests Congress to appropriate the $7 million for the fiscal year 1980 operation of the inexpensive book distribution program.

Thank you very much, Senator Mathias, for letting us give our testimony today, and we would love to answer any questions you have about this program. I think you are familiar with it in Maryland.

[The statement follows:]

## STATEMENT OF MRS. ROBERT S. MCNAMARA, CHAIRMAN, READING IS FUNDAMENTAL, INC.

READING IS FUNDAMENTAL, INC. (RIF), CONTRACTOR FOR THE INEXPENSIVE BOOK DISTRIBUTION PROGRAM THROUGH THE U.S. OFFICE OF EDUCATION, RESPECTFULLY REQUESTS THAT THE CONGRESS APPROPRIATE $7 MILLION FOR THIS PROGRAM FOR FY 1980.

The authorized FY 1980 amount for the Inexpensive Book Distribution Program is $10 million. The Administration has requested $6 million. In this year of serious fiscal restraints we would not request the full authorized amount, but we do strongly recommend that the Congress appropriate $7 million for this program for these reasons:

- The appropriation for the Inexpensive Book Distribution Program has remained at $6 million for the two fiscal years 1978 and 1979. Like other costs, the cost of books has risen in this period. Without some budget increase to compensate for higher book costs, the program will be forced to reduce the number of young people served. With $6 million this year the program is currently serving some 2 million children with 8 million books. An appropriation of $7 million in FY 1980 would permit service only to about the same number of children with about the same number of books.

- The Inexpensive Book Distribution Program was initially authorized in 1975 to provide Federal funds to match local funds on a 50/50 basis. Under the fiscal 1979 authorization of Title II of the Basic Skills Improvement Program, the match is changed to 75% Federal/25% local. In addition, projects serving the children of migrant and seasonal farmworkers are eligible for 100% Federal funding.

Reading Is Fundamental believes this change is proper, for it will allow the program to serve many poor and migrant children whose communities find it difficult to raise local funds for books. But it also means that, in order to fund all the projects currently operating, the program may be forced to limit severely the amount of Federal funds each may receive and thus the number of children each may serve. The program may also be forced to refuse funding to many new groups wishing to serve the youngsters in their communities.

To permit the program to continue fully serving the communities already involved, and to accommodate to some extent the scores of new groups who apply for funds every day, Reading Is Fundamental respectfully requests the Congress to appropriate $7 million for the Inexpensive Book Distribution Program in FY 1980.

### MEETING THE URGENT NEED TO IMPROVE READING HABITS

When Congress first authorized the Inexpensive Book Distribution Program with strong bipartisan support in 1975, the Members were responding to an urgent message from American parents and educators: record numbers of their youngsters were functional illiterates, unable even to follow a street map or answer a job ad; and they had no inclination to develop the habit that often makes the difference between productive and wasted lives--the habit of reading.

The renewed commitment of the Administration, the Congress and private citizens to improve basic skills has surely helped. The Inexpensive Book Distribution Program has itself radically improved the reading habits of many young people.

But we are still on the narrow tip of the iceberg. As of 1976, the National Assessment of Educational Progress found that 12% of our 17-year-olds are functionally illiterate. Some 34% of those youngsters cannot even determine the most economical size of a simple consumer product. The U.S. Bureau of Labor Statistics estimated that the ranks of teen-age high school dropouts swelled by over 80,000 between 1976 and 1977 alone.

If the problem were simply one of altering our teaching techniques, it might be less intimidating. But many signs suggest that the problem goes deeper than skills of teaching and learning. The signs suggest that American youngsters--and often thier parents--no longer want to read.

For example, a study by the research firm of Yankelovich, Skelly and White, released in November, 1978, determined that nearly half the American people over the age of 16 never read a book. Prompted by test results showing two-thirds of Maryland's 7th to 11th graders do not read for pleasure, the Washington Star editorialized that a new deprived class is being created--deprived not economically, but intellectually and emotionally by their refusal to read.

## INEXPENSIVE BOOK DISTRIBUTION PROGRAM ENLISTS PARENTS AND VOLUNTEERS TO PROMOTE READING

The Inexpensive Book Distribution Program is a simple, low-cost and effective way for the Federal government to turn that refusal to read into a national affirmation of the importance of books.

The goal of the program is to motivate young people to want to read, therefore making it easier for their schools to reach them how to read. The method is to mobilize parents and community volunteers to start local reading motivation projects for their youngsters, based on techniques Reading Is Fundamental, Inc. has developed in its thirteen-year effort to promote reading.

## THE METHOD OF THE INEXPENSIVE BOOK DISTRIBUTION PROGRAM

The Reading Is Fundamental technique as applied to this program is refreshingly simple. Local groups of parents and other volunteers buy a wide range of inexpensive books and let youngsters choose--and keep--the books that interest them. The young people read their books for pleasure and information. They are not tested on their RIF books nor required to submit reports or other assignments. Each youngster keeps his books in his own home, building a personal library to share with siblings, friends and parents. To reinforce the message that reading is fun, the volunteers engage the youngsters in year-round motivational activities centered around the pleasures--and importance--of reading.

## READING IS FUNDAMENTAL: THIRTEEN YEARS OF SUCCESS

Beginning with a single pilot project in 1966, Reading Is Fundamental worked for ten years to develop reading motivation projects in local communities. The funding was almost exclusively private. Local citizens had to raise their entire budgets--for books as well as operating costs--from their communities. It took commitment to run a RIF project, and it still does, but people all over the country made the effort because they saw that RIF rapidly increased their youngsters' desire to read. By 1976, there were nearly 400 RIF projects in 47 states.

In 1975 Congress voted to support the commitment of local citizens with Federal dollars by creating the Inexpensive Book Distribution Program. The program provides Federal dollars to match local dollars to buy books to distribute to children. In September, 1976, the U.S. Office of Education signed a contract with Reading Is Fundamental, Inc. to operate the program, and in March, 1977, RIF was authorized to begin obligating Federal book funds to local projects.

## BOOK PROGRAM DRAWS ENTHUSIASTIC RESPONSE

The public response to this program has been overwhelming. In two years, the number of local projects has jumped nearly 600%. Some 2300 reading motivation projects now operate in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and Guam. These projects are currently bringing about 8 million books to some 2 million youngsters, aged three through high school. Since March, 1977, some 11 million books have been distributed to 3 million children by nearly 130,000 volunteers.

## BOOK PROGRAM HELPS LOCAL PARENTS, VOLUNTEERS AND BUSINESS WORK FOR READING

The combination of the RIF idea and Federal funds has worked like a magnet, pulling hundreds of entire communities into active alliances to encourage their youngsters' reading.

When this book program comes to a community, it functions something like the town square Americans enjoyed in simpler days: a congenial place identified with the community-at-large; a spot in which everyone comes together to work on things that matter to them all. Local businesses come to their RIF projects with funds and services; public officials lend their prestige and encouragement; school, library, and recreation center administrators coordinate the logistics that make a reading motivation project possible. These helping hands reach out to private citizen volunteers, and together they make the Reading Is Fundamental project work for their community's children.

Volunteers in local projects include teachers, librarians, members of service groups like AAUW, Jaycees, Rotaries, Links, Boys' Clubs and Junior Leagues, school administrators, and above all, parents.

## PARENT INVOLVEMENT

Parent involvement has always been a RIF trademark, and under RIF's operation the Inexpensive Book Distribution Program has alerted parents all over the nation to the reading needs of their children. Of the thousands of volunteers currently engaged in local projects, nearly 40% are parents of children served.

The Inexpensive Book Distribution Program spurs parents to read to their children, take them to the library and help with their school work. It forges partnerships among parents, schools, service groups and local businesses that go on to serve the community in other ways. Sometimes it even changes a parent's life. A project director in Chicago tells us:

> "In several instances parents who have been active in the RIF project have learned skills which enable them to get jobs as teacher aides.

"Since getting involved in the RIF program, at least three of the parent volunteers have gone back to high school in order to finish their studies and obtain a diploma."

## LOW PAPERWORK, LOW COST AND EASY TO OPERATE

The national Reading Is Fundamental office helps local volunteers organize and operate their projects. A Washington-based staff constantly travels the country to introduce the Inexpensive Book Distribution Program and give technical assistance to ongoing projects. RIF produces publications, training materials and other information for volunteers--in some cases at little or no cost to the government--and conducts a major public education campaign to promote reading, financed by RIF's private funds. Over the years, Reading Is Fundamental has convinced dozens of America's major corporations and foundations to contribute to the nation's literacy effort.

The Inexpensive Book Distribution Program exhibits the distinctive simplicity, low paperwork and good spirits that helped make Reading Is Fundamental a success. This program's proposal for Federal funds is, we are told, one of the simplest government forms ever devised. Reading Is Fundamental systems fully safeguard the Federal funds, but local volunteers are not buried in government paperwork; the national Reading Is Fundamental office takes on the paperwork itself, creating a free zone in which local volunteers can cheerfully go about their work with children.

And the Inexpensive Book Distribution Program lays a remarkably low bill at the taxpayer's door. Unlike other Federal programs, this one provides no operating or administrative costs to local projects. So for every dollar the government contributes for books, it has been estimated that local projects contribute another $2 to the program in operating expenses and in-kind services.

## A PROGRAM THAT WORKS IN DIVERSE COMMUNITIES

Reading Is Fundamental sets minimum standards for all local projects. But the sensitive decisions that determine a project's responsiveness to the youngsters, like what books and activities to offer, are left entirely to local volunteers.

As a result, the local projects are replicas of the diverse communities they serve. There is a RIF project in New Mexico, serving Zuni Indian youngsters with some of the first books ever published in the Zuni language. There are projects serving tens of thousands of young people in the public school systems of cities like Philadelphia, New York and Chicago. At the Arizona State School for the Deaf and Blind, youngsters choose braille books and "talking books" at their RIF distributions. In Connecticut a statewide project works for "out-of-the-mainstream" young people in correctional facilities and hospitals. There are RIF projects in tiny towns served by one-room schoolhouses, projects for migrant children, RIF projects for high school students and for pre-schoolers just learning to turn a book's pages from right to left.

For every kind of child in every kind of community, Reading Is Fundamental and this Federal program can work the wonder of opening a mind to books.

## WIDE SUPPORT FROM PUBLIC AND PRIVATE PEOPLE

Reading Is Fundamental, Inc. has consistently won high praise and awards for its pioneering success in encouraging young people to read. Every Commissioner of Education since 1966, including the current Commissioner Ernest Boyer, has endorsed Reading Is Fundamental. Since 1976 alone, RIF and the Inexpensive Book Distribution Program have been endorsed by public figures like Secretary of Education Joseph Califano, Mrs. Walter Mondale, the governors of Illinois and Connecticut and the mayors of several major cities. Organizations like the Boys' Club support Reading Is Fundamental, as well as the International Reading Association, the American Library Association (division of Association of Library Services to Children), the National Association for the Education of Young Children, the National Urban League, the National Association of Elementary School Principals, and others.

## STUDIES SUPPORT THIS PROGRAM'S METHODS

The final test of a program in a tight economy is, of course, not who supports it, but whether it works and meets an important need.

Recent studies have re-confirmed what local parents, volunteers and educators have asserted in a continuous stream of testimony to RIF: making books available to youngsters to own does incite the desire to read, and may ultimately result in better reading.

According to 1978 studies in Pennsylvania and Texas schools, students who have more reading materials in the home are better readers.

Reporting on the 1978 Pennsylvania Educational Quality Assessment study, Literacy Line of the Pennsylvania State Department of Education, stated that

> "...schools in which students reported having more reading materials in the home tend to have higher scores in reading comprehension.
>
> "At all three levels, the average percentage of reading items answered correctly increased significantly as the amount of reading material increased from 'minimal' to 'abundant.'"

Reporting on the 1978 Texas Assessment Project, Region II News of the Texas Education Service Center noted that:

> "students who reported availability of various reading materials in their homes performed better in both reading and mathematics than did students who reported little or no reading materials at home."

## CONCLUDING THE BOOK PROGRAM IS EFFECTIVE

Both publications applauded the Reading Is Fundamental method of getting books into the home:

"From these results it would appear that programs like Reading Is Fundamental are 'on target.'"

Literacy Line
Pennsylvania State
Department of Education

"Surely RIF is one way schools can assist students in collecting reading material and encouraging children to read for FUN."

Region II News
Texas Education Service
Center

PARENTS, EDUCATORS AND CHILDREN SAY THIS PROGRAM PROMOTES READING

Just as important as academic studies that support the Inexpensive Book Distribution Program are the enthusiastic comments from parents, school officials, librarians, volunteers and children. Wherever Reading Is Fundamental and this Federal program operate, people tell us young people read more and begin to think books are fun; library circulation rises; parents read more to their children and get involved in school activities; families begin to buy reading material and flip off the television in favor of a good book.

This is not a complicated program, but like nature's simple laws it makes eminent good sense. The Book Program's method quickens the instinct to read and to learn, then gives the child the books to satisfy that instinct and nurture it into a lifelong habit.

Our thousands of volunteers think this program is a sterling example of how government can help them to help their own communities.

And if the question should arise--what good are these books?--we refer you to another young opinion, from a boy in Dallas. "Looking into books," he said, "is like looking out of a window. You can see everything in the world."

REQUEST $7 MILLION

We respectfully request that the Congress appropriate $7 million for the Inexpensive Book Distribution Program in FY 1980. With this amount, the government can continue at roughly current levels a program that economically meets the public's demand for attention to basic skills. For a slim portion of the Federal education budget, this program attracts millions of private dollars and man-hours to the basic skills effort; involves countless numbers of parents in their children's reading; and convinces millions of America's youngsters to look into books and see a brighter future for themselves and their nation. Rarely, we think, has the Congress had an opportunity to do so much for reading for so small a price tag. Reading Is Fundamental thanks the Congress for its past support, and urges again their appropriation of $7 million for the Inexpensive Book Distribution Program for FY 1980.

ZERO FUNDING

Senator MATHIAS. One thing to be grateful for: You are in better shape than Dr. Williams. His title I incentive is funded at zero in the present budget.

Inexpensive books under basic skills improvement are funded as part of an overall $35 million request, which is up from $27,750 last year.

The inexpensive books are proposed at a figure of $6 million.

Mrs. MCNAMARA. As it was last year.

Senator MATHIAS. The same figure as last year. You feel it should be at least one——

Mrs. MCNAMARA. Congress authorized up to $10 million. We find, the cost of the books having increased, that we will have less children served with fewer books next year.

We have done so well—we find the program has grown to the point where we are going to have to cut off programs as we can't service them all.

Mrs. GRAVES. One other factor there. In reauthorizing the program Congress changes the matching level from 50–50 to 75–25—75 Federal. With 100-percent funding for the migrant farm worker program

We think it was a good change because it will enable us to reach a great many children who would have otherwise not been reached.

Senator MATHIAS. Imposing a different strain on the system.

That is an important point.

Mrs. MCNAMARA. But it gets many more of our Spanish-speaking youngsters in the program.

STATEMENT OF MRS. MARGARET S. BUVINGER

Mrs. BUVINGER. It is a pleasure to be here to represent about 90,000 school board members who are, for the most part, elected officials in all parts of the country.

We have several concerns which you can see from our testimony. I won't try to cover all of them. I would like to lift out a few of the highlights.

One is concerning the matter of funding of the handicapped mandates which you have already heard considerable about.

The problem, as we see it, is that the funding was based on excess costs for the education of handicapped students to maintain it at a 12 percent of the excess cost level.

Obviously, the process of mandating full compliance means that more and more of the burden will have to be picked up by local or State funds as the program is increased because more handicapped children are identified.

We feel that it is essential that we have the full commitment of the 30 percent funding by the Federal Government in order for local school districts to be able to do this.

I know you are aware of the frustrations of people who feel they haven't been served because local districts have not been able to find sufficient funds; particularly at this time when many States are under

severe taxation restraints, it is a very difficult thing for a local district to come up with any additional funds.

This also applies to the matter of the architectural barrier removal which will be required of all school districts by June 1980, meaning that all buildings must be accessible to all handicapped children.

There is no money presently in the budget for the funding of this program and yet the capital improvements which need to be made are fairly extensive in many school buildings, particularly in parts of the country with a lot of older multistory buildings and the ability of local districts to develop capital funds through bond issues is sometimes very limited in the present climate.

So we would like for you to look at this matter.

Our association is in the process right now of completing the results of the survey. We surveyed 700 representative school districts throughout the country on the cost and the identification of handicapped students. We have received over 200 replies so far and we will in the next few weeks be completing this and we would like to submit to your committee at the point this is available this information for your assistance. It will show what the present year's statistics are showing in these representative districts.

We are also concerned in the area of impact aid, on which I know you will be hearing more testimony.

I would like to say only that one of the areas in which the lack of tax contribution because of Federal property is not solely the residents of the Federal employees, but it also stems from the fact that large blocks of property are taken out of the local tax rolls because of the Federal installations so that even though districts have B students whose parents don't actually live on Federal property, many times this represents a large amount of property which is not being taxed.

As far as title I programs are concerned, we are very anxious to have restored the total amount of funding which is presently going into title I programs and, in addition, the concentration grants.

The funding proposed is at the same level as the present year, but concentration grants will be given first preference which means many districts will not be able to fund the ongoing title I programs.

These have proven to be one of the most significant areas in which we have been able to help students who needed special help and we would not like to see it cut back so the districts will have to drop programs they have been carrying on for several years.

These are some of our major concerns, and we appreciate the opportunity to give you the information.

Senator MATHIAS. Thank you so much. That was a very concise presentation. Thank you.

[The statements follow:]

## STATEMENT OF MARGARET S. BUVINGER, PRESIDENT, NATIONAL SCHOOL BOARDS ASSOCIATION

My name is Margaret S. Buvinger, President of the National School Boards Association. I am pleased to have this opportunity to testify before the Subcommittee on Labor, Health, Education and Welfare on the subject of education appropriations. The National School Boards Association is the only major education organization representing school board members -- who are in some areas called school committee members or school trustees. Throughout the nation, approximately 90,000 of these individuals are Association members. These people, in turn, are responsible for the education of more than ninety-five percent of the nation's public school children.

Currently marking its thirty-ninth year of service, NSBA is a federation of state school boards associations, with direct local school board affiliates, constituted to strengthen local lay control of education and to work for the improvement of education. Most of these school board members are elected public officials. Accordingly, they are politically accountable to their constituents for both education policy and fiscal management. As lay unsalaried individuals, school board members are in a rather unique position of being able to judge legislative programs purely from the standpoint of public education, without consideration to their personal professional interest.

### II. INTRODUCTION

Mr. Chairman, NSBA is aware of the Administration's desire to reduce the national deficit. However, the reduction must not be permitted to occur in areas that provide the majority of our population with the capability for productive lives. Education is one such area.

The federal government has led the way in guaranteeing access to learning for the disadvantaged, the handicapped and minorities. Although we have seen recent attempts to effectively abandon public school needs

through high cost tuition tax credits, Congress has stood firm in protecting the public education concept in the United States. The good judgement of Congress to support public education is confirmed by a recent group of studies by the International Association of the Evaluation of Education Achievement. In comparing math and science scores from twelve countries which ranged from the very selective systems of France and Britain to the comprehensive public systems of the United States and Sweden, the researchers state that "(T)he overall conclusion from the comparisons is that the comprehensive system*, by its openness, lack of selective examinations during the primary and initial secondary period, and its high retention rate is a more effective strategy in taking care of the talent of the nation".[1]

The FY 1980 Administration Budget slows, and in some cases, stops the progress we have made over the past 10 years in education. NSBA is greatly concerned that this backward step will diminish the capacity of local schools to educate all children. To a large extent, the Administration's "money saving" efforts are mere window dressing since the failure to provide adequate funding will shift the tax burden to the local level, causing school board members (and property taxpayers) to work on "tax crises" -- those generated by unfunded federal mandates -- rather than "education" problems. When local priorities must suddenly shift to resolving avoidable federally stimulated budget problems, children are the losers. Further, when educational ideas placed in the public mind are not achieved such as those promised by Congress in P.L. 94-142, the resulting sense of disillusionment affects the credibility of the education institution and the morale of all who work there.

The national budget is a statement in dollar terms of what is important. From fiscal 1979 to 1980 the educational share of the national budget has shrunk from $12.7 million to $12.3 million. Education has obviously been given a lesser priority for FY 1980. Placed in its

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[1] Thorsten Husin, "Academic Performance in Selective and Comprehensive School" in Power and Ideology in Education, 1977, pp. 275-282

*i.e., public school systems.

sharpest context, the Administration's budget request shifts to the local property tax base the responsibility to fund federal commitments to pay its share for federal mandates. While we strongly support the Administration's budget request for Title I concentration grants, we believe that they are being paid for doubly as a result of level funding for Title I basic grants, cuts in Impact Aid, and level funding for Vocational Education.

Our testimony today will center on three areas where the FY 1980 will have an immediate effect on the local tax level -- as well as the education of children. These areas are education of the handicapped, the removal of architectural barriers which limit student access to schooling, and Impact Aid. We will also address ESEA Title I, vocational education, career education, and the National Institute of Education.

III. Education for All Handicapped Children Act, P.L.94-142

NSBA has made this program a priority for funding because it has a federal mandate that school districts must serve all handicapped youngsters in their district between the ages of three and 21 years. This mandate translates immediately into higher expenditures for school districts -- including those which are already facing revenue shortages.

Research has established, that on the average, it costs two times the average per pupil expenditure to educate a handicapped student with a range of 1.18 for speech handicaps to 3.69 for physical handicaps. The U.S. Office of Education estimates that the FY 1980 per pupil expenditure will be $1,819. This translates to an average cost for a handicapped student of $3,638. with the excess costs totaling $1,819. Given preliminary data that NSBA has from a survey currently conducted, we know these figures are not off base. In contrast, the federal government is offering to pay $218 excess costs per child in FY 1980.

Since the procedures for how to achieve the purposes of 94-142 are specified, the costs are mandated and identifiable. School districts

from all over the nation are facing spiraling operating costs due to the testing requirements, the high priced personnel required to perform evaluation, counseling, administrative and specialized instruction functions, the tuition grants paid by local districts to private institutions, the support for general education teachers who are teaching handicapped children in increasing numbers, and the cost of transportation. NSBA is currently conducting a cost survey of school systems which will further demonstrate these costs and the inadequacy of the President's budget reguest. We would like to share that survey with the committee in the next few weeks.

The authorizing legislation for 1980 establishes the mark for funding at 30% of excess costs instead of the 12% offered by the Administration. NSBA supports Representative Simon's efforts to seek an appropriations to fund 20% of excess costs, or $1.437 billion. The additional $575 million will provide school districts with increasing capacity to serve handicapped students while limiting the strain of raising local property taxes or to remove funds from the general program.

IV. Removal of Architectural Barriers

The federal government under Sec. 504 of the Vocational Rehabilitation Act of 1973 has mandated that architectural barriers which limit a handicapped student's access to programs be eliminated by June 4, 1980. While Sec. 504 does not contain authority to fund districts in order to aid them with this expense, there is authorizing authority in Sec. 607 of the Education for All Handicapped Children Act (P.L. 94-142). At this time, it does not appear that the Office for Civil Rights will have their promised data available in a timely fashion to indicate their estimates of the cost to fund this mandate. However, NSBA in March 1978 conducted a survey of 200 school systems to get some idea of the cost. Based on this survey, NSBA estimates that the cost will be approximately $1.7 billion.

Barrier removal involves capital outlays. Consequently, a special problem can arise if school districts must use bond referenda to raise the money. In the event that taxpayers turn down bond issues, the school systems will be caught in a bind between following a voter mandate not to build and a possible fund termination by the Office for Civil Right (OCR) if they don't build. On this latter point, the suggestion has been made that perhaps OCR can grant waivers on a case by case basis. We do not consider this to be the preferable approach for the following reasons: (a) deferring the implementation date, especially on a case by case basis will generate confusion and attack the credibility of the S. 504 program, (b) case by case waivers imply OCR investigations of local school systems, as well as compliance plans, which in turn mean more work and tension for the local level, and (c) waivers which include compliance plans only mean the local property tax base will be strained at some future date -- or in bits and pieces. Accordingly, NSBA is requesting $500 million to meet hardship cases.

V. Impact Aid

NSBA has always supported full funding for this program to compensate the 4,500 school districts for a) the loss of tax revenue as a result of federal installations and b) the cost of educating the children of employees working on those installations. The full funding figure of $1.4 billion is considerably above the Administration request of $495 million. The Administration request is below the $786 million request for FY 1979 and below the $950 million full Tier II funding -- which on the basis of history and the authroizing formula -- reflects what should be the minimum appropriation for 1980.

This proposed slash will severely affect school districts who are dependent upon this noncategorical program to operate their school systems. For those Impact Aid school systems which are still reaching for full compliance with federal mandates (i.e., § 504), the Administration's budget request would bite doubly hard on local property taxpayers.

The Administration proposal to limit funding to "A" children through Tier II and to public housing "B" children at the 1979 level, ignores several important facts. First, the land that the government owns does not generate taxes regardless of whether the parents live there. Therefore, parents living off base and paying property tax will not be able to compensate for the federal land that is exempt from taxes. Second, the district loses funding that would be returned as school revenue from state income and sales taxes. Nevertheless, the school district is responsible for educating the children of federal workers. Third, and perhaps most importantly, Impact Aid payments represent only a fraction of the revenues which school systems would have collected if the federal government did not insist upon a tax exempt status for doing business in the local community, (or in the case of public housing payments, for stimulating one national goal at the expense to those governmental units responsible for achieving other goals - i.e., education).

Accordingly, NSBA recommends that Impact Aid be funded at least through Tier II (in accordance with authorizing legislation) and preferably be funded into Tier III.

VI. ESEA Title I

ESEA Title I has been a tremendous help for school districts in the education of disadvantaged children. The significant funding increases for fiscal 1978 and 1979 brought the level of funding back to the level of funding of 1970-1971. We were pleased that the recent NIE study affirmed the worth of this program. Since NSBA does not wish to see this program's funding deteriorate so quickly again, we urge the Congress to increase basic grants by 7% to $3.294 billion* and to support the $400 million in Concentration Grants requested by the Administration.

With respect to the basic grant program, we find that the Administration's posture of level funding to be perplexing. After greatly appreciated

*Number is rounded from $3,293,868,740.

increases in the FY 1978 and FY 1979 budgets, level funding in FY 1980 means a reduction of service. This type of erratic policy only creates confusion and a loss of confidence at the local level. In this regard, a recently published study by the Rand Corporation suggests that the effectiveness of federal programs could be enhanced if local officials fully integrated federal programs into their systems. In light of this budget request, how can school systems (especially those which cannot make up the loss through concentration grants), be expected to make that commitment?

The Concentration grants are to go to school districts with either 20% of their students classified as disadvantaged or a total of 5,000 students. These grants will provide urban and rural districts with the capability to choose among a number of education options. Our conversations with local school officials indicate that the following are the most probable ones. Generally, they would expand their services to a larger group of students, provide pre-school programs to give these students the additional experiences they need to be successful in school, provide summer programs to prevent any loss of educational gains from the school year, or move their program up into the middle and junior high school.

Placed on a broader plane, increased ESEA Title I funding is supportable both from the standpoint of individual attainment and its contribution to the national economy. In this latter regard, Congress has recognized the economic dangers of high unemployment among our young adult and general population. The linkage of poverty to educational deprivation and future employability is inescapable. Typically, we are paying $9,000 for each person who is fortunate enough to participate in the CETA program -- and relatively high welfare sums to millions of poverty based persons who can find no employment at all. Looking toward the future, at $460 per pupil, if only one out of 20 additional students placed in Title I programs can avoid the need for CETA training, the "investment" would have been "worth" it.

NSBA is pleased that the Administration has recognized the special needs of districts with high concentrations of disadvantaged students and is willing to make this effort to aid them. We recommend that the Congress appropriate funds in accordance with the Administration's request, plus current service funding for basic grants.

VII. Career Education

We urge the Committee to fund the Career Education Incentive Act at $32.5 million for FY 1980. If the Administration funds the Act under ESEA, Title III, Part A, Sec. 303 as it proposes, this legislation will die (i.e., the Career Education Incentive Act authorizes funding only if funding was appropriated under it for the previous year). Therefore, the Administration's request of $10.135 million under ESEA rather than the appropriate authorizing legislation will kill this legislation.

NSBA finds in this program a process that makes the connections between work and academics meaningful and understandable to educators. It is unfortunate that a program which is attempting to unite the philosophy of John Dewey with the reality of schooling is being targeted for distruction in this regard, we are not suggesting permanent legislation. The need for career education should diminish, over a period of years, as its objectives are integrated into the disciplines that make up vocational education as well as those of English, Math and Social Studies. The theory underlying this program is helpful and is an indication of the support the federal government can provide to promote theoretical vehicles to improve the teaching and learning process.

VIII. Vocational Education

NSBA believes that vocational education is an important component of every elementary and secondary school program. The "basic skills"

that this program provides are as helpful to student success as are the more traditional concept of math and reading.

It is important that every student recognize the role that his work choices can play in determining his future. Vocational Education in its broader ½resemtatopm at the elementary and secondary level and its narrower training role at the postsecondary level provides our educational system with important ideas and options for students.

NSBA urges that the Committee not level-fund this program as the Administration requested, but to expand the program by $300 million so that it might continue to have an important place in our education system.

IX. National Institute of Education

In past years, NSBA has been quite concerned with the orientation of the National Institute of Education (NIE). Its research was rarely perceived as helpful to practioners. NSBA believes that NIE has begun to respond positively to past criticism, has begun to direct attention to practical research where theory and action are meshed. Consequently, we support a budget request of $101 million for an education research program that appears to be orienting itself toward real education problems and establishing avenues of communication with local school districts.

X. Conclusion

We recognize that our budget requests are additions to the Administration's proposal. We have, however, carefully considered them in light of the federal mandates and inflationary factors and have chosen to stress those programs which will raise local property taxes or harm the quality of the local school program. Our objectives has been to emphasize programs where inadequate funding will have long term effects. We urge the Committee to consider them in that context.

NSBA BUDGET REQUEST
(in millions)

| | Authorized Level | Administration Request | NSBA Request |
|---|---|---|---|
| Education for All Handicapped Children | $ 2,100 | $ 862 | $ 1,437 |
| Architectural Barriers | --- | --- | 500 |
| Impact Aid | 1,400 | 495 | 1,400 |
| ESEA Title I | 5,990 | 3,078 | 3,278 |
| Career Education Incentive Act | 115 | --- | 32.5 |
| Vocational Education | 1,603 | 681 | 781 |
| National Institute of Education | 200 | 98.3 | 101 |

STATEMENT OF DR. MARTIN W. ESSEX

Dr. ESSEX. Senator, you are not only an able Senator, but very patient. Hence I shall attempt to drop to the bottom line very quickly.

I am Martin Essex, representing community education from a State perspective.

The high prosperity in which we find ourselves at this time, high level of employment, still is baffling because our confidence in all our institutions is continuing to decline, whether it be Government or education or the press or whatever. This gives us reason for concern.

Likewise, in the professions themselves, our confidence declines.

Why? I suspect we are the loneliest generation in history. Anonymity characterizes our society. Mental illness, for example, is the most incapacitating of all of the illnesses that afflict our people. Suicides, for example, among our youth have tripled since 1950.

Hence, community education offers a hope for solutions to some of these critical problems.

RESPONSE TO 1974 LEGISLATION

The response to the 1974 legislation has been amazing. For example, in 1974, when a very small grant was made, there were five directors of community education in departments of education in this country. Now there are 43 full-time directors. Some States have two, as we do in Ohio.

The number of States that have programs are 48 at this time. At that time only five.

It had an unusual effect for a small amount of money. Hence I would urge Congress to appropriate something in the neighborhood of $30 million.

It has been worked out very carefully and has been submitted to you in our reports that will permit a formula to be feasible and permit this program to go forward.

I would hope those would be directed in large through departments of education because this is where the leadership can be developed or can originate.

We are geared up for action. Let us Americans pull together. I think we can do it by coming together around the school.

We have lost community as such. We must regain it to regain our confidence as a people.

So that is the appeal that I have to you this afternoon for community education.

The bottom line is very simple. It is a good buy.

Senator MATHIAS. That is a very strong appeal and one for very high stakes. Thank you very much.

[The statement follows:]

## Statement of Dr. Martin W. Essex, National Council of State Education Agency Community Educators

Community education programs, which allow for the coordinated delivery of educational services to all ages based upon identified community needs and citizen participation, can substantially improve our neighborhoods, cities, and schools. They can also reduce duplication, maximize the delivery of services and restore a sense of belonging among family and community members. This national effort to bring the public back to their public schools and individuals back to their neighborhoods will be significantly enhanced by the development of direct linkages between local entities and state support agencies.

The federal role in community education since the passage of the P.L. 93-380, Section 405, Community Schools Act, as amended 1974, has significantly contributed to the growth of community education at the state and local level. Statistics indicate that in 1974 there were five (5) state education agency programs and by the conclusion of 1977 there were forty-eight (48) programs. In 1974 there were five (5) full-time community education coordinators at the state level and in 1977 there were forty-three (43) full-time state coordinators. Furthermore, in 1974 there were eight hundred and fifty (850) programs at the local level (LEA) and in 1977 there were one-thousand three-hundred and eight-eight (1,388) local programs. A significant contributing force to this obvious growth can be traced to federal involvement.

Community education should not be perceived as a panacea for resolving all problems, but must be considered

as a logical and responsive approach to identifying and addressing community needs at the local level. Documentation has been presented which strongly supports the positive impact of community education on the behavior, retention and academic progress of children in the public school setting. It extends the utilization of the public school facility to the entire community. In practice, community education provides for the legitimate involvement of citizens in educational planning and decision making. Most significantly, community education fosters the implementation of inter-agency cooperation through the sharing of existing community resources. Therefore, community education has been considered as a logical approach to addressing the problems that have been and will continue to be present as public schools and communities respond to the era of fiscal restraint that has grasped the United States.

State department leadership has greatly assisted the growth of the community education movement. The Community Schools and Comprehensive Community Education Act will formally sanction state education agencies as a responsive and proactive agent in assisting local communities in identifying and resolving their own community problems.

As you know, Title VIII, ESEA, Community Schools and Comprehensive Community Education Act of 1978, was passed by both Houses of Congress and signed by the President on November 1, 1978. This Act authorized an expenditure of $100 million for FY 1980, $50 million of which was to go to State education agencies to activate a block grant formula

program. For the past three years, the Community Schools Act was included in Title IV, ESEA, as amended, Section 405, Special Projects. The new legislation builds on the progress made under that Act.

The administration has recommended only $3.138 million for Title VIII. Entirely omitted from the administration's recommendation is the funding of sections 804-808, which are the state education agency's block grant formula program. Furthermore, the administration's recommended levels of funding would not support the legislation's intent to improve the quality of life in local communities across the country.

The ultimate success of community education and its impact on public education will be fully realized when its development is evidenced at the local level throughout the United States. The activation of the block grant formula program is urgently needed to support that development. The administration's recommendation substantially hinders that development of community education in the public school setting throughout the country. Furthermore, this recommendation fails to recognize that the overriding intent of Congress was to enhance the capacity of state education agencies, and to assign to the state education agency the responsibility to provide overall state level coordination and to facilitate inter-agency cooperation. If this program is implemented in accordance with the present recommendations, it will result in divisive competition between and among state and local education agencies throughout the country as well as

further fragmentation of the coordinated delivery of human services to local communities.

On behalf of the NCSEACE membership, I earnestly urge you and the members of your Subcommittee to review Title VIII of ESEA and support appropriations to a minimum level of 30.2 million dollars. In addition, we are soliciting your support for this endeavor to ensure substantial appropriations for FY 1980 so that implementation of Title VIII can occur on schedule. The value of community education to the educational process in each state is evident. It has proven to be cost effective and addresses the problems of duplication of services--concerns that are important to all of us in these austere times. The implementation of this legislation will enable state education agencies and local education agencies to increase their efforts to involve community members in the educational process and facilitate the delivery of educational services to clients of all ages in communities throughout the country.

## STATEMENT OF ANN DORR

Mrs. DORR. I am Ann Dorr. I speak for the American Geological Institute, not as a formal organization but as representing a very rapidly growing group of geologists and earth scientists who are deeply concerned about the fact that the public and the United States as a whole is simply unprepared to make the necessary decisions today with regard to environment, with regard to resources, with regard to personal decisions in terms of their living, sewage disposal, everything along the way that is based on the physical nature of the earth.

We are very much concerned that this is an extremely important area of education which is very badly neglected at every level.

### TRAINING NEEDED IN THE EARTH SCIENCES

It is our feeling that one of the reasons for the neglect of this at the elementary, secondary, and even college levels is the fact that the adult population today has grown up without any training in the earth sciences at all.

This is evident constantly in the energy field, for example. The public is unprepared to make decisions because they don't know how the physical earth controls our energy resources. They don't believe that

there are limits. They think the technology, one way or another, will resolve these problems.

We are very much concerned that environmental education as defined in the Environmental Education Act until the amendments of 1978 didn't mention the physical earth as part of the environment. For the first time it has been mentioned, and the committee has in the record said that they hope some of the money from the Office of Environmental Education will go to projects related to the physical earth.

As geologists, we are used to thinking in terms of billions of years. We think in terms of millions of years for the replacement of certain resources we are using. Hundreds of millions for others.

When we think in terms of dollars, $100,000 looks like a lot of money to us who have been doing all the work we could as volunteers with no income at all for the program.

LEADERSHIP AT FEDERAL LEVEL

We feel that it is impossible to approach this on a local basis. It is something where leadership is needed at a Federal level. Some organization that can speak with authority and can say this is important to your daily life and it is important to our national life, and we need it in the schools.

We feel a little contribution to convincing the public at large that this is an important area of study would go a long way to making it possible for those of us who are working in the field as professionals to push things along a little more and actually get some support for teacher training and curriculum development through the schools.

We really feel very much abandoned at the bottom end of the scale right now.

Senator MATHIAS. It is a fascinating subject, a very compelling subject. It looks to the future where I think we all ought to be looking.

Of course, all of our conversation here looks to the future.

Mrs. DORR. We are making decisions every day which are irrevocable and many of them we are making are damaging the chances of our future lives.

Senator MATHIAS. I am well aware of that. The persistent false impression that doesn't worry about oil, we will find some more somewhere—while we use up what we have—we are really making decisions that—by driving up to a gas pump, we are making decisions about the future that are irrevocable.

Mrs. DORR. But we are not reaching the public.

Senator MATHIAS. Very clearly not reaching the public.

As one example, I understand that the polls show 50 percent of the public are not aware we import any oil at all, which is perhaps the best evidence for your argument.

Thank you very much.

[The statement follows:]

STATEMENT OF ANN DORR, MEMBER, EDUCATION COMMITTEE, AMERICAN GEOLOGICAL INSTITUTE

The education amendments of 1978 refer, for the first time, to the physical earth in the definition of "Environmental Education." A statement in the report to accompany S. 1753, Education Amendments of 1978, reads: "The committee is also hopeful that environmental education activities encompass programs and projects associated not only with ecology and environmental quality but also with earth sciences and basic concepts of the physical earth."

The following statement is in support of supplemental funding for the Office of Environmental Education for the specific purpose of strengthening the earth science foundations of environmental education. I am acting as spokesman for a large and rapidly growing group of geologists, earth scientists, and science educators who are increasingly concerned about the lack of public understanding of the earth. It is the physical nature of earth materials and processes which sets the ultimate limits within which human institutions must function.

Every day produces both public and private decisions on which the physical nature of the earth will have an impact. Earth composition and natural earth processes are intimately related to many of the major national concerns today: Directly in such concerns as depletion of mineral reserves, depletion of fossil fuel reserves, availability of other energy sources, competition for water rights, conflicting demands for land use, impact of soil erosion on food production, environmental degradation; and indirectly in balance of payments, unemployment, inflation. Yet few people, even among leaders in Government, business, or education, have the basic knowledge of the earth that is needed to guide them in either public or private decisionmaking. Many issues considered by the Congress deal with geology, but few staff members have had formal geological training.

Because adults do not understand the complex interrelationships within and between physical earth systems, biological systems, and human society, they do not encourage changes in school curriculums that would provide this background for students. Particularly neglected have been the crucially important concepts of the earth sciences. In the Nation as a whole, only about one-third of graduating secondary students have had any type of earth science course.

Misunderstanding and ignorance of the intimate relation between natural environment and social policy and investments result in unnecessary spending of vast sums in such items as flood insurance, cleaning up the results of pollution of the waters and air, wasteage of natural mineral, water, and fuel resources, and many others. Savings resulting from more widely diffused knowledge would, in the long run, greatly outweigh the investment needed now.

If the Office of Environmental Education is to have a significant impact on the present overall inadequacy of environmental education at every level, it needs to develop and present to the public a clear and comprehensive picture of what body of knowledge is essential for an interdisciplinary understanding of resources, environment, and society. The physical earth—solid, liquid, gaseous—is the foundation of the environment.

To implement the amended wording of the environmental education legislation, we urge support for an assessment of the specific earth science concepts most essential to society, and for the development of guidelines which can be used by school systems to strengthen the earth science foundations of environmental education. Included in this must be attention to teacher training and to curriculum development.

Society cannot wait for an effective environmental education program to evolve from scattered local efforts. It needs a strong Office of Environmental Education to mobilize those local efforts and give direction to them. The present limited appropriations are inadequate for an endeavor as large as that required to create an environmentally literate public.

## STATEMENT OF CHALMERS MARQUIS

Mr. MARQUIS. I am Chalmers Marquis, appearing on behalf of the Joint Council on Educational Telecommunications.

I should like to begin my testimony, Senator Mathias, by thanking you for your leadership in public broadcasting, which I talked to you about before, particularly in copywright. We still remember your good leadership there.

Senator MATHIAS. Your kind words would not have been unanimous at the time we went through that struggle.

Mr. MARQUIS. We appreciate your stamina and the good results.

EDUCATIONAL TELECOMMUNICATIONS

The Joint Council on Educational Telecommunications is comprised of 23 different national organizations that deal with education and educational telecommunications.

Howard Hitchins, the vice president of the JCET Board of Directors and the executive director of the Association for Educational Communications and Technology, wanted to be here to testify, but had to leave because of a previous appointment.

Our chairman, Eileen Cooke of the American Library Association is also here, and she will be testifying on other matters here in a few minutes.

My work with the JCET has been to study how telecommunications could serve education better, and in our Statement we deal with a number of different areas in the budget which use telecommunications for the purpose of education.

By telecommunications, we mean radio, TV, cable, and satellites, as well as all of the many different kinds of electronics that have been increasingly utilized by the education community. We think that these telecommunication components offer great opportunities for the future.

PROJECTS FUNDED BY NIE

In our statement we talk about the projects funded by the National Institutes of Education; projects we hope will be funded under basic skills—FIPSE, the Emergency School Aid Act, the Corporation for Public Broadcasting, and the Handicapped Media and Captioned Film Services for which PBS has taken leadership to aid the hearing impaired.

We urge that all of these programs be funded adequately so they can be used successfully on behalf of education.

Mr. Hitchins asked that I especially underscore the need for full funding of ESEA title IV(b). This title refers to library resources and equipment for school use in telecommunications, as well as other components. We think it is very important that title IV(b) be funded at the full $197 million level.

We also want to speak especially on behalf of HEA, title VI, which is in the budget at zero, but which we think is worth far more than that. It is the only program colleges can use in terms of equipment for communications, and we request $16.5 million to meet that objective.

Our statement covers many other areas too numerous to mention in this short time. Consequently, I should like to submit the JCET statement in its entirety, for the record.

Senator MATHIAS. Thank you. Your statements will appear in the record in full.

Thank you all very much.

Mrs. MCNAMARA. Thank you.

[CLERK'S NOTE.—The following statements were submitted at the time of the hearing for inclusion in the record:]

## STATEMENT OF THE JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS

The Joint Council on Educational Telecommunications offers this testimony regarding appropriations for a number of different federal education support programs in which the JCET believes it can offer special competence.

The JCET is a consortium of 23 educational and communications organizations. Originally, the Joint Council was formed in the early '50's to press education's case for the reservation of spectrum space for educational television stations. After successfully completing that campaign, the Joint Council developed what has now become its principal role: that of informing educators of the potential for education in existing and emerging communications technologies. In addition, the JCET acts as education's spokesperson in regulatory and legislative activities affecting educational telecommunications. Our organization also engages in a number of activities designed to increase knowledge in the field including the sponsoring and arranging of regional and national conferences on communications technologies and education, the circulation of technical and policy monographs and servicing our members' requests for advice and counsel in telecommunications.

JCET MEMBERS:

Agency for Instructional Television

American Association for Higher Education

American Association of Community and Junior Colleges

American Association of School Administrators

American Council on Education

American Library Association

Association for Educational Communications and Technology

Corporation for Public Broadcasting

Council of Chief State School Officers

Great Plains National Instructional Television Library

Indiana Higher Education Telecommunications System

Maryland Center for Public Broadcasting

Mississippi Authority for Educational Television

National Association of Educational Broadcasters

National Association of State Universities and Land-Grant Colleges

National Catholic Education Association

National Education Association

National Public Radio

National University Extension Association

New Jersey Public Broadcasting Authority

Pennsylvania Public Television Network

Public Broadcasting Service

Virginia Public Telecommunications Council

JCET member organizations have been in the forefront of utilizing telecommunications in the service of education for many years.

By telecommunications, we mean the broad range of electronic sound and picture devices which have had such rapid development in recent years--from motion pictures to audio and video tapes, broadcast to homes and schools, or distributed through cables or via communications satellites. Through these devices educators have substantially improved the quality of education available to students of all ages, in many different sorts of learning situations, and with new opportunities for increased cost-effectiveness.

In recent months, we have monitored a number of the federal programs which fund various telecommunications activities. We offer testimony here for the telecommunications support components of a number of these federal programs. We did not have the opportunity here to include reference to a number of additional important education, health, human resources and other federal programs which are increasingly funding telecommunications projects and finding new ways to provide improved and cost-effective public services. We encourage attention to them all.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

The Fund for the Improvement of Postsecondary Education (FIPSE) makes grants for projects to improve opportunities in postsecondary education. The Fund has awarded grants to exemplary telecommunications projects such as the following:

1. A project in Menlo Park, California which will provide older adults with educational TV programming in group settings and eventually expand to homebound adults.

2. Another program in Cambridge, Massachusetts utilizes public television as a vehicle to present educational and life planning skills. The project will create and produce the first five programs of a daytime television series entitled, "How to be Effective". The five programs present a self-contained minicourse on planning skills, and will ultimately deal with a broad range of life management skills.

3. A program in New Orleans, Louisiana provides educational and career counseling through a monthly, live, 60-minute television program aimed at women learners. Spanish speaking viewers can hear a simultaneous translation of the program on the radio.

These kinds of educational programs, based on educational technology, respond to the changing needs and interests of today's students. We believe they show much promise and deserve even greater funding than the total of $14 million of the $78 million authorized for FIPSE.

NATIONAL INSTITUTE OF EDUCATION

The Teaching and Learning Program of the National Institute of Education (NIE) aids the University of Mid-America (UMA), a regional, postsecondary, open-learning system serving a potential student population of eight million adults through broadcast television, cassette tapes, and other technological innovations. UMA operates through a consortium of eleven universities in Iowa, Kansas, Minnesota, Missouri, Nebraska, and North and South Dakota.

Another of NIE's areas--Dissemination and Improvement of Practice--includes:

1. maintenance and improvement of the Educational Resources Information Center, (ERIC), a computer-based system which compiles and analyzes educational research and development information to make it accessible to researchers and practitioners. Clearinghouses in the ERIC system focus on particular subjects, such as urban education, teaching, and reading and communications skills.

2. support of communications satellite demonstration TV and radio projects in Alaska and the Appalachian region that contribute to the education of the underserved populations in isolated areas;
3. support of "Options in Education" a weekly, thirty-minute radio series distributed by National Public Radio and broadcasting's only regular in-depth examination of current educational issues.

WOMEN'S EDUCATIONAL EQUITY ACT PROGRAM (93-380 AS AMENDED BY 95-561)

This program is designed to promote educational equity for women at all levels of education, through demonstration, development, and dissemination activities of national, statewide, or general significance. The revised legislation just passed authorizes $80 million with $15 million for research and demonstration projects. The intent of this funding procedure would be to allow for the research and demonstration projects to continue at an increased level of funding, while providing for successful projects to be repeated in schools and colleges around the country. The implications of such programs utilizing telecommunications are that successful TV and video projects could be improved upon and reshown in areas where they are needed. Some model telecommunications projects already funded are:

* A program in Indiana is developing a model training program that will lessen educational barriers to the full participation of women in public life. Topics developed will include orientation to public policy issues, and political campaigning and leadership skills. This will produce an adult education curriculum that will allow universities and colleges across the country the capacity to present a high-level, non-credit course for women interested in public service careers. A series of seven films developed and produced during the project will be the key teaching tool.
* A program in Los Angeles will explore new career opportunities for junior high girls through the use of educational television and related printed materials. In-service training for school personnel will be provided along with a model program of special guidance activities and a model parent educational component. An

advisory group composed of representatives from business, industry, institutions of higher education and the community will provide guidance and support to the project.

HANDICAPPED MEDIA SERVICES AND CAPTIONED FILM PROGRAM

This very special media and captioned film program accentuates the federal government's increasing awareness and concern about the importance of offering equal educational opportunities to our nation's handicapped. With the growth of funds, the scope of the program's involvement has expanded to include support for demonstration projects, developmental assistance, and training programs in areas ranging from early childhood education, vocational education, and personnel preparation, and incorporating the latest technological advances in media services and captioned films.

* One project awarded in Palo Alto, California, entitled "Just Like Everybody Else" is a series of TV programs produced for use on commercial TV stations, focusing on the subject of disability to as to foster independent living attitudes among handicapped persons.

* In Rockville, Maryland, the "Singing Signs" program presents film models of singing in sign language contributing to the adjustment and education of hearing impaired high school students.

Captioned TV programming by the Public Broadcasting Service is making many new public and commercial TV programs available to the hearing handicapped by means of new home TV decoding devices, a development funded in part under this program.

We urge support for its full proposed budget.

INSTRUCTIONAL EQUIPMENT AND CLOSED CIRCUIT TELEVISION (HEA VI)

This program provides matching funds to junior colleges, community colleges, private colleges and universities for acquisition of audio-visual, laboratory, and other special instructional equipment and materials, including closed circuit TV. There is no other federal program which earmarks funds for instructional equipment in higher education. No states have equivalent programs. The federal government is the sole major source of money for this purpose. A nationwide survey in February, 1977 by the Association

for Educational Communications and Technology, AECT, revealed continued heavy demand for Title VI of the Higher Education Act. Many schools are being asked to do more job-related training, but they don't have the tools to get it done. Because of lack of federal funds, the survey showed, many schools have not bought training equipment in over five years.

Meanwhile, because more and more education institutions are utilizing satellite, cable and microwave technologies--for example, for live medical operations and two-way interaction with faraway experts, there is a heavy demand for 2-way TV and video recording equipment. While studies show long-run savings through these systems, the int ial capital outlay for receiving institutions is heavier than most can bear without help from HEA VI.

A national survey of community colleges, technical schools, colleges and universities indicated that $15 million in needs existed in this fiscal year, 1979. No funds were appropriated, however, and the needs are not diminishing. On the contrary, the inflationary trends mean that the needs have grown at least 10 percent--even if they were fixed at this year's amounts. Thus, we recommend at least $16.5 million be appropriated for Title VI for FY 1980.

TELECOMMUNICATIONS DEMONSTRATIONS

This telecommunications program demonstrates models in non-broadcast telecommunications technology which have potential for increasing the distribution of health, education and social service information to greater numbers of citizens. The program has demonstrated new services of high quality and economy.

* A grant awarded in Spokane, Washington utilized cable TV to help provide elementary, secondary, postsecondary and continuing education as well as health education through the schools, colleges, universities and libraries. Spokane is unique, becuase it has five channels on its cable system reserved for educational use. It also has an additional channel dedicated to programming related to city government. The grantee, a public television station owned by the Spokane school district, operates the five channels of

educational television using equipment funded by the grant. A consortium of community and state colleges, universities, the Spokane library system, and the school district, called the Cable Advisory Board for Learning and Education (CABLE) contributes to the programming for elementary and secondary education. Another consortium, the Community Health Education Consortium, (CHEC) was organized to plan and disseminate health information, preventive health programs, and, eventually, continuing professional education.

* In Denver, Colorado, a project using telefacsimile equipment and slow-scan TV provided information services for the public, and continuing education for librarians in communities and surrounding rural areas in Colorado, Montana, Wyoming, Kansas and South Dakota. The staff at the University of Denver is helping the community libraries to assess local information needs and to provide outreach into the surrounding rural areas.

The $1 million budgeted to this grants program merits funding.

BASIC SKILLS

The new Title II of the Education Amendments of 1978 contains authority for innovative uses of telecommunications in carrying out the mandates of elementary and secondary basic skills training in reading, mathematics, and oral communications. Federal assistance would be aimed at development of educational programming for use in schools and homes through broadcast and nonbroadcast means, for students, parents and teachers.

The House-Senate Conference Report on the Education Amendments states that"...the conferee's intent is to stimulate the use of educational technology through Federal assistance..." The Secretary of HEW is authorized to receive up to $20 million to carry out the purposes of that section of the legislation which includes telecommunications. We recommend that the full $20 million be appropriated.

The Office of Education has been working on funding procedures. Those experienced in educational telecommunications materials production, such as the Agency for Instructional Television, are demonstrating even now that the basic skills learning can be significantly enhanced by educational technology.

We believe that the 95th Congress was wise in revising this legislation, and that appropriating the full $20 million they authorized will be a wise expenditure of public funds.

SPECIAL PROJECTS

Under Title II--Special Projects--of the Education Amendments of 1978, a number of activities are authorized in which the use of telecommunications could be used very effectively in carrying out their mandates. Examples would be school health, youth employment, arts, metrics, career and consumer education, teacher training, and certainly the National Diffusion program.

The only specified area for telecommunications support, however, is "Educational Television Programming". Under this budget item are funds for "Sesame Street" and other exemplary nationwide educational TV projects, such as "Footsteps". "Sesame Street" continues to be a most popular and effective pre-school learning vehicle. We recommend the full $6 million included in the budget be appropriated.

EMERGENCY SCHOOL AID ACT (ESAA)

Specially mandated under the ESAA is funding for educational television and radio programming to achieve the continuing desegregation purposes of the legislation. Budgeted for FY '80 is $9,858,000 for TV and radio projects. We recommend that this funding level be maintained. Not only have programs produced with ESAA funds been broadcast throughout the nation, but many new minority radio and TV program production personnel have begun their careers as part of ESAA grant production teams.

SCHOOL LIBRARY RESOURCES AND INSTRUCTIONAL MATERIALS (ESEA IV-B)

A significant portion of school library resources funds under ESEA IV-B are used for telecommunications technology. We believe this local commitment of funds to enhance learning is a very important indicator of its effectiveness. Tests overwhelmingly show the student learning effectiveness of libraries' uses of instructional technology. The Administration's budget calls for a reduction of these funds from $180 million in FY '79 down to $149.6 million. We do not believe this is a time to make such a reduction. We endorse the position of JCET members, the

American Library Association, and the Association for Educational Communications and Technology, and also the Association of Media Producers and the National Audio-Visual Association who strongly recommend not decreasing, but increasing the appropriation to $197 million. Costs of instructional media materials and equipment are rising, but so is their need for educational effectiveness. No instructional telecommunications materials can be used without the proper equipment--via Title IV-B--which are important and needed.

CORPORATION FOR PUBLIC BROADCASTING

Included in the Labor-HEW appropriation for FY '80 is funding for FY '81-82 for the Corporation for Public Broadcasting, (CPB), a continuation of the forward-funded process initiated by the Appropriations Committees in 1975. JCET is aware that CPB's new President, Robbin Fleming, has provided detailed testimony regarding CPB's proposed expenditures to this Committee, and JCET supports his proposals. JCET's member organizations have long supported a vigorous, well-financed public broadcasting system for the United States. Many of the educational activities of our members have been served directly by the public broadcasting stations and CPB over the years as the result of this federal support.

Authorizations for FY '81-82 for CPB appear in the Public Telecommunications Financing Act of 1978 (PL 95-567) with sums of $180 million, FY '81 and $200 million, FY'82, if matched with double these amounts in non-federal funds by the public broadcasting stations and entities. The Administration's budget proposes amounts of only $162 million and $172 million for those years. The JCET urges appropriation of the full authorized amounts, $180 million and $200 million.

These funds become expended only if matched--only that is, if the Boards of Education, State legislatures, universities, and individual and corporate contributors put up at least twice those amounts. The Congress in providing for this funding believed strongly that federal funds should be made available only if the public itself in each community was committed to the support of public broadcasting. This matching principle assures concrete evidence of that support, and also provides an incentive to these communities

and states to do their share. The full levels authorized are thus necessary to provide for this incentive--this challenge.

The bulk of the funds to CPB go to local public radio and TV stations, allowing them to make their own local programs and acquire other regional and nationally produced programs. Other major funding would go to the costs of preparing new programs intended for nationwide distribution, and for needed research and training. It should be noted that CPB's responsibliities were increased substantially in the new 1978 legislation. Newly mandated CPB support areas now include non-broadcast telecommunications activities, such as cable and in-school TV and radio dissemination, new long-range planning, and increased efforts to serve women and minorities. Thus, not only does CPB face increased expectations of quality public broadcasting programming, but also an increasingly diverse set of other activity areas.

1979 SUPPLEMENTAL APPROPRIATION

CPB is also requesting funds for FY '79 as a result of available matching funds. Just over $18 million in federal funds has now been matched with 2½ times that much in non-federal funds, and would bring CPB up to $138 million, still within the FY '79 authorization of $140 million. We strongly support that supplemental request.

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STATEMENT OF DR. PERCY V. WILLIAMS, MARYLAND STATE DEPARTMENT OF EDUCATION

The Education Amendments of 1978 revised Title I of the Elementary and Secondary Education Act to include a new provision, Section 116, to give states incentives to establish and expand their own compensatory education programs similar to Title I.

The basic aim of this program is to recognize and encourage expenditure of state dollars to provide supplemental services to disadvantaged children in a way that extends the federal effort through Title I.

This State Incentive Program is a key element of the 1978 amendments to Title I, a carefully constructed, sensitively balanced package designed to build upon the progress which has been made in serving educationally and economically disadvantaged children. In our view, three key components constitute this package:

1. Strong and needed improvements to the Title I basic program;
2. Direction of new Title I dollars to urban and isolated rural areas with the highest concentrations of disadvantaged children;
3. An understanding of the need for the federal government to encourage the use of State as well as federal resources to reaching the large number of disadvantaged children who remain unserved or underserved.

The Administration, as well as the Congress, strongly supported each part of this final package of Title I amendments. The three components successfully addressed a number of competing needs --

-- the need to reach more Title I eligible children, yet limit federal expenditures;
-- the need to assist those areas which suffered under the current distribution formula, yet avoid a Title I formula fight;
-- and the need to target federal dollars into high priority programs, yet maintain the basic premise that education remains primarily a state responsibility. It was this package, as a whole, which was acceptable to all parties involved in the reauthorization of Title I.

Despite the months of encouragement and support by the Administration behind each part of this Title I package, the state incentive component was not included in the President's FY '80 budget. The package, therefore, is not balanced, and the strength of the entire Title I program, we contend, is lessened.

STATE INCENTIVE MATCHING PROGRAM: DESCRIPTION

The Title I State Incentive Program was created to encourage states to join in partnership with the federal government in providing supplemental educational assistance to educationally and economically deprived children. Essentially, the program provides one additional federal Title I dollar for every two state dollars expended in a qualifying state compensatory education program. To qualify, the state program must provide supplemental services to educationally disadvantaged children and a minimum of 50 percent of the funds must be expended in the Title I eligible areas. No state can receive more than 10 percent of its Title I entitlement. The additional federal funds flow directly to local educational agencies in the qualifying state

in the same proportions as the basic Title I funds are distributed. The additional federal dollars are to be used for Title I programs and no funds are retained at the state level. (See attachment A for listing of state eligibility requirements)

WHY STATE INCENTIVES?

Title I currently does not reach at least 35 percent of the disadvantaged children who need and could benefit from compensatory education services. This situation argues strongly for increased funding for the basic program and for the "concentration provision for schools with the highest concentrations of disadvantaged children." We support additional federal funding for these programs.

We are realistic, however, regarding the prospects for obtaining sufficient additional federal funding to reach all the disadvantaged children, and we frankly question whether it is the federal government's responsibility alone to address these needs.

In 1978, 13 states expended approximately $480 million for their own compensatory education programs designed to meet the needs of disadvantaged children in ways similar to Title I but appropriate to each state's unique needs and circumstances. (See Attachment B for data on State Programs)

The Title I State Incentive Program is intended to recognize this state effort and to enlist the help of the states in meeting a need which, in the period of severe budgetory constraints, the federal government alone cannot meet.

The Title I State Incentive Program includes certain basic requirements, but it is purposely designed to give states great flexibility in designing their own programs. It is not a mandatory program; states are only encouraged to become involved.

Our current estimate is that 13 states could qualify for Title I matching funds at this time. It is difficult to project how many additional states would respond to the incentive, but a reasonable estimate might be five to ten within a year. The experience under the State Student Incentive Grant Program (SSIG) authorized under the Higher Education Act shows dramatically how states may respond to the new Title I incentive program. In 1973-74, the year before the SSIG program was first implemented, 31 states had state scholarship programs and annual state expenditures for student assistance totalled $364.2 million.

Today, 57 states and territories have state student aid programs with total annual expenditures of $828.9 million.

The response to the Title I Incentive Program could be the same.

NEED FOR FUNDING AT THIS POINT IN TIME

Funding for the Title I State Incentive Program is essential at this time for these reasons:

1. To respond to the federal incentive, states must have confidence that federal matching funding will be available. FY '80 appropriations for this program would allow states to develop new programs or modify existing programs in the closing days of the 1979 state legislative sessions, or early in 1980 legislative sessions.
2. Implementation of the federal incentive program could play a key role in maintaining or increasing state funding for existing state programs in the face of other pressing priorities at the state level;
3. A failure to fund the new incentive program in its first year could signal a lack of federal commitment to working in partnership with the states to meet the needs of disadvantaged children in the nation. It is important symbolically that the program be implemented; and
4. Those who supported the final compromise on amendments to Title I in the 95th Congress did so with a clear understanding of the importance of each element of the Title I package. If the Title I State Incentive Program is not funded in FY '80, the basis for the agreements in the 95th Congress will be undermined and the strength, the balance, and the integrated Title I program will be lessened.

We recommend that $50 to $60 million be appropriated for FY '80 for the Title I State Incentive Grant Program. This is less than one-third of the $196.25 million required to provide one federal dollar for every two state dollars expended in qualifying state programs. Nevertheless, we believe that it is an important beginning sufficient to signal to the states a federal commitment to recognize and encourage state programs.

ATTACHMENT "A"

* For state compensatory education programs to receive federal matching dollars, the following requirements must be met:

1. All children participating in the program are educationally deprived;

2. The program is based on performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives;

3. The program provides supplementary services designed to meet the special educational needs of the children who are participating;

4. The local educational agency keeps such records and affords such access thereto as necessary to assure the correctness and verification of the requirements of clauses 1, 2, and 3; and

5. The state educational agency monitors performance under the program to assure that the requirements of clauses 1, 2, 3, and 4 of this subsection are met.

6. At least half the state funds in a qualifying school district must be spent in schools with high concentrations of children from low-income families.

ESTIMATED AMOUNTS
STATES WITH EXISTING STATE COMPENSATORY EDUCATION PROGRAMS WOULD BE ELIGIBLE TO RECEIVE UNDER TITLE I STATE INCENTIVE PROGRAM (1)
(SECTION 116, TITLE I, ESEA)

| STATE | A<br>10 Percent of Title I Entitlement<br>(Millions) | B<br>FY 79 (78-79) Funding For State Compensatory Education Program<br>(Millions) | C<br>50 Percent of Column "C"<br>(Millions) | D<br>Estimated Maximum Payment To State<br>(Millions) |
|---|---|---|---|---|
| l.fornia | 55.3 | 130.0 | 65.00 | 55.30 |
| nnecticut | 5.7 | 7.0 | 3.50 | 3.50 |
| orida | 21.2 | 26.5 | 13.25 | 13.25 |
| ryland | 10.2 | 8.2 | 4.10 | 4.10 |
| chigan | 25.0 | 30.7 | 15.35 | 15.30 |
| w Jersey | 15.6 | 68.0 | 34.00 | 15.60 |
| w York | 55.4 | 140.5 | 70.25 | 55.40 |
| o | 18.2 | 33.0 | 16.50 | 16.50 |
| de Island | 1.9 | 2.0 | 1.00 | 1.00 |
| as | 46.0 | 25.4 | 12.70 | 12.70 |
| ah | 1.9 | 0.9 | 0.45 | 0.45 |
| shington | 7.9 | 5.0 | 2.50 | 2.50 |
| consin | 9.5 | 1.2 | 0.60 | 0.60 |
| ALS | | $ 478.7 | | $ 196.25 |

SOURCE: Preliminary data gathered from state education agencies by the Education Finance Center, Education Commission of the States; and State Compensatory Education Programs, a Supplemental Report of the National Institute of Education, December 1978.

(1) The states included in this listing are those which, on the basis of brief analysis of their current programs, appear to meet the requirements of section 116 of Title I, ESEA. Whether these states will, in fact, qualify or whether all of the state appropriations listed could be used for matching purposes could only be determined by detailed analysis of the programs.

## STATEMENT OF RALPH TURLINGTON, COMMISSIONER, FLORIDA DEPARTMENT OF EDUCATION

Mr. Chairman, I appreciate having the opportunity to submit this testimony to your subcommittee. From the outset, I want to emphasize that my principle reason for submitting this statement is NOT to ask for more money. My primary purpose is to suggest an important way that you can help to cement the federal-state and local partnership in education and at the same time further the objectives of the federal government's major program to aid education. And by aid to education, I mean aid to children in classrooms, specifically those educationally disadvantaged children who most often come from poor homes.

Last year when the Congress passed the Education Amendments of 1978, it reauthorized Title I of the Elementary and Secondary Education Act which has proven to be an effective program to provide supplementary instruction to educationally disadvantaged children in low income areas, the purpose for which it was designed. The basic Title I reauthorization was, however, just part of a composite package of Title I recommendations adopted to enhance the primary purpose of the program and provide greater equity in the distribution of the funds appropriated.

The two other important components of this package are the supplementary concentration grants for urban and rural areas with high concentrations of poor children and the state incentive program to encourage and reward states for providing aid supplemental to Title I. It was felt, and we agree, that the state incentive program is an excellent way to insure that more needy children will receive adequate services in a way that is consistent with the goals of both the federal and state programs.

Now to get back to my primary purpose for coming here. It has often been said that education is a local and state responsibility and a federal concern. Florida, for one, has long recognized and met its state responsibility. We are currently in process of increasing the state foundation support for education from 53 to 75 percent. In addition, we are in the continuing process of implementing a program designed to place greater accountability in each of our public schools at the building level. Florida students

in grades 3, 5, 8, and 11 are now required to take a minimum competency test and a functional literacy test in the 11th grade. Beginning this year, high school students must pass the 11th grade test before receiving their high school diplomas. While there is still room for improvement, we are pleased to report that this past October, the second time the statewide assessment test was given, student achievement improved significantly.

An important ingredient of our overall program is the Florida State Compensatory Education Program which may provide remedial instruction in basic skills for those students who fail the minimum competency test and the functional literacy test. Currently, the state is providing local school districts with $26.5 million for this purpose. For the 1979-80 school year, we have sent to the State Legislature a request for $28,355,000, a seven percent increase.

These funds are allocated to school districts on the basis of numbers of students in the district in grades 3, 5, 8, and 11 whose scores on the statewide assessment tests are at the 25th percentile or below. The funds are coordinated with Title I, and may be used only to pay for direct instructional costs--teaching, testing, and evaluation costs associated with a planned instruction program. They may not be used to support administrative positions or indirect costs.

Although it is a relatively new program, it has already met widespread acceptance and approval. We feel that it has been successful in placing greater accountability not only on the local school districts and the individual schools, but on the students themselves as they get the message that school is not just a place to be, but a place to learn, and that we mean it.

The program which I have just described is one which we understand meets the criteria for federal state incentive grants. The beauty of it is that while it is complementary to the federal Title I program, it is also flexible enough to provide remedial services to needy children in non-Title I schools. Thus it not only complements, but broadens the educational reach of the federal program.

What I am saying here is that in Florida we have a good state remediation program which complements and is consistent with the federal goals and

purposes of compensatory education authorized by Title I of the Elementary and Secondary Education Act. In effect, we are recognizing our state responsibility, but are also joining in partnership with the federal government in addressing a nationally identified need. What is needed now, is the funding of the new state incentive program to cement this partnership and encourage the participation of other states.

All too often, federal programs that stand alone tend to be viewed only as a means of collecting more dollars and not as public policy decisions which these programs represent. What is needed is more federal programs with a component, such as Title I state incentive grants, linking them to state programs, cementing the federal-state partnership in areas of mutual interest and responsibility.

Funding the state incentive component of Title I would be wise public policy because it would reward those states that are already complementing Title I and it would encourage other states to take similar action.

Since under the constraints of tight federal budgets, it is doubtful that Title I will ever be fully funded, the state incentive program is an excellent way the Congress can encourage more states to join in partnership to fulfill a national priority set by the Congress. Since state compensatory education programs must compete with other claims for state and local funds, federal incentives are especially needed by those states with limited financial resources. The beneficiaries, of course, would not be the states, but the children in classrooms who need the extra help the most.

## STATEMENT OF DR. FRANK B. BROUILLET, SUPERINTENDENT OF PUBLIC INSTRUCTION

I am pleased to have the opportunity to submit testimony on behalf of the Special Incentive Grants of the Title I Program (P.L. 95-561). We are all aware of the crying need to elevate the basic skills performance of this nation's schoolchildren. The task of providing disadvantaged youngsters with a better education requires concentrated and continuous effort. The U.S. Congress has taken an important leadership role in this area and should be commended for it. The Federal Title I Program is one of proven effectiveness. The National Institute of Education in its report to Congress on the program found that children receiving compensatory education services generally show demonstrable gains over what would be expected in the absence of such services.

It is clear, however, that federal support alone for compensatory education can not do the job. Even though Title I is one of the largest federal education programs, the number of disadvantaged children needing compensatory education services is much larger. In short, the federal money simply does not extend far enough. The program is currently serving only half the eligible children. Given the present mood of constraint in federal spending and the declining value of the dollar due to inflation, a constant amount of Federal Title I dollars will soon serve even fewer of the intended beneficiaries.

Several states have seen the need to augment the Federal Title I Program with their own resources. State compensatory education programs have been established in just under one-third of the states and the National Institute for Education (NIE) found these existing programs to be effective partners to the federal program.

However, the state effort is still relatively small in contrast to the unmet need. Education competes with many other claims for state and local dollars. States need to be encouraged to devote more resources to compensatory education.

The new Special Incentive Program can accomplish two vital purposes: 1) It can encourage the states that have not done so to mount their own efforts in compensatory education; and, 2) It can expand the number of children served in states already having programs by encouraging states to commit more dollars to them.

In addition to supplementing the federal support, the Special Incentive Grants are flexible enough to permit school districts to provide services to disadvantaged children who are not now eligible for the federal program services because they are not in a Title I school.

In Washington State we were delighted to see this program passed with the Education Amendments of 1978. Formerly our compensatory education program was a modest, discretionary program. My staff has been working with the State Legislature this session to produce an expanded program which will complement the federal program and qualify for the federal matching dollars. To attract additional state dollars to this expanded program, our Legislature needs to see that the federal government means business. A show of good faith in the program is essential in FY 80. If states do not see federal dollars this year, they will consider the program only a paper promise and will not be spurred to act on it.

I urge the distinguished Members of this Committee not to sacrifice a long-term gain to the immediate press for federal program cutbacks. Is it not the better part of wisdom for some federal dollars to be spent now to encourage states to invest their own funds in this crucial educational program, thereby providing the momentum for more substantial support from state coffers now and in the future? I believe the common sense answer to that must be a resounding "yes". The creators of the Special Incentive Grant Program showed considerable foresight. It is now up to the Appropriations Committee to breathe life into it.

STATEMENTS OF:

DONALD S. BRUNO, DIVISION SUPERINTENDENT, YORK COUNTY PUBLIC SCHOOLS

THOMAS A BOBO, ASSISTANT SUPERINTENDENT, MONTGOMERY COUNTY, ALABAMA PUBLIC SCHOOLS

WAYNE PAXSON, ASSOCIATION SUPERINTENDENT, BELLEVUE, NEBRASKA PUBLIC SCHOOLS

DR. JAMES F. PARSLEY, JR., SUPRINTENDENT, IDAHO FALLS SCHOOL DISTRICT NO. 91

DR. H. DAVID FISH, DIRECTOR, SPECIAL PROJECTS, SAN DIEGO UNIFIED SCHOOL DISTRICT

Senator MATHIAS. Gentlemen, I am sorry to hold you up.

Dr. FISH. We appreciate the opportunity to speak.

Senator MATHIAS. You are pushing against an open door on this issue of impact aid. [Laughter.]

And yet it is very important that you be here because it is still not fully understood in Congress.

In the debate last year, the horrible example was held up that Amy Carter was an object of impact aid, which indicated how misapplied this assistance was; missing the point that Amy Carter doesn't get any personal assistance or her father and mother don't get any personal assistance. But the fact is that beause her father's Federal activities require him to occupy several acres of the choicest real estate in the world, which would otherwise be tax-producing real estate, probably occupied by taxpaying commercial enterprises which would be appropriate for Amy Carter. It has nothing to do with the financial circumstances or economic status of her family. But I just open the panel with that illustration. Even at this late date in history the real function of impact aid is not fully understood.

So I apologize for taking your time, which you are so constricted with anyway, and ask you to introduce the panel and proceed just as briefly as you can.

Dr. FISH. Thank you, Senator Mathias. We appreciate this opportunity to represent over 4,000 school districts in 50 States serving 25 million children.

We have people from across the country here. We are a sampling here. I have additional materials in the sample from other districts that represent cases. We would like to request those be entered too, if possible.

Senator MATHIAS. They will be made part of the record.

Dr. FISH. The people speaking here represent types of our school districts. On my extreme right is Thomas Bobo from Montgomery County, Alabama, one of the eight Montgomery counties that make up the impact aid program.

Senator MATHIAS. I hope they don't get beat around the head the way Montgomery County, Md. does. [Laughter.]

Dr. FISH. Next to him is Mr. Donald Bruno, superintendent of York County Public Schools, a district with heavy impaction of impact aid.

On my left is Dr. Jim Parsley, superintendent of Idaho Falls School District in Idaho.

On the extreme left is Dr. Wayne Paxson, associate superintendent of Bellevue, Nebr., a heavily impacted school district.

We are all representative of districts which have lost property tax base or are impacted by the presence of the Federal Government which owns over $101 billion of Federal property.

We depend on that.

The Federal Government distorted our educational funding support and we are confronted with a desperate situation in regard to providing the basic essential services and basic skills for our program.

We are not a discretionary program. Loss of these funds would be extreme.

I will turn first to Dr. Paxson.

STATEMENT OF WAYNE PAXSON

Dr. PAXSON. I am Wayne Paxson, associate superintendent of the Bellevue Public Schools, Bellevue, Nebr. I have been authorized to speak on behalf of the 42 severely impacted districts which are identified in the prepared testimony.

All of these districts, of which my district is one, have indicated their support of the position on a priority of funding which is also included in the prepared testimony.

Also included in the prepared testimony is a 1-page survey form which was completed by each of these districts on the importance of the priorities of funding and which bear the signature of an authorized representative of the school district.

As a group, these 42 districts represent two-thirds of the impaction among several impacted districts serving military installations.

Each of the districts meets the qualifications of being either 20 percent impact with A people or 50 percent impacted with plus B pupils.

Each meets every test of economic need for full funding. Most have already suffered severe reductions during the past 10 years.

This is the group of districts which were identified in the Battele report several years ago as prisoners of the Federal Government and which the report warranted would almost certainly suffer financial crises if impact funding were further reduced.

Included in this listing of districts are those districts which experience school closings and teacher layoffs as a result of the first proration in 1970.

The typical district in this group is 60 percent impacted. Normally, such a district expects from 30 to 40 percent of its receipts to come from impact funding.

FULLY FUNDING AUTHORIZATION

Briefly stated, the position which this group of several impacted districts has taken is, one, fully fund the section in the authorization language 3D2B which directs the U.S. Commission of Education to in-

crease payments for districts which are at least 50 percent impacted and which can demonstrate that they can't provide a comparable educational program with the available funds.

The congressional intent is clear that this section should be funded even if full funding through tier 2 or tier 3 were provided.

But unless this section is specifically referred to in the appropriations, it will be left unfunded.

It would be ironic at a time when impact funding is under attack because it may go to nonneedy districts if the only section in the law or in any program funding public elementary and secondary education that I am aware of requiring need as a qualification should go unfunded due either to a technicality or oversight.

FULL FUNDING THROUGH TIER 2

The second position which this group of districts has taken is that districts which are 20 percent impacted with A pupils or 50 percent impacted with A plus B pupils should be fully funded through Tier 2 for all categories of pupils.

This would still leave unfunded the tier 3 which has been for a number of years.

Pupils whose parents are serving in the Armed Services should be funded through tier 2 regardless of the percentage of impaction.

NUMBER OF DISTRICTS BENEFITTING

The number of districts benefitting under the two recommendations dealing with percentage of impaction is small. At least, 325. Approximately 7 percent of the total of more than 4,000 districts.

Of these 325 districts, 88—only 88 serve military installations. The remaining 237 districts serve childen who reside on Indian land.

Of the several impacted districts serving military installations, approximately one-half representing more than two-thirds of the impaction have joined in support of the priorities of funding that I have outlined here.

I would remind the committee that the recommendations don't address themselves to tier 3 funding.

Many districts on the list do have entitlements which will go unfunded in tier 3 and thus will continue to suffer preotations even if the priorities I have outlined here were to be adopted.

The first two recommendations will, if enacted, preserve the priorities of funding for several impacted districts which were accomplished through the appropriations process during the early 1970's which were written into the funding sections in the education amendments of 1974 and which were voided in the education amendments of 1978.

The third priority dealing with dependents of those serving in the Armed Services would preserve the original purpose of impact aid which resulted in its passage in 1950, namely to provide adequately for military impaction.

Thank you very much for the opportunity to plead the case of the several impacted districts serving military installations.

Senator MATHIAS. Thank you.

[The statement follows:]

## Statement of Wayne Paxson, Associate Superintendent, Bellevue Public Schools, Bellevue, Nebr.

Severely impacted districts are defined by the legislation and past precedent as those districts which are either 20% impacted with pupils whose parents reside on and are employed on federal property or those which are 50% impacted with federally connected pupils. Of the 4,300 applicants for impact aid, only approximately 325 districts, or about 7% meet one or the other, or both of these tests of impaction. The great majority of these districts meet both tests.

These severely impacted districts invariably serve either military installations or pupils residing on Indian lands. Of the total of 325 districts, 88 serve military installations.

Those 42 districts serving military installations which are identified in the full statement have taken the following position on priorities of funding:

1. Federal impaction is a responsibility of the federal government which should be met fully. Funds should not be reduced proportionately across all entitlements when the appropriation is insufficient to fund all entitlements. To do so causes the burden for replacing the lost funds to fall upon the very districts which are most reliant upon the funding.

2. If Congress reduces PL 874 funding because funds go to districts which are not in fiscal need, then Congress should establish fiscal need as a qualification not only for PL 874 but for the other federal educational programs as well.

3. The section of PL 874 which deals with fiscal need as a justification for increased entitlement, (Section 3(d)2(B), should be fully funded in every appropriation, regardless of how the funding is ultimately distributed.

4. Highly impacted districts, which by precedent and by law, have been defined as either 20% impacted with 3(a) pupils or 50% impacted with federally connected pupils , 3(a) plus 3(b), should be fully funded for all categories of pupils through Tier II.

5. Category (a) and military (b) pupils in districts serving military installations should be fully funded through Tier II regardless of the degree of impaction of the recipient district.

STATE-BY-STATE LISTING OF FY 1978 TIER II PAYMENTS
TO SEVERELY IMPACTED DISTRICTS BY CATEGORY OF PUPIL
(SAFA Printout)

(Thousands of Dollars)

| State | "A" Payments | Military "B" Payments | Other "B" Payments | Total |
|---|---|---|---|---|
| Alaska | $ 40,227 | $ 20 | $ 494 | $ 40,741 |
| Alabama | 21 | 78 | 53 | 152 |
| Arizona | 18,338 | 226 | 545 | 19,109 |
| Arkansas | 733 | 36 | 13 | 782 |
| California | 18,833 | 631 | 1,796 | 21,260 |
| Colorado | 1,842 | 85 | 85 | 2,012 |
| Connecticut | 2,391 | 146 | 65 | 2,602 |
| Idaho | 1,285 | 113 | 118 | 1,516 |
| Illinois | 5,342 | 145 | 291 | 5,778 |
| Indiana | 705 | 28 | 24 | 757 |
| Kansas | 3,600 | 204 | 100 | 3,904 |
| Maine | 1,211 | 6 | 40 | 1,257 |
| Massachusetts | 2,168 | 34 | 57 | 2,259 |
| Michigan | 2,228 | 115 | 137 | 2,480 |
| Minnesota | 900 | - | 32 | 932 |
| Missouri | 2,660 | 154 | 158 | 2,972 |
| Mississippi | 1,032 | 110 | 189 | 1,331 |
| Montana | 5,961 | 1 | 193 | 6,155 |
| Nebraska | 5,376 | 902 | 196 | 6,474 |
| Nevada | 293 | 5 | 162 | 460 |
| New Hampshire | 1,182 | 81 | 105 | 1,368 |
| New Jersey | 5,070 | 256 | 370 | 5,696 |
| New Mexico | 12,463 | 270 | 1,421 | 14,154 |
| New York | 1,421 | 47 | 160 | 1,628 |
| North Dakota | 5,169 | 59 | 267 | 5,495 |
| Ohio | 1,642 | 128 | 139 | 1,909 |
| Oklahoma | 4,488 | 1,282 | 552 | 6,322 |
| Oregon | 867 | 8 | 96 | 971 |
| Rhode Island | 510 | 40 | 101 | 651 |
| South Dakota | 6,322 | 40 | 273 | 6,635 |
| Tennessee | 1 | 3 | 602 | 606 |
| Texas | 9,084 | 1,657 | 495 | 11,236 |
| Utah | 1,134 | 9 | 546 | 1,689 |
| Virginia | 2,946 | 160 | 317 | 3,423 |
| Washington | 6,697 | 1,031 | 3,175 | 10,903 |
| Wisconsin | 1,021 | - | 13 | 1,034 |
| Wyoming | 975 | - | 351 | 1,326 |
| TOTAL 37 states | $176,138 | $8,110 | $13,731 | $197,979 |

The "A" payments make up approximately 90% of the payments through Tier II among the severely impacted districts More than one-half of the "A" payments go to districts serving Indian children.

The "B" payments are concentrated among the districts serving military installations and are made to only a very few districts. For instance, the following districts have "B" payments through Tier II of approximately $500,000 or more:

TIER II PAYMENTS FY 1978

| District/State | "A" Pupils | Military "B" Pupils | Other "B" Pupils | Total |
|---|---|---|---|---|
| Lompoc, Calif. | $ 1,346,683 | $ 111,240 | $ 436,710 | $ 1,894,633 |
| Sierra Sands, Calif. | 917,980 | 10,306 | 636,001 | 1,564,287 |
| Bellevue, Nebr. | 4,293,953 | 901,559 | 173,830 | 5,369,342 |
| Lakehurst, N. J. | 1,788,664 | 222,822 | 285,708 | 2,297,194 |
| Alamogordo, N. Mex. | 965,760 | 250,039 | 345,153 | 1,560,952 |
| Los Alamos, N. Mex. | 5,998 | 2,685 | 706,431 | 715,114 |
| Lawton, Okla. | 1,219,347 | 1,086,927 | 424,716 | 2,730,990 |
| Oak Ridge, Tenn. | 1,387 | 2,971 | 601,781 | 606,139 |
| Copperas Cove, Texas | 28,423 | 596,868 | 121,337 | 746,628 |
| Killeen, Texas | 4,421,018 | 864,379 | 271,045 | 5,556,442 |
| Clover Park, Wash. | 3,120,141 | 376,392 | 247,788 | 3,744,321 |
| Oak Harbour, Wash. | 778,955 | 356,248 | 137,201 | 1,272,404 |
| Bremerton, Wash. | 107,464 | 43,896 | 548,387 | 699,747 |
| Central Kitsap, Wash. | 510,264 | 110,881 | 594,913 | 1,216,058 |
| South Kitsap, Wash. | 6,833 | 94,834 | 607,812 | 709,479 |
| Richland, Wash. | 12,573 | 2,277 | 770,015 | 784,865 |
| TOTAL - 16 districts | $19,525,443 | $5,034,324 | $6,908,828 | $31,468,595 |

Of the 88 severely impacted districts serving military installations, sixteen are identified above.

It is apparent that both the military "B" funding and the other "B" funding is vitally important to these districts. Although these sixteen districts make up only 18% of the total serving military installations, they have 62% of the military "B" entitlement and 50% of the other "B" entitlement. Three districts have approximately one million dollars each in military "B" entitlement; Bellevue, Nebraska, Lawton, Oklahoma and Killeen, Texas. In addition, each of these three districts rely upon a significant amount of other "B" funding.

Thus, any reduction in "B" funding falls the heaviest upon the very few districts identified above.

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LISTING OF SEVERELY IMPACTED DISTRICTS SERVING MILITARY INSTALLATIONS WHICH SUPPORT A PRIORITY OF FUNDING FOR SEVERELY IMPACTED DISTRICTS

| | Installation(s) Served | Percent "A" Pupils | % "A" Plus "B" Pupils | Tier II Payments 1978 |
|---|---|---|---|---|
| Arizona | | | | |
| Sierra Vista H.S. | Fort Huachuca | 16.5 | 68.5 | $ 446,050 |
| Sierra Vista Elem. | Fort Huachuca | - | 63.4 | 397,459 |
| California | | | | |
| Monterey Peninsula | Fort Ord | 28.9 | 50.0 | 4,756,500 |
| Sierra Sands | China Lake Naval Weapons | 21.8 | 71.3 | 1,564,287 |
| Coronado | Naval Air Station/others | 23.0 | 50.0 | 898,843 |
| Muroc | Edwards AFB | 68.6 | 76.0 | 4,149,361 |
| Colorado | | | | |
| El Paso Co #8 | Ft. Carson | 55.4 | 73.5 | 1,499,260 |
| Air Force Academy | Air Academy | 23.0 | 40.0 | 1,326,600 |
| Connecticut | | | | |
| Groton | Naval Base | 29.0 | 38.1 | 2,602,696 |
| Idaho | | | | |
| Mountain Home | Mountain Home AFB | 38.3 | 64.4 | 1,312,931 |
| Illinois | | | | |
| North Chicago | Naval Training/Ft. Sheridan | 45.1 | 61.2 | 1,785,261 |
| Rantoul | Rantoul AFB | 49.4 | 71.3 | 1,176,375 |
| Mascoutah | Scott AFB | 63.0 | 71.8 | 1,666,820 |
| Indiana | | | | |
| Maconaquah | Grissom AFB | 29.6 | 37.7 | 756,983 |
| Kansas | | | | |
| Ft. Leavenworth | Ft. Leavenworth | 99.8 | 100.0 | 1,388,761 |
| Geary Co. | Ft. Riley | 48.6 | 69.6 | 2,412,054 |
| Massachusetts | | | | |
| Ayer | Ft.Devans | 57.0 | 66.1 | 2,259,355 |
| Michigan | | | | |
| Oscoda | Wurtsmith AFB | 31.3 | 50.4 | 1,101,545 |
| Gwinn | KI Sawyer AFB | 49.5 | 61.8 | 1,295,471 |
| Missouri | | | | |
| Waynesville | Ft. Leonard Wood | 59.7 | 81.2 | 2,157,739 |
| Knob Noster | Whiteman AFB | 54.2 | 74.7 | 767,923 |
| Nebraska | | | | |
| Bellevue | Offutt AFB/SAC Hdqts. | 36.1 | 67.6 | 5,369,342 |
| New Hampshire | | | | |
| Portsmouth | | 21.7 | 35.8 | 1,361.986 |

| | | | | |
|---|---|---|---|---|
| New Jersey | | | | |
| Pemberton Twp. | Ft. Dix/McGuire AFB | 21.5 | 42.0 | 2,197,194 |
| Eatontown | Ft. Monmouth/Earle Naval | 39.8 | 45.5 | 928,774 |
| Lakehurst Elem. | N.A.E.C. | 25.3 | 37.7 | 283,951 |
| New Mexico | | | | |
| Alamogordo | Holloman AFB/others | 20.0 | 56.3 | 1,560,952 |
| North Dakota | | | | |
| Grand Forks | Grand Forks AFB | 22.3 | 28.4 | 1,466,481 |
| Minot | Minot AFB | 28.4 | 40.3 | 1,723,103 |
| Ohio | | | | |
| Mad River Twp. | Wright-Patterson AFB | 21.9 | 38.6 | 1,333,264 |
| South Dakota | | | | |
| Douglas | Ellsworth AFB | 71.6 | 81.1 | 1,822,279 |
| Texas | | | | |
| Del Valle | Bergstrom AFB | 21.5 | 29.5 | 606,737 |
| Copperas Cove | Fort Hood | .9 | 67.7 | 752,270 |
| Fort Sam Houston | Fort Sam Houston | 88.3 | 99.0 | 1,575,614 |
| Randolph Field | Randolph Field | 93.6 | 99.5 | 1,316,729 |
| Lackland | Lackland AFB | 95.4 | 99.6 | 788,203 |
| Killeen | Fort Hood | 37.8 | 72.1 | 5,556,442 |
| Burkburnett | Sheppard AFB | 20.9 | 41.6 | 622,670 |
| Virginia | | | | |
| Prince George Co | Fort Lee | 30.5 | 42.9 | 1,272,267 |
| Washington | | | | |
| Medical Lake | Fairchild AFB | 48.2 | 61.9 | 807,739 |
| Oak Harbour | Whidby AFB | 22.4 | 67.3 | 1,272,404 |
| Clover Park | Fort Lewis/McChord AFB | 31.8 | 55.0 | 3,744,321 |
| TOTAL - 42 districts | | 40.3 | 60.7 | $72,084,996 |

The listing of forty-two districts which are in support of a priority of funding for severely impacted districts represent 48% of eighty-eight severely impacted districts serving military installations. However, the Tier II payments for these forty-two districts represent 67% of the total Tier II payments made to severely impacted districts.

The average district among these forty-two districts has an "A" impaction of 40.3% and a total impaction of 60.7%. The average payment through Tier II is $1,716,309 per district which is approximately 40% of the average district's budget.

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Sierra Vista Public Schools - District #68 - HIGH SCHOOL

4001 Fry Blvd. NE Sierra Vista, AZ 85635

2. Serving What Installation(s)? Fort Huachuca

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 375 | 16.5% |
| 3(b) Military | 341 | 15% |
| 3(b) Other | 839 | 37% |
| Total | 1,555 | 68.5% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 384,600* | 9.2% |
| Other Federal | 40,000 | 1% |
| State | 2,470,000 | 59% |
| Local | 1,285,411 | 30.8% |
| Total | $4,180,011 | 100% |

*Includes estimated 26% reduction in 77-78 funding we've been told to expect.

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | $ 295,718 | $ 201,105 |
| 3(b) Military | 133,424 | 59,240 |
| 3(b) Other | 294,584 | 124,256 |
| Other | --- | --- |
| Total | $ 723,726 | $ 384,601 |

Difference $339,125

6. Our district supports full funding for the severely impacted districts for the following reasons:

Our reasons for supporting full funding are substantially in agreement with those outlined in the March, 1979, Position Paper. A reduction in the funding would create not only an educational hardship on the students of this district, two-thirds of whom are either military or civil service dependents, but also create a financial hardship of great proportions on the taxpayers of this area.

7. Signature of Authorized Representative: Frank Samuelson Sr.

Name Frank Samuelson Title Superintendent of Schools

Date March 19, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Sierra Vista Public Schools, District #68 - ELEMENTARY

4001 Fry Blvd. NE Sierra Vista, AZ 85635

2. Serving What Installation(s)? Fort Huachuca

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 4 | .1% |
| 3(b) Military | 871 | 26.3% |
| 3(b) Other | 1,228 | 37% |
| Total | 2,103 | 63.4% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 342,353* | 7.3% |
| Other Federal | 200,000 | 4.3% |
| State | 2,445,000 | 52.1% |
| Local | 1,706,309 | 36.3% |
| Total | $4,693,662 | 100% |

*Includes 26% reduction from 77-78 funding which we've been told to expect.

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 3,901 | $ 2,597 |
| 3(b) Military | 355,603 | 157,888 |
| 3(b) Other | 431,172 | 181,868 |
| Other | --- | --- |
| Total | $ 790,676 | $ 342,353 |

Difference $448,323

6. Our district supports full funding for the severely impacted districts for the following reasons:

Our reasons for supporting full funding are substantially in agreement with those outlined in the March, 1979, Position Paper. A reduction in the funding would create not only an educational hardship on the students of this district, two-thirds of whom are either military or civil service dependents, but also create a financial hardship of great proportions on the taxpayers of this area.

7. Signature of Authorized Representative: Frank Samuelson Sr.

Name Frank Samuelson Title Superintendent of Schools

Date March 19, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Litchfield Elementary School District #79

P. O. Box 188, Litchfield Park, Arizona, 85340

2. Serving What Installation(s)? Luke Air Force Base, Phoenix, Arizona

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 239 | .18 |
| 3(b) Military | 117 | .09 |
| 3(b) Other | 28 | .02 |
| Total | 384 | .29 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 167,593.20 | .092 |
| Other Federal | .00 | |
| State | 1,111,385.96 | .611 |
| Local | 541,167.04 | .297 |
| Total | $1,820,146.20 | 1.000 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 148,650.04 | 141,186.26 |
| 3(b) Military | 46,255.05 | 19,315.07 |
| 3(b) Other | 10,623.08 | 7,091.87 |
| Other | | |
| Total | 205,528.17 | 167,593.20 |

Difference 37,934.97

6. Our district supports full funding for the severely impacted districts for the following reasons:

Assessed valuations have doubled and tripled during the last five years on property within our district. This has impacted local taxpayers in and of itself. To deny full funding of P.L. 874, which acts as an in-lieu tax for Federal non-taxable property located within the district, is to compound the burden on these tax-paying residents.

Impact aid was created in recognition of the fact that the Federal Government had an obligation and a responsibility to compensate for the loss in taxation that a federal installation creates; it would be viewed as a most irresponsible act on the part of the Federal Government by the taxpaying public if it were to reduce impact aid funding.

7. Signature of Authorized Representative:

Name Eldon Fluke Title Superintendent

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Monterey Peninsula Unified School District

700 Pacific Street - P. O. Box 1031

2. Serving What Installation(s)? Fort Ord, Naval Postgraduate School, Defense Language Institute (West Coast)

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 4,443 | 31.0 |
| 3(b) Military | 1,058 | 7.4 |
| 3(b) Other | 1,661 | 11.6 |
| Total | 7,162 | 50.0 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 4,773,980 | 15.9 |
| Other Federal | 1,027,076 | 3.4 |
| State | 17,017,305 | 56.6 |
| Local | 7,251,604 | 24.1 |
| Total | $30,069,965 | 100.0 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 3,841,200 | $ 3,841,200 |
| 3(b) Military | 605,000 | 363,000 |
| 3(b) Other | 760,320 | 433,380 |
| Other | 150,000 | 136,400 |
| Total | $ 5,356,520 | $ 4,773,980 |

Difference $582,540

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. Military enrollment represents 50% of our district's total enrollment, yet payments under PL 874 represent only 15.9% of district revenue.
2. Proposition 13 has reduced income from State and Local sources. With no commensurate reduction in impact enrollment, additional funds are necessary to avoid financial disaster.
3. California's "Revenue Limit" concept has adversely affected highly impacted districts. The Base Revenue computations includes low tax rates (because of in-lieu impact aid being received during the base year). This reliance upon PL 874 funds is necessary because additional revenue sources above the revenue limit (such as tax overrides or State subventions), are virtually impossible after the passage of Proposition 13.

7. Signature of Authorized Representative:

Name [signature] Title Assistant Business Manager

Date 3-12-79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Sierra Sands Unified
113 Felspar - Ridgecrest, Calif 93555

2. Serving What Installation(s)? China Lake Naval Weapons Center

3. Enrollment

| | | Percent of Total ADA |
|---|---|---|
| 3(a) | 1037 | 19% |
| 3(b) Military | 39 | .69% |
| 3(b) Other | 3000 | 54% |
| Total | 4427 | 79% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,700,000 | 17% |
| Other Federal | 300,000 includes CETA | 3% |
| State | 8,000,000 Dept 13 | 80% |
| Local | | |
| Total | 10,000,000 | 100% |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,215,364 | 1,000,000 |
| 3(b) Military | 43,854 | 36,000 |
| 3(b) Other | 4,758,000 | 750,000 |
| Other | | |
| Total | 2,996,218 * | 1,800,000 |

Difference 1,196,218

6. Our district supports full funding for the severely impacted districts for the following reasons:

Dick:

your position paper is fine except for one area (I still feel that in our State There is no difference in ~~~~ military or Civilian "B" students) So your last paragraph should read Category A and B pupils in districts serving military installations. That would eliminate other than Military installations.

7. Signature of Authorized Representative:

Name Grant Fenning Title Asst Supt Business

Date 3/16/79

Our entire area is dependent on Civilian B Payments - 90 miles south have all civilian "B's" for Edwards AFB - 2500 of them.

with the change I will support your all the way.

Grant

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

CORONADO UNIFIED SCHOOL DISTRICT
706 Sixth Street
Coronado, CA 92118

2. Serving What Installation(s)? NAVAL AIR STA., NORTH ISLAND, NAB, ALL BASES IN THE SAN DIEGO AREA - and SHIPS HOME PORTED IN SAN DIEGO, CAMP PENDELTON-OCEANSIDE

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 523 | 23 |
| 3(b) Military | 427 | 19 |
| 3(b) Other | 182 | 8 |
| Total | 1132 | 50 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 898,843 | 18.6 |
| Other Federal | 122,436 | 2.5 |
| State | 2,052,209 | 42.4 |
| Local | 1,762,655 | 36.5 |
| Total | 4,836,143 | 100 |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 774,628 | 697,165 |
| 3(b) Military | 315,920 | 146,416 |
| 3(b) Other | 121,188 | 55,262 |
| Other | | |
| Total | 1,211,736 | 898,843 |

Difference $312,893

6. Our district supports full funding for the severely impacted districts for the following reasons:

Dollars per student for this district are below the state average. A reduction in 874, which represents a substantial part of total income would have detrimental effect upon all programs.

7. Signature of Authorized Representative:

Name David E. Greenthal Title Assistant Superintendent

Date 3-16-79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Muroc Unified School District

P.O. Box 833, North Edwards 93523

2. Serving What Installation(s)? Edwards Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1838 | 65.2 |
| 3(b) Military | 28 | 1.0 |
| 3(b) Other | 183 | 6.5 |
| Total | 2049 | 72.7 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 4,241,138 | 52.3% |
| Other Federal | -0- | -0- |
| State | 2,287,061 | 28.2 |
| Local | 1,578,872 | 19.5 |
| Total | 8,107,071 | 100 |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 3,676,200 | 2,653,480 |
| 3(b) Military | 28,000 | 18,200 |
| 3(b) Other | 164,700 | 107,055 |
| Other | -0- | -0- |
| Total | 3,868,700 | 2,718,735 |

Difference 386,870

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. We are impacted with 72.7% of our students connected to the installation, but only 52.3% of the income is from the federal government.
2. It would be impossible to educate our students without federal funds.
3. If the federal government would put the facility on the tax rolls, we would not need Impact Aid.
4. The government owes some relief to the school district for the students population it imposes on the schools.

7. Signature of Authorized Representative:

Name Allen T. Walker Title Assist. Supt., Business

Date 3/14/9

TESTIMONY
SENATE EDUCATION SUB-COMMITTEE
ALLEN T. WALKER, ASSISTANT SUPERINTENDENT, BUSINESS
MUROC UNIFIED SHCOOL DISTRICT
EDWARDS AIR FORCE BASE, CALIFORNIA

I am Allen T. Walker, Assistant Superintendent, Business, Muroc Unified School District, Edwards Air Force Base, California. Thank you for allowing me the opportunity to present testimony to this committee.

The Muroc Unified School District is located on the Mojave Desert, 100 miles northeast of Los Angeles and east of Bakersfield. It is composed of the Edwards Air Force Base and the communities of Boron and North Edwards. There were 2819 students, K-12, in the district on October 27, 1978. These students consisted of 1837 (65.1%) "A" students living on base with parents in the armed forces, 211 (7.5%) "B" students whose parents lived off base but worked on base, and 771 (27.4%) were non-federally connected.

Edwards Air Force Base impacts the district with 72.6% of the student population. District income is provided from three sources: local taxes, state aid, and PL 874 funds. State aid and local taxes provide 50 percent of the income and PL 874 50 percent. Thus, student impaction for the activities of Edwards Air Force Base is 72.6%, but impact aid provides only 50 percent of the income.

This has been the case for years and we have learned to live with the situation as long as we were funded 100 percent through Tier II. But, with the new law, which provides only 65 percent of Tier II, the income from PL 874 (impact aid) will be only 36.75% of the income. This will be devastating and create a loss in overall income of 13.25%.

We have been proud of our schools over the years. Desert High School has sent more students to the academies than any other public high school in the nation. Our educational programs have been exemplary within the Air Force Command. If we have to suffer an impact aid cut of 36.75%, it will require larger classes, curtailment of many programs, dismissal of teachers, and general lowering of the educational opportunities available for the students.

This must not happen!

You don't want it to happen!

You must not let it happen!

Edwards Air Force Base operates for the welfare and safety of the nation. To deprive the children of its talented and dedicated workforce of the highest order of educational opportunity would be tragic.

Tier II must be funded 100 percent.

Thank you.

JUSTIFICATION FOR TIER II FUNDING

OFFICE OF ASST SUPT.
OF EUS NESS SERVICE
MAR 12 1979
DATE RECEIVED

1. Name and Address of School District:
ALAMEDA UNIFIED School DIST
400 GRAND St., ALAMEDA, CA. 94501

2. Serving What Installation(s)? NAVAL AIR STATION, ALAMEDA.

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1426 | 15% |
| 3(b) Military | 220 | 2% |
| 3(b) Other | 980 | 10% |
| Total | 2626 | |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,956,110 | 10% |
| Other Federal | | |
| State | | |
| Local | | |
| Total | | |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 2,230,000 rem. | 1,956,110. |
| 3(b) Military | | |
| 3(b) Other | | |
| Other | | |
| Total | | |

Difference 280,000.

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:
Name Charles L. Judd Title Asst. Supt
Date 3/19/79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:
Fountain-Fort Carson Public School District
El Paso County School District #8
400 West Alabama Avenue
Fountain, Colorado 80817

2. Serving What Installation(s)? Fort Carson (also have students whose parents work at NORAD, USAFA, Pueblo Army Depot, Ent AFBase, etc.)

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1806 | 53.89% |
| 3(b) Military | 376 | 10.71% |
| 3(b) Other | 216 | 6.15% |
| Total | 2398 | 71.56% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,500,000 | 23.90% |
| Other Federal | 117,000 | 1.87% |
| State | 4,001,273 | 63.77% |
| Local | 656,630 | 10.46% |
| Total | 6,274,903 | 100.00% |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,455,297.38 | 1,455,297.38 |
| 3(b) Military | 148,747.52 | 71,398.80 |
| 3(b) Other | 73,970.38 | 33,622.87 |
| Other | - | - |
| Total | 1,678,015.28 | 1,560,319.05 |

Difference $117,696.23

6. Our district supports full funding for the severely impacted districts for the following reasons:

The majority of the 3(b) military reside either in mobile homes and/or in lower priced homes. Consequently, little tax revenue is received from their "place of residence" and of course none at all from their "place of work". All of our 3(a) students reside on the Fort Carson Military Reservation and thus no tax revenues (local) are received. Our School District has the lowest assessed valuation per student of any School District located in the State of Colorado. Consequently, we are "at the mercy" of the Federal Government (federal impact funding) and the State of Colorado (equalization payments) in order to be able to provide a public education program for the students residing within the boundaries of El Paso County School District #8.

7. Signature of Authorized Representative:

Name Dean Fleischauer Title Superintendent

Date 3/20/79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

SCHOOL DIST #20, USAF ACADEMY, COLO. 80840

2. Serving What Installation(s)? AIR FORCE ACADEMY, NORAD, FT CARSON.

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1131 | 23 |
| 3(b) Military | 593 | 12 |
| 3(b) Other | 251 | 5 |
| Total | 5030 | 40 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 966,000 | 12 |
| Other Federal | 85,900 | 1 |
| State | 4,825,200 | 60 |
| Local | 2,196,900 | 27 |
| Total | 8,074,000 | |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1131 | 990,000 |
| 3(b) Military | 593 | 236,500 |
| 3(b) Other | 251 | 100,100 |
| Other | 3055 | - |
| Total | 5030 | 1,326,600 |

Difference 360,600

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:

Name John Lehrer Title Superintendent

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

SCHOOL DISTRICT NO. 193 ELMORE COUNTY

P.O. BOX 890 - MOUNTAIN HOME, IDAHO 83647

2. Serving What Installation(s)? MOUNTAIN HOME AIR FORCE BASE

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1445 | .3591 |
| 3(b) Military | 593 | .1474 |
| 3(b) Other | 483 | .1200 |
| Nonfederal | 1503 | .3735 |
| TOTAL | 4024 | 1.0000 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,379,576.00 | .2578 |
| Other Federal | 22,750.00 | .0043 |
| State | 2,599,854.00 | .4858 |
| Local | 1,349,288.00 | .2521 |
| Total | 5,351,468.00 | 1.0000 |

5.

| | Full Entitlement Through Tier III, 1978-79 | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,091,678.14 | 1,091,227.22 |
| 3(b) Military | 226,291.13 | 108,619.74 |
| 3(b) Other | 158,021.56 | 72,057.83 |
| Other | -0- | -0- |
| Total | 1,475,990.83 | 1,271,904.79 |

Difference 204,086.04

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:

Name Jack L. Jones Title Assistant Supt. - Clerk/Treasurer

Date March 22, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:
North Chicago School
~~BOARD OF EDUCATION~~, DISTRICT 64
~~2000 LEWIS AVENUE~~
NORTH CHICAGO, ILLINOIS 60064

2. Serving What Installation(s)? Naval Training Center, Great Lakes, Illinois; Veterans Administration Downey, Division, Fort Sheridan Highwood, Illinois

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1652 | 43 |
| 3(b) Military | 54 | 1 |
| 3(b) Other | 447 | 12 |
| Total | 2153 | 56 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,045,000 | 29 |
| Other Federal | 795,000 | 11 |
| State | 2,961,000 | 42 |
| Local | 1,301,000 | 18 |
| Total | 7,102,000 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,932,000 | 1,893,000 |
| 3(b) Military | 31,000 | 18,000 |
| 3(b) Other | 225,000 | 134,000 |
| Other | 0 | 0 |
| Total | 2,192,000 | 2,045,000 |

Difference (153,000)

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. 56% of our students are federally connected
2. 29% of our annual budget comes from PL. 874

7. Signature of Authorized Representative:

Name Dr. Charles R. Thames Title Superintendent

Date March 12, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Mascoutah Community Unit School District #19

720 West Harnett Street, Mascoutah, Illinois 62258

2. Serving What Installation(s)? Scott Air Force Base, Illinois 62225

3. Enrollment

| | | Percent of Total Enrollment. |
|---|---|---|
| 3(a) | 2,336 | 63.0% |
| 3(b) Military | 209 | 5.6% |
| 3(b) Other | 119 | 3.2% |
| Total Enrollment | 3,709 | 100.0% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| *P.L. 874 | 1,901,000 | 30.8% |
| Other Federal | 297,000 | 4.8% |
| State | 3,009,000 | 48.7% |
| Local | 969,600 | 15.7% |
| Total | 6,176,600 | 100.0% |

* 25% from FY78 and 75% from FY79.

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,907,000 | 1,907,000 |
| 3(b) Military | 83,000 | 39,800 |
| 3(b) Other | 41,300 | 18,750 |
| Other | — | — |
| Total | 2,031,300 | 1,965,550 |

Difference 65,750

6. Our district supports full funding for the severely impacted districts for the following reasons:

SEE ATTACHED SHEET

7. Signature of Authorized Representative: Robert W. Zerkle

Name Robert W. Zerkle Title Business Manager

Date March 21, 1979

Mascoutah Community Unit School District #19 is a district with 71.8% impaction attributed to having within its boundries Scott Air Force Base. The benefits of having Scott AFB in our district are numerous and varied, not the least of which enables the district to provide a comprehensive program to its students.

The most severe disadvantage imaginable would be the situation in which the Federal Government would not financially support the local efforts in educating those children attached to the operations of the Base. Historically, Congress has accepted the responsibility of providing financial support on a basis of payments comparable to the local effort made in the education of local children. Thus, the benefits of having children of Scott AFB personnel in the local district are highlighted and welcomed. If Congress does not continue its financial support through full-funding, the benefits are diminished, and the education of these children will become a local burden that would be unbearable.

For each 10% reduction or $190,000 loss in Impact Aid, the education rate for the Mascoutah School District #19 would have to be increased by 66 mills, which represents a 61% increase. In a climate in which the taxpayer is not only opposing increases in taxes, but making attempts at reducing taxes, the attempt at such an increase is ludicrous.

To consider less than full-funding, for a program in which the ratio of the dollar returned to the dollar collected may be among the highest of any Federal Program, cannot be in the best interest for the children of Scott AFB personnel nor the taxpayers of this great country.

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

MACONAQUAH SCHOOL CORPORATION

R. R. 1, Box 28-A, Bunker Hill, IN 46914

2. Serving What Installation(s)? Grissom Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 965 | 29.30% |
| 3(b) Military | 91 | 2.76% |
| 3(b) Other | 168 | 5.10% |
| Total | 1,224 | 37.16% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 900,000 | 20.8% |
| Other Federal | - 0 - | |
| State | 2,420,715 | 56.0 |
| Local | 989,216 | 23.2 |
| Total | $4,309,931 | 100.% |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 984,368 | $ 900,000 |
| 3(b) Military | 36,602 | - 0 - |
| 3(b) Other | 60,093 | - 0 - |
| Other | 643 | - 0 - |
| Total | $1,081,706 | 900,000 |

Difference $181,706

6. Our district supports full funding for the severely impacted districts for the following reasons:

For all those reasons outlined in Position Paper .

7. Signature of Authorized Representative:

Name Ray L. Geyer Title Supt. of Schools

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Fort Leavenworth Unified School District No. 207

Fort Leavenworth, Kansas 66027

2. Serving What Installation(s)? Fort Leavenworth, Kansas; Federal Penitentiary, Leavenworth, Kansas and National Cemetery, Fort Leavenworth, Kansas

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1790 | 99.83 |
| 3(b) Military | 3 | .17 |
| 3(b) Other | | |
| Total | 1793 | 100.00 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $1,903,148* | 72.7 |
| Other Federal | 4,455 | .2 |
| State | 651,720 | 24.9 |
| Local | 58,000 | 2.2 |
| Total | | |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $$1,379,242 | $1,379,242 |
| 3(b) Military | 2,200 | 1,056 |
| 3(b) Other | | |
| Other | | |
| Total | | |

Difference $1,144

6. Our district supports full funding for the severely impacted districts for the following reasons: This school district's boundaries include only federal property consisting of the Fort Leavenworth Military Reservation, the Federal Penitentiary and the National Cemetery. The small amount of personal and corporate property in this district can only provide approximately $13,000 in taxes per year. Even with 100% PL-874 funding, the Board of Education and administrators of this district have only been able to avoid the development of educational deficiencies by reductions in all areas except instruction to include deferring all possible maintenance to the physical plant for the last three years. This district's first 3(d)(2)(B) grant, approved for FY-78 and received in January 1979, will enable this district to perform only the most urgently needed maintenance. Anything less than 100% funding for this district and an LCR that keeps pace with inflation would be detrimental to the education of approximately 1800 children of career employees of the federal government.

* Includes FY-78 PL-874 final payment of $112,099 received 4 October 1978, FY-78 PL-874 adjusted final payment under 3(d)(2)(B) of $547,751 received 3 January 1979 and 90% of FY-79 3(a) and (b) entitlement.

7. Signature of Authorized Representative:

Name Dan E. Schilling Title Business Manager

Date 14 March 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

GEARY COUNTY UNIFIED SCHOOL DISTRICT No. 475

8th & Eisenhower (P.O. Box 370), Junction City, KS 66441

2. Serving What Installation(s)? Ft. Riley

3. Enrollment

| | | Percent of Total | of Total enrollment 6643 |
|---|---|---|---|
| 3(a) | 3,229 | 48.6 % | |
| 3(b) Military | 813 | 12.2 % | |
| 3(b) Other | 587 | 8.8 % | |
| Non-Federal | 2,014 | 30.4 % | |
| Total | 6,643 | 100 % | |

* 4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,800,000 | 31.1 % |
| Other Federal | -0- | -0- |
| State | 5,000,000 | 55.6 % |
| Local | 1,189,880 | 13.3 % |
| Total | 8,989,880 | 100 % |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 2,353,186.13 | 2,353,186.13 |
| 3(b) Military | 262,284.40 | 125,896.51 |
| 3(b) Other | 220,257.58 | 101,271.71 |
| Other | 37,347.33 | 37,347.33 |
| Total | 2,873,075.44 | 2,617,701.68 |

Difference 255,373.76

6. Our district supports full funding for the severely impacted districts for the following reasons:

Does not include Special Ed, Transportation, Driver Ed, Title I, IV, Food Service, Adult Education.

7. Signature of Authorized Representative:

Name Dr. Kenneth Hauge, Title Superintendent

Date March 20, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Brunswick School Department

35 Union Street, Brunswick, Me. 04011

2. Serving What Installation(s)? Brunswick Naval Air Station

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 578 | 17.8 |
| 3(b) Military | 374 | 11.5 |
| 3(b) Other | 109 | 3.4 |
| Total | 3,240 | 100.0 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 450,000 | 8.4 |
| Other Federal | | |
| State | 2,111,381 | 39.4 |
| Local | 2,792,347 | 52.2 |
| Total | 5,353,728 | 100.0 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 418,742 | 371,251.00 |
| 3(b) Military | 128,964 | 49,241.00 |
| 3(b) Other | 34,444 | 6,888.00 |
| Other | | |
| Total | 582,150 | 427,380.00 |

Difference 154,770

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:

Name [signature] Title Superintendent of Schools

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Ayer Public Schools, Bank Building, Main Street

Ayer, MA 01432

2. Serving What Installation(s)? Ft. Devens, Ayer

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1643 | 57.2 |
| 3(b) Military | 104 | 3.6 |
| 3(b) Other | 170 | 5.9 |
| Taxable Non-Fed | 957 | 33.3 |
| Total | 2874 | 100.0 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,115,684 | 44.3% |
| Other Federal | 0 | 0 |
| State | 1,244,066 | 26.1% |
| Local | 1,412,362 | 29.6% |
| Total | 4,772.112 | 100% |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 2,046.138 | 2,046.138 |
| 3(b) Military | 64,612 | 30,368 |
| 3(b) Other | 91,112 | 39,178 |
| Other | 0 | 0 |
| Total | 2,201,862 | 2,115,684 |

Difference 86,178

6. Our district supports full funding for the severely impacted districts for the following reasons:

Proration of payments for "super A" communities, in accordance with P.L. 95-561, through TIER 2A will result in such a dollar loss factor as will cause the local school tax rate to rise from its present level of $59/1000 valuation to $162/1000 valuation by 1982 and place an unconscienable if impossible handicap on the Ayer Public Schools.

7. Signature of Authorized Representative:

Name Francis A Pace Title Business Manager

Date March 20, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Oscoda Area Schools

3550 River Road, Oscoda, Michigan 48750

2. Serving What Installation(s)? Wurtsmith Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1080 | 28.6 |
| 3(b) Military | 388 | 10.3 |
| 3(b) Other | 347 | 9.2 |
| Total | 1815 | 48.1 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 999,000 | 16.1 |
| Other Federal | 11,500 | .2 |
| State | 2,061,099 | 33.3 |
| Local | 3,118,889 | 50.4 |
| Total | $ 6,190,488 | 100.0 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 867,209 | $ 867,209 |
| 3(b) Military | 155,490 | 93,292 |
| 3(b) Other | 124,452 | 70,822 |
| Other | 81,197 | 81,197 |
| Total | $ 1,228,348 | $ 1,112,520 |

Difference ($115,828)

6. Our district supports full funding for the severely impacted districts for the following reasons:

Presently 48.1% of our student body is federally connected and the funds received, towards our operation, amount to 16.1%. Full funding would raise the federal participation to 19%. The local effort, for 51.9% of our enrollment, generates 50% of our income. Since 1950 Congress has accepted the operation for payment in leu of taxes to federally effected school districts. The intent and philosophy of this obligation has not changed in almost 30 years. We feel that impact aid should not be sacrificed in order to begin new or to expand other programs.

The Oscoda Area School District supports the position paper on impact aid funding as adopted by the executive committee of several impact school districts.

7. Signature of Authorized Representative:

Name Robert D. Gelpe Title Superintendent

Date March 12, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

GWINN AREA COMMUNITY SCHOOLS

GWINN, MICHIGAN 49841

2. Serving What Installation(s)? K.I. SAWYER AIR FORCE BASE

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1,590 | 79 |
| 3(b) Military | 187 | 9 |
| 3(b) Other | 229 | 12 |
| Total | 2,006 | 100 |

Total District Enrollment 3,348

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,295,472 | 22 |
| Other Federal | 190,000 | 3 |
| State | 3,453,000 | 60 |
| Local | 1,060,000 | 15 |
| Total | 5,998,472 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,276,685 | 1,213,572 |
| 3(b) Military | 79,585 | 33,878 |
| 3(b) Other | 87,714 | 48,022 |
| Other | -0- | -0- |
| Total | 1,443,984 | 1,295,472 |

Difference 148,512

6. Our district supports full funding for the severely impacted districts for the following reasons:

(1) Based upon present property tax valuation of estimated $47,000,000 we would be required to ask our voters to approve about 3.5 mill increase to make up the $148,512 difference. This would not be conceivable.

(2) We would be forced to cut our educational program.

(3) Support for in lieu of tax revenues is necessary as our school system has the second lowest property valuation per child in Michigan. All other severely impacted schools are in a similar situation in Michigan.

7. Signature of Authorized Representative:

Name Allen Shala Title Superintendent of Schools

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

WAYNESVILLE R-VI SCHOOL DISTRICT

P.O. BOX 558, WAYNESVILLE, MISSOURI 65583

2. Serving What Installation(s)? FORT LEONARD WOOD, MISSOURI 65473

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 2683 | 58.77 |
| 3(b) Military | 433 | 9.49 |
| 3(b) Other | 557 | 12.20 |
| Total | 3673 | 80.46 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,013,089 | 25.87 |
| Other Federal | 568,604 | 7.31 |
| State | 3,890,273 | 49.99 |
| Local | 1,310,086 | 16.83 |
| Total | 7,782,052 | 100.00 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,877,017 | 1,877,017 |
| 3(b) Military | 152,027 | 91,216 |
| 3(b) Other | 168,132 | 95,835 |
| Other 3-e | 138,595 | |
| Total | 2,335,771 | 2,064,068 |

Difference 271,703

6. Our district supports full funding for the severely impacted districts for the following reasons:
   a. Over 68% of our students are uniformed services, yet less than 26% of our income is from PL-874. The State of Missouri supports these students at the same rate as students in Waynesville. This allows us to maintain the schools.
   b. County records show that a majority of 3(b) military sponsors seldom pay any taxes in our district. Their rental properties bring in the same revenue's as if the impaction were not here.
   c. Fort Leonard Wood has a new modern commissary, post exchange, hospital, service stations and many other services. No taxes are derived for the local community or the state from the sale of products or services on Fort Leonard Wood.

7. Signature of Authorized Representative:

Name L Claiborn Title SUPERINTENDENT

Date MARCH 13, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Knob Noster R-VIII School District

Knob Noster, Missouri 65336

2. Serving What Installation(s)? Whiteman Elementary School

Whiteman Air Force Base, MO 65305

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 895.5 | 52% |
| 3(b) Military | ~~(385.5)~~ | ~~22%~~ |
| 3(b) Other | | |
| Total District | 1714.5 | |

* Includes K at .5

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 700,000 | 28% |
| Other Federal | 154,500 | 6% |
| State | 1,049,479 | 42% |
| Local | 456,794 | 18% |
| ~~Todd~~ County | 105,000 | 4% |
| Total | 2,465,773 | |

5. Full Entitlement Through Tier III, 1978-79 — Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | | |
| 3(b) Military | | |
| 3(b) Other | | |
| Other | | |
| Total | | |

Difference

6. Our district supports full funding for the severely impacted districts for the following reasons:

From the calculations noted above it is obvious that 74% of our students are federally connected and 28% of our estimated receipts comes through P.L. 874. We do not receive local taxes for over half our students (52%). The educational program for these students is supported by state and federal income only.

If federal impact aid is reduced we will not be able to provide a quality educational program for students housed on federal lands at Whiteman Airforce Base.

7. Signature of Authorized Representative:

Name Ray R. Finley Title Supt. of Schools

Date Dec. 14, 1978

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Bellevue Public Schools

P.O. Box 458, Bellevue, Nebraska 68005

2. Serving What Installation(s)? Offutt Air Force Base
Headquarters SAC

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 3,350 | 35 |
| 3(b) Military | 2,335 | 24 |
| 3(b) Other | 600 | 6 |
| Non-Federal | 3,300 | 35 |
| Total | 9,585 | 100 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 5,748,449 | 40 |
| Other Federal | 139,725 | 1 |
| State | 4,546,989 | 32 |
| Local | 3,870,787 | 27 |
| Total | $ 14,305,950 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 4,115,556 | $ 4,115,556 |
| 3(b) Military | 1,425,948 | 684,455 |
| 3(b) Other | 322,539 | 154,819 |
| Other | 105,950 | 50,856 |
| Total | $ 5,969,993 | $ 5,005,686 |

Difference $ 964,307

6. Our district supports full funding for the severely impacted districts for the following reasons:

For the same reasons as are outlined in position paper.

7. Signature of Authorized Representative:

Name Wayne Talson Title Associate Superintendent

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Papillion-LaVista Public Schools

420 South Washington St., Papillion, NE 68046

2. Serving What Installation(s)? Offutt Air Force Base and SAC Headquarters

| 3. Enrollment | | Percent of Total |
|---|---|---|
| 3(a) | 228 | 4% |
| 3(b) Military | 1,738 | 32% |
| 3(b) Other | 3,573 | 64% |
| Total | 5,539 | 100% |

| 4. Source of Funds, 1978-79 Estimates | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 700,000.00 | 11% |
| Other Federal | 331,000.00 | 5% |
| State | 2,488,000.00 | 38% |
| Local | 3,009,000.00 | 46% |
| Total | 6,528,000.00 | 100% |

| 5. Full Entitlement Through Tier III, ~~1978-79~~ | 1977-78 | Estimated Funding, ~~1978-79~~ | 1977-78 |
|---|---|---|---|
| 3(a) | $ 283,589.54 | | $ 255,230.58 |
| 3(b) Military | 1,018,476.52 | | 609,653.95 |
| 3(b) Other | 94,115.03 | | 53,645.56 |
| Other | | | |
| Total | 1,396,181.09 | | 918,530.09 |

Difference $477,651.00

6. Our district supports full funding for the severely impacted districts for the following reasons:

We support the proposition paper as presented to the Committee by Dr. Richard Triplett, Superintendent of Schools, Bellevue Public Schools, Bellevue, NE. We feel the economic impact of being located adjacent to a military installation in many ways. First in the fact that we are a bedroom community, of which some 60 percent of the people are military, and therefore do not have the industry and/or commercial development proportionate to the population of the district. Secondly, we have an impact of 38 percent military dependents in our public schools. This impact is exemplified in our mill levy and our need for additional buildings. The Soldiers and Sailors Act exempting military personnel from becoming citizens of our community, also exempts them from paying their full share of our school district taxes. It is an obligation, not of the Papillion-LaVista School District to support the educational programs of these military dependents, but an obligation of all citizens of the United States.

7. Signature of Authorized Representative:

Name Paul D. Basler Title Superintendent of Schools

Paul D. Basler

Date 20 March 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Portsmouth School District

Clough Drive, Portsmouth, NH 03801

2. Serving What Installation (s)?

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1,146 | 64 |
| 3(b) Military | 170 | 9 |
| 3(b) Other | 486 | 27 |
| Total | 1,802 | 100 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P. L. 874 | 1,464,441 | 15 |
| Other Federal | - | - |
| State | 562,376 | 6 |
| Local | 7,961,920 | 79 |
| Total | 9,988,737 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,501,682 | 1,325,804 |
| 3(b) Military | 110,965 | 53,263 |
| 3(b) Other | 285,506 | 85,374 |
| Total | 1,898,153 | 1,464,441 |

Difference 433,712

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:

Name Joseph A. Bove Title Business Administrator

Date March 21, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Pemberton Township Schools, P.O. Box 98, Trenton Road, Browns Mills, New Jersey 08015

2. Serving What Installation(s)? Fort Dix-McGuire AFB

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1740 | 21.4 |
| 3(b) Military | 678 | 8.3 |
| 3(b) Other | 908 | 11.0 |
| Total | 3326 | 40.7 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,500,000 | 19 |
| Other Federal | 263,169 | 2 |
| State | 7,510,707 | 56 |
| Local | 3,231,537 | 23 |
| Total | 14,505,413 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | | |
| 3(b) Military | | |
| 3(b) Other | | |
| Other | | |
| Total | | |

Difference

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. Pemberton Township Schools provide educational services for all children living on base housing at Fort Dix. Since these properties are not taxed locally, it is imperative that the federal government continue to pay its fair share. Without funds appropriated under P.L. 874, the local tax rate would increase approximately 40%.

2. The parents of approximately 11% of our pupils are employed on federal property. Since these properties are not taxed locally, elimination of federal funding would place a still greater burden on the local property owner. Reduction on elimination of P.L. 874 funds would have a severe effect upon the local tax structure, and, since local approval is required for the budget, would ultimately have a negative impact on the total educational program.

7. Signature of Authorized Representative:

Name Robert J. Moon Title Assistant Superintendent

Date March 16, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Eatontown School District

Grant Avenue, Eatontown, N.J. 07724

2. Serving What Installation(s)? Fort Monmouth, Earle Naval Ammunition Depot

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 772 | 41% |
| 3(b) Military | 101 | 5% |
| 3(b) Other | - | - |
| Total | 1,889(total sch. dist.) | 100% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 725,000 | 18% |
| Other Federal | 64,000 (title I) | 2% |
| State | 627,702 | 15% |
| Local | 2,560,689 | 65% |
| Total | 3,977,391 | 100% |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 * |
|---|---|---|
| 3(a) | 700,000 | 1,561,534 |
| 3(b) Military | 5,000 | 43,491 |
| 3(b) Other | 20,000 | 165,680 |
| Other (3a Hand) | -0- | 99,000 |
| Total | 725,000 | 1,869,705 |

Difference 1,144,705

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. The shift of financial burden to educate federally associated school children will be borne by the local taxpayer. Federally connected children will be educated at the total expense of the local taxpayer.

2. The rising costs of special education would be fully borne by the local taxpayer.

3. State Aid is developed based upon a formula of equalized valuation of taxable property. Accordingly, tax free properties, such as federal lands and buildings, would detract from State Aid.

(*Estimated per pupil costs based on total budget appropriations for 78-79. Cost - $2071 per pupil)

7. Signature of Authorized Representative:

Name [signature] Title Board Secretary

Date 3/16/79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:
LAKEHURST Elementary School
Union Ave, LAKEHURST, N.J. 08733

2. Serving What Installation(s)? N.A.E.C. LAKEHURST, N.J.

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 222 | 28% |
| 3(b) Military | 118 | 15% |
| 3(b) Other | | |
| Total | | |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 272,774.62 | 18% |
| Other Federal | 38,000.00 | .02% |
| State | 641,914.00 | 45% |
| Local | 331,745.50 | 22% |
| Total | 1,304,235.62 | 87% |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 240,830.89 | 240,830.89 |
| 3(b) Military | 55,070.66 | 31,943.73 |
| 3(b) Other | | |
| Other | | |
| Total | 295,900.55 | 272,774.62 |

Difference 23,125.93

6. Our district supports full funding for the severely impacted districts for the following reasons:

We are a very poor district. Without the impact aid, we wouldn't be able to support the educational need of the dependent students.

7. Signature of Authorized Representative:
Name V. J. Macaluso Title Principal
Date 3/15/79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Alamogordo Public Schools

P. O. Box 617, Alamogordo, NM 88310

2. Serving What Installation(s)? Holloman Air Force Base; Mescalero Indian Res.; White Sands Missile Range; Lincoln National Forest; Federal Building; Sacramento Peak Upper Air Research Site; White Sands National Monument; Public Domain Lands; McGregor and Fort Bliss Ranges; Cloudcroft Satellite Trkg. Annex; LRH #4 - 1 & 2.

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1620 | 19.9% |
| 3(b) Military | 1115 | 13.8% |
| 3(b) Other | 1854 | 22.6% |
| Total | 8123 | |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 1,634,931 | 14.6% |
| Other Federal | 63,925 | .6% |
| State | 8,901,169 | 79.5% |
| Local | 591,862 | 5.3% |
| Total | $11,191,887 | |

5. Full Entitlement Through Tier III, 1978-79 — Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | | |
| 3(b) Military | | |
| 3(b) Other | | |
| Other | | |
| Total | | |

Difference

6. Our district supports full funding for the severely impacted districts for the following reasons:

Funding from P. L. 874 has been very beneficial to the Alamogordo Public School for many years, and we support full funding for the severely impacted districts. Under present funding by the State of New Mexico for school districts we are guarnateed 95% of our total budget.

7. Signature of Authorized Representative: Don R. Wood

Name Don R. Wood Title Superintendent

Date March 20, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Grand Forks Public School District No. 1

P. O. Box LL, Grand Forks, North Dakota 58201

2. Serving What Installation(s)? Grand Forks Air Force Base

3.

| Enrollment | 2011 | 3A & 3B Percent of Total | Total Sch.Enroll-9284 % Total Sch.Enroll. |
|---|---|---|---|
| 3(a) | | 76.377 | 21.661 |
| 3(b) Military | 218 | 8.279 | 2.348 |
| 3(b) Other | 404 | 15.344 | 4.352 |
| Total | 2633 | 100.00 | 28.361 |

4.

| Source of Funds, 1978-79 Estimates | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,450,000 | 8.938 |
| Other Federal | 76,000 | .468 |
| State | 6,938,000 | 42.766 |
| Local | 7,759,188 | 47,828 |
| Total | 16,223,188 | 100.00 |

5.

| Full Entitlement Through Tier III, 1978-79 | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,435,532 | 1,291,987 |
| 3(b) Military | 90,258 | 60,472 |
| 3(b) Other | 152,845 | 102,406 |
| Other | 1,678,635 | 1,454,865 |
| Total | | |

Difference 223,770

6. Our district supports full funding for the severely impacted districts for the following reasons:
   1. This was the intent when the air base was constructed and dependents assigned to the Grand Forks Public School District.
   2. There is no other means by which funds can be obtained in order to educate -- the responsibility surely is not one for the local taxpayer.
   3. If funding is significantly reduced, the alternative is to sever relations -- the costs then will be up to the Department of Defense and history points out that costs to operate will increase drastically.

7. Signature of Authorized Representative:

Name Duane L. Taylor Title Asst Supt

Date 3-14-79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Minot Public School District #1

215 2nd Street SE, Minot, ND 58701

2. Serving What Installation(s)? Minot Air Force Base and Minot Radar Station

3. Enrollment

| | 1990 | Percent of Total |
|---|---|---|
| 3(a) | | 27.16% |
| 3(b) Military | 329 | 4.49% |
| 3(b) Other | 464 | 6.33% |
| Total | 2783 | 37.98% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,700,000 | 15.44% |
| Other Federal | 421,075 | 3.82% |
| State | 6,400,876 | 58.14% |
| Local | 2,487,500 | 22.59% |
| Total | 11,009,451 | 100.00% |

5.

| Full Entitlement Through Tier III, 1978-79 | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,567,207 | 1,567,207 |
| 3(b) Military | 111,040 | 64,024 |
| 3(b) Other | 148,242 | 84,380 |
| Other | 32,676 | 8,168 |
| Total | 1,859,165 | 1,723,779 |

Difference 135,386

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. We need the money
2. State support reduced by about 20% of these funds
3. In-lieu-of-tax support is fully justified

7. Signature of Authorized Representative:

Name D B Whitson Title Business Manager

Date March 14, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Mad River Township Local Schools

801 Harshman Road, Dayton, Ohio 45431

2. Serving What Installation(s)? Wright-Patterson Air Force Base

3. Enrollment

| | | Percent of Total | ADA 5849 |
|---|---|---|---|
| 3(a) | 1347 | 23 | |
| 3(b) Military | 361 | 6 | |
| 3(b) Other | 698 | 12 | |
| Total | 2406 | 41 | |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 1,354,367 | 12.5 |
| Other Federal | 150,000 | 1.4 |
| State | 6,446,253 | 59.3 |
| Local | 2,216,940 | 20.4 |
| Other* | 697,075 | 6.4 |
| Total | $10,864,345 | |

*Carry-forward balance and miscellaneous accounts

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $1,178,154 | $1,171,172 |
| 3(b) Military | 157,214 | 72,864 |
| 3(b) Other | 277,748 | 110,331 |
| Other * | | * |
| Total | $1,613,116 | $1,354,367 |

LRH of $60,227 included in A & B

Difference $ 258,759

6. Our district supports full funding for the severely impacted districts for the following reasons:

We totally support the concept paper submitted with the March 8 memo.

7. Signature of Authorized Representative:

Name [signature] Title Superintendent

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Douglas School District No. 51-1

Box Elder, South Dakota 57719

2. Serving What Installation(s)? Ellsworth Air Force Base

Phone 605-923-1431

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1,934 | 69.87 |
| 3(b) Military | 151 | 5.46 |
| 3(b) Other | 94 | 3.40 |
| Non-Federal | 589 | 21.28 |
| Total | 2,768 | |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 2,379,215 | 58.06 |
| Other Federal | 14,050 | 0.34 |
| State | 1,272,864 | 31.06 |
| Local | 431,949 | 10.54 |
| Total | 4,098,078 | |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,868,219 | 1,868,219 |
| 3(b) Military | 73,653 | 58,922 |
| 3(b) Other | 39,366 | 31,493 |
| Other | 444,366 | 444,366 |
| Total | 2,425,604 | 2,403,000 |

Difference (~~$22,604~~)

6. Our district supports full funding for the severely impacted districts for the following reasons:
The loss for the 1978-79 school term is not substantial because as a Super A District the District receives some protection by obtaining 75% of its entitlement funding in Tier II. The 1979-80 school term is, however, a disastrous comparison if funded only through the 65% ladder of Tier II:

| | Through Tier III | Through 65%, Tier II Estimated Funding, 1979-80 using 1978-79 Data |
|---|---|---|
| 3(a) | $1,868,219 | $1,377,811 |
| 3(b) Military | 73,653 | 54,320 |
| 3(b) Other | 39,366 | 18,030 |
| Other | 444,366 | 403,536 |
| Total | $2,425,604 | $1,853,697 |

Difference ($571,907)

7. Signature of Authorized Representative:

Name [signature] Title Assistant Superintendent for Finance & Business

Date March 15, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Del Valle Independent School District

Del Valle, Tx 78617

2. Serving What Installation(s)? Bergstrom Air Force Base,

Federal Building, Gary Job Corps

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 794 | 20 |
| 3(b) Military | 292 | 7 |
| 3(b) Other | | |
| Total | 1086 | 27 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 586,000 | 11 |
| Other Federal | | |
| State | 3,302,288 | 60 |
| Local | 1,576,909 | 29 |
| Total | 5,465,197 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 790 | 582,300 |
| 3(b) Military | 293 | 104,158 |
| 3(b) Other | | |
| Other | | |
| Total | 1083 | 686,458 |

Difference

6. Our district supports full funding for the severely impacted districts for the following reasons:

If we could tax the federal properties the taxes would be much greater than the funds we receive from Public Law 874. Loss of funds would cause us to raise taxes more then 10% or cut services.

7. Signature of Authorized Representative:

Name Edward G. Rank Title Superintendent

Date March 16, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Copperas Cove Independent School District

Box 580 Copperas Cove, Texas 76522

2. Serving What Installation(s)? Fort Hood, Texas

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 24 | .004 |
| 3(b) Military | 2814 | 53.0 |
| 3(b) Other | 652 | 12.0 |
| Total | 3490 | 65.4 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 615,068 | 11 |
| Other Federal | 134,315 | 2 |
| State | 4,460,637 | 76 |
| Local | 618,384 | 11 |
| Total | 5,828,404 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Actual Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 17,165 | 12,359.00 |
| 3(b) Military | 1,053,546 | 505,686.00 |
| 3(b) Other | 212,778 | 97,023.00 |
| Other | | |
| Total | 1,283,489 | 615,068.00 |

Difference 668,421.00

6. Our district supports full funding for the severely impacted districts for the following reasons:

Please see attached sheet.

7. Signature of Authorized Representative:

Name Leland Fraser Title Superintendent

Date March 15, 1979

March 15, 1979

Justification for Tier II Funding

Our district supports full funding for severely impacted districts for the following reasons:

1. The per pupil expenditure for 1978-79 for Copperas Cove Independent School District is approximately $\frac{5,828,404}{4911}$ = $1,186.00

2. Texas estimated average expenditure per pupil 1978-79 = $1,482.00.

3. Assessed tax value per child in ADA
   1978-79 ADA = 4911 approximately $\frac{57,711,000}{4911}$ = $11,751.00

4. At current tax rate (1.50 per $100. at 50% ratio of assessment) amount derived in local taxes per ADA 176.27

5. Texas average amount of local taxes derived per ADA (assuming $1.50 total tax rate at 50% assessment ratio) 731.00

6. The Soldiers and Sailors Relief Act of 1954 exempts all personal property of military personnel from taxation.

7. Local school districts are required to furnish classrooms for military students but districts that are heavily impacted with B students are no longer eligible for Public Law 815 funds so additional burdens are placed upon these districts.

8. An industry that produced an impactation of 65 percent of student body enrollment would be taxable and would generate many dollars in revenue to the school district. Federal property is not taxable this creates an additional burden to the school district. The federal government would not be paying its share of the local district's burden.

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Fort Sam Houston Independent School District
1900 Winans Road
San Antonio, Texas 78218

2. Serving What Installation(s)? Fort Sam Houston and Camp Bullis, Texas

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1397 | 90.2% |
| 3(b) Military | 105 | 6.8 |
| 3(b) Other | 19 | 1.2 |
| *Total | 1521 | 98.2% |

*Non-Federally connected students are those (mostly seniors) who complete year after parent has retired. (1.8%)

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,575,614 | 50.2 |
| Other Federal | 14,000 (ROTC Salary) | .0 |
| **State | 1,438,064 | 45.8 |
| *Local | 113,000 | 3.6 |
| Total | 3,140,678 | 99.6 (Round-off) |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,538,553 | 1,538,553 |
| 3(b) Military | 59,456 | 35,673 |
| 3(b) Other | 9,036 | 5,150 |
| Other | 0 | 0 |
| Total | 1,607,045 | 1,579,376 |

Difference $27,669 (small due to over 90% A's) Next year loss would be over $415,000 at 27% of A's; Loss of 14% of budget

6. Our district supports full funding for the severely impacted districts for the following reasons:

* No Local Tax Base, District Located 100% on Federal Tax-Exempt Army Post. Amount is Gate Receipts, Interest, Enterprise Funds, etc.

** Includes Special Education Military Co-Op Salary and Operations

* * * * * *

6. If funding is drastically decreased state aid is jeopardized 100%. If one or the other or both are decreased sufficiently, the district cannot operate an accredited program and therefore would have to close. If this should occur, a Section 6 school would have to be authorized and created at 100% expense of federal government.

7. Signature of Authorized Representative:

Name Luther E. Eastman Title Superintendent

Date 12 March 1979

512/824-7537

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Randolph Field Ind. Sch. Dist.

Box 2217, Universal City, Tx 78148

2. Serving What Installation(s)? Randolph Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1,097 | 93 |
| 3(b) Military | 65 | 5 |
| 3(b) Other | 18 | 2 |
| Total | 1,180 | 100 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,316,729 | 53 |
| Other Federal | -0- | 0 |
| State | 1,135,750 | 45 |
| Local | 45,100 | 2 |
| Total | 2,497,579 | 100 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,293,408 | 1,293,408 |
| 3(b) Military | 18,655 | 14,924 |
| 3(b) Other | 4,666 | 3,734 |
| Other | | |
| Total | 1,316,729 | 1,312,066 |

Difference, 4,663

6. Our district supports full funding for the severely impacted districts for the following reasons:

If P.L. 874 funding is drastically decreased state aide is jeopardized, if one or the other or both are decreased sufficiently the district cannot operate an accredited program and therefore would have to close.

7. Signature of Authorized Representative:

Name [signature] Title Superintendent of Schools

Date March 12, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Lackland Independent School District

228 Pucket St., Lackland AFB, San Antonio, TX 78236

2. Serving What Installation(s)? Lackland Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 826 | 97% |
| 3(b) Military | 24 | 3% |
| 3(b) Other | | |
| Total | 850 | 100% |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 824,927 | 55.7% |
| Other Federal | | |
| State | 649,588 | 43.9% |
| Local | 6,500 | 0.4% |
| Total | 1,481,015 | 100% |

5. Full Entitlement Through Tier III, 1978-79 / Estimated Funding, 1978-79

| | | |
|---|---|---|
| 3(a) | 813,114 | 813,114 |
| 3(b) Military | 11,813 | 5,670 |
| 3(b) Other | 0 | 0 |
| Other | | |
| Total | 824,927 | 818,784 |

Difference 6,143

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. 100% of the real property in the District is federal (tax exempt).
2. There would be no way to operate this District without federal funds.
3. Any decrease in federal funds means a decrease in total income with no alternative to turn to.
4. The possibility of the 65% proration in Tier II will cost this District $213,000, or 26% of its total income, with no way to replace it.

7. Signature of Authorized Representative:

Name [signature] Title Superintendent of Schools

Date 15 March 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Killeen Independent School District

P. O. Box 967 Killeen, Texas 76541

2. Serving What Installation(s)? Fort Hood, Texas

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 6,773 | 38.6 |
| 3(b) Military | 4,221 | 24.1 |
| 3(b) Other | 1,447 | 8.2 |
| Total | 12,441 | 70.9 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $ 5,982,370 | 27.0 |
| Other Federal | $ 515,321 | 2.3 |
| State | $14,382,702 | 65.0 |
| Local | $ 1,243,034 | 5.6 |
| Total | $22,123,427 | 100.0 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $ 5,019,943 | $5,019,943 |
| 3(b) Military | $ 1,560,592 | $ 749,083 |
| 3(b) Other | $ 467,856 | $ 213,342 |
| Other | | |
| Total | $ 7,048,391 | $5,982,368 |

Difference $1,066,023

6. Our district supports full funding for the severely impacted districts for the following reasons:

7. Signature of Authorized Representative:

Name Clarence Ham Title Superintendent

Date March 16, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Burkburnett ISD

Box 308, Burkburnett, Texas 76354

2. Serving What Installation(s)? Sheppard Air Force Base, Texas

3. Enrollment (As of Survey Date-October, 1978

| | | Percent of Total |
|---|---|---|
| 3(a) | 712 | 19.26 |
| 3(b) Military | 688 | 18.61 |
| 3(b) Other | 2297 | 62.13 |
| Total | 3697 | 100.00 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 388,220 | 9.0 |
| Other Federal | 159,650 | 3.7 |
| State | 3,978,600 | 70.0 |
| Local | 740,000 | 17.3 |
| Total | 4,266,470 | 100.0 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 442,571 | 396,646 |
| 3(b) Military | 118,176 | 67,360 |
| 3(b) Other | 96,690 | 55,113 |
| Other | 90,000 | 60,000 |
| Total | 747,437 | 579,119 |

Difference 168,318

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. Federal property not taxable.
2. A and B students place financial burden on local districts - especially in area of buildings and equipment - inflation factor.
3. In our district, location of base housing in relation to school means five (5) extra buses and drivers.

7. Signature of Authorized Representative:

Name Jesse L. Blanton Title Superintendent of Schools

Date March 16, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Prince George County, Virginia

P. O. Box 8, Prince George, Virginia 23875

2. Serving What Installation(s)? Fort Lee, Virginia

Federal Reformatory

| 3. Enrollment | | Percent of Total |
|---|---|---|
| 3(a) | 1667 | 30.6 |
| 3(b) Military | 253 | 4.6 |
| 3(b) Other | 3557 | 64.8 |
| Total | 5477 | |

| 4. Source of Funds, 1978-79 Estimates | | Percent of Total |
|---|---|---|
| P.L. 874 | 1,200,000 | 17.69 |
| Other Federal | 61,000 | .89 |
| State | 3,334,287 | 49.17 |
| Local | 2,185,928 | 32.25 |
| Total | 6,781,215 | |

| 5. Full Entitlement Through Tier III, 1978-79 | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 1,306,601 | 1,306,601 |
| 3(b) Military | 80,256 | 64,204 |
| 3(b) Other | 69,770 | 55,814 |
| Other | | |
| Total | 1,456,627 | 1,426,619 |

Difference $30,008

6. Our district supports full funding for the severely impacted districts for the following reasons:

A large portion of our county is occupied by federally owned properties from which we derive no tax. The federally connected students for whom we provide education represent 42.5% of our student body. There is no way in which the citizens of our county could handle the necessary tax increase to provide educational services to the federally connected students from Fort Lee and the Federal Reformatory if we should lose our impact money.

Our County Administrator has estimated that to offset funds received now from impact aid it would be necessary to increase our real estate taxes by 90¢ per $100. We feel that this is an increase which would be out of the question in this county.

Prince George County has no industry on which to levy tax due to the large section of the county owned by the federal government.

7. Signature of Authorized Representative:

Name James E. Carter Title Division Superintendent

Date March 20, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Medical Lake School District #326

Box 128, Medical Lake, Washington 99022

2. Serving What Installation(s)? Fairchild Air Force Base,

V.A. Hospital (Spokane), Washington Air National Guard

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 975 | 76.8 |
| 3(b) Military | 174 | 13.7 |
| 3(b) Other | 120 | 9.5 |
| Total | 1,269 | 100.0 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 855,866 | 15.5 |
| Other Federal | 378,220 | 8.3 |
| State | 3,690,364 | 66.7 |
| Local | 525,580 | 9.5 |
| Total | 5,531,889 | 100.0 |

5.

| Full Entitlement Through Tier III, 1978-79 | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 750,944 | 750,863 |
| 3(b) Military | 67,082 | 32,200 |
| 3(b) Other | 40,287 | 18,322 |
| Other | -0- | -0- |
| Total | 858,313 | 801,385 |

Difference 56,928

6. Our district supports full funding for the severely impacted districts for the following reasons:

1. Low assessed property values as a tax base for local school operation levies and building bond issues. (Our school district's assessed value per student is the second lowest in the State of Washington.)
2. Enrollment variances are unpredictable from year to year and even within a given year (eg. - change of mission).
3. "Mobility factor" causes many "military" students to need extra assistance in the educational process.
4. Full funding is essential if you are to maintain a cooperative relationship between your non-military and military citizens (ie. - the "locals" don't feel they should have to "pay the freight."

Our total enrollment is 2,136 of which more than ½ are military -- 874 constitutes only 23.8% of our revenue vs. over 50% of our students.

7. Signature of Authorized Representative:

Name Clayton A. Kramer Title Superintendent

Date March 14, 1979

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Oak Harbor School Dist. #201
1250 Midway Boulevard
Oak Harbor, WA 98277

2. Serving What Installation(s)? Whidbey Naval Air Station

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 1,238 | 33.7 |
| 3(b) Military | 1,708 | 46.5 |
| 3(b) Other | 727 | 19.8 |
| Total impact aid students | 3,673 | 100.0 % |

65% of TOTAL school ENROLLMENT

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | $1,302,000 | 15.2 |
| Other Federal | 300,629 | 3.5 |
| State | 5,988,256 | 70.2 |
| Local | 947,926 | 11.1 |
| Total | $8,538,811 | 100.00 % |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | $950,119 | $828,114 |
| 3(b) Military | 646,141 | 387,853 |
| 3(b) Other | 240,210 | 86,033 |
| Other | | |
| Total | $1,836,470 | $1,302,000 |

Difference $534,470

6. Our district supports full funding for the severely impacted districts for the following reasons:

6.1 High amount of federal property in high impacted districts such as this one with nearly 65% of our students Navy connected severely restricts the tax base that normally contributes to the funding of both the district's operating budget and the District's building program. The intent of federal impact aide in-lieu-of-tax was to compensate for such conditions imposed upon local school districts such as this one as a direct result of federal decisions and federal installations and federal employees impacting the school district. The original valid justification remains for high-impact districts.

6.2 The education of the Navy dependent children in this school district (as well as all of the children in this school district) would be severely negatively effected if the District were to lose impact aide or if impact aide were to be reduced. It would take away funding that is not readily replaceable. This is the major argument for the full funding for severely impacted districts such as this one: a sound education of the youngsters effected depends upon full funding.

6.3 This district supports the position paper on funding of impact aide adopted by the Executive Committee of the severely impacted school districts March, 1979, and the rationale for full funding put forth in that position paper.

6.4 Even with impact aid, during the 1977-78 school year this school district was able to put together a budget that resulted in per-pupil expenditures that were 15% below the state average, for all schools, and over 10% below the state average for school districts in our size bracket -- 5,000 to 9,999. From this, you can see the negative effect a loss of impact aid would have on this district.

7. Signature of Authorized Representative:

Name Patrick T. Hayden Title Superintendent

Date 3-15-79

JUSTIFICATION FOR TIER II FUNDING

1. Name and Address of School District:

Clover Park School District

10020 Gravelly Lake Drive S. W., Tacoma, WA 98499

2. Serving What Installation(s)? Fort Lewis; McChord Air Force Base

3. Enrollment

| | | Percent of Total |
|---|---|---|
| 3(a) | 4,229 | 31.83 |
| 3(b) Military | 1,717 | 12.92 |
| 3(b) Other | 1,244 | 9.36 |
| Total | 13,285 | 100.00 |

4. Source of Funds, 1978-79 Estimates

| | | Percent of Total |
|---|---|---|
| P.L. 874 | 3,776,271 | 9.67 |
| Other Federal | 2,771,256 | 7.10 |
| State | 21,419,311 | 54.86 |
| Local | 11,076,894 | 28.37 |
| Total | 39,043,732 | 100.00 |

5. Full Entitlement Through Tier III, 1978-79

| | | Estimated Funding, 1978-79 |
|---|---|---|
| 3(a) | 3,189,164 | 3,189,164 |
| 3(b) Military | 644,177 | 386,506 |
| 3(b) Other | 408,275 | 231,182 |
| Other | | |
| Total | 4,241,616 | 3,806,852 |
| Difference | 434,764 | |

6. Our district supports full funding for the severely impacted districts for the following reasons:

With 54% of the District's student population impacted students, we experience an especially high turnover rate. Our yearly student turnover averages 73%, with some buildings individually having more than 110% turnover. This, in itself, causes a significant fiscal impact on the District. This impact compounds itself when addressed to special-education students. Because of the turnover, we have a backlog of individual assessments to be done that far exceeds the capacity of the state handicap funding. In fact, because of this, our actual handicap enrollment averages out higher than that funded through special sources. Impact monies are the only thing that allows us to meet the needs of the students moving in and through the district because of the military establishment.

Because a significant portion of the District property is federally owned, this School District's assessed valuation per pupil is almost 50% below the state average. Thus, if local taxpayers of the Clover Park School District were called upon to raise the same amount of money raised in non-impact districts, they would have to pay almost double the tax rate as the rest of the state.

7. Signature of Authorized Representative:

Name Robert L. Chisholm Title Superintendent

Date March 15, 1979

STATEMENT OF DR. JAMES F. PARSLEY, JR.

Mr. PARSLEY. For the sake of time, I would like to try to be as brief as possible and just simply give you a case study of the Idaho Falls School District, which is a district that qualifies for the impact aid program because of the out-of-county category B provision.

The situation in Bonneville County is that the area is the home of the Idaho National Engineering Laboratory which has some 51 nuclear reactors and is one of the Nation's leading research areas for nuclear development.

At the present time, water reactor safety, materials and fuels testing, naval propulsion, fuels reprocessing, advanced reactor development, including the fast flux breeder reactor early research, geothermal electric applications, coal and hydroelectric projects, are all research projects under way at INEL.

Some 9,000 employees work at the Idaho National Engineering Lab.

In addition to that, the Navy trains approximately 2,000 Naval officers and technicians a year. These are going to be the crewmen for nuclear ships in the naval fleet.

SITUATION AT IDAHO FALLS

The situation in the district is that because of the special nature of much of the research the research itself is conducted on a desert site some 55 miles away from the town of Idaho Falls in Butte County.

That is a largely uninhabited, unpopulated section of Idaho and was the chief reason for the selection of that site.

The 9,000 personnel at the site are transported, many of them by bus, on a daily basis out to that facility.

So the real impaction in terms of that operation is with the Idaho Falls community.

I might point out just as an illustrative statistic, Idaho Falls' Snake River Plain, on which Idaho Falls is located, is primarily an agricultural region with potatoes being the largest commodity produced.

Our total agricultural value of all products sold last year were $58 million.

By comparison, the payroll at the INEL is $186 million. You add that to the estimated impact in terms of purchases which would bring the total impact up to $224 million in the current year.

I would point out the payroll alone at INEL is 3.18 times larger than the entire value of all of the commodities produced in the agricultural region of the Snake River Plain.

It is very evident in that there is a tremendous impact upon the local school district in terms of providing goods and services to the educational community.

I would also point out that due to a peculiarity of Idaho, we rank 50th in the Nation in per pupil expenditures and our own district is below the State average of Idaho in terms of per pupil expenditures even with Impact Aid.

We have a situation where we are 93d in the State out of 115 districts in assessed valuations and our district, therefore, ranks 87th in the State of Idaho out of 110 districts in per pupil expenditure.

You are not looking at a wealthy district. You are looking at a district with very severe need.

1-PERCENT INITIATIVE

The compounding variable is that Idaho voters—I would add parenthetically—in their infinite wisdom decided to copy California's lead and did pass a carbon copy of proposition 13 known as the 1-percent initiative.

Senator MATHIAS. Did Idaho have a $5 billion surplus? [Laughter.]

Mr. PARSLEY. No. In fact, there was a law passed two sessions ago in the Idaho Legislature which automatically took away any surplus and restored that into tax relief so we had a zero surplus going into this particular situation.

Rather than just briefly highlight the situation, the reduction of funds from that passage in November will be $125 million reduction in funds estimated by the Idaho Tax Commission out of a total State general fund budget of $325 million.

Forty-nine percent of all property tax goes to fund education. So it is very apparent that education will be the hardest hit of all services.

Our legislature has decided to delay implementation of the initiative until 1980, January, so we know it will hit us in terms of about half effect next year.

The net result will be with $2,082,311 loss to the Idaho Falls School District when added to the impact aid funding in jeopardy of another half million dollars.

We are looking at a situation which, as a local school district——

Senator MATHIAS. I don't know if you should tell me more. I don't know if I can take it. [Laughter.]

Mr. PARSLEY. We are looking at a total impact of a 24 percent budget reduction overall. We are the third largest district in the State and—I hope I painted a picture of need to you. [Laughter.]

Senator MATHIAS. That was an understatement. [Laughter.]

Mr. PARSLEY. Monday of this week our paper carried the fact that at our board meeting yours truly, the superintendent of the school district, sent out reduction in force notices to 143 teachers. This is by virtue of the $2.5 million I outlined in jeopardy.

Just in summary, I think it is apparent that the nature of research in the INEL—we are talking about experimental research which is necessarily housed in a very remote area, uninhabited area of the State.

Because of the situation of geography, the Idaho Falls community is heavily impacted by the Federal presence.

I think I painted also a picture of need.

I would emphasize just in closing that, as Dr. Fish has indicated, the district uses these funds for basic eduation.

We are talking about simply the provision of essential services.

I would urge—I know your support in the past, Senator. And I would urge that the whole Committee and, in fact, the Congress restore category B to the program, to the impact aid program, and that the program be fully funded.

Senator MATHIAS. Your testimony is very compelling.

[The statement follows:]

## Statement of Dr. James F. Parsley, Jr., Superintendent, Idaho Falls School District No. 91

It is indeed an honor and a privilege to speak to you this afternoon concerning the importance of continued support for Public Law 874 Impact Aid funds. To acquaint you with Idaho Falls, let me tell you that our region is home for the U.S. Department of Energy's Idaho National Engineering Laboratory, formerly known as the National Reactor Testing Station. This facility was established in 1949 as a site where nuclear reactors, allied plants and equipment could be built, tested and operated to determine that the atom could be safely used to generate electric power. The community of Idaho Falls is the third largest city in the State of Idaho with an estimated population of 62,500 in Bonneville County and approximately 45,000 within the city limits of Idaho Falls. Located on the Snake River Plain, Idaho Falls has historically been an agricultural region with a total market value of all agricultural products sold of $58,425,000. Major crops in order of their importance are: potatoes, grains, cattle, dairy products, sugar beets, and other miscellaneous agricultural produce.

INEL has had fifty-one (51) nuclear reactors built at the facility, more than any other one location in the world. The Nation's major reactor power concepts; pressurized water reactors, boiling water reactors, and also, nuclear propulsion plants for the U. S. Navy were prototyped at INEL. Currently, the Department of Energy has several top priority energy programs underway at INEL. These consist of:

Water Reactor Safety; Materials and Fuels Testing; Naval Propulsion, Fuels Reprocessing; Advanced Reactor Development; Geothermal Electric Applications; Coal and Hydro-electric Projects.

In addition, the U.S. Navy graduates some 2,000 personnel annually from its Reactor Training Program at the INEL. Due to the nature of the research conducted at INEL, the operations site is approximately 50 miles from the community of Idaho Falls. INEL is located on a desert plateau with an elevation of 4,865 feet, underlain with beds of lava rock.

Department of Energy INEL programs currently require more than 9,000 (in 1979) employees. About 350 are DOE federal employees. Most of the others are employed by four DOE operating contractors; Allied Chemical Corporation, Argonne National Laboratory, EG&G Idaho, Inc., and Westinghouse Electric Corporation. Engineering degrees are held by more than 1,000 employees. More than 500 hold degrees in science, mostly physical sciences. About one employee in three has a college degree.

Estimated INEL payroll during the fiscal year (1979) is $186 million. Additional expenditures spent for procurements brought the total INEL financial impact for Idaho to an estimated $224.7 million. By comparison, it should be noted that INEL's annual payroll is 3.18 times larger than the area's total market value of all agricultural products sold.

It is apparent from the foregoing that much of the Nation's future as it relates to solving the energy problem will depend upon answers being researched at the INEL. Figure I illustrates the INEL employment history and projections to 1984. As can be seen from this illustration, over 9,000 personnel are currently employed at INEL in both operations and in construction of new facilities.

Figure II illustrates INEL construction funding history and projections to 1984, again highlighting that a significant amount of construction will continue to enlarge the operations at INEL.

It is therefore evident that INEL has caused a significant impact upon the local community and that the Federal Government is, by far, the major economic force within the community.

## THE IMPORTANCE OF IMPACT AID FUNDS

Last year, the Idaho Falls School District received $487,838 from Public Law 874 entitlements. Nearly all of the District's entitlement is by virtue of the "Out-of-County" provisions of Category 'B'. Because of the nature of the research conducted at INEL and because of the geography of county lines, most of INEL, including, Test Area North, Central Facility, C.P.P., TRA, ARA, NRF, and EBR2 are located outside of Bonneville County in the largely unpopulated Butte and Jefferson counties. INEL personnel daily commute by bus, from the community of Idaho Falls to the Nuclear Testing facilities.

To acquaint you with the Idaho Falls Schools, let me tell you that the District is located in the city of Idaho Falls and the rural area south and west of the city. The District has 18 school facilities of which 12 are elementary schools, 3 are junior high schools, two are senior high schools and one is a school for students with severe learning disabilities. Present enrollment in the school district is approximately 9,200 students. District 91 is the 4th largest district in the state, containing 4.75 percent of Idaho's total student body enrollment. Idaho's four largest districts are: Boise, Pocatello, Meridian and Idaho Falls. Together these four districts contain over 27 percent of the State's total pupil enrollment.

Out of the 115 school districts, the Idaho Falls District ranks 87th in per pupil costs in Idaho: an average cost per pupil of $1,058 as compared to a state average of $1,110. At the present time, there is a pupil/teacher ratio in the District of 25.6 to one at the elementary school level and 23.3 to one at the secondary level. Overall, the ratio is 24.5 to one. The average teacher salary in the school district is $13,842. The District, today, has 53 teachers less than it had in 1968 and pupil/teacher ratios have remained fairly constant over the last decade. The highest teacher ratio experienced by the District was in 1976 following failure of the annual override election. (Special Maintenance and Operations levy) That year, pupil/teacher ratio reached 27.2 to one. The second lowest ratio achieved by the District was in 1973 when staffing reached 24.7 to one.

Idaho's schools receive five million dollars in Impact Aid funding at the present time. The three districts most affected by Impact Aid funding are Mountain Home, Idaho Falls, and Pocatello in that order. President Carter's budget message, if approved by Congress, will cause an additional reduction to Idaho's schools in the amount of $2.8 million in lost revenue. Proposed elimination of Category 'B' students would impact certain districts much more substantially than others. Idaho Falls would be the hardest hit with an additional loss of approximately $500,000 in revenue. This money is presently used to provide for basic education services through the General Fund. It should again be emphasized that even with Federal Impact Aid, our District ranks below the average per pupil expenditure in the State of Idaho.

## SCHOOL FUNDING IN IDAHO

School funding in Idaho is currently facing an unprecedented challenge, in that, Idaho voters approved a 1% Property Tax Initiative nearly identical to California's Proposition #13. Voters approved this measure in November, despite the fact that Idaho currently ranks 50th in the Nation in per pupil expenditure and 44th in the Nation in expenditures in the classroom. (Source: Idaho State Department of Education)

The Idaho State Tax Commission estimates that $125 million will be lost to the State's tax supported institutions as a result of passage of the 1% Initiative. It should also be pointed out that Idaho's entire General Budget for FY 1978 is $325 million. It is estimated that the Initiative could cause as much as a 44 percent reduction in the property tax sources which go to fund public education. As this testimony is being given,

FIGURE I.


INEL Employment
History and Projections
Construction personnel
Operating personnel
No. of employees (year average)
12 000
10 000
8000
6000
4000
2000
0
74
75
76
77
78
79
80
81
82
83
84

# INEL Construction Funding History and Projections

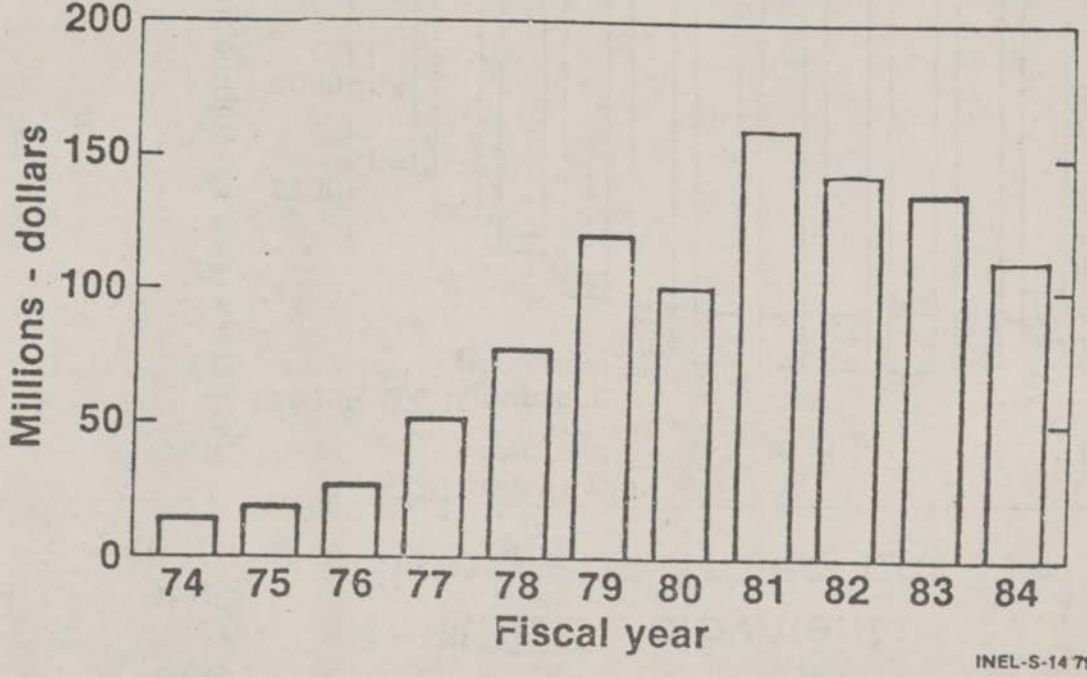



FIGURE 11.

it appears that the Idaho Legislature will defer implementation of the Initiative until January 1, 1980, thereby, temporarily softening the impact upon education until that date.

According to the Idaho State Tax Commission, potential dollar loss to the Idaho Falls School District in 1980 as a result of the 1% Initiative will be $2,082,311. As a school district with a ten and one-half million dollar budget, we are facing the possible loss of two and one-half million dollars in operating revenue. Two million dollars of this loss is by way of the potential loss through the 1% Initiative and one-half million results from the Administration's proposal to eliminate Category 'B' funds. Clearly, the spectre of a 24% budget reduction, when added with a cost of inflation which is near ten percent, will spell economic havoc for the Idaho Falls School District in the immediate future.

In light of the school funding crisis as it exists in Idaho, I would like to underscore the importance of the PL 874 funds to the Idaho Falls School District. The District has approximately 36 teaching positions funded by this revenue source and despite the Impact Aid entitlement, our District continues to rank below the State's average per pupil expenditure. The Impact Aid program, in my opinion, is very logical in its application, in that, funds are directed at the child being educated.

During Monday of this week, the Board of Trustees of the Idaho Falls School District took action to place 120 teachers on probationary status due to the present funding crisis only partly related to the current uncertainty of PL 874 funds. I would stress the importance of Congressional support for continuation of the Impact Aid program and specifically, continued support for the "Out-of-County" Category 'B' provision which comprises most of our District's present Impact Aid entitlement.

## SUMMARY

In summation, let me again highlight our very deep and abiding concern regarding developments of the past several weeks affecting Public Law 874. As you are aware, the President's recent budget message proposes to delete the entire Category 'B' portion of PL 874 at a fiscal savings of approximately $500 million. This reduction would eliminate the entire TIER II level of PL 874 for fiscal year 1980. The President's proposal would retain only Category 'A', which relates to Impact Aid to those localities where a military base is housed.

While we are very cognizant of the enormous pressure for economies in the Federal budget due to aftershocks of the alleged "taxpayer revolt", retention of the Impact Aid program would appear to be of vital importance to the people of Idaho.

The GSA now shows that over two-thirds of Idaho is owned by the Federal Government. As you well know, the Federal Government does not pay property taxes on its land and, therefore, a state such as Idaho is at a considerable economic disadvantage with such large federal ownership, in that, the tax base is severely limited. Impact Aid funding has been directed to the Nation's public schools since 1950 on the premise that:

1. The Federal Government is a non-taxpaying major employer.
2. That a "gap" is caused by the removal of the value of federal installations from the local tax rolls and that this "gap" must be made up by the local taxpayers unless some other type of Federal support is obtained.
3. That Impact Aid funds are directed at the child being educated; and,
4. that the program is the least costly of all federal programs to administer and that it is a direct cash payment to involved school districts.

It is evident that the Federal Government has made a significant impact upon the Idaho Falls community and that the INEL facility is the major economic force in the region. It is equally apparent that Impact Aid is of vital importance to the region's

school districts, particularly in light of the large Federal ownership of land in Idaho and current school funding crises.

I feel the need is clear and, therefore, urge the Congress to retain the "Out-of-county" Category 'B' provision of PL 874 and to fully restore funding levels.

I very much appreciate the opportunity to testify before this Committee and wish you well in your future deliberations.

That, Mr. Chairman, concludes my remarks.

APPENDIX A

"Remarks on School Funding Before the Idaho Legislature's Joint Finance and Appropriations Committee"

It is indeed a pleasure to have the opportunity to speak to you this morning concerning fiscal support for the public schools of Idaho. I am joined by three colleagues, each of whom are also superintendents of Idaho school districts. Joining me in this morning's presentation is Mr. Joe Whitten, Superintendent of Midvale School District #433; Mr. Robert Leonard, Superintendent of Post Falls School District #273, and Dr. Andrew Smith, Superintendent of Lewiston School District #1.

Our mission this morning will be to attempt a presentation of those concerns that affect school superintendents as we consider implementation of the 1% Initiative. Additionally, we will seek to personalize the potential impact of the Initiative by showing what it means in each of our respective school districts.

Finally, each of us will speak to specific problem areas which may face all of Idaho's public schools in the coming months.

BACKGROUND

To acquaint you with the Idaho Falls School District, let me tell you that District 91 is located in the city of Idaho Falls and the rural area south and west of the city. The District has 18 school facilities of which 12 are elementary schools, 3 are junior high schools, two are senior high schools and one is a school for students with severe learning disabilities. Present enrollment in the school district is approximately 9,200 students. District 91 is the 4th largest district in the state, containing 4 3/4 percent of Idaho's total student body enrollment. Idaho's 4 largest districts are: Boise, Pocatello, Meridian and Idaho Falls. Together, these 4 districts contain over 27 percent of the state's total pupil enrollment.

The Idaho Falls School District has experienced a steady enrollment decline in the last decade. A decade ago, District enrollment was at a peak of 10,500 students in grades 1-12. Today, enrollment in those same grades has dropped to 8,533 which represents an enrollment decline of approximately 19%. Although the metropolitan area shows growth, most of that growth has occurred in the neighboring East Bonneville school district which has shown a proportionate student increase as we have experienced a decline.

It should be noted that we have had some difficulty in the District predicting the enrollment decline due to housing trends. Despite the addition of some 400 homes this past year, we have still lost approximately 200 students over last year's enrollment. Projections, alone, are a source of problems as enrollment was approximately 100 students below our original predictions. Such an error in predicting has severe consequences to the budget in losses of per pupil state support. Bonneville County has experienced a housing trend which has seen more expensive homes constructed in the

city limits, while low cost housing has occurred predominately in the rural areas. Actually, Bonneville County has some 500 less students today than it did ten years ago.

The major source of employment in the Idaho Falls community is in two areas; nuclear research and agriculture. The Idaho Falls School District ranks 87th in per pupil costs in Idaho: an average cost per pupil of $1,058 as compared to a state average of $1,110. At the present time, there is a pupil/teacher ratio in the District of 25.6 to one at the elementary school level and 23.3 to one at the secondary level. Overall, the ratio is 24.5 to one. The average teacher salary in the school district is $13,842. The District, today, has 53 teachers less than it had in 1968 and pupil/teacher ratios have remained fairly constant over the last decade. The highest teacher ratio experienced by the District was in 1976 following failure of the annual override election. That year, pupil/teacher ratio reached 27.2 to one. The second lowest ratio achieved by the District was in 1973 when staffing reached 24.7 to one. It should be noted that the largest area of employment increase in the District has been in the area of Special Education programs. These services have grown so that today special education represents approximately 10 percent of the District's Maintenance & Operation budget.

The Idaho Falls community has consistently supported its schools with the exception of an override election failure in 1976. Failure of that override resulted in the elimination of 30 faculty positions and the District was placed on "warned" status by the Northwest Accreditation Association. Full accreditation was restored in 1977 after those 30 faculty positions were once again funded through an override election. Because of the large land ownership by the Federal Government, used in housing the Idaho National Engineering Laboratory, the District receives approximately one-half million dollars annually through P.L. 874. This revenue source takes on increased importance as one considers that Idaho Falls ranks 91st in the state in per pupil assessments. The assessed valuation per ADA is $8,560 compared to a state average of $11,227 per pupil.

POTENTIAL IMPACT OF 1% INITIATIVE

I would like to turn to the potential impact that the 1% Initiative holds for the Idaho Falls School District. The current operating budget for the Idaho Falls School District is $10,599,555. (Fig. II Attached) Proportionately, it should be noted that in this ten and one-half million dollar budget, nearly 72 percent is spent on instruction. Last Thursday, Allen Dornfest presented the Legislature with a computer-run based upon the impact of the Initiative, utilizing 1978 assessed valuation. (Fig. III Attached) These Tax Commission figures indicate a net reduction to the Idaho Falls School District of $2,082,311. Working with our own County Assessor, independent of the Tax Commission study, we had earlier estimated the potential loss to be one and one-half million dollars. At that time, however, we had excluded the School Plant Facility Fund from our consideration and it should be noted that the Tax Commission's figures have included the SPFF. Apart from this variance, our original estimates were quite accurate. (Fig. IV Attached) Presently, 82 percent of the District's budget is expended in the salaries of personnel. Using the average teacher's salary, revenue loss of this magnitude would result in the reduction of at least 80 certificated staff, along with a 14 percent reduction in all other budget categories.

In addition to those figures, the District presently supports some 30 staff positions through its annual override election and for accuracy, these positions must also be considered in jeopardy. It should be noted that it will be nearly impossible for administrators to reduce expenditures on items such as insurance, utility costs and fuels. Apart from good conservation measures, the simple fact is that inflationary increases in these areas are beyond the control of the local school district. Infla-

tion has also hit school districts hard in the area of textbooks and consumable supplies. Everything from the cost of paper to the cost of each textbook used by each child have reflected these inflationary costs. Increases in utility costs, fuels and insurance could, of course, cause funds to be shifted from other more flexible budget categories and could substantially increase reductions in personnel. Clearly, unless you are prudent in the implementation of the 1% Initiative, the machinery exists to dismantle public education in Idaho. It is my opinion that the people of Idaho continue to support education as the highest priority in governmental services and that it was not the intention of November's election to see education harmed in any way. It is clear that education is, by far, the largest user of the property tax in that, 49 percent of all property taxes currently go to the support of the public schools. Unless the Legislature approaches gradual implementation of the 1% Initiative, there can be little doubt that education will carry the brunt in the loss of revenue.

Because there are many proposals presently being discussed in these halls, I will not seek to pursue the implications of each, but will speak in favor of legislation to implement the 1% Initiative effective January 1, 1980, with the reasoning that this date would allow schools and other units of government time to prepare for the effects on revenue. This date will also allow the Legislature to carefully consider the important data regarding the Initiative. I feel it is imperative that you be provided with accurate fiscal data on every major alternative proposal to assist you in making a sound decision. I would also like to speak in favor of providing immediate tax relief through providing a "rollback" of mills presently collected in the foundation program and replacing any mill reduction with other state revenue sources. Whether you choose to provide 9 mills of property tax relief, which would result in a 24.4 million dollar tax relief package or whether you choose to provide up to 40 million dollars in property tax relief this year, the key must be that these revenues be replaced to the public schools through state funds on an equalized basis.

If you choose to provide 9 mills of property tax relief, as recommended by the Governor, tax relief in the Idaho Falls School District would amount to approximately $769,929. It is my concerted opinion that such relief would be welcomed by local taxpayers provided that those revenues would be replaced to the public schools. If, on the other hand, you choose to provide as much as 40 million dollars of property tax relief through a reduction of 14.76 mills in the foundation program, the result locally, would be a net reduction of $1,262,684 in property tax relief. Replacement of these revenues to the common schools from state funds on an equalized basis is essential. Such relief, when taken with a January 1, 1980 implementation, would be the most prudent course of action available to you at this time.

SCHOOL PLANT FACILITY FUND

And now, I would like to turn to several special problems which relate to school funding as we see it today. The Idaho State Tax Commission, the Idaho State Department of Education, and the Attorney General's office have given unofficial opinions that the School Plant Facility Fund is affected by the 1% Initiative. In fact, this fund is a lifeline for providing proper maintenance of school facilities in the majority of Idaho school districts.

Historically, School District #91 has relied heavily upon Plant Facility funds to provide structural repairs and improvements to district facilities. In addition, virtually all major outlays for instructional and non-instructional equipment have been from Plant Facility funds, and most recently $1.6 million has been accumulated and spent to construct a new elementary school.

Voter acceptance of this type of maintenance effort has historically been favorable up to and including the passage of a 10 mill levy extending from July 1 of 1972 through June 30 of 1982.

As I mentioned previously, Idaho Falls School District has some 18 schools, the oldest of which was constructed in 1894. The majority of schools in the District were constructed in the mid- to late 1950's. The School Plant Facility Fund allows the provision of essential maintenance services ranging from high expense items such as the replacement of boilers and major roof repairs to energy conservation measures and facility revisions to accommodate the handicapped.

Obviously, maintenance cannot long be ignored and anything that would place the School Plant Facility Fund in jeopardy must be looked at as a serious attack to education in Idaho. I, therefore, urge that the Legislature take action to exclude the School Plant Facility Fund from the provisions of the 1% Initiative. In urging you to keep the School Plant Facility Fund outside of the 1% Initiative, it is my considered opinion that this fund is essential for the orderly maintenance of school facilities.

On occasion, the School Plant Facility Fund (Fig. V Attached) has been used by various school districts as a means to avoid the high costs of bonding for new school construction. Trustees of the Idaho Falls School District chose to build their new Westside Elementary School through committing Plant Facility funds for a three year period, ending July 1, 1979. The construction of the school is presently 75 percent complete and through using the Plant Facility Fund, the Board has saved $950,000 in interest money which would have been required with school construction bonds.

Let me again remind you that under the Governor's proposal for property tax relief via a 9 mill reduction in the school foundation program, the net tax relief to local patrons would be $769,000 compared to the $950,000 that the Idaho Falls Trustees have saved local patrons through utilizing the School Plant Facility Fund. I compare the two figures for you only to illustrate that through utilizing School Plant Facility funds rather than long term bonds, an appreciable savings to the taxpayer was made. However, because of the Board's decision to build the new Westside School from the Plant Facility levy, in lieu of building bonds, many scheduled maintenance projects have been postponed in the District for consideration in subsequent budget years. I can only reiterate that good maintenance is essential if schools are to adequately protect the taxpayer's investment in capital assets. School buildings simply need constant repair and maintenance and if ignored, the price of neglect will be much higher in the long run.

## BOND ISSUES FOR SCHOOL CONSTRUCTION

An additional area of concern, pertains to the ability of school districts to provide for new school construction through passage of school bonds. Much has already been said about this topic so I will simply add my voice and urge that you assure that school bonds also be treated outside the Initiative so that communities experiencing growth can properly keep pace with that growth.

## OVERRIDE ELECTIONS

I feel an additional problem area which warrants your consideration is the matter of special override elections. Override elections for many districts have become a way of life and many districts have come to rely on them to fund the basic education program. I know of no one in the school sector that enjoys the need to ask patrons to pass maintenance and operation override elections annually. I hope that as a

result of the 1% Initiative, that the override election does not come to play an even larger roll in funding basic education programs. It is my concerted opinion that the Legislature has an obligation to fully fund basic education and that overrides should be used only to provide additional special programs and services desired by local patrons. At the present time, a simple majority is required in passage of override measures. I would urge you to retain the concept of a simple majority in determining the fate of override election rather than approve the 2/3 approval stated in the Initiative. I would point out to the committee that city and county governments historically have been able to raise millages without a vote of the people while schools have been forced to wage annual election campaigns to raise additional revenues. This system surely has not been equitable to the schools and to now require a two-thirds approval would, in my opinion be a step backward. I would propose to you, however, a "super-majority" in determining the outcome of any multiple year override levy elections. I feel that you should seriously consider retaining the simple majority concept for single year override elections and that you should approve a "super-majority" level of 60% or 66 2/3% for any multiple year levy for up to 3 years. Multiple year override levies would, thereby, allow better long range planning and would remove the uncertainty of the annual submission of special levies. Personally, I would not oppose a cap or limit on a multiple year override levy election; for example, such an override shall not exceed 10 percent of the current year Maintenance & Operation budget.

## FEDERAL FUNDING

I would now like to turn to two final concerns, both of which are outside the control of the Idaho Legislature but will also have a profound effect on school funding in Idaho. The first of these topics deals with President Carter's Budget Message which was presented to the Nation Monday of this week. As you know, the President also has had considerable pressures on reducing the Federal Budget. Many have criticized the President's message for reductions in nuclear energy research programs and in other domestic fronts, while increasing spending abroad and in the area of defense. Certainly, the low priority which nuclear research has under the Carter Administration will have a telling effect on Idaho's economy in the future. Even more directly impacting Idaho schools, however, is the President's proposal to reduce Impact Aid funding by one-half billion dollars through eliminating all impact funding except for instances where a military base is involved.

## IMPACT AID

The G.S.A. now shows that over two-thirds of Idaho is owned by the Federal Government. As you well know, the Federal Government does not pay property taxes on its lands and, therefore, a state such as Idaho is at a considerable economic disadvantage with such large federal ownership, in that, the tax base is severely limited. Impact Aid funding has been directed to the Nation's public schools since 1950 on the premise that:

1. The Federal Government is a non-taxpaying major employer.
2. That a "gap" is caused by the removal of the value of federal installations from the local tax rolls and that this "gap" must be made up by local taxpayers unless some other type of Federal support is obtained.
3. That Impact Aid funds are directed at the child being educated; and,
4. that the program is the least costly of all federal programs to administer and that it is a direct cash payment to involved school districts.

The total number of tax exempt acres owned by the Federal Government has grown from 405 million acres in 1953 to 742 million acres in 1977. More importantly, Idaho's schools receive 5 million dollars in Impact Aid funding at the present time. The three

districts most affected by Impact Aid funding are Mountain Home, Idaho Falls and Pocatello in that order. The President's Budget message will cause an additional reduction to Idaho's schools in the amount of 2.8 million in lost revenue. This is money which will impact certain districts much more significantly than others. Idaho Falls will be the hardest hit with an additional loss of $500,000 in revenue. This money is used to provide for basic education services through the General Fund. Might I once again remind members of the committee of the fact that even with Federal Impact Aid, our District ranks below the average per pupil expenditure in the State of Idaho.

As Superintendent, with a ten and one-half million dollar budget, I am currently facing the possible loss of two and one-half million dollars in operating revenues for the next fiscal year. Two million dollars of this loss is by way of the potential loss through the 1% Initiative and one-half million results from President Carter's Budget message. Clearly, the spectre of a 24% budget reduction, when added with a cost of inflation which is near ten percent, would spell economic havoc for the Idaho Falls School District in the immediate future.

A final problem area which rests outside the domain of the Idaho Legislature pertains to the range of federal funding currently availed to Idaho's public schools. In addition to the five million in Impact Aid funds previously mentioned, Idaho also receives nearly eight million dollars in compensatory education programs and over three million in special education and in other categorical aid programs. You should know that most of these programs contain a "Maintenance of Effort Provision" which mandates that states may not reduce educational expenditures without suffering either a potential added loss of such funds or a total revocation of all federal funds. For example, if the public school budget is reduced by five percent, Idaho schools will stand to lose approximately eight million presently funding the State's Title I programs. These programs are compensatory education programs aimed at providing assistance to disadvantaged students in the basic skills of reading and mathematics.

Obviously, my reason in highlighting these special problem areas to you is to provide a cautionary note that a number of impinging budget problems face Idaho's schools and that every youngster enrolled in the public schools of Idaho, every teacher, every parent and every concerned citizen is looking to you to solve these problems and to insure that education continues to flourish in Idaho on a sound and responsible economic footing.

The need is clear. I feel that the budget request presented to you earlier this morning is a very responsible request and would urge your adoption. More importantly, as you consider implementing the 1% Initiative, I would urge you to approach implementation through a gradual phase-in, allowing orderly growth in Idaho's economy to provide the basis for future tax relief while maintaining a sound financial foundation for Idaho's schools. I applaud your efforts to provide property tax relief through a rollback of the school mills comprising the foundation program, while replacing these revenues with other state funds. In providing this relief, however, you must take care to assure that Idaho schools remain on a firm foundation of support.

I strongly feel that a certain percentage of property tax revenue ought to be dedicated to the common schools as a part of the 1% phase-in. I feel that this percentage should be established prior to implementation of the Initiative. Let me conclude by saying that it has been an honor and a privilege to speak to you this morning on behalf of the Idaho Falls School District. My colleague, Joe Whitten, from the Midvale School District will follow my remarks.

That, Mr. Chairman, concludes my presentation.

## APPENDIX B

## "Impact Statement Regarding 1% Initiative"

OFFICIAL POSITION STATEMENT

of the Idaho Falls Board of Trustees

regarding the 1% Property Tax Initiative

July 11, 1978

INTRODUCTION

At their regular Tuesday board meeting held July 11, 1978 the Board of Trustees of the Idaho Falls School District participated in an indepth discussion and review of the 1% Property Tax Initiative which will be on the November ballot. While the Board certainly favors meaningful school finance reform in Idaho, language in the initiative itself leaves little doubt that if enacted intact, the 1% Property Tax Initiative would be devastating in its effect to the public schools. Therefore, the Board requests that responsible persons take the time to be acquainted with the initiative and to exert every effort toward assisting legislators in the positive reorganization of Idaho's school finance system as it shifts from property tax reliance to other state revenue sources. The Board firmly believes that the public has no intention of denuding education's essential services. They do feel strongly that the meaning of the 1% initiative is directed at all forms of taxation and that a 1% initiative is but an attempt to vocalize general concern. It will be the task of the Idaho legislature to assure that essential services are maintained while insuring meaningful property tax relief.

The following materials represent information discussed by the Board of Trustees at their July 11 meeting.

Jim Parsley
Superintendent
Idaho Falls School District

RESOLUTION REGARDING 1% PROPERTY TAX INITIATIVE

WHEREAS, although the Board of Trustees of the Idaho Falls School District #91 recognizes that there exists a probable need to reform Idaho school finance through shifting the school tax burden away from reliance on local property taxes; and,

WHEREAS, although the Board of Trustees favors greater equalization of school funding; and,

WHEREAS, although the Board of Trustees is cognizant of recent opinion polls predicting passage of the 1% Property Tax Initiative in Idaho; and,

WHEREAS, despite its current popularity, the 1% Property Tax Initiative fails to specify replacement revenues to support essential school services; and,

WHEREAS, the common schools in Idaho are by far the largest users of the State's property tax revenue; and,

WHEREAS, without replacement revenues offsetting the reductions encumbered in the 1% Property Tax Initiative, essential school services and accreditation would be placed in jeopardy, now therefore;

BE IT RESOLVED that the Board of Trustees urges voting patrons of the Idaho Falls School District #91 to reject the 1% Property Tax Initiative in the November election. Be it further resolved that elected area representatives of the Idaho State Legislature be urged to exert leadership toward a positive reorganization of Idaho's School Finance System through a 'shift' away from property tax reliance to fund operations of the common schools and toward a 'shift' to other state revenue sources.

47-710 O - 79 - 40

# 1% TAX INITIATIVE

## PRELIMINARY ESTIMATE OF FISCAL IMPACT

### ASSUMPTIONS

a) Bonneville County is currently collecting 2.09% of Full Market Value in tax dollars. (State Tax Commission Study)

b) Current year projections for property tax (FY 79)

c) Immunity for voter approved obligations now in force. The financial implications of the 1% Initiative will not be felt until the 1979-80 budget year. However, the following information intends to reflect the impact of the initiative on current FY 79 operations.

### GENERAL FUND

I. DIRECT M & O LEVIES:

| | |
|---|---|
| Statutory Levy | 27.00 mills |
| "Override" Levy | 4.56 mills |
| Equalization Levy | 1.60 mills |
| "Tort" Levy | .30 |
| Sub-Total | 33.46 |

II. INDIRECT LEVY:

| | | |
|---|---|---|
| County School | 4.00 | |
| Total Levy (M & O) | 37.46 | x 83,500,000 = $3,127,910 (Assessed value FY 78) |

III. If the total tax dollars shown above are equivalent to 2.09% of Full Market Value, then the 1% tax limitation would effectively reduce the dollars collected, or anticipated collections by 48% or $1,500,000. (Approximately)

IV. $1,500,000 is, of course, a net reduction of nearly ½ of the tax revenues legally afforded to the General Fund, and is 14.15% of the total budget for the General Fund.

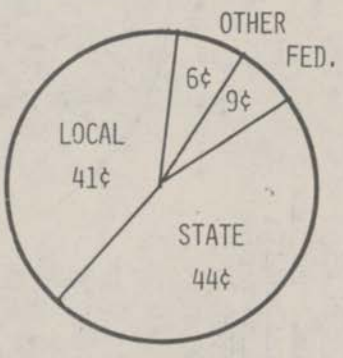
ANALYSIS OF SCHOOL REVENUES FY 79

OF EVERY DOLLAR SPENT BY IDAHO SCHOOL DISTRICTS---

41¢ CAME FROM LOCAL SOURCES, MOSTLY PROPERTY TAXES;

44¢ CAME FROM THE STATE, MOSTLY FROM INCOME AND SALES TAXES;

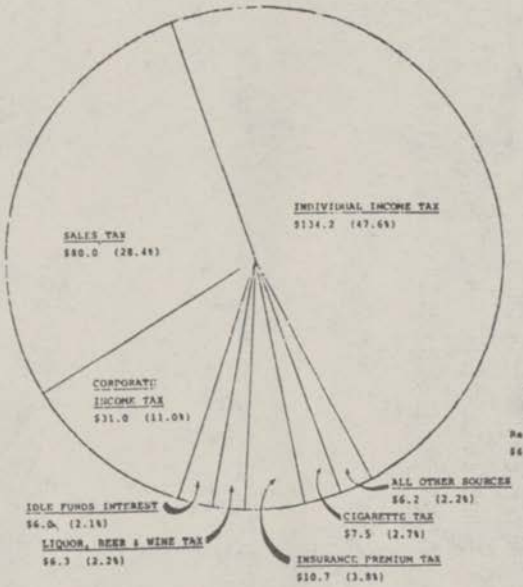
9¢ CAME FROM FEDERAL FUNDS AND 6¢ CAME FROM OTHER SOURCES (LUNCH PROGRAMS, TUITION, RENTALS, ETC.)




SOURCE: LEAGUE OF WOMEN VOTERS - SCHOOL FINANCE STUDY

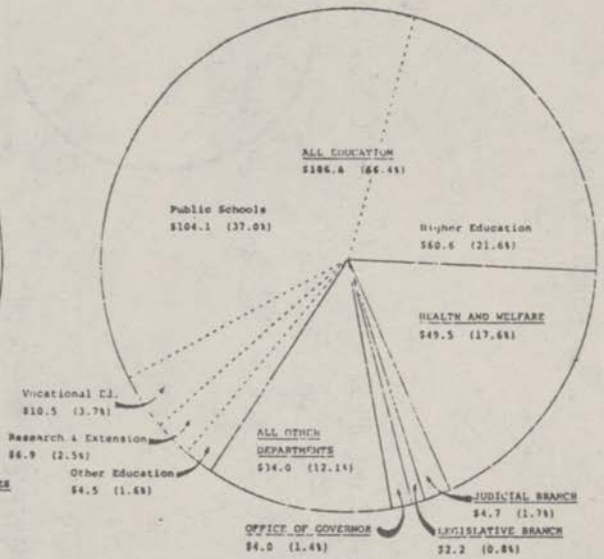
# GENERAL FUND
## REVENUE AND APPROPRIATIONS
## FISCAL YEAR 1978
MILLIONS OF DOLLARS
(% OF TOTAL)

*Where the money comes from ....*




TOTAL REVENUE $281.9 MILLION

*Where the money goes ....*




TOTAL APPROPRIATIONS $281.0 MILLION

GENERAL FUND REVENUE - FY 1978

| | | |
|---|---|---|
| INDIVIDUAL INCOME TAX | 134,305,000 | |
| SALES TAX | 74,327,000 | |
| CORPORATE INCOME TAX | 31,000,000 | |
| | | (Sub. 239,632,000) |
| CIGARETTE | 7,079,000 | |
| LIQUOR | 3,064,000 | |
| BEER | 2,525,000 | |
| WINE | 553,000 | |
| MINE LICENSE TAX | 500,000 | |
| KILLOWATT HR. TAX | 550,000 | |
| | | (Sub. 14,271,000) |
| DEPT. OF FINANCE | 400,000 | |
| DEPT. OF INSURANCE | 10,750,000 | |
| DEPT. OF AGRICULTURE | 95,000 | |
| DEPT. OF LAW ENFORCEMENT | 625,000 | |
| DEPT. OF LANDS | 75,000 | |
| SECY. OF STATE | 1,225,000 | |
| STATE TREASURER | 6,000,000 | |
| JUDICIARY | 1,350,000 | |
| MISC. | 750,000 | |
| | | (Sub. 21,270,000) |
| INTEREST ON IDLE FUNDS | 6,730,000 | |
| | | (Sub. 6,730,000) |
| GENERAL FUND TOTAL REVENUE | | $281,900,000 |

## ANALYSIS OF IDAHO'S PROPERTY TAX
## REVENUE TO EXPENDITURE PERCENTAGE (1977 CALENDAR YR.)

| | |
|---|---|
| EDUCATION | 49% |
| COUNTY GOVERNMENT (EXCEPT ROADS) | 20% |
| CITIES (INCLUDING STREETS) | 18.5% |
| COUNTY ROADS (NOT INCLUDING CITY STREETS)* | 8% |
| AUDITORIUM, CEMETERY, FIRE, IRRIGATION, MOSQUITO, ETC. | 4% |
| JUNIOR COLLEGES | 1% |
| STATE (POLLUTION CONTROL) | .08% |
| | 100% |

TOTAL: $211,299,641 CALENDAR 1977 CHARGES

NOTE: DOES NOT ADD TO 100% DUE TO ROUNDING ERROR.

*EXCEPT IN ADA COUNTY

SOURCE: ASSOCIATED TAXPAYERS OF IDAHO

SUMMARY FACT SHEET ON THE 1% PROPERTY TAX INITIATIVE

1. In Idaho, education, by far, is the biggest user of the property tax. The Associated Taxpayers of Idaho estimate that property taxes generate $103,000,000 to finance public education in Idaho.

2. In Idaho today, approximately 39% of the total cost of education comes from property tax sources. It is estimated that statewide, the Initiative could cause a 44% reduction in these sources.

3. According to the Associated Taxpayers of Idaho, if the 1% Property Tax Initiative is enacted by voters in November, approximately $6,500,000 in property tax revenues will be lost to Bonneville County. The impact of this reduction would be felt by education and city and county government.

   Additionally, impact would be felt with the number of other taxing districts, including: county roads, auditoriums, cemeteries, fire, irrigation, mosquito control and numerous other minor taxing districts.

4. If the Idaho State Legislature fails to replace revenues lost to education by virtue of the 1% Property Tax Initiative, it is estimated that there would be an approximate loss to the Idaho Falls School District of $1,500,000 in school revenues. Presently, the Idaho Falls School District receives $3,127,910 of its operating revenue from local property taxes.

5. The Idaho Falls School District has an operating budget for the 1978-79 school year of $10,504,455. Presently, 82% of the District's budget is expended in the salaries of personnel. Using $14,000 as an average salary for certificated staff, the 1% Property Tax Initiative would result in a reduction of 80 certificated staff positions, along with a 14% reduction in all other budget categories. It should be noted that reductions in items such as insurance, utility costs and fuels will, in fact, experience continued inflationary increases beyond the control of the local school district. Increases in such areas would, of course, cause funds to be shifted from other more flexible budget categories and could substantially increase reductions in personnel.

6. The 1978-79 budget is shown below along with the percentage of each budget category as it relates to the total budget. It should be noted that 71.9% of the District's budget is spent on instruction. A $1,500,000 loss of revenue would result in an approximate 14% reduction in all budget categories as shown below:

| | Percentage of M&O Budget | 78-79 | -14% Reduction |
|---|---|---|---|
| Admin. | 2.9% | 309,613 | (- 43,346) |
| Instr. | 71.9% | 7,618,778 | (-1,066,629) |
| Attendance & Health | .9% | 96,745 | (- 13,544) |
| Transp. | 3.4% | 358,358 | (- 50,170) |
| Operation | 9.5% | 1,006,298 | (- 140,882) |
| Maintenance | 5.5% | 564,100 | (- 78,974) |
| Fixed Charges | 3.9% | 412,500 | (- 88,086) |
| Student Body Activities | .7% | 73,163 | (- 10,243) |
| Capital | .6% | 65,000 | (- 9,100) |
| | | 10,504,455 | -14% loss in all revenues or -1,500,000 |

7. According to the Association of Idaho Cities, passage of the 1% Property Tax Initiative will effectively eliminate future general obligation bonding in Idaho and will severely restrict the ability of schools to provide for future school construction plans.

8. At the present time, Idaho ranks 37th in per capita tax support to public education. Despite this, however, Idaho presently ranks 50th in the nation in per pupil expenditure and 44th in the nation in operational expenditures in the classroom. (Source: Idaho State Department of Education)

9. It is ironic that the most significant support in the State for the 1% Property Tax Initiative is in Ada County and yet, it is possible that the Boise Independent School District would not directly be affected by passage of the 1% Property Tax Initiative, since that District is a Charter district (along with Emmett and Lewiston). These charters predate Idaho's Constitution and allow local schools to set a rate of property taxation independent of state legislation.

10. The total amount for Idaho's General Fund for FY 1978 is $325,000,000. By way of comparison, on June 6, 1978, California approved a budget of $14.7 billion. A budget which is approximately 45 times the size of Idaho's General Fund budget. Additionally, passage of Proposition 13 in California cannot be compared

to the impact that the 1% Initiative will have in Idaho, since California had a $5 billion surplus to soften the blow of Proposition 13 for the next year. California's surplus, in fact, is 15 times larger than Idaho's entire General Fund budget. House Bill 635 approved by the Idaho Legislature last session returns any surplus or unencumbered balance in the state's general account to the State Auditor for additional reduction of the county school tax for tax year 1978. Idaho, unlike California, will not have the luxury of a large surplus to soften the blow if drastic revenue cuts are experienced.

APPENDIX C

"March 14, 1979 Staff Letter"

Dear Staff Member:

As you may know, the Joint Finance Committee of the Legislature, yesterday, voted to recommend a public school appropriation of $244,822,300 total. This translates to an approximate increase of 5.9 percent over the current year appropriation. While we recognize that inflation in many categories, such as; fuels, paper, and utilities have an inflationary rate double that allowed by the Legislature, we are also cognizant that most other governmental agencies actually suffered budget reductions rather than any increase.

You should also know that this legislative action does not entirely eliminate the current financial problems facing the Idaho Falls School District. While we are pleased that the legislature has dealt with education in a preferential way, it is apparent that the funding increase will not be sufficient to alleviate possible shortages in other categories. In addition, you need to know that the District is facing several other critical budgetary challenges:

1. We have approximately $500,000 in jeopardy due to President Carter's budget message which is now being considered by Congress. The President calls for elimination of all Category 'B' funds under PL 874 (Impact Aid). This money annually goes into the General Fund and is used in a large part to provide instructional programs within the District. While this program has been in jeopardy in recent years, it is evident that we will not know until June as to what action the Congress will take on the appropriations measure.

2. In providing for public education, the legislature has made an assumption that local override elections will continue to be approved. Our District presently has roughly $400,000 dependent upon voter approval in the override election. Obviously, we will shortly be making a commitment to once again run an annual override election. It is also evident that there will need to be an increase in the amount of the override this year. Obviously, this money must also be considered in jeopardy since voter rejection would also mean a loss of this revenue source completely.

3. A third impinging budgetary problem relates to a District loss of enrollment. Last year's enrollment showed a decline of pupil enrollment of approximately 200 pupils. A projection once again indicates that the District will suffer the loss of an additional 200 students for the 1979-80 school year. Since state funds are based upon average attendance, any loss in enrollment will also result in a proportionate decline of state funds.

Because of the above uncertainties, budgetary planning for next year is extremely difficult. Obviously, our economic "good health" will depend upon actions of the U.S. Congress and the willingness of local patrons to support their schools. I feel optimistic, in that, we have had two excellent years in succession and that local patrons will, in fact, support us at the polls. We will need a concerted effort on the part of all staff members this year to assure passage of the override election. Additional information concerning the override will be given to you when plans are further developed.

You should also know that the Board of Trustees are now in the process of considering a policy which would deal with a staff reduction in force should our anticipated fiscal problems not receive satisfactory resolution. Under Idaho law, it is illegal for the Board to operate a deficit budget. Therefore, program and staff reductions must be considered on a contingency basis. It is my fervent hope as your Superintendent, that such a policy, if adopted, "gathers dust for evermore" and would not have to be utilized. It is perhaps the most difficult and most unpleasant assignment our Trustees have had to consider in recent years. The policy under consideration is based almost entirely on the seniority concept and seeks to protect the continuing contract employee as a prime objective.

Briefly, the policy has several "lines of defense" which would be used should the need arise.

The first reductions would occur through placing a freeze on all new hiring and filling any vacant positions through voluntary on involuntary staff transfer. In this way, attrition would be used as a means of reducing personnel.

The second line of defense would be a liberal program of granting a leave of absence for anyone so requesting for additional graduate study or other personal interests. Such a leave would allow the employee to retain employment status with the District and to retain various accrued benefits.

The next line of defense relates to seniority within areas of certification. Proposed policy would create an employment pool which would allow staff members to be rehired on a seniority basis should the funding picture improve after the initial reduction in force. There are, of course, other details in the mechanics which call for personal awareness and understanding. The policy has been transmitted to the IFEA for formal input. Additionally, copies of the proposed policy will be available through your building principal.

You are invited to review this document and forward any comments or suggestions at your earliest convenience. It is anticipated that the Board will address the policy for second reading at their March 27 meeting. Once again, let me stress that it is my personal hope that events will not cause us to implement the policy at a future date. I remain optimistic that through working together, we will solve the current funding crisis in the District and that local patrons will continue in their support of the District.

I feel that it is important that you be informed concerning the problems which face the Idaho Falls School District. I am,

Respectfully yours,

James F. Parsley Jr.

Dr. James F. Parsley, Jr.
Superintendent of Schools

## STATEMENT OF DONALD S. BRUNO

Dr. FISH. Mr. Bruno, State of Virginia.

Mr. BRUNO. We appreciate the opportunity to appear here today.

I am wearing two hats today. One as Superintendent of the York County Public Schools and, secondly, as Chairman of the Virginia Committee for Fair Impact Aid Funding.

I would agree completely with what you said initially.

I am not going to talk about A and B and the dollars.

I think our major problem with this program is people don't understand it.

In our State this year a committee was formed who will be here at 11:30 to meet with the entire Virginia congressional delegation, including our two Senators. Maybe they can help you this year to let them know just what effect this will have on the Commonwealth of Virginia.

The loss of the Carter recommendation of $35 million.

Now, the committee that will be here tomorrow will be from every major city in the State of Virginia and the chairman of the board of supervisors.

Senator MATHIAS. In fairness, I should point out Senator Warner has written to the Appropriations Committee and I also discussed it with——

Mr. BRUNO. I know. We are relying on Senator Warner to really give us leadership.

But basically I want to just highlight a couple of things.

Our school division, of course, was the historical battleground where we won the Revolution, and I wish in a way the battle for impact aid would have lasted just as long as the American Revolution. [Laughter.]

Mr. BRUNO. It would have been a much simpler matter for us. Maybe we could all meet at Surrender Road some day and get everybody together.

Our county has 60,000 acres in it. 27,000 of those are owned and controlled by the Federal Government. We have five military installations——

Senator MATHIAS. Any of it under water? [Laughter.]

Mr. BRUNO. I am not counting the oyster grounds.

Senator MATHIAS. Let's not raise that issue. [Laughter.]

Mr. BRUNO. But of our pupils, almost 30 percent come off military housing.

I am not talking about B's. We can leave them aside.

Our community has difficulty in understanding now why, when our local support for a child is $100, we are going to get $600 from impact aid for the Federal child.

I heard the gentleman here say 49 percent of his tax dollar in the locality goes to public education. In my community, from the real estate tax, 75 percent of every real estate dollar goes that way.

It is difficult for a superintendent and a school board to be equitable to the military family. We are treating those people like second-class citizens in this whole thing.

To say that we can't provide—then we have the local people who now are up in arms because the Federal Government is not meeting their obligations.

If we could tax in our county those 27,000 acres, we could double our real estate base.

LOSS OF TAX DOLLARS

Now there are people that fuss about the B's. We had our State department of taxation look into this. In Fairfax County, it is historic example. In the State of Virginia, if we could collect the sales tax, the alcoholic beverage tax, the tobacco tax, where these folks are exempt from those taxes by going to commissaries, it would mean $25 million more to our State.

Senator MATHIAS. That would make up the difference.

Mr. BRUNO. We wouldn't be here today.

If the real estate tax that we lose in our State—this is incomplete—$87 million is lost in real estate taxes alone.

I think that the Congress has to understand—I know that the Secretary of HEW identified this program as one of legislative waste, and that the tax dollars should be focused on those with the greatest need. But I would suggest that the greatest need of this Congress and this country is to support a program of aid to education that exerts the least amount of Federal control. And the impact aid program provides for basic education.

I think that as we look at the program, when you see children and you see military people and you see them being relegated to second-class status and you see the feelings in the community now when the Federal Government doesn't pay their bill, that it is very important for us to look at the program.

I hear the plea for the handicapped. We are a compassionate duty station in Yorktown for the Tactical Air Command. Now we are receiving handicapped children from all over the Nation because we have a fairly decent program. But it is necessary for us to look at that.

One important example, 3 years ago we were told in a brief time that we would have 503 four- and five-bedroom houses built in our community. That brought us to 1,200 additional pupils in a 2-year period of time.

We established with the Federal Government an entitlement of a half million dollars for our extra cost of chairs, books, and everything for those children.

The payoff from the Federal Government was 6 percent of that. $25,000.

Now, I think this illustrates that if we will bring a lot of people to the educational dinner place, the Federal Government has to meet that responsibility.

From the State of Virginia and from our community, the children in Virginia—1,700,000 are touched by this program. Nine percent of our land belongs to the Federal Government.

We would ask that you give your strong support to restoring the B pupils and giving us equitable funding for A.

Senator MATHIAS. I assure you I shall. You make a very eloquent case.

Mr. BRUNO. I just haven't had enough time.

That is a brochure we put out. It tells briefly—there is our committee from the State. It says in a lot fewer words what I said to you today.

Senator MATHIAS. Thank you very much.

[The statement follows:]

STATEMENT OF DONALD S. BRUNO, DIVISION SUPERINTENDENT, YORK COUNTY PUBLIC SCHOOLS, VIRGINIA

MR. CHAIRMAN AND MEMBERS OF THIS DISTINGUISHED COMMITTEE, I APPRECIATE THIS OPPORTUNITY TO APPEAR BEFORE YOU TO PRESENT TESTIMONY SUPPORTING IMPACT AID WITH SPECIFIC EMPHASIS ON CATEGORY "B" PAYMENTS AND THE REDUCTION IN PAYMENTS FOR "A" PUPILS IN SUPER "A" DISTRICTS AS THIS AFFECTS YORK COUNTY AND THE COMMONWEALTH OF VIRGINIA.

THE ADMINISTRATION HAS RECOMMENDED THAT APPROPRIATIONS FOR CATEGORY "B" PAYMENTS OF P.L. 874 BE ELIMINATED IN THE FY '81 BUDGET. I WISH TODAY TO OPPOSE THIS DRASTIC, UNWARRANTED, AND UNWISE PLANNED REDUCTION. ALSO, I WOULD LIKE TO CALL ATTENTION TO THE FACT THAT THROUGH A SERIES OF ADMINISTRATIVE AND LEGISLATIVE ACTIONS OVER THE PAST DECADE, THE VERY INTENT OF THIS LAW HAS BEEN CIRCUMVENTED. I REPRESENT A COMMUNITY THAT IS SEVERELY IMPACTED WITH MILITARY HOUSING, MILITARY INSTALLATIONS, AND THE NATIONALLY KNOWN YORKTOWN PARK AND BATTLEFIELD. THE ACTIONS OF THE JOINT HOUSE-SENATE CONFERENCE COMMITTEE TO REDUCE PAYMENTS FOR "A" PUPILS FROM 100% OF ENTITLEMENT TO 73.75% IS PARTICULARLY DIFFICULT FOR MY COMMUNITY TO COMPREHEND. IN A TIME WHEN WE ARE STRESSING "BASIC EDUCATION," THE LOCAL TAXPAYER IS CONFUSED AS TO WHY THE FEDERAL GOVERNMENT IS REIMBURSING OUR COMMUNITY FOR "A" PUPILS IN THIS FISCAL YEAR AT A RATE OF $606.00 WHEN THE LOCALITY IS CONTRIBUTING IN EXCESS OF $800.00 FOR EACH NON-FEDERALLY CONNECTED PUPIL. CLEARLY, IT APPEARS TO BE A BREACH OF GOOD FAITH, IF NOT OF CONTRACT, FOR THE FEDERAL GOVERNMENT TO SHIFT ITS OBLIGATIONS FOR "A" PUPILS TO THE STATE AND LOCAL GOVERNMENTS. SOMEHOW, THE SHIFTING OF FUNDING FROM THE "A" AND "B" CATEGORY FUNDING (MILITARY PERSONNEL) TO PROVIDE A TIER OF FUNDING FOR LOW RENT HOUSING IS NOT CONSISTENT WITH THE INTENT OF THIS LEGISLATION. IF THE CONGRESS FEELS A NEED TO PROVIDE MORE ASSISTANCE TO PUBLIC HOUSING AREAS, THEN IT WOULD BE MY SUGGESTION THAT THIS BE HANDLED UNDER SEPARATE LEGISLATION OR THROUGH THE EXISTING TITLE I PROGRAM. SINCE THE TITLE I PROGRAM HAS GROWN FROM APPROXIMATELY ZERO IN 1950 TO A 3 BILLION DOLLAR ITEM IN 1980, THERE SHOULD BE ENOUGH FLEXIBILITY IN THE PROGRAM TO HANDLE THE REQUIRE-

MENTS OF THE LOW INCOME HOUSING NEEDS WITHOUT REDUCING IMPACT AID TO PROVIDE THE FUNDING.

I AM SURE YOU ARE ALL AWARE OF HOW THE IMPACT AID FUNDING PROGRAM OPERATES, BUT IT MIGHT BE OF SOME INTEREST TO YOU TO KNOW WHAT A CONFUSING AND TRAUMATIC EXPERIENCE THIS IS TO THE LOCAL SCHOOL BOARDS TO WORK WITH FEDERAL REIMBURSEMENTS WHICH ARE BASED ON OPERATING EXPENDITURES THAT ARE TWO YEARS OLD AND REVENUES THAT ARE RECEIVED AT THE END OF A FISCAL YEAR TO SUPPORT TEACHER SALARIES, SUPPLIES, AND TRANSPORTATION THAT COMMENCE NINE MONTHS BEFORE WE RECEIVE PAYMENT. PERCENTAGE-WISE YORK COUNTY, VIRGINIA, IS ONE OF THE MOST HEAVILY IMPACTED SCHOOL DIVISIONS IN THE NATION. ABOUT 27% OF OUR PUPILS COME FROM FAMILIES THAT LIVE AND WORK ON FEDERAL PROPERTY WITHIN OUR COUNTY, AND AN ADDITIONAL 22% ARE FROM FAMILIES OF MILITARY SERVICE PERSONNEL, CIVILIAN TECHNICIANS, AND NASA PERSONNEL WHO LIVE IN THE COUNTY.

THREE YEARS AGO WE WERE INFORMED THAT THE FEDERAL GOVERNMENT PLANNED TO BUILD 500 ADDITIONAL HOMES IN OUR COMMUNITY FOR AIR FORCE PERSONNEL. SINCE THE HOMES WERE 3, 4, AND 5 BEDROOM ACCOMMODATIONS, THIS ULTIMATELY PROVIDED US WITH AN ADDITIONAL 1,200 "A" PUPILS. THE ADDITIONAL COST OF PROVIDING FOR THESE NEW PUPILS EXCEEDED $500,000 OVER WHAT THE SCHOOL DIVISION EXPECTED TO SPEND IN THAT FISCAL YEAR. UNDER THE PROVISIONS OF THE IMPACT AID LAW, WE ESTABLISHED A REIMBURSEMENT ENTITLEMENT OF $426,244 TO OUR COMMUNITY. WE RECEIVED A PAYMENT OF $25,574.67, OR LESS THAN 6% OF WHAT THE COMMUNITY EXPENDED TO PROVIDE EDUCATION FOR THE AIR FORCE CONNECTED PUPILS. THIS YEAR WITH THE REDUCTION OF PAYMENT FOR "A" PUPILS, WE HAVE HAD TO REDUCE THE TEACHING STAFF, CUT SUPPLY ACCOUNTS, AND CANCEL MANY EQUIPMENT PURCHASES. SOMEHOW, AS MANAGERS, WE HAVE LEARNED TO LIVE WITH THIS TYPE OF ECONOMIC DISPARITY. THE DIFFICULT THING TO LIVE WITH IS WHAT WE ARE DOING TO THE BASIC EDUCATIONAL PROGRAM OF CHILDREN. WE EXPECT THE MILITARY TO BE READY TO SERVE US IN TIMES OF EMERGENCY AND NEED, YET THROUGH IGNORING THE BASIC FUNDING REQUIREMENTS OF THE IMPACT AID PROGRAM, WE ARE RELEGATING THESE FOLKS TO A SECOND-CLASS CITIZENSHIP STATUS.

Over the years the general impression circulated is that Impact Aid funds (particularly for so-called "B" pupils) may be allocated to some districts which do not have a fiscal need for the funds. The critics completely ignore the fact that although there may be some real estate tax revenue for "B" pupils, this is completely offset by the loss of state sales tax, alcoholic beverage taxes, and tobacco products taxes. Through the provisions of the Soliders and Sailors Relief Act, retired military personnel are also exempt from payment of those taxes. The State Department of Taxation estimates these losses in Virginia to be $25,017,432 for this fiscal year in sales taxes, alcoholic beverage taxes, and tobacco products taxes. Property tax loss at the local level would exceed $87,158,661. The point is that the federal government owns 33.7% of all land in this nation. In Virginia this amounts to 9.3% of the total land area. If we could tax this property using the same base and assessment techniques that we use with private businesses and local homeowners, I would not be here today.

The position of the Carter administration on Impact Aid was made crystal clear by HEW Secretary Califano in a speech to the National Press Club on November 28, 1978 in which he characterized Impact Aid as "legislative waste," and noted that the tax dollar should be focused on those with greatest need. I would suggest that our greatest need is to support a program of aid to education that exerts the least amount of federal control over the educational process, provides service with the least amount of bureaucracy, and recognizes the fact that federal activity does place a burden on the local community that in many instances far outweighs the economic benefits of the activity. The Impact Aid program provides that aid to the local community with a minimum amount of federal control and probably the lowest administrative cost of any current federal aid to education program. The program supports basic educational activities for the average child. Let's not forget his needs as we "dole out" billions of dollars for everything from sex-stereotyping to providing education for the handicapped from birth to age 21.

THE FOLLOWING RECOMMENDATIONS ARE SUBMITTED TO YOUR COMMITTEE AS APPROPRIATIONS FOR FY '81 ARE CONSIDERED:

... HIGHLY IMPACTED DISTRICTS, WHICH BY PRECEDENT AND BY LAW HAVE BEEN DEFINED AS EITHER 20% IMPACTED WITH 3 "A" PUPILS OR 50% IMPACTED WITH FEDERALLY CONNECTED PUPILS -- 3 "A" PLUS 3 "B", SHOULD BE FULLY FUNDED FOR ALL CATEGORIES OF PUPILS THROUGH TIER II.

... CATEGORY "A" AND MILITARY "B" PUPILS IN DISTRICTS SERVING MILITARY INSTALLATIONS SHOULD BE FULLY FUNDED THROUGH TIER II REGARDLESS OF THE DEGREE OF IMPACTION OF THE RECIPIENT DISTRICT.

... THE SECTION OF P.L. 874 WHICH DEALS WITH FISCAL NEED AS A JUSTIFICATION FOR INCREASED ENTITLEMENT, SECTION 3 (D) 2 (B), SHOULD BE FULLY FUNDED IN EVERY APPROPRIATION REGARDLESS OF HOW THE FUNDING IS ULTIMATELY DISTRIBUTED.

... PUBLIC HOUSING PAYMENTS SHOULD NOT BE USED AS A TRADE-OFF FOR REDUCING BOTH "A" AND "B" MILITARY PUPIL ENTITLEMENTS.

... IF THE CONGRESS REDUCES P.L. 874 FUNDING BECAUSE MONEY IS ALLOCATED TO DISTRICTS WHICH ARE NOT IN FISCAL NEED, THEN CONGRESS SHOULD ESTABLISH FISCAL NEED AS A QUALIFICATION NOT ONLY FOR P.L. 874, BUT FOR OTHER EDUCATIONAL PROGRAMS AS WELL.

IN OCTOBER OF 1981, YORKTOWN, VIRGINIA WILL BE THE FOCAL POINT OF THE NATION AS WE CELEBRATE THE WINNING OF OUR INDEPENDENCE FROM ENGLAND. THOSE DRUMS ARE STARTING TO BEAT AGAIN AT YORKTOWN AND ACROSS THE COMMONWEALTH OF VIRGINIA FOR EQUITY FROM THE FEDERAL GOVERNMENT AS IT MEETS ITS OBLIGATIONS FOR THE BOYS AND GIRLS FROM MILITARY FAMILIES THROUGH THE IMPACT AID PROGRAM. IF FISCAL NEED IS TO BE A QUALIFICATION FOR P.L. 874 MONIES, THEN FEDERAL GUIDELINES FOR ALL EDUCATIONAL PROGRAMS SHOULD HAVE THIS QUALIFICATION. IN SHORT, THE PROPOSED ELIMINATION OF PAYMENTS FOR CATEGORY "B"

PUPILS AND THE REDUCTION OF PAYMENTS FOR "A's", IN SUPER "A" DISTRICTS COMES AT A TIME WHEN THE LOCAL TAXPAYER IS ALREADY OVERBURDENED. THIS COULD MEAN THE DELIVERY OF FEWER SERVICES, AND THOSE WHO WILL BE CHEATED THE MOST ARE THOSE WE SHOULD WANT MOST TO HELP -- THE AVERAGE AND GIFTED SCHOOL CHILDREN.

I URGE YOU TO FULLY FUND THE IMPACT AID LAW FOR BOTH "A" AND "B" PUPILS AND DECISIVELY REJECT THE ADMINISTRATION'S PHASE OUT OF CATEGORY "B" PUPILS.

March 23, 1979

The Honorable Warren G. Magnuson, Chairman
Senate Labor-HEW Appropriations Sub-Committee
127 Russell Senate Office Building
Washington DC 20510

Dear Senator Magnuson:

President Carter's administrative proposal to eliminate the funding for category "B" pupils under P.L. 874 (Impact Aid) for fiscal 1980 would result in a loss of approximately $2,500,000 to Norfolk Public Schools for next school year.

Norfolk is the home of the Fifth Naval District, the largest U.S. Naval installation in the world. For the 1978-79 school year, over 16,000 pupils have been identified as federally connected under the terms of P.L. 874, representing approximately 40 percent of the average daily attendance of all pupils attending Norfolk Public Schools. The estimated entitlement under P.L. 874 for this school year is $5,093,704, which represents about 8.6 percent of the school division's total general fund budget.

If funding for category "B" pupils were to be eliminated from P.L. 874 for fiscal 1980, the resulting loss of $2.5 million would require that the city raise the tax rate approximately 7.5 percent. The assessed valuation of the nontaxable federal property within Norfolk is in excess of $925 million. If the city were permitted to tax these properties at the same rate other properties are taxed in Norfolk, the resulting revenue would exceed $15 million.

Very truly yours,

Albert L. Ayars

Albert L. Ayars
Superintendent of Schools

47-710 O - 79 - 41

March 23, 1979

# FAIRFAX COUNTY BOARD OF SUPERVISORS POSITION PAPER ON FEDERAL IMPACT AID

The Fairfax County Board of Supervisors strongly opposes the Federal administration's current proposal to substantially reduce impact aid for local school districts. Fairfax County is inadequately compensated for the Federal government's present impact on local government services. Further reductions would worsen the existing situation and force the Board of Supervisors to increase general taxes and to further subsidize the public services provided to Federal employees and their families. Additionally, this proposal would create a financial hardship by imposing a precipitous reduction in revenues after local budgets and taxes are established.

## DISCUSSION

The President's budget proposal for FY 1980 recommends reducing Federal impact aid funding to local school districts by nearly two-thirds. Specifically, the proposal would delete all impact aid for Federally connected children whose military or civilian parents either live or work on Federal property (Category B children). Existing Federal aid hold harmless provisions which allow for a gradual phasing out of some elements of the program also would be deleted. The proposal would continue aid for children whose parents both live and work on Federal property (Category A children).

Fairfax County Public Schools presently estimates an average daily membership of 23,102 Federally connnected pupils in FY 1980. From this total, only 1,109 are expected to have parents both living and working on Federal property. The remaining 21,993 pupils belong to "Category B" proposed for deletion.

In monetary terms, the County School Board's FY 1980 advertised budget includes an estimated entitlement of $9.6 million, based on the minimum level mandated by Public Law 95-561. This funding estimate includes $8.3 million for "Category B" pupils and the hold-harmless provisions. If the Administration's proposals are approved by Congress, Fairfax County Public Schools would lose this $8.3 million in the Federal budget. However, because of the cash basis for budgeting this entitlement, in FY 1980 the loss would be $6.2 million, with the remaining $2.1 million being a carry-over loss in FY 1981.

This proposal is only the most recent of numerous Federal actions aimed at reducing the impact aid program. Over the past three years Fairfax County's entitlement under the program has declined in actual dollars. When the effects of inflation are considered, the decline is even more sizeable. The following table illustrates this trend.

| Fairfax County Fiscal Year | Actual Impact Aid Received | Aid Adjusted for Inflation* |
|---|---|---|
| 1977 | $15,188,712 | $15,188,712 |
| 1978 | 13,021,165 | 12,012,144 |
| 1979 (est.) | 11,387,000 | 9,816,379 |
| 1980 (est.) | 9,995,000 | 8,053,988 |

*Fairfax County estimates based on actual and projected Consumer Price Index.

In the past the Fairfax County Board of Supervisors has vigorously opposed these reductions in aid. Most recently the Board submitted testimony on March 6, 1978 to a subcommittee of the House Education and Labor Committee opposing the reductions presented by Secretary Joseph A. Califano. The present proposal is more far-reaching than the one suggested in 1978, and it would have a greater impact. Last year the administration wanted to delete compensation for 15,000 Category B pupils; as noted previously, the present Federal budget suggests deleting compensation for all 21,993 Category B pupils in Fairfax County. An additional 16,500 Federally connected Category B pupils are not included in this count, as they are "out of State" pupils, whose entitlement was deleted in PL 93-380, effective in FY 1976.

The Fairfax County Board of Supervisors has supported impact aid because Federal property and activities do not pay local taxes and many military personnel and their dependents lawfully avoid several local taxes. Yet, Fairfax County is obliged to provide a full range of public services and education to Federally connected families even though we cannot levy all usual taxes to support them. The Federal impact aid is insufficient to fully compensate Fairfax County for the Federally exempted revenues. In 1979 these exempted revenues totalled an estimated $14,597,760. Impact aid for FY 1979 is estimated at $11,387,000, leaving a shortfall of $3,210,760. In FY 1980 exempted revenues are estimated at $15,695,376, impact aid received at $9,995,000, and a resultant shortfall of $5,700,370. If the administration's proposal is adopted, the Fairfax County shortfall would increase to $14,373,552.

Finally, the reductions proposed by the Federal administration will affect Fairfax County after local tax rates have been set, budgets have been approved, teachers hired, and equipment ordered. Virginia State law requires local school boards to notify teachers by April 15th if they will not be rehired for the following school year. Additionally, State law requires local governing bodies to appropriate local public school funds by May 1st and to establish local tax rates by May 15th. All these events will be several months ahead of final Congressional action on the Federal Fiscal Year 1980 Budget, and it would seem unconscionable to withhold Federal aid to which localities were lawfully entitled after local budgets and taxes are adopted. This would impose a serious hardship on Fairfax County, and the same budget dilemma would adversely impact school districts across the nation.

STATE & LOCAL TAX
ANNUAL REVENUES LOST DUE TO FEDERAL
EXEMPTIONS

| Source: | Amount: | Year |
|---|---|---|
| Property Tax (local)[1/] | $ 87,158,661 | 1978 CY |
| Sales Tax[2/] | | |
| State | 10,696,835 | 1977 CY |
| Local | 3,565,613 | 1977 CY |
| Alcoholic Beverage tax (state)[2/] | 6,700,000 | 1978 FY |
| Tobacco Products tax[2/] | | |
| State | 1,987,737 | 1978 FY |
| Local | 2,067,247 | 1978 FY |
| TOTAL | $112,176,093 | |

1/ From local assessors office or local commissioner of revenue as compiled by the Research Division, Virginia Department of Taxation, Property Tax losses only include those cities & counties that now receive impact aid.

2/ From computations by the Research Division, Virginia Department of Taxation. Does not include sales tax loss for FT Belvoir and FT Meyers, since data was unavailable. (Subsequent data from the Department of Defense indicates a sales total of $27.6 million. Tax loss from this amount equals $1,104,000.)

| | | State Sales Tax Loss | Local Sales Tax Loss | Total |
|---|---|---|---|---|
| I. | First District | | | |
| | Hampton | $ 1,253,816 | $ 417,939 | $ 1,671,755 |
| | Newport News | 815,137 | 271,712 | 1,086,849 |
| | Accomack | 2,618 | 873 | 3,491 |
| | King George | 42,475 | 14,158 | 56,633 |
| | York | 129,534 | 43,177 | 172,711 |
| | Total | $ 2,243,580 | $ 747,859 | $ 2,991,439 |
| II. | Second District | | | |
| | Norfolk City | $ 3,577,296 | $ 192,433 | $ 4,769,729 |
| | Virginia Beach | 864,474 | 288,159 | 1,152,633 |
| | Total | $ 4,441,770 | $ 1,480,592 | $ 5,922,362 |
| III. | Fourth District | | | |
| | Chesapeake | $ 14,210 | $ 4,737 | $ 18,947 |
| | Portsmouth | 656,054 | 218,684 | 874,738 |
| | Suffolk | 1,969 | 656 | 2,625 |
| | Prince George | 970,763 | 323,588 | 1,294,351 |
| | Total | $ 1,642,996 | $ 547,665 | $ 2,190,661 |
| IV. | Seventh District | | | |
| | Fauquier | $ 216,690 | $ 72,230 | $ 288,920 |
| V. | Eighth District 1/ | | | |
| | Alexandria | $ 1,367,345 | $ 455,782 | $ 1,823,127 |
| | Prince William 2/ | 392,228 | 130,743 | 522,971 |
| | Stafford | 392,228 | 130,743 | 522,971 |
| | Total | $ 2,151,801 | $ 717,268 | $ 2,869,069 |

*These estimates are based on the sales and reported by each locality rather than sales in each locality. For example, the Hampton figures are on sales reported by Ft. Monroe and Langley AFB. Langley sales include sales from Cape Charles AFB which is located in Northampton County, but is a reporting branch of the Langley exchange system.

1/ Northern VA area military exchange sales are reported through the Military District Washington, D. C. Therefore Fort Belvoir and Fort Meyers sales are not included in the Northern VA totals.

2/ Since Quantico Marine base is mostly in Stafford and Prince William counties, the tax losses were equally divided between the two. Additionally, that portion of Quantico in Stafford county is in the eighth CD and was treated accordingly.

## STATEMENT OF THOMAS A. BOBO

Mr. BOBO. I am Thomas Bobo from Montgomery, Ala. public schools. I will be brief.

There are a few points I do want to make. I come from a public school system K through 12. We have 35,000 public school children in our area. Of that number, we have over 7,000 that are federally connected. That is approximately 22 percent of our total children.

We have two air bases located in our area. Those air bases include over 4,000 acres in our particular county.

Our financial system for fiscal year 1978 in our county, in our public school system, was composed of 62 percent from the State, 23 percent from local, and 14 percent from the Federal.

Of the 22 percent of our federally connected students, we have A students around over 600. All others are B.

I speak totally for the B students in asking you that you restore these funds. B military. B civilians. Particularly the public housing.

PUBLIC HOUSING

I would talk for a moment about public housing. This is a very important part of the program which the Congress has seen fit now to put in as all other B civilians, and I think this is an important part of it.

We have in our system alone over 3,000 public housing children in Montgomery County. Primarily within the city.

I think our city is like a lot of others. We are a metropolitan area that serves many areas around us. The areas around us have a high unemloyment rate. Many of them are poorer than we are.

The poorer people come to Montgomery, live in public housing, seek employment, and send their children to the public school system, which is where they should be.

The public housing children have many learning problems. They have many other problems that they bring to the school. We have to deal with them.

Sometimes we spend more time dealing with the public housing children than many others.

They avail themselves of all the other services that they are entitled to under title I, under also special education; but there are many things that those programs will not pay for that the impact program does pay for. It is an important part.

To make an example of this, of the people in our area who live in public housing, over 31 percent of them have family incomes of $2,000 to $2,500. So a lot of things which they can't pay for we have to pay for.

In closing, I would like to just say I do support completely the public housing part, the B civilians.

Our system alone in Montgomery would lose over $900,000 if we lost the B students. We can't afford this. I don't know what we would do.

So I would ask in Alabama alone we get over $10 million for the B students, $2 million for the A students.

The B civilians, the public housing is in important part. Many of our systems in our State have public housing children.

Thank you very much.

[The statement follows:]

STATEMENT OF THOMAS A. BOBO

Mr. Chairman: My name is Thomas A. Bobo. I am assistant superintendent, Montgomery Public Schools, Montgomery, Ala. I come before you today in support of impact aid, the best Federal program that our school system has. The Mongomery Public Schools are composed of K–12 grades with a student population of over 35,000; of this number 7,854 students are federally connected.

We are honored and pleased to have Maxwell Air Force Base and Gunter Air Force Station as a part of our school community. This total area is approximately 4,000 acres, with a large portion of it being within the city limits. They contribute in many ways to make the community a better place to live and to have a better school system.

The financial support of public schools in Alabama is through property tax, sales tax, and income tax. The Montgomery Public Schools received 62.31 percent from the State of Alabama, 23.01 percent from local sources (7 mill property tax, 1 cent per gallon gasoline tax, and one-half cent sales tax), and 14.66 percent from Federal sources for fiscal year 1978.

The Montgomery Public Schools have 7,854 federally connected students—21.9 percent of our total student population; of this number, 618 are A students and 7,236 are B students. With the new authorization of impact aid, I feel that the funds for B students are most important and fair.

The public housing portion of Public Law 874 is one of the most important parts of this program. We have 3,164 public housing units located on 227 acres in our district. There are 3,245 public housing students in the Montgomery Public Schools. The city of Montgomery, Ala., is a metropolitan area for our section of the country—many of these areas have a higher unemployment rate than Montgomery, live in public housing, seek employment, and send their children to the public schools.

Thirty-one percent of the public housing families fall in the income range of $2,000 to $2,500 per year and 94 percent of the families are of the minority race. We welcome the public housing children as a part of the Montgomery Public Schools; however, public housing children are an impact on the school system. Many of these children have learning problems and other problems. This makes it necessary for the system to provide more service to these public housing children than to the other public school children. Seventy-seven percent of the 3,164 families have a female as head of household. In addition to the 3,245 public housing children, there are an additional 1,737 children between the ages of 1 and 6 living in public housing.

Mr. Chairman, we need the impact funds. They are in lieu of local taxes for education. These funds make a quality education program possible for federally connected children as well as other public school children of Montgomery County. I urge you to continue the impact funds and the B category—particularly public housing.

## Statement of Dr. H. David Fish

Dr. Fish. I would like to close.

I am David Fish from San Diego, Calif., where we have over 17 million military acres within the city school district's boundaries. We have 118,000 children, of whom 27,000 are federally connected.

Despite the fact that 8,000 of these students are A students, we get only 6 percent of our budget from impact aid. While that is a relatively small amount of money, it is very important money because of its general nature. It enables us to meet many of the Federal mandates that we are confronted with and the expenses we have related to having such a community.

Of course, if we receive Federal support in lieu of taxes, San Diego would go from being a relatively low wealth community to a high wealth school district and then they would be right in saying the money went to high wealth communities.

Of course, yesterday in testimony before the House Office of Education—pardon me—Mr. Dingeldein of the Department of HEW said a few years ago a study showed if in lieu taxes were paid it would be two or three times as much as impact aid does bring to us.

### FUNDING LEVEL PER STUDENT

The second very basic point I want to make is that in the argument about impact aid we talk about the A and B student. San Diego is an example in the funding level per student. That is that we received in

1977–78 $948 for every A student, and with the State subvention and so forth, the local communities still put up $151 toward their education.

Per B student, our average payment was $291 and the local community still put up $808 for their education.

We believe these students are not only justified, we believe they have been underfunded. That is based on the fact that approximately half the property tax base is from the business.

We are concerned that we are in a sort of desperate stance now. We believe that our opposition in Washington, the unrelenting opposition comes from the nature of our program. It doesn't furnish a lot of employment here.

We have relatively few friends here. People who speak for us today are from school districts out in the boondocks. We don't have an extensive lobby. We don't have a great deal of money to spend on these kinds of things.

We are quire often bearing the expense of coming here at our own expense or through other help from the community.

We are confronted with an overwhelming problem of the property tax base and the fact that the Federal Government does not pay property taxes and they occupy large parts of our communities.

Thank you very much. You have been most forebearing.

Senator MATHIAS. Thank you very much.

I can only say in closing, while you testify, I am looking over your special State allocations of impact aid under the fiscal year 1980 budget, and I can say that your alarm is very understandable.

We will do what we can about it here.

Mr. PARSLEY. I just failed to mention in my comments that over 68 percent of Idaho is owned by the Federal Government. [Laughter.]

We appreciate your concern very much.

Dr. FISH. Senator, I also failed to mention our projected loss would be $5 million in San Diego, which means 200 teachers, 300 classified staff, or something like this.

We will increase the Federal burden on welfare and other programs. The people that will lose their jobs are the young and often the minority. We are just simply trading one social expense for another. That is the reality of the situation.

Senator MATHIAS. I think that is the problem.

Mr. BRUNO. We will collect on the ground underwater. [Laughter.]

Senator MATHIAS. York County is very pretty, both above and under. [Laughter.]

Mr. BRUNO. You will see a greater degree of understanding from our citizens this year, too. Thank you.

[The statement follows:]

## Statement of Dr. H. David Fish, Director, Special Projects, San Diego Unified School District

On behalf of the San Diego Unified School District, I appreciate this opportunity to present testimony on the importance of Impact Aid (PL 874 and 815) in providing education for the federally connected children who reside in our community and are served by our schools. In 1977-78, the San Diego City Schools average daily attendance was 118,409. Of this figure, 19,002 represents students who either live on federal property or whose parents work on federal property; and 8,293 represents students who live on and whose parents work on federal property. While the funding for the federally connected students represented only 6.01% of our budget, Impact Aid is a vital part of the basic educational program support for our school district.

This year, as in past years, a proposal has been made in the President's budget to fund only the Category "A" students (those who live on and whose parents work on federal property), and to not fund the Category "B" students in school districts. The administration has accepted that the cost of providing education to Category "A" students truly represents a financial burden on school districts.

If the Category "A" student is accepted for Impact Aid payment, then the Category "B" payment should also be made because the Category "B" student usually lives on taxpaying property, but has a parent who is in the uniformed service or who works on nontaxpaying property, or the student may live in nontaxpaying low-rent housing. Congress commissioned the Battelle Institute and the Stanford Research Institute to study Impact Aid. Both reached the same conclusion. The Battelle Report concludes:

> *Considerable controversy exists over whether the children who live in privately owned dwellings should ever give rise to Public Law 874 payments. Although the proposal was rejected by the Congress, the administration did recommend confining impact aid to 3(a) students in its fiscal 1970 budget proposals.*
>
> *While having considerable reservation over payments under certain circumstances to be described in later chapters, Battelle can find no logic to exclude payments for all of the (b) pupils. The analysis of economic burden developed in chapter 2 would indicate that circumstances do exist where 3(b) pupils alone do place a burden upon a school system.* (Battelle Report, p. 68)

The Stanford Report had stated the same premise, in similar words:

> *It may be noted that once the burden principle is accepted, there is no reason to exclude Section 3(b) pupils from eligibility; these are pupils who live with parents who either live or work on federal property, but not both. They are almost entirely the latter, i.e., pupils whose parents work on federal property. Their eligibility rests upon the fact that school districts are generally unable to maintain, with reasonable effort, levels of expenditure derived only from residential property taxes. The burden is created by the absence of taxes on places of work. The burden in each district depends upon the balance of residential and business property in the district, and may be negligible for a predomi-*

*nantly bedroom community. Nevertheless, there is no justification in principle for excluding the 3(b) pupil from payment.* (Stanford Report, p.8)

I would like to use San Diego as the example to show that Category "B" students also represent a burden and that providing funding to partially support education for Category "B" is also a federal responsibility. In San Diego, the burden is caused by military installations that are inside the school district and occupy the valuable real estate without paying property taxes. A partial list of these installations is:

| | Installation | Acres |
|---|---|---|
| 1. | Point Loma (does not include Cabrillo National Monument, Ft. Rosecrans National Cemetery, San Diego Sewage Outfall, Light House and Desalinization Site) | 1,248.20 |
| 2. | Anti-Submarine Warfare School | 27.38 |
| 3. | Chollas Radio Facility | 73.65 |
| 4. | Coast Guard | 22.75 |
| 5. | Eleventh Naval District | |
| | Bureau of Yards & Docks | 3.35 |
| | Headquarters & Supply Depot | 21.62 |
| 6. | Marine Recruit Depot | 503.92 |
| 7. | Miramar Naval Air Station | 15,512.84 |
| 8. | Navy Athletic Field | 28.00 |
| 9. | Chesterton Housing | 145.90 |
| 10. | Adm. Hartman Housing | 152.06 |
| 11. | Cabrillo Housing | 105.29 |
| 12. | Gateway Village | 43.88 |
| 13. | Navy Hospital | 92.66 |
| 14. | Naval Station | 1,491.11 |
| 15. | Naval Training Center | 508.00 |
| 16. | Sonar School | 32.39 |
| 17. | Navy Pier | 5.90 |

The list is not complete and does not include any of the nonmilitary federal properties in San Diego. The October 1978 estimated market value of the land was $1,196,486,973. This estimate was on the value of land and does not include the value of any improvements. If these properties were on the tax rolls, they would have produced in 1977-78 a savings of 43.6¢ on the tax rate or a nearly 10% reduction in the school district's tax rate. Therefore, a burden is caused by the federal government removing property tax base that normally supports public services, particularly education.

The second major point about Category "B" payments is that they are reduced because of a lesser burden placed on the school district's resources. Again, I would like to use the San Diego example to illustrate the financial difference between Categories "A" and "B".

One major federal installation not included in the preceding list is the Navy housing in Murphy Canyon. In 1977-78, there were 4,673 students enrolled in the schools of San Diego from the 2,321 Navy housing units in Murphy Canyon. The administration's proposal does accept the reality that these children have no property tax directly associated either with where they live or where their parents work, and as "A" students, they would be funded. However, if the child's family moved from Navy housing (and the community has 18,383 children whose parents do provide homes but who do work on federal property), the school district received only $291 per child for support. The table below shows that the local property taxpayer helps support each student. However, it also shows that while the district received $949 for a Category "A" student, the corresponding payment of $292 for the Category "B" student nowhere near compensates for the loss of property tax base.

| | Category A | Category B |
|---|---|---|
| Cost of education per student | $1,636.64 | $1,636.64 |
| State aid per student | 536.37 | 536.37 |
| Impact aid per student (average) | 948.99 | 291.55 |
| Local support per student from property taxes | 151.28 | 808.72 |

San Diego is similar to the great majority of impact districts. Very few school districts receive support solely from Category "A". Where Category "A" and "B" students are present in the community, the school district does have a constantly changing position as students move from "A" to "B" categories depending on their place of residence. Usually the number of students in either category has varied over the years depending on housing construction programs, federal policies on military personnel, and other changes that are beyond the control of the local community. In providing for educational services, the school district makes no distinction between the federal status of the parent's employment or place of residence. However, the federal government does make a policy of delaying transfers because a school district provides services that are not available in other communities. As an example, the handicapped child is provided an opportunity to stay in a community to receive special educational services and the school district is not consulted as to whether it voluntarily accepts the responsibility of providing this additional service.

San Diego is also a good example of the continued role that impact aid has played in the community. The attached chart shows the receipts from 1967-68 to 1977-78 by the school district and the percent of enrollment and budget that was derived from federally connected children. It is apparent from a review

of these figures that the fluctuation in Impact Aid as a precentage of the district's income has not been very great while the federal presence has declined slowly, but more students are living in Navy housing and are now Category "A" students.

Finally, San Diego serves as an example of what will happen in 1979-80 if Category "B" funds are not appropriated. HEW estimated that San Diego is entitled to $4,915,358 for Category "B" at the Tier II level of funding for 1979-80. If these funds are lost, the school district has no ability to raise taxes and no provision for additional state assistance. Therefore, the only alternative would be to reduce services. Since over 80% of the district's expenditures are for personnel and most of the remaining expenditures have already been trimmed to the lowest possible levels or are inescapable as utility bills, the only alternative is to cut staff. A loss of Category "B" funds, therefore, translates into laying off approximately 200 teachers or 300 classified staff and closing schools or other measures that will substantially lower the quality of education and create unemployment.

Impact Aid Category "B" is a justified and necessary part of San Diego's educational program support.

## FEDERAL IMPACT AID TO SAN DIEGO CITY SCHOOLS, 1967-68 to 1977-78

| School Year | Federal ADA for 3(a)'s | Federal ADA for 3(b)'s | Proration | Rate | Total Receipts | Percent of District ADA | Percent of District G.F. Budget |
|---|---|---|---|---|---|---|---|
| 1967-68 | 5,579 | 26,484 | 3(a)'s @ 98.0%<br>3(b)'s @ 98.0% | $315.03<br>$157.515 | $ 5,810,595 | 25.13% | 6.33% |
| 1968-69 | 5,804 | 26,432 | 3(a)'s @ 91.7%<br>3(b)'s @ 91.7% | $346.02<br>$173.01 | $ 6,035,052 | 25.05% | 5.80% |
| 1969-70 | 6,083 | 25,239 | 3(a)'s @ 84.7%<br>3(b)'s @ 84.7% | $364.69<br>$182.345 | $ 5,777,148 | 23.62% | 5.74% |
| 1970-71 | 6,010 | 23,531 | 3(a)'s @ 90.0%<br>3(b)'s @ 74.5% | $417.49<br>$208.74 | $ 5,917,539 | 22.21% | 5.37% |
| 1971-72 | 6,076 | 22,164 | 3(a)'s @ 90.0%<br>3(b)'s @ 73.0% | $450.32<br>$225.16 | $ 6,105,555 | 21.42% | 5.08% |
| 1972-73 | 5,649 | 21,911 | 3(a)'s @ 90.0%<br>3(b)'s @ 68.0% | $493.41<br>$246.70 | $ 6,184,247 | 21.31% | 4.76% |
| 1973-74 | 5,948 | 21,326 | 3(a)'s @ 90.0%<br>3(b)'s @ 68.0% | $556.86<br>$278.43 | $ 7,018,685 | 21.42% | 5.11% |
| 1974-75 | 7,168 | 20,226 | 3(a)'s @ 90.0%<br>3(b)'s @ 70.0% | $638.49<br>$319.24 | $ 8,638,890 | 21.68% | 5.46% |
| 1975-76 | 6,947 | 20,185 | 3(a)'s Various<br>3(b)'s Various<br>Total | Various<br>Various | $ 4,184,984<br>3,867,993<br>$ 8,052,977 | 21.57% | 4.63% |
| 1976-77 | 7,759 | 19,446 | 3(a)'s Various<br>3(b)'s Various<br>Hold-Harmless "D"<br>Total Entitlement | Various<br>Various | $ 5,960,843<br>4,599,010<br>1,292,260<br>$ 11,852,113 | 21.99% | 6.00% |
| 1977-78 (Estimated) | 8,293 | 18,383* | 3(a)'s Various<br>3(b)'s Various<br>Total Entitlement | Various<br>Various | $ 7,870,974*<br>5,360,453*<br>$ 13,231,427 | 21.97%* | 6.01%* |

NOTE: Receipts may not be included in the fiscal year indicated due to payment in a subsequent filed year.

*Low rent housing funds are restricted to compensatory education programs.

STATEMENTS OF:

LINDA L. BEENE, VOCATIONAL EDUCATION EQUITY COUNCIL

J. DALE OLIVER, PRESIDENT AMERICAN VOCATIONAL EDUCATION RESEARCH ASSOCIATION

ROBERT E. TAYLOR, EXECUTIVE DIRECTOR, NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION

MAVIS E. KELLEY, PRESIDENT, NATIONAL ASSOCIATION STATE SUPERVISORS OF VOCATIONAL HOME ECONOMICS

ALBERTA HILL, PRESIDENT-ELECT, AMERICAN HOME ECONOMICS ASSOCIATION

BETTY J. MAGE, VICE CHAIRMAN, NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION

LEONARD B. HILL, CHAIRMAN, NATIONAL COUNCIL OF STATE DIRECTORS OF ADULT EDUCATION

Senator MATHIAS. Next will be the panel on adult, vocational, and occupational education.

The bells you just heard ringing are an indication of a vote up on the floor of the Senate, so I will slip up there very quickly and vote.

In the meantime, if you would introduce yourselves for the record, we will have those formalities over and we can then take your testimony immediately.

Dr. HILL. I am Alberta Hill, president-elect, American Home Economics Association, representing the Association.

Ms. KELLEY. I am Mavis Kelley, post-secondary consultant of vocational education, State education, Des Moines, Iowa.

Also the president of the National Association of State Supervisors of Vocational Home Economics.

Ms. BEENE. I am Linda Beene with the Arkansas Department of Education and president of the Vocational Education Equity Council.

Dr. TAYLOR. I am Bob Taylor, director of the National Research Center for Vocational Education at Ohio State University and representing Gene Bottoms for the American Vocational Association.

Dr. OLIVER. I am Dale Oliver, president, American Vocational Education Research Association and I am a faculty member at Virginia Polytech Institute and State University.

Ms. MAGE. I am Betty Mage from Vancouver, Washington, vice chairman of the National Advisory Council on Adult Education.

Dr. HILL. I am Leonary Hill, chairman of the National Council of State Directors of Adult Education.

[A brief recess was taken.]

Senator MATHIAS. The hour is late and we still have another panel, so I don't have to impress upon you the time problem.

Dr. TAYLOR. One of the things vocational education is trying to accomplish is responsibility and responsive negotiation.

## VOCATIONAL EDUCATION EQUITY COUNCIL

We understand the consequences. We understand our statements will be in the record. Linda Beene is here as the president of the Vocational Education Equity Council and has a plane to catch.

I would suggest she go first.

STATEMENT OF LINDA L. BEENE

Ms. BEENE. Thank you very much.

I am president of the Vocational Education Equity Council and I appreciate the opportunity to speak to you.

We are particularly interested in vocational education serving women and vocational education is striving to do just that.

Achievements have been made under the leadership of the full-time personnel that the farsighted Congress mandated under title II of the educational amendments for 1976 and much has been done to offer new opportunities to women other than the low-paying, low-skilled jobs that were once only open to them.

Also I would like to mention that vocational education is serving the needs of the displaced homemaker, those persons who must reenter the labor market because of death or divorce, which include a great number of women.

Certainly accomplishments have been made but the task is not complete and for that reason, we are anxious that we have an appropriation that will allow us to continue the work.

I would like to mention that while we are now tapping a new group in enrolling students in programs, that being women, we must have the ability to make our programs accessible also to young men who we would not want to keep out or not give opportunities to.

RECOMMENDATIONS TO COMMITTEE

So the recommendation of the Vocational Education Equity Council is that this committee approve the $300 million in vocational education appropriations for the coming year, including restoration of funding for programs of national significance to its full authorization, that being 5 percent of funding for State grants.

This action will provide increased and continued support for efforts to eliminate sex bias and stereotyping in vocational education, thereby also assuring the needs of women in our programs.

Senator MATHIAS. Of course, you know we are working against the request at the level of last year. If you consider inflation, it's really behind last year.

Ms. BEENE. That's right.

Dr. Taylor has several more specific remarks to make to that issue.

Thank you very much.

[The statement follows:]

## STATEMENT OF LINDA BEENE, PRESIDENT, VOCATIONAL EDUCATION EQUITY COUNCIL

I am Linda Beene, President of the Vocational Education Equity Council, a sectional organization of the American Vocational Association, which I represent. Professionally, I am a vocational educator and member of the vocational staff of the Arkansas Department of Education where I am charged with implementing the intent of Congress to eliminate discrimination in vocational programs according to Title II of the Educational Amendments of 1976. I appreciate the opportunity to present testimony on behalf of increased appropriations for vocational education funding in order that we may expand our resources to serve more students with a quality training program and especially that we may continue our efforts to provide suitable training for women commensurate with their ability and interests. The support of Congress has made new and expanded efforts in this direction possible; and your continued support will make possible even greater accomplishments in providing new opportunities for students.

Vocational education IS striving to meet the needs of women. Through the leadership efforts of the full-time personnel mandated to develop strategies for expanding roles for students in vocational education and through the sincere, professional commitments of the nation's vocational educators, women students are experiencing alternatives to the low-skill, low-pay, dead-end job opportunities which were available to them only a few years ago. Through the same efforts of vocational educators, the nation's displaced homemakers--persons, often women, who must re-enter the job market because of death or divorce--are now seeing hope for a new life. The accomplishments of vocational education during the last few years in eliminating stereotyped roles for all students, especially insuring the needs of women for initial entry or re-entry into the labor market must be continued and increased if the task of societal change is to be accomplished. The task is certainly not completed; indeed, it is only begun. The Vocational Education Equity Council is the organization serving vocational educators and other professionals who are striving to insure nondiscriminatory education at all levels, including meeting the specialized needs of women. Because we feel that accomplishments are being made and that continued efforts are imperative, the Vocational Education Equity Council strongly supports a $300 million increase in vocational education appropriations for FY 80. These funds will be used for programs designed to promote career choices based on interest and need rather than tradition--programs which directly impact the problems of women in America. In this testimony I will attempt to present accomplishments based on enrollment

statistics which have been made largely because of the leadership efforts of vocational personnel implementing sex equity programs across the nation. These accomplishments will be shown in two areas: (1) impact on women students enrolled in secondary and postsecondary vocational programs, and (2) those persons including women, who must re-enter the labor market because of death or divorce.

Evidence is available through enrollment statistics and other success stories which indicate that vocational educators are encouraging women to move into fields of study and occupations which were previously assumed to be inappropriate for them. The following table illustrates increases in women enrolled in male-intensive trade and industrial programs, agriculture programs, and technical education programs. The comparison is made using national enrollment figures provided by the United States Office of Education for secondary, postsecondary and adult programs for school years 1972-73 and 1977-78.

Women in Vocational Education Programs

| | Trade & Industrial | Technical Education | Agriculture |
|---|---|---|---|
| 1972-73 | 11.6% | 9.7% | 5.3% |
| 1977-78 | 14.4% | 17.0% | 14.9% |

Individual states are also reporting exciting results. A comparison of percentages including secondary, postsecondary, and adult enrollment figures from randomly-selected states show steady increases for women in agriculture as well as trade and industrial programs.

Women in Agriculture Programs

| | N. Carolina | Washington | Pennsylvania | New York |
|---|---|---|---|---|
| 1972 | 6.6 | 12.4 | 8.7 | 8.5 |
| 1977 | 16.5 | 23.3 | 19.1 | 24.3 |
| 1978 | 16.9 | 28.9 | 20.5 | 31.3 |

Women in Trade and Industrial Programs

| | N. Carolina | Washington | Pennsylvania | New York |
|---|---|---|---|---|
| 1972 | 17.7 | 13.5 | 12.9 | 17.6 |
| 1977 | 17.6 | 13.0 | 19.8 | 21.7 |
| 1978 | 17.9 | 24.5 | 16.7 | 19.7 |

How have these exciting accomplishments been achieved? Through a sincere commitment on the part of vocational educators with the leadership of the full-

time personnel employed in each state as a result of Title II of the Educational Amendments of 1976. As you know, this legislation enacted by Congress required each state to eliminate sex bias and stereotyping in vocational education programs. Activities implemented through the sex equity programs include promoting awareness and affecting change through the use of inservice training of teachers and state administrative staff, the use of coverage by print and non-print media to reach the general public, and the development of materials especially as components of new and innovative projects. Some steps taken by personnel in promoting expanded roles are:

Developing and implementing an awareness program to inform special target populations of negative effects of stereotyping.

Planning field trips to include viewing of nontraditional employment situations as well as traditional employment situations.

Providing a thorough explanation and exploration of career information and vocational courses to students of both sexes.

Publicizing stories of students and/or employees who are finding success pursuing nontraditional roles.

Providing staff inservice programs in the area of expanding roles for students.

Assisting administration in writing and/or disseminating policy statements regarding the elimination of sex bias.

Insuring an appropriate representation of both sexes on local advisory committees and councils.

Developing plans for placement of students in cooperative programs without regard for sex.

Evaluating the preparation and/or dissemination of recruitment or informational materials.

Reviewing commercially and professionally-prepared classroom materials for sex-fair language, text content, and pictures, as well as for those materials which promote the exploration of nontraditional roles by students.

Providing supplementary materials to offset sex-biased textbooks and materials.

Encouraging continued involvement in vocational student organization activities by both males and females, especially in the case of leadership opportunities.

Providing equipment and facilities on an equal basis for both sexes.

Assisting counselors with information and explanation of the new emphasis in vocational education of expanding roles for students, and enlisting support.

Evaluating vocational inventory tests to determine if separate norms are being used for females and males.

Eliminating biased language and assumptions or expectations of behavior from classroom practices including student activities, individualized instruction, assignments, negative and positive reinforcement, and lesson plans.

Involving persons employed in nontraditional roles as resource persons for classroom activities.

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Utilizing equal evaluation criteria for both females and males enrolled in the same program.

Promoting acceptance of professional responsibility of teachers and staff for learning more about the negative affects of sex-role stereotyping on students.

Activities conducted through projects and programs funded by allocations from the category "Programs of National Significance" provide a continuing area of support in the elimination of sex bias and stereotyping. One example of outstanding results of these projects may be noted at the National Center for Research in Vocational Education at Ohio State University. Under the leadership of Dr. Robert Taylor, Director of the Center, Dr. Louise Vetter has directed a variety of projects in the area of women's career development, career guidance, and educational equity.

In addition, emphasis is placed on leadership roles for females in the Graduate Leadership Development Program also funded through this category. Efforts are being made through the Graduate Leadership Development Program to insure that the issue of equal access is emphasized at all participating institutions. This year, for the first time, approximately 50 percent of those enrolled in the program are female.

In order to continue the very positive results made possible by activities conducted through Programs of National Significance, the Vocational Education Equity Council strongly supports a restoration of funding in this category to the full authorization (five percent of funding for state grants).

In view of the current status of women in the labor market, where indeed the earnings gap between men and women has widened since 1955, continuing efforts must be made to recognize, develop, and utilize the potential of this nation's female population. The plight of women in the labor market is an economic issue as well as a moral issue. Vocational educators want to continue the efforts of farsighted Congressional leaders who designed the Educational Amendments of 1976. The following comments quoted from the AMERICAN VOCATIONAL JOURNAL present a clear picture of current data and needs of women in training for the work force.

> In the summer of 1978 women reached a milestone: for the first time more than half of all American women over age 16 were participating in the labor force. For the age group 20-24, the U.S. Department of Labor put the percentage at 69.4 participating; it remained over 60 percent for all women aged 25-44 and just under for those 45-54. It is now widely agreed that nine out of ten women will work outside the home at some time during their lives.
>
> The actual numbers of working women have more than doubled since 1950. The most recent statistics (September 1978) show that women comprise 42.1 percent of the total work force. Projections are for an increase of 12 million by 1990 and for women to constitute almost half of all workers by that date, with more than 70 percent of all women working. In 1900, only 20 percent of American women

worked outside the home. Sociologist Eli Ginsburg has aptly called this dramatic increase "the single most outstanding phenomenon of our century."

Just who are these women? We commonly assume that women work for a few years after high school, leave the workforce upon marriage, and then return after their children are well along in school. Many of us believe that only single women continue working throughout their lives.

A close look at the figures shows our assumptions to be myths. Although it is true that the largest numbers of working women are between the ages of 20 and 24 and that many women do interrupt their worklife for childbearing and childrearing, these interruptions are shorter and fewer than in the past. The median age of working women today is 35. We have just seen that six out of every ten women aged 25-44 work; in fact, the numbers only start to decrease after age 45, when most children are grown and we might logically think women are returning to the job market.

Are the majority of these women without children? Not at all. Fifty-seven percent are married and living with their husbands. Two-fifths of these married women have pre-school aged children; of those without husbands but with pre-school children, more than half are working. Once children reach school age, 58 percent of all mothers work. The "typical American family"--father working, mother at home with two children--now constitutes only 7 percent of all families!

Increasingly, women are spending longer periods of time in the workforce. The current average is close to 25 years; by the end of this century it is likely to approach the 40-45 years characteristic of most men.

Women work for the same reasons as do men, with the prime reason being economic need. They work to support themselves and their families. More than two-thirds of all working women are single heads of household or, if married, have husbands earning under $10,000 a year. In many families, it is the wife's earnings that keep the family above the poverty line. For middle-class families, a women's earnings can mean the difference between just getting by and having a comfortable life style. With inflation rates continuing to rise, most families cannot afford for a wife not to work.

There are, of course, many other factors that motivate women to seek employment and that over the long term will cause women to move into the workforce in ever larger numbers. Many of these are the result of societal and technological change; women are marrying later and having fewer children; the divorce rate is increasing dramatically (one out of three marriages end in divorce) and more women must support themselves and their children; housekeeping and childrearing have become less burdensome and time consuming; we are living longer and healthier lives. Increased education, the women's movement, and the law are also responsible. Women today are more likely to consider themselves as individuals and to value the independence and sense of personal identity that having a job can bring.

A very important part of the change is attitudinal. For all of the reasons cited above, women today expect to work and most men are coming to expect it as well. A Purdue Research Foundation study conducted recently found that two-thirds of all high school students thought that women were better off combining marriage and work that opting for one or the other. The majority of women in community colleges state preparing for work is a major reason for enrolling. This attitude represents a marked change from the past. In 1967 a study published by Penn State University's Institute for Research on Human Resources found that three-fourths of all girls in vocational education programs expected to be wives and mothers ten years after graduation. It seems unlikely that such responses would be given today. It is when we turn to look at women's earnings and the kinds of jobs they hold that the revolutionary nature of the changes just portrayed pales. Despite their increased numbers, despite the women's movement, despite the law, women have not been able to increase their earning power or their job status. The shocking truth is that the earnings gap between men and women has widened since 1955. Full-time women workers in 1977 earned 60 cents for every $1.00 men earned. In 1955 they earned almost 64 cents for each $1.00 men earned.

You may well ask how this can be when the Equal Pay Act was passed as long ago as 1963. Several factors make up the explanation: women are concentrated in a few "women's" jobs and these jobs pay less than "men's" jobs; since more women are entering the workforce each year, more of them hold low-paying, entry level jobs; women move in and out of the workforce and frequently cannot build up the continuous years of service often needed to reach higher pay levels; and finally there is discrimination in pay despite the law.

Another factor affecting pay is unionization. Women covered by unions earn substantially higher pay than the average women worker; yet the National Commission on Working Women reports that in 1976 only 11 percent of all women in the labor force were union members. Efforts are being made by groups such as Women Office Workers in New York and Nine to Five in Boston to organize the large numbers of women in clerical "ghettos"; but until these women can be brought into unions, it is likely that the gap will remain.

A detailed look at the kinds of jobs women hold further explains the wage gap. Women workders are concentrated heavily in a few job categories, mainly in the white collar clerical and service industries. Although women are moving into more and more job categories, men are still found in three times as many jobs as women are. For example, women are 79 percent of all clerical workers (98 percent of all secretaries), 62 percent of all retail sales workers. But they are less than 10 percent of all skilled craft workers, and but 2 percent of all registered apprentices.

The other point to be made about women's job status is that the jobs most women currently hold are those that have the least prospect for advancement or are most likely to become obsolete in the near future.

Can the picture really be so gloomy? It certainly isn't all gloomy, as I'll show shortly, but we must be careful not to fool ourselves into believing that because of the law or because the majority of women work, that women today have equal opportunity in the world of work. They don't--because we still live in a male-dominated society and sex role stereotypes, held by men and women alike, die hard.

Advances are being made by women, especially in corporate management and in the professions. The gains are much slower, however, in the non-professional and skilled craft areas, although here, too, change is occurring. In 1977 women were apprenticed in nearly half of all apprenticeable occupations; just a few years earlier they were found in less than one-fifth of the possible occupations. The percentage of women in apprenticeships has increased--from .7 in 1973 to about 2 percent today. There's still a long way to go.

Yet many women will not consider employment outside the traditional female areas. They choose jobs they see as appropriate and expected for them. In most cases, it isn't their fault since they have been socialized to overlook the options of the skilled crafts. Parents, teachers and counselors all steer them to the expected areas; few role models exist outside the usual jobs. Thus, although girls and women increasingly expect to work, their job horizons continue to be limited. Employers, faced with finding women to fill the slots that they are now required to make available to them, in some cases report they are unable to find qualified women or that women do not succeed when placed in non-traditional jobs.

In addition to the psychological barriers that keep women from considering the high paying, skilled craft jobs, there are very real barriers confronting those women who do venture into these jobs. For those women who do go to work in a male-dominated field or shop, the going is not always easy. They are often the only women in the shop or on the job. They have few, if any, female peers to learn from, to share experiences with, to eat lunch with. Men may feel uncomfortable with their presence and may not know how to treat them.

Happily, the picture is not one-sided. Many women tell of male co-workers being genuinely helpful and accepting, encouraging them to stick with jobs when the going got rough. As more women move into nontraditional jobs, it becomes easier for everyone. Being the first woman can be tough, but once a few have broken through and proved themselves, the way is paved for the future, and we can expect a women increasingly to fail or succeed on her own merits as a worker.

> Legal action and special programs are important, but the problem must be dealt with earlier if real change is to occur. The sex role stereotypes all of us hold are directly responsible for many of the problems and inequities cited here. Young girls and women hold a too limited view of their possibilities; boys and men do the same. In both cases, society as well as individuals lose. The situation of women and girls is most talked about today for obvious reasons: the jobs they are tracked into are low-skill, low-pay and deadended.
>
> Educational institutions can do much to help change this situation. Next to the family, the school is widely accepted as the most important socializing influence on children. What young people learn in school about the accepted behaviors of boys and girls, both by what is told them and by what they see, is carried with them throughout life. Adolescence is an especially important time since this is when psychologists tell us interests are differentiated and sex identities crystallize. If a more equitable society is to be built, a conscious effort must be made by parents, teachers and counselors to liberate young people from the many sex role stereotypes prevalent in our society and to help them to become free, independent human beings who choose their future occupations after consideration of all available possibilities.
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> (Bomboy, Marylee, "Women--Working More, Earning Less" Journal of the American Vocational Association, February, 1979, Vol. 54 No. 2, pp. 29-32.)

Finally, let's consider the services which vocational education is providing to the large population of displaced homemakers in America. Displaced homemakers are those persons, including women, who must re-enter the labor market because of death or divorce of a spouse who previously had the sole responsibility for providing family financial support.

A typical example of services provided to displaced homemakers is that provided to a group of 75 at Pulaski Vocational-Technical School in Little Rock, Arkansas, as a pilot effort last year. Completers of this training were found to be excellent employees as support personnel of our own Department of Education staff. The emphasis provided for displaced homemakers by vocational education may be the first nationally-organized effort for counseling and training of this group with such specialized and desperate needs for assistance.

The following paragraphs taken from the Journal of the American Vocational Association provide an update on the plight of the displaced homemaker and a sampling of vocational education services.

> ...two to three million women are displaced homemakers. Furthermore, many people are potential displaced homemakers. Over seven million married women between the ages of 35 and 64 are not in the labor force and have no children under 18. Death of the spouse or divorce could force these women out of their homemaking roles. Fifteen million more homemakers with minor children who are receiving benefits are out of the labor market. These women will be without benefits in the near future when their children reach 18 years of age.
>
> No-fault divorce and limited support for the spouse further compound the problems of the displaced homemaker. According to the International Women's Year Commission Poll, 86 percent of divorced women are not awarded alimony, and of the 14 percent who are, only half collect regularly. Of the 47 percent of all divorced mothers who are awarded child support, only 21 percent collect it on a regular basis.

Vocational educators are beginning to respond to the special needs of displaced homemakers. Educators from a sampling of states were asked to report how they are using vocational education funds to help displaced homemakers enter the world of work. The following reports indicate that, indeed, action is being taken across the nation although most programs are less than a year old.

California is using $150,000 of VEA monies to fund eight displaced homemaker projects. Projects are funded by the California Department of Education and California community colleges. Although all the programs serve displaced homemakers, they differ in type of services provided.

Florida is also exploring how it can best use vocational monies to aid displaced homemakers. Flora Conger, Home Economics Department Chairman at Oklaloose-Walton Junior College, Niceville, and her staff have utilized a workshop approach to reach out to displaced homemakers. Planning committees of concerned women organized workshops entitled "A Day For Women." Six hundred women attended the workshops held in five locations.

Idaho is taking a close look at how its displaced homemakers can best be served. Under the leadership of Shirley Kiehne, Laura Miller and Gladys Bellinger from the University of Idaho, an exploratory workshop was held on the special needs of the displaced homemaker and the aging. Workshop objectives were to identify the displaced homemaker, the problems they face, the process of aging and the support systems available.

Kentucky's center for Women In Transition began operation in spring, 1978. Owensboro was chosen as the site for the center because of its extensive ongoing adult vocational programs. The center is funded with vocational monies through the Owensboro Board of Education.

(Bodeen, Carol, "What Happens When Homemakers Lose Their Jobs?" Journal of the American Vocational Association, November, 1978, Vol. 53 No. 8, pp. 54-59.

In summary, I hope I have shared with you specific information and examples to cite progress of vocational education in meeting the training needs of women who seek new and expanded roles in today's labor market. Let me emphasize the word "progress" since we feel there is much work yet to be done. In addition to a commitment from those who staff the nation's vocational education classrooms, we must convince counselors and administrators who support teachers and often control enrollment. We must reach other groups including parents who often have very traditional expectations for their children's career goals as well as employers who invest in the products of our efforts--the trained worker.

The task is a slow and difficult one. Efforts are in place as a consequence of the vision of Congressional leaders. Now, more than ever, we need your continued support for the total vocational program--especially that which is designed to meet the needs of women and eliminate discrimination for all students in vocational education. On behalf of the Vocational Education Equity Council as well as vocational educators and graduates from across the nation, I respectfully request consideration of this committee in supporting a $300 million increase in vocational education appropriations for the coming fiscal year.

STATEMENT OF ROBERT E. TAYLOR

Dr. TAYLOR. I would like to support the general appropriation request but also speak more significantly about programs of national significance.

PROGRAMS OF NATIONAL SIGNIFICANCE

I have five points to make: One is programs of national significance, a 5 percent set-aside that supports research development, evaluation activities, commissioner's discretionary fund, a number of leadership development activities, are in fact the quality assurance mechanism within vocational education that it provided the means of program improvement, that it is cost effective in the sense that a number of curriculum materials are and had projects and so on can be developed and used across States, thereby eliminating the need for individual States to work on them.

PROGRAMS MANDATED BY CONGRESS

The second point is that there are several components under programs of national significance which were mandated by the Congress.

The National Research Center just completed their first year. The National State Occupational Information Coordinating Committees, jointly funded by HEW and DOL to provide occupational career information for program planning both in vocational education and CETA and the third is activities that have been funded under this category are having an impact and making a difference.

The teacher education materials developed at our institutes are now used in 300 universities and 235 postsecondary schools, 125 local districts, everybody picked up by Department of Defense, Agriculture, Interior, Justice and others, and have been used by a large number of major industries such as IBM, United Airlines, Eastman Kodak, and others.

These products are making a difference in efficiency of national priorities such as sex fairness, trying to make vocational education more accessible and equitable.

The other is there are still unmet needs that urgently need attention.

In other words, this is the fund that would be available to Randall Ham, the deputy for investing in some of his priorities on strengthening the linkages between vocational education and CETA.

It's the fund that would be available to help strengthen transition from school to work, help reduce youth unemployment, and so on.

CONSEQUENCES OF THE BUDGET LEVEL

The other is the consequences of staying with the level budget, the $10 million, not honoring the authorization committee's 5-percent set-aside would mean in fact that a number of R. & D. activities that have been underway would not be continued.

That R. & D. capacity that has developed carefully over a number of years. It would be eroded away. We would lose some of the capacity that we have to build on and pick up the good R. & D. products de-

veloped in one State and move them to another because one of the key components of the National Research Center is a clearinghouse activity and is running a national dissemination network.

So those are some of the key points I would like to make in that particular dimension.

Then I would like to, if I might, introduce Dale Oliver, who is the president of the American Vocational Education Research Association.

Dr. Oliver is professor at Virginia State Polytechnic Institute and State University.

[The statement follows:]

## STATEMENT OF DR. J. DALE OLIVER, PRESIDENT, AMERICAN VOCATIONAL EDUCATION RESEARCH ASSOCIATION

I would like to express appreciation for the privilege of appearing before you to request increased support for vocational education in FY80. More specifically, I would like to request increased support for Programs of National Significance under authority of Subpart 2, Section 171 of the Education Amendments of 1976 (P. L. 94-482).

As you are aware, the continuing authorization for program improvement in areas of national significance was a very important aspect of the 1976 amendments. This aspect is funded by a five-percent set-aside of the basic grants to the states for vocational education. The funds are to be used to support the following types of activities:

1. A National Center for Research in Vocational Education
2. Contracts and in some cases grants for applied research, exemplary and innovative programs, and curriculum development and dissemination
3. National Occupational Information Coordinating Committee
4. Training and development programs for vocational education personnel

Members of the organization which I represent, the American Vocational Education Research Association (AVERA), feel that the above activities are essential to the successful implementation of the 1976 amendments. Therefore, we support the funding of Programs of National Significance at the full five-percent set-aside level. We see such programs acting as a catalyst to improve the quality of vocational education throughout the nation. The strategies which are being employed insure that quality practices are identified, developed, and implemented by the states. The state improvement activities are expected to build upon the federal activities, bringing reform and improvement to vocational education. The coordination of federal and state efforts helps eliminate duplication and insures the maximum benefit from the federal dollar.

Given the above introduction, I would like to tell you about the organization I represent, AVERA. Specifically, I want to briefly describe the background of AVERA, indicate who the members are and show why the funding for Programs of National Significance is important to the members.

AVERA was formed in 1966 as an affiliate of the American Vocational Association (AVA). The need for such an organization was recognized shortly after the first appropriation of research funds in FY65 under the Vocational Education Act of 1963. It seems reasonable to say that the formation of the organization was stimulated by the federal funding of research in vocational education.

AVERA is now in its 13th year of existence. Within this time period, research and development have become recognized as integral parts of the total vocational education program. I believe AVERA has contributed greatly toward this recognition by carrying out its major purposes which relate to stimulating research and development activities, stimulating the development of training programs, fostering cooperative efforts in research and development, and facilitating the dissemination of research findings. These purposes are carried out through such means as organizing presentations of research reports and symposia at the annual AVA convention; sponsoring the Special Interest Group on Vocational-Technical Education of the American Educational Research Association for conducting special sessions on research in vocational-technical education; publishing The Journal of Vocational Education Research, a quarterly journal; publishing the Beacon, a quarterly newsletter; and preparing occasional monographs on research and development in vocational education. Although the organization is a teenager, it does possess a great deal of maturity and stature.

Currently, AVERA has about 400 members and there is a great potential for growth. The members come from all across the nation and are employed throughout vocational education from the national level to the grass-roots level. The membership includes vocational administrators and supervisors, teacher educators, researchers, curriculum specialists, evaluation specialists, and graduate students. These individuals are employed in federal agencies, state departments of education, local educational agencies, research coordinating units, community and four-year colleges and universities, research and development centers and public and private corporations. They make up a national network for vocational education research and development activities.

The members of AVERA represent a valuable human resource which can be used in addressing problems of national significance. The greatest limitation in using this resource is the lack of adequate funding. All too often, state funds can only be obtained to address problems that are of a statewide nature. If the states should address many of the national concerns, there would be a duplication of effort and an inefficient use of resources. Traditionally, vocational education has looked to the federal government for assistance in the area of innovation and research. Congress has responded by authorizing funds for Programs of National Significance to avoid the duplication of effort and to insure than national concerns are addressed.

AVERA is one of several organizations, however, that is vitally concerned about the level of funds actually appropriated. Quite simply, we in AVERA are

impotent to deal with problems of national significance without adequate federal funds. This is one of the reasons why we support full funding for Programs of National Significance. Another equally important reason for our support is the benefits gained from the funding. Some of these benefits are general while others relate to the specific activities. Examples of the general benefits are:

1. The integrity and internal consistency of the 1976 amendments will be maintained. This legislation established a comprehensive strategy for program improvement in vocational education. This strategy coordinates the federally managed Programs of National Significance, the federal funds given to the states for their use in promoting program improvement, and the basic grants to the states. The overall aim of this coordination is to insure that quality instruction is provided to vocational education students.
2. The pool of trained research and development personnel will be increased. Individuals whose talents are underutilized will shift to other areas of employment. Efforts are needed to train new personnel and to provide replacements required by normal attrition.
3. There will be continuity to the research and development effort. The present situation encourages research related to short-range problems. It is very difficult to launch efforts of a long-range futuristic nature. There is a need for continuity in ongoing research and development efforts to improve the systemic linkages which strengthen the tie between state and federally sponsored program improvement capacities.
4. The launching of concentrated efforts to deal with critical problems will be possible. When funds are reduced, there is a tendency to maintain the number of problems to be addressed. The result is that concentrated efforts cannot be undertaken to solve some of the most pressing problems.
5. There will be cost savings. The research and development activities which address national problems generate products that are useful in a number of states. This results in a considerable saving and eliminates duplicate costs.

In addition to general benefits, there would be a number of specific benefits from increased funding in each activity supported through Programs of National Significance. Some of the benefits, by activity, are:

1. National Center for Research in Vocational Education

The National Center, now moving into its second year of operation,

is dramatically catalyzing the fragile evolution of a more responsive national vocational education system. Increased federal dollars are needed to permit the survival of these new program developments. Increased funds would permit the National Center to continue to provide and maintain congressionally mandated services and to increasingly coordinate more cost effective responsiveness to problems of national significance.

In essence, the National Center is serving a critical national role in making vocational education more responsive as a result of performing the following assigned functions: (1) applied research and development, (2) leadership development, (3) information for planning and policy development, (4) evaluation services, (5) clearinghouse function, and (6) dissemination and utilization.

An example of a research and development effort conducted at the National Center is the Performance Based Teacher Education (PBTE) Project. Completed in 1977, the PBTE materials consisted of 100 self-contained modularized units. They have been sold to every state, five U. S. territories, all Canadian provinces and 15 foreign countries. It is estimated that during the first year, 1,200 teacher educators trained over 12,000 teachers in the implementation of PBTE materials and concepts.

2. Contracts and in some cases grants for applied research, exemplary and innovative programs, and curriculum development and dissemination.

Information, products, and trained personnel will be available within the states to provide leadership in solving problems that are of national concerns. State program improvement funds will be used more wisely, prudently and focused on areas of national concern. The existing capacity of highly skilled vocational education leaders will be directed towards solving problems of national concern.

The six curriculum coordinating centers will be maintained to assist in disseminating curriculum materials. According to state reports for FY78, 77 different curriculum products that were developed by states were made known to other states and were adopted by 36 states for a savings of $2,450,120.

3. National Occupational Information Coordinating Committee (NOICC)

In addition to supporting its own activities, NOICC must fund State Occupational Information Coordinating Committees (SOICC) in the fifty states and the territories. It is important to maintain the NOICC/SOICC

linkage at the maximum level in order to insure a coordinated effort for better national data. Having the best curricula, the most skillful teachers, and the finest facilities is of limited value if these are not utilized to develop human resources in balance with labor market requirements. It is important to provide full support to NOICC so that the best possible occupational information system may be implemented and involved in policy decisions, program planning and career choice.

4. Training and development programs for vocational education personnel

   a. Leadership Development Program

      Increased funds would permit the number of awards to be increased from 155 to 245, thus reducing the projected shortage of personnel. The number of participating institutions could be increased to 24, which would give a better geographic distribution. The additional funding would enhance the catalytic effect on programs, and increase the output of persons at the post-master's level. It is anticipated that the number of applicants would be larger (would increase to about 2000), thus providing more prospects for new vocational leaders.

   b. Teacher Certification Fellowship Program

      If funding is increased, the number of fellowships is expected to increase from 188 to 400. About 400 fellowship awards would be needed to assure funding to most states. Dialogue about needed review of certification requirements has started and would be aided if there were funding in most states. The number of applications would be expected to increase to about 4000, thus permitting a closer screening of applicants.

The benefits to Programs of National Significance are numerous. The investments in such programs are essential since they influence the character and quality of the other federal programs and act as a catalyst to other state and local program improvement activities.

In conclusion, there is no more critical need in the federal vocational education appropriations than restoring the full five-percent set-aside for Programs of National Significance. This will allow continuation of efforts to assemble the elements of a nationwide program improvement capacity that is so urgently needed in vocational education.

STATEMENT OF J. DALE OLIVER

Dr. OLIVER. Thank you.

I appreciate the privilege of appearing before you and requesting increased support for vocational education and specifically for programs of national significance.

This is, I believe, an important aspect of the amendments of 1976 and is funded by 5-percent set-aside of the basic grants to the State.

Now members of the organization which I represent, American Vocational Education Research Association, do support the funding of the full 5-percent set-aside.

We see this funding and these programs acting as a catalyst to improve the quality of vocational education throughout the Nation and it provides the States with the capacity to build upon these efforts in their State program improvement activities.

Briefly, I would like to tell you about AVERA. It's an affiliate of the American Vocational Association and was formed in 1966, shortly after the first Federal funding for research in vocational education.

Its formation was, I believe, stimulated by Federal funding. That is in your credit.

It did bring this organization into being to focus on stimulating, supporting and promoting research and development and dissemination of findings.

It's a strong organization and it includes people from the national level, Federal Government, down to the local level. The members constitute a national network for vocational education research and development and as such, they represent a very strong human resource to address national problems.

For example, to deal with problems such as school work linkages, the problems of productivity, high youth unemployment, sex equity. These kinds of problems for which we can't get State funding to deal with because they are so broad and general.

BENEFITS FROM FUNDING

Some of the benefits from this funding are it will maintain the consistency of the amendments, it will increase the pool of trained research personnel, it will make the products of State research development available to all States, not just those that developed it, and I could go on.

Let me just close by saying that we have in AVERA the human resources to deal with national problems. We are impotent to deal with these without adequate Federal funding and we feel the benefits are great from funding programs of national significance.

You might think about the matter of inflation but it seems to me if we develop the capacity to be more efficient and more effective in delivering the services, it will not be inflationary in my judgment.

For these reasons, we do support full funding of programs of national significance.

Senator MATHIAS. Thank you very much.

Dr. TAYLOR. If I could take just a minute, Dr. Bottoms has a statement and had to catch a plane for a commitment of long standing.

He asked if I would highlight two or three things out of his statement.

As you may know, American Vocation Association is asking for $300 million increase in vocational education.

This is no small amount.

Senator MATHIAS. Nearly 50 percent over the present——

Dr. TAYLOR. That's true. But I would like to point out with Dr. Dunham in the deputyship and new leadership in AVA and advent of the National Research Center, I think we have new vision and vigor in the field.

We have vitality. We have the know-how to deliver on this. We currently are receiving over 16 million students across the country. Only 5 percent of our 77 completers were unemployed that were looking for work.

We are serving some of the areas of greatest need such as the health occupation's office, technical education, they are the areas of increase. Recent surveys and longitudinal studies by USOE show that vocational training is significantly related to employment and earnings.

The other is that right now if you take the Federal dollars associated with vocational education, it's about $33 of Federal money per individual served and that is matched now by $9 State and local.

That ratio of State and local matching to Federal money has been widening. Vocational education support only went up 22 percent since 1974, whereas Federal support went up 100 percent.

The other dimension is that if you compare Federal Government costs with vocational education students, $33, State and local $274, whereas in 1978, the Federal Government invested $8,429 for each person trained in CETA and over $9,000 for those in the Job Corps.

We think those are effective costs. The thing that is limiting the expansion of vocational education is the inability of States to continue to expand their ratio.

There is a need to reassert the Federal partnership, to be able to derive some of the Federal initiatives with respect to handicapped, disadvantaged, minorities, youth unemployment and so. There is a need to revitalize the vocational education program in the sense of equipment, facilities, things that are moving toward obsolescence.

We desperately need Federal money for that.

Senator MATHIAS. Always look to the future with optimism. Those are words that I associate with vocational education.

I think we need to revive a little of those qualities, too.

[The statements follow:]

STATEMENT OF DR. ROBERT E. TAYLOR, EXECUTIVE DIRECTOR, THE NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION, OHIO STATE UNIVERSITY

Quality Assurance and Cost Effectiveness
Through Programs of National Significance

Mr. Chairman, I am here in support of appropriations for vocational education and more specifically for Programs of National Significance (Part B, Subpart 2, under Title I of the Education Amendments of 1976). First, I want to state that this committee deserves commendation for its sustained interest in and support of vocational education.

As you well know, Programs of National Significance provide unique leverage for improving, strengthening and extending vocational education across the nation. Such programs represent the most appropriate and effective strategy for fulfilling congressional intent, assuring program improvement, and providing improved data for policy and operational decisions for vocational education. In reviewing the intent and structure of the Vocational Education Amendments, it is apparent that adequate appropriations for Programs of National Significance are essential to the integrity and internal consistency of this legislation. Not only do these Programs influence the character and quality of federal program investments, but they also impact upon 8.5 state and local dollars which over match each federal dollar. By providing essential research, development, training, planning information, and evaluation activities that are relevant and useful to large numbers of states; Programs of National Significance are cost effective since they eliminate duplicate costs and accelerate program improvement. For improving the vocational education enterprise, it seems to me that there can be no more appropriate expression of the federal leadership role than full support of Programs of National Significance.

Components of Programs of National Significance

There are several essential components and activities funded under Programs of National Significance. In writing the Education Amendments of 1976, the Congress was concerned with several problem areas, including the need for improved data, more directed and targeted research, improved planning, evaluation and increased personnel development to alleviate shortages. Therefore, the Congress specified the establishment of the National Center for Research in Vocational Education and the National and State Occupational Information Coordinating Committees. The National Center is designed to impact on problems of national significance through research and development, leadership, information services, evaluation activities and information for policy and planning. The National and State Occupational Information Coordinating Committees were designated to develop and implement an occupational information system to meet the common data demands of vocational education and employment and training programs. These committees draw support from the Departments of Health, Education and Welfare and Labor.

Other specific activities supported under this subpart are contracts and in some cases grants for pursuing national priorities, and training and development programs for vocational education personnel. Funds reserved for the Commissioner are used to sponsor national competition to focus the nation's talent on national priorities. These program components provide one of the most effective means for the federal government to fulfill its leadership role. For example, the six regional curriculum coordination centers are funded through the Commissioner's discretionary funds. Examples of other priorities supported under the Commissioner's contracts include building CETA-Vocational Education linkages, improving vocational education in urban areas, and strengthening counseling and guidance services. The training and development programs which are funded

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not only provide opportunities for advanced study to vocational educators but in addition support training to qualify certified teachers from other fields and persons in industry who have needed occupational skills to become vocational teachers in critical areas.

Impact of Programs of National Significance

The key question in the minds of Congress, taxpayers, and vocational educators throughout the country is, do these activities make a difference? Do activities in this category impact positively and constructively on the vocational education enterprise and more importantly, on the lives and circumstances of those they serve? The answer is yes. I am confident that earlier investments in program improvement have made a difference and that efforts currently underway promise even greater advancements. As the major instrumentality for carrying out congressional intent, Programs of National Significance through their various interventions influence the character and quality of state and local vocational education programs and catalyze state's investments in program improvement. Further, the products and services supported under Programs of National Significance are being widely used by private industry, numerous government agencies such as the Departments of Labor, Defense, Justice, Interior, Agriculture, and Health, Education and Welfare and others.

Even more importantly, we are beginning to assemble the elements of a coordinated nationwide program improvement capacity. Major elements such as the National Center for Research, the National Occupational Information Coordinating Committee, State Occupational Information Coordinating Committees, State Research Coordinating Units, and other evolving components are through cooperative relationships with reciprocal benefits providing this nation with mechanisms to (1) more effective utilize planning information, (2) establish priorities to

impact directly on critical problems, (3) focus resources and program improvement capacities, (4) utilize exemplary work completed in other states, and (5) more rapidly disseminate and implement the outcomes of research, development, and evaluation.

Immediate Priority Needs

There are several urgent and compelling needs that must be addressed under Programs of National Significance to assure equitable and affective programs. Following are selected areas of need that are central to both fulfilling the mission of vocational education and contributing to the educational, social, and economic goals of the nation. These are treated more fully in the statement.

- Comprehensive planning
- Evaluation
- Access and equity for special subpopulations
- Cost effectiveness in programming
- Interagency coordination
- Personnel development
- Reducing youth unemployment and adult underemployment
- Technological transfer
- Dissemination
- Postsecondary and adult programs
- Curriculum development
- Self employment/entrepreneurship programs
- Financing vocational education

Consequences of Reduced Appropriations

In my view, there is no more critical need in the federal vocational education appropriation than restoring the 5 percent set aside for Programs of National Significance. All of these programs are essential to reestablishing the integrity of the amendments, fulfilling congressional intent and to the federal leadership role. Programs of National Significance play a

pivotal role in influencing the character and quality of federal, state, and local investments.

As the Committee will remember, during fiscal year 1978, the 5 percent set aside yielded $28.2 million. Unfortunately, FY 79 appropriation levels were reduced to $10 million. Operating for even one year at this reduced appropriation level with careful management might permit the "survival" of congressionally mandated efforts but would limit other significant interventions. Such a reduced level would greatly constrain more than a decade of research and development, would fail to follow-up on earlier investments, would preclude critical investigations, evaluations and data gathering essential to the forward thrust and improvement of programs. A second year of reduced appropriations would be disastrous to a fragile, evolving, and yet increasingly effective program improvement capacity.

If Congressional intent for the 5 percent set aside for this subpart is not honored, it will eliminate a number of significant activities and institutional capacities. It will impair our ability to fulfill congressional expectations for improved data and accountability systems. Further sub-optimization will take place regarding the work of newly established national instrumentalities such as the National Center for Research, National Occupational Information Coordinating Committee/State Occupational Information Co-ordinating Committees, and personnel development programs. It will introduce discontinuities into ongoing research and development efforts and disrupt evolving systemic linkages, which strangthen the tie between local, state and federally sponsored program improvement capacities. It will seriously limit the Commissioner's ability to directly invest in those most critical problems of national significance.

The ability to build on and utilize the work of other states will also be greatly restricted. Increasingly, there

are products from research, development, training, evaluation, and planning efforts funded at both the national and state levels which should have greater utilization through national dissemination strategies. Unfortunately, funding for dissemination competes for the same dollars needed for current high priority research, development, and training efforts focused on Programs of National Significance.

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## STATEMENT OF DR. GENE BOTTOMS, EXECUTIVE DIRECTOR, AMERICAN VOCATIONAL ASSOCIATION

I am Gene Bottoms, Executive Director of the American Vocational Association. On behalf of the 350,000 vocational educators in the nation, I express appreciation to you and the members of the subcommittee for your support of vocational education. The United States Senate has a long-standing interest in programs within the secondary schools and postsecondary institutions that prepare people for work. We in the AVA, solicit your continued interest and commitment to make these programs even stronger through increased federal appropriations.

The members of AVA, professional vocational educators, are asking the Senate to appropriate an additional $300 million for vocational education for FY 80. This will bring the total federal commitment for vocational education to $981 million and will begin to reaffirm the stated intent of Congress to provide "ready access to vocational training or retraining" for "persons of all ages in all communities of the state". In addition, the AVA recognizes the need for adequate funding for adult education programs in all states and recommends to the subcommittee that funding for the Adult Education Act be maintained at the current level.

AVA is asking also that the Career Incentive Act be funded at the level currently appropriated ($32.5 million) before the request for rescission was made by the Administration. These requests are presented in chart form at the end of the written statement.

The following pages set forth rationale and justification for the request of the American Vocational Association. We recognize that everyone is grappling with the serious national problem of inflation and unemployment, and it would seem essential for Congress to make a major reassessment of the federal role in providing for programs of education for work for all citizens. Federal

investment in these programs will not lead to inflation, but will enable the recipients of the federal funds, individuals, communities and states to better contribute to the social and economic well-being of this nation.

At present, federal strategies for dealing with work-related concerns of our nation focus primarily on remedial programs designed to serve members of target populations who have already acquired the failure label. Support for these programs has grown from $1.6 billion in 1970 to more than $11 billion in 1977.

The second part of the federal approach, designed to bolster state and local support of programs of vocational education, is a preventive one. Federal support for this program has declined substantially in real dollars during this decade.

THE CONSEQUENCES OF THIS DECLINE HAVE BEEN:

- A restriction of program inprovement activities designed to keep instructional media, curriculum and staff current concerning new scientific knowledge and technological processes being applied in the workplace.
- A limitation of efforts to develop and expand vocational education programs in depressed rural and urban communities, to serve those populations most in need of preparation for work.
- A weakening of educational opportunities for those groups of special federal concern. Depressed rural and urban communities continue to throw unskilled and unprepared youth into the labor market.

Yet vocational education has the capacity to help solve some of the most serious problems which are part of the vicious unemployment and inflation cycle. Some of these include:

1. A sharp decline since 1973 in the rate of increase for worker productivity.
2. An inadequate supply of skilled workers to fill jobs currently available in many industries.
3. An abundance of work which is going undone because people lack the skill and vision needed to make jobs for themselves.
4. An all-time high rate of youth unemployment.
5. A movement of jobs out of many of our major industrial centers.
6. A decline in the rate of adoption of new technology in some industries with a resulting effect on our competitiveness in international trade.
7. The failure of nearly 500,000 small businesses annually.

The members of the American Vocational Association believe the time is at hand for an increased federal emphasis on programs that develop the capacity of people to become productive citizens.

Unless a better balance can be established between the nation's investment in remedial and preventive programs of employment training, the costs of remedial programs will continue to increase dramatically.

We believe an expanded emphasis on preventive vocational education programs will also be of long-range value in slowing the pace of inflation and reducing the rate of unemployment.

In addition, the new federal thrust will be a strong incentive, as it has been in the past, to state and local communities to invest in this effort as partners in achieving an improved economy.

Without this expanded support, the preventive system which the nation has today will decay and become ineffective.

We are not asking for an overall budget increase. We are asking for a more balanced appropach to solving the nation's problems.

There seems to be four broad issues which mandate this increased investment in vocational education. Let us deal briefly with each:

1. SOARING COSTS

Programs designed to provide public service employment to people who have been unable to find jobs within the private business and industrial community is essential to this nation. We completely endorse the concept underlying the establishment of the Comprehensive Employment and Training Act (CETA). We welcome the increased emphasis on training established in the CETA Amendments of 1978. Our nation needs--and must have--this remedial approach for working with people who are experiencing joblessness and poverty.

However, we know this approach alone cannot be expected to provide the total solution to the employment problems of this nation.

Programs designed to rehabilitiate people are, by nature, extremely costly. The figures show the bill for our remedial efforts is soaring annually. Yet we continue to widen the gap existing between expenditures for remedial and preventive programs.

While the federal government obligated more than $9.5 billion in 1977 for CETA, only $534 million was spent on vocational education programs. These funds were matched, however, by $4.4 billion in state and local funds to provide programs enrolling more than 16 million students.

For this small federal investment, the return to the nation has been immense. More than two million Americans completed vocational education programs in 1977. The cost to train these potential workers averaged $308 per student, only $33 of which came from federal dollars. The average cost per CETA participant was $8,429. (See Table 3, Facts and Figures on Vocational Education in the U.S.)

As long as the federal emphasis is limited primarily to stop-gap solutions to

job training and to maintenance efforts, costs will continue to soar. It is time for the government to place more emphasis on preventive programs in an effort to reduce the need for the more costly remedial assistance. Vocational education offers the major means to that end available in our nation.

2. ADDRESSING NATIONAL PROBLEMS

Reducing inflation and unemployment will require at least two actions which must be undergirded by strong programs of education for work.

Inflation is fed by decline in productive growth. In the President's 1978 economic report, the entrance of a large number of unskilled young workers into the labor market is cited as a major contributor to the decline of productive growth. Vocational education can reduce the number of youth who enter the labor market unskilled.

Inflation is a result also of competition among employers for a small pool of competent workers. Vocational education can help reduce inflation by providing training that will enable many, who are currently unemployed, to compete for available jobs.

Other national problems which relate to the overriding concerns of inflation and unemployment can be addressed also through vocational education.

An increased emphasis on technological programs offered through postsecondary vocational institutions can help accelerate the pace with which many of the nation's industries are able to adopt new technology.

Reducing unemployment requires renewed emphasis also on developing the capacity of people to make jobs for themselves.

We know small businesses are the principal source of new ideas, new economic growth and of new work in our nation. A study by the M.I.T. Development Corporation comparing job formation between giant companies, large companies and small new companies, showed overwhelmingly that small new companies produce the most new jobs for the nation.

There are innumerable individual cases of vocational program graduates beginning their own businesses and creating jobs for others. Marvin Feldman, President of the Fashion Institute of Technology in New York City, has data from follow-up on graduates of his prestigious institution showing that many of his graduates start their own businesses. He states,

> "We find--retrospectively--that we have not prepared them for jobs. We have prepared them to create their own jobs."

From all indications, these benefits from vocational education are widespread, but poorly reported. The Congress may do well to r amination of this area of the vocational system's product.

3. BUILDING COMMUNITIES

The major strength of vocational education lies in its capacity to bring about extensive community revitalization. Communities which today have a permanent on-going capacity to offer quality comprehensive and intensive programs of vocational education at the secondary, postsecondary and adult levels, testify to this fact. These communities are dealing successfully with problems which are troubling other parts of the nation--youth unemployment, special needs of the disadvantaged and handicapped and the search for economic stability and growth. The major community benefits derived from strong programs of vocational education are economic. A listing of these benefits would include:

- Vocational education contributes to a favorable business climate by educating new workers who possess the necessary basic education, technical competencies and attitudes needed to be productive workers and responsible citizens.
- Effective programs are closely in tune with providing for the needs of the private business sector.
- As needs of the business and industrial community change, vocational education can serve to strengthen the existing economic base of the community by providing programs designed to upgrade the skills of existing workers.
- In many states, vocational education has forged an invaluable link to the economic development needs of communities by training workers to the specifications of new and expanding businesses and industry.
- Small business entrepreneurs also benefit from vocational education through programs, often offered on-site, to help them develop the management skills necessary to succeed.

While building up invaluable benefits for the business community, vocational programs provide the payoff for individual citizens that is just as great. Data show that vocational education graduates obtain employment quicker and experience fewer and shorter periods of unemployment than other high school graduates. At the same time, adults who have access to vocational programs, are able to keep pace with expanding technology and upgrade their skills on a regular basis, thus increasing their productivity and promotability and reducing their chances of becoming unemployed.

4. BUILDING A STRONG FEDERAL, STATE AND LOCAL PARTNERSHIP

The concept of a federal, state, local partnership for the provision of vocational education has been one of the great strengths of the program. Yet today, that partnership is in jeopardy. Since 1972, federal support for vocational education has declined in real dollars (See Table 2, Facts and Figures on Voca-

tional Education in the United States). During this period, the shrinking investment has been spread over expanded federal demands--increased accountability, more extensive planning, greater interaction with labor, and a stronger focus on target groups.

While federal support has been shrinking, support at the state and local level has mushroomed. Despite negative groups, HEW doubts, and concerns of some Congressional observers, local support continues to grow. The programs are meeting the perceived needs of those controlling state appropriations and voting on local bond issues. In 1972, each federal dollar was matched by $4.71 in state and local dollars. In 1977, the match for each federal dollar was $8.30. (See Table 4, Facts and Figures on Vocational Education in the United States.) The predominance of state support over federal support has been cited by some federal officials as a reason for reducing even further the federal investment. These critics of federal support assume that state support is more than adequate to do the job that must be done.

While it is true that state support, in most cases, has grown substantially, it is important to note that increases in state and local expenditures have been directed primarily to offset inflation, provide for rapidly increasing student enrollments and build new facilities. Increases have not been adequate to respond to the specific needs of emerging vocational education systems or the requirements of the vocational education programs as a component of the total educational program. As late as 1977, access to pre-employment vocational education was limited to 33% of public secondary school students, while studies show that actually 50% of these students could benefit from such training. In 1976, postsecondary enrollment was limited to 12% of those 20 to 24 years of age, and to a mere 4% of those 25 to 64 years of age. Clearly, many more people in these age categories also need vocational education and would have participated if it had been accessible to them.

The start-up cost for vocational education programs is greater than for other educational programs. Without federal support for new program development, expanded access to quality programs, especially in depressed communities, is not likely to be developed.

In addition, the cost to state and local communities of developing, maintaining and improving programs of vocational education is greater than for other programs. Historically, states have assumed that federal funds would (1) serve as a catalyst in new program development, and (2) pay the differential cost needed

to keep vocational programs current with the demands of the workplace.

Despite the declining balance of federal and state/local dollars, the federal government has continued to place growing demands on vocational education by increasing the range of programs and needs expected to be covered. It is evident that this stretching cannot go on without grossly weakening and undermining the intent of the legislation. As currently funded, vocational programs cannot carry out the improvement intent of the legislation.

Building a strong partnership now requires federal initiative. Administration actions without consultation, actions taken without systematic planning, actions contrary to intent of Congress will only damage the existing system. Through federal legislative action, the federal/state/local relationship can be strengthened and the future of a viable training system ensured.

TARGETS FOR NEW FUNDS

The American Vocational Association, in 1978, adopted resolutions committing its efforts to giving special emphasis to three broad areas: youth, adult workers and program improvement. We are committed to targeting these three areas with additional funds appropriated for vocational education.

Let's examine why funds should be distributed among these areas and how increased emphasis can help to address major national problems.

YOUTH

Young Americans see themselves maturing into self-sufficient, productive, stably employed citizens. But for many, that dream has been replaced by a sense of hopelessness and despair. For still others, that despair has turned into bitter preoccupation with the moment, a refusal to think or plan ahead, a total rejection of the future. For whatever self-preserving reason, more and more of today's teenagers are less certain of productive roles in our society.

This dangerous condition is reflected in current labor market statistics, which show unemployment falling for all major categories except for youth. And the highest youth unemployment occurs in our sparsely populated rural areas and in the inner cities with a population higher than 500,000.

Yet these are the very areas where American youth have less access to quality vocational education programs. These inner cities, for example, have 22.8% of the population, but only 13.3% of secondary and 10.6% of postsecondary vocational education training stations, according to a 1977 study conducted by Alan Woodruff for the U.S. Office of Education.

We would, therefore, like to see $100 million targeted for programs designed to help youth make the school-to-work transition.

Within the area of vocational education for youth, we think the money should be spent in these areas:

1. Cooperative Vocational Education. As developed over the past several decades, cooperative vocational education is an effective program for coordinating on-the-job skill preparation with related school instruction and personal development. Persons receiving labor market information, job-seeking instruction and thorough cooperative vocational education, have markedly higher earnings and occupational status as young adults than do students without such preparation.

   Today, approximately 700,000 youth participate in cooperative vocational education, and most are placed in the private sector for on-the-job training. Upon completing their schooling, a full 50% of them stay on with their existing employers.

   Increased funds would allow communities--especially depressed communities--to hire additional cooperative coordinators to develop private sector training sites, coordinate the in-school learning and expand cooperation with CETA programs.

2. Career Guidance. One area which needs strengthening is job placement. Hard-to-place youth (both in-school and out-of-school) would benefit from having career resource centers in their communities where they should obtain educational and labor market information and supportive counseling. Although the career information center is a popular notion in federal legislation, most current funding is on a limited project basis.

   Considerable emphasis must be given also to the assessment component of guidance. It can provide an individualized, prescriptive education and plan to aid the vocational instructors and others who work with youth to provide them the best kind of educational training.

3. Youth Enterprises. Currently, a number of vocational education programs are providing youth with an opportunity to learn and earn through self-employment or through a student-managed enterprise. In depressed communities where youth unemployment runs exceedingly high and community placements are insufficient, vocationally-based youth enterprises could enable students to gain the labor market experience. Increased federal investment would

make it possible to establish youth enterprises as an extension of existing vocational education programs.

4. Basic Skills. Studies show that employability skills are closely linked to basic skills including both verbal and mathematical skills. Increased vocational appropriations would allow vocational education institutions to expand the support staff to teach these related subjects.
5. Institutional Capacity. Vocational and occupational education is not accessible enough in many depressed communities because the communities have not been able to make the necessary capital investments. They have faced and continue to face declining tax bases and growing burdens in welfare, police and fire protection and housing.

   A greater federal investment is needed if communities are to help themselves resolve the problems of youth. Additional funds would enable the communities to employ the staff needed to allow existing vocational education facilities to be used during the summer, on weekends, and in the afternoon and evening. It would enable depressed communities to work with employed workers and graduates in developing their promotability to advanced jobs, thus freeing entry-level jobs for hard-to-place youth.

ADULT WORKERS

To see vocational education's mission fulfilled, we must see adult vocational education programs expanded. Vocational education served only 4% of the labor force through adult programs in 1976. A close examination of enrollments by state reveals considerable unevenness in providing those adult programs, with Iowa serving 10.6% of the labor force and the District of Columbia serving less than 1%.

Today, adult vocational education is too often treated as something that is done if any time or resources are left after other phases of the program have been planned. In the mid 1960's, adult enrollments represented nearly 50% of vocational enrollment. Since then it has decreased to just 27% of the total enrollment.

The failure to make adult vocational education an integral part of the local community educational service stems partly from a lack of vision by educational and civic leaders, but it also shows a lack of national emphasis. Current federal legislation addressing education and training in CETA focuses virtually all its efforts on youth and unemployed adults. There is no recognition that adult vocational education directed at strengthening the promotability of

existing workers is essential to opening up entry-level jobs for the unemployed. Therefore, we ask that $100 million be allocated for adult education programs. We see the money, targeted for adults, used in these areas:

1. Outreach. Too frequently, vocational education programs for adults have been limited to serving those persons who show up to take courses on campus. With expanded financial support, vocational education institutions could initiate outreach programs--especially in depressed communities. Such programs should be designed to reach potential adult students in their community environment, establishing the vocational education institution as a community institution.
2. Counseling. Adult vocational education students also need the benefits of career assessment and counseling to develop their own potential and to find ways to become mobile within the current job market.
3. "Shifts" in Schools. Under-utilized school facilities are one of the greatest resources we have to provide expanded services for adults. Currently, in comprehensive high schools in cities with a population of 500,000 or more, many labs are used eight hours per day. Many vocational high school labs are used nine hours or less per day, and some area vocational centers are used ten hours or less per day.

   The use of these facilities could be doubled with the hiring of two complete staffs--both administrative and teaching--to provide vocational education training for two complete school days in each 24-hour period. The second "shift" could be devoted to adult programs to enable the adult worker who is employed during the regular school day to have access to quality programs during the non-working hours.
4. Adult Survival Skills. The socio-economic changes in our society that create the two-working-adult household, the single-parent household, and the individual-adult household create a vast need for new consumer and homemaking skills. The community-based vocational education institution is uniquely qualified to develop these skills.

PROGRAM IMPROVEMENT

Vocational education has proved itself as one of the nation's best resources. Far-sighted national initiatives aimed at developing the capacity of this resource are authorized in the Vocational Education Amendments. We, in the AVA, see a federal policy that if extended into the 1980's, will seriously diminish the effectiveness of vocational education and the investments that have been made. The current federal posture toward vocational education can best be described as one of neglect. The

consequences of this policy are clear. Federal support in real dollars for vocational education has been declining since 1972, and if the trend continues, the present system will lose its capacity to respond; it will be paralyzed.

One of the historical priorities in education from the national level has been to promote excellence. Vocational education does not differ from other aspects of education: These programs, too, have strengths and weaknesses. The field would welcome national leadership that facilitates continuous growth towards excellence. Emphasis on excellence and accountability can be achieved by the Congress increasing federal support. In effect, two priorities are in conflict. On one hand, the vocational community is told to serve additional numbers of special population students, while at the same time, it is told to increase its overall effectiveness and efficiency without additional federal funds.

To resolve this dilemma and to insure that vocational education can continue to carry out its mission, we are asking for an additional $100 million earmarked for program improvement activities. In 1976, the Congress authorized a number of sections in the Vocational Education Amendments that would provide for program improvement activities. One of the primary activities is the Programs of National Significance Section. The AVA is asking for an additional $27 million for this area.

1. Programs of National Significance. There are five major activities supported under the Programs of National Significance--all designed to improve vocational education.

   a. Conducts applied research and development on such topics as eliminating sex bias, improving state planning, and improving vocational education for the handicapped, minorities, and women;

   b. Conducts an advanced study center for training postdoctoral students to study national issues and a national academy to provide short-term training for leaders in vocational education on such topics as job creation, guidance, and teacher education;

   c. Disseminates information and products to the state research coordinating units in the 57 states and territories and to local school systems on such topics as metrics in vocational education and instructional materials for agricultural and trade and industrial education;

   d. Conducts policy analyses and organizes information for national decisionmaking about the needs for curriculum development, teacher training needs, enrollment trends, and cost of vocational education.

   e. Serves as a clearinghouse for state and federal as well as military instructional materials.

2. Fellowship Programs. The fellowship program has two types of awards: The Graduate Leadership Development Awards for experienced vocational educators, and the Teacher Certification Fellowship resulting in the certification of teachers.

3. Curriculum Coordination Centers. Six curriculum coordination centers are being supported to assist each of the 57 states and territories.

4. Applied Projects and Demonstrations. The major purposes of the applied projects are to develop and disseminate materials for new and changing occupational areas and to produce information about national problems in vocational education for decision and policy level purposes at the state and national levels.

5. National Occupational Information Coordinating Committee (NOICC) and 57 State and Territory Occupational Information Coordinating Committees (SOICC). Created by the 1976 Amendments, this system is designed to improve state planning by using occupational information and to provide up-to-date information for students to use in making career decisions about occupations.

Instructional Media. To maintain quality programs of vocational education, instructional media must constantly be upgraded to keep it current with constantly changing technology. We must remember that science and technology have produced changes in all fields of work:

a. Space (electronics);

b. Environment improvement (automobile manufacture and repair);

c. Energy (solar);

d. Natural resources (recycling); and

e. Computers (word processing and information retrievel). Labs built ten years ago are out of date.

Instuctor Training. With the need to constantly upgrade laboratory equipment, goes the need to upgrade the training of vocational education instructors. Some program improvement dollars are needed to provide trained instructors to use the new equipment and to anticipate changes that new technology will bring.

STATE PLANNING GRANTS

Another program improvement activity critical to the future of vocational education in the states and communities is the state planning process. This process is funded in part by the State Planning Grants authorized by the Education Amendments of 1976. State Planning Grants were funded for the first time last year. These funds are currently going to the state agencies to involve constituent groups, educators and others concerned with vocational education in the planning process. The AVA strongly recommends an increase of $5 million for the State Planning Grants. This would enable the states to make more responsive and responsible plans to serve the needs of individuals and communities within the states.

CONSUMER AND HOMEMAKING EDUCATION

The Vocational Education Amendments of 1976 (P.L. 94-482) contained a new thrust for Consumer and Home Economics Education. Because of this and the contributions these programs make to all vocational students, it is important that the Congress continue to give attention to funding these programs. The AVA is recommending a $50 million funding level for FY 80 with the understanding that this would allow for realistic expansion of programs and services to the target areas identified earlier as crucial national initiatives.

Specifically, the AVA proposes to expand programs of Consumer and Homemaking Education in:

- Secondary and postsecondary programs to respond to a greater number of male students who seek skill training in the occupations of homemaking.
- Depressed rural and urban areas to reach target audiences. Outreach programs have been mandated in the new law; the cost implementation of outreach programs add substantial excess cost to the existing program. Additional federal funds are needed to implement the Congressional mandate for outreach programs to reach target audiences.
- Communities where special-needs students in the classroom setting need encouraging from special services to meet their unique needs. Additional federal funds are needed to reach special needs audiences.
- Appropriate learning environments for disadvantaged and handicapped students.
- Economically depressed areas or areas of high rates of unemployment. Additional federal funds are needed to provide consumer and homemaking programs in depressed areas.

There continues to be an increase in the number of people seeking consumer and homemaking educations. These are males and females at the secondary and postsecondary levels and are located in rural and urban areas. A $50 million appropriations in FY 80 would allow a realistic expansion of programs and services for approximately 800 thousand new students. These funds would go to provide services in Consumer and Homemaking Education that would develop:

- Skills for the occupation of homemaking.
- Preparation for relevant work outside the home.
- The individuals to become more socially and economically stable.
- Individuals to make dual family and career plans and decisions.

SUMMARY

Vocational education is responding extremely well to the problems facing each individual, community and state in this nation. In addition, the programs of vocational education have moved into effective compliance with the mandates of the Vocational Education Amendments of 1976 (P.L. 94-482); yet, there is much to be done. The AVA respectfully recommends a $300 million increase in vocational education funding for FY 80 in order to assist in meeting the challenges facing this nation. This will bring the total

appropriations for FY 80 to $981 million. While this is a bold request, it is the opinion of the professional vocational educators that to do otherwise would be a failure to address adequately the nation's problems of unemployment for youth and adults, technological changes, worker productivity and inflation. Vocational education contributes to the solution of these critical issues.

In order to adequately distribute the $300 million increase for vocational education, the AVA has prepared the following chart recommending appropriations for FY 80.

Thank you for your consideration and continued support of vocational education, and we stand ready to assist you in any way we possibly can.

VOCATIONAL EDUCATION PROGRAMS
FEDERAL FUNDING NEEDS
FY 80
RECOMMENDED BY THE
AMERICAN VOCATIONAL ASSOCIATION

| PROGRAM | APPROPRIATED FY 79 | NEEDS AND RECOMMENDATION FOR FY 80 | DIFFERENCES |
|---|---|---|---|
| Education Amendments of 1976 (P.L. 94-482) | | | |
| Basic Grants (Sec. 120) | $474,766,000 | $634,766,000 | $160,000,000 |
| Program Improvement and Supportive Services (Sec. 130) (Grants to States) | 112,317,000 | 152,317,000 | 40,000,000 |
| Programs of National Significance | 10,000,000 | 37,300,000 | 27,300,000 |
| State Planning Grants | 5,000,000 | 10,000,000 | 5,000,000 |
| Special Disadvantaged (Sec. 140) | 20,000,000 | 30,000,000 | 10,000,000 |
| Consumer and Homemaking (Sec. 150) | 43,497,000 | 50,197,000 | 6,700,000 |
| Bilingual Training (Sec. 181) | 2,800,000 | 2,800,000 | -- |
| Renovation & Remodeling (Sec. 191) (Urban and Rural) | -0- | 50,000,000 | 50,000,000 |
| State Advisory Councils (Sec. 105) | 6,073,000 | 7,073,000 | 1,000,000 |
| Smith Hughes Act (Permanent Approp.) | 7,161,000 | 7,161,000 | -- |
| TOTAL | $681,614,000 | $981,614,000 | $300,000,000 |
| Adult Education Act | $100,000,000 | $100,000,000 | -- |
| Career Incentive Act | $ 32,500,000 | $ 32,500,000 | -- |

# FACTS AND FIGURES ON VOCATIONAL EDUCATION

## 1. What is Vocational Education?

Vocational education is not a single program. It is an in-place set of public educational programs forming a national institutional-based training and educational delivery system. When correctly managed and used, it offers a powerful tool for job and skill training able to contribute significantly to the national concerns of productivity, employment, job creation, and long-term economic planning.

Currently, vocational education serves over sixteen million students: 9.8 million at the secondary level; 2.3 million at the postsecondary level; and 4.2 million adults.

Vocational education is made up of eight major occupational program areas offering 153 instructional programs that prepare people for hundreds of occupations. These programs exist in all fifty states, the District of Columbia, and five territories. They are being offered in more than 7,500 institutions (with six or more vocational courses each) including

- 4,878 comprehensive high schools
- 225 vocational high schools
- 1,248 area vocational centers
- 310 area vocational schools
- 162 technical institues
- 720 Community and junior colleges

In 1977, expenditures for vocational education totalled $4,962,555,070 with $4,428,944,514 contributed by state and local governments and $533,610,556 contributed by the federal government.

2. Are more people being served by vocational education than in previous years?

Yes. More people are being served by vocational eduation programs than ever before. A total of 16,134,979 students were enrolled in FY 1977 as compared to 12,072,445 in FY 1973, an increase of 34%.

Table 1. Enrollments in Vocational Education by Level

| FY | Total | Secondary | Postsecondary | Adult |
|---|---|---|---|---|
| 1973 | 12,072,445 | 7,353,962 | 1,349,731 | 3,368,752 |
| 1974 | 13,555,639 | 8,433,750 | 1,572,779 | 3,549,110 |
| 1975 | 15,340,426 | 9,426,376 | 1,889,946 | 4,024,104 |
| 1976 | 15,133,322 | 8,860,047 | 2,202,800 | 4,069,575 |
| 1977 | 16,134,979 | 9,562,836 | 2,363,194 | 4,208,949 |
| Percent Increase 1973-1977 | 34% | 30% | 75% | 25% |

Source: U.S. Office of Education

3. Do Federal dollars provide enough support to carry out the intent of Federal legislation?

No! Despite increased demands of the 1976 vocational education legislation with regard to the accountability, state/local planning, sex equity, postsecondary and CETA liaison, Federal funding has actually decreased.

Table 2. Federal Expenditures for Vocational Education in Actual and Constant Dollars

| Consumer Price Index | | | Federal Expenditures for Vocational Education | | | |
|---|---|---|---|---|---|---|
| | | | Actual (Inflated) Dollars | | Constant (1971) Dollars | |
| Year | | Percent Annual Increase | Reported | Percent Annual Increase | | Percent Annual Change |
| 1971 | 121.3 | | $393,926,863 | | $393,926,863 | |
| 1972 | 125.3 | 3.3 | 465,334,274 | 18.1 | 450,480,804 | 14.4 |
| 1973 | 133.1 | 6.2 | 481,817,114 | 3.5 | 439,079,936 | -2.5 |
| 1974 | 147.7 | 11.0 | 549,922,290 | 10.4 | 451,629,180 | -2.9 |
| 1975 | 161.2 | 9.1 | 588,369,540 | 7.0 | 442,736,311 | -2.0 |
| 1976 | 170.5 | 5.8 | 620,822,654 | 5.5 | 441,678,069 | -0.2 |

Sources: [1]Consumer Price Index (Table B-50). Economic Report of the President. Washington, DC: U. S. Government Printing Office, 1978. p. 314, in The National Center for Research in Vocational Education, The Status of Vocational Education, School Year 1975-76, Columbus, 1978.
[2]U.S. Office of Education, Forms 3131 and 6011, FY 1971-1976.

Federal expenditures are generally reported in actual dollars. When these ammounts are adjusted for inflation, only once in the past six years has there been a major increase in federal funding for vocational education. Table 2 presents this adjustment. The table shows the Consumer Price Index for the years 1971 through 1976, the reported federal expenditures for these years, and these expenditures in terms of constant 1971 dollars, adjusted for the rate of inflation reflected in the Consumer Price Index.

When actual dollars are adjusted to constant dollars, it is clear that the only major increase in federal support occurred in 1972. In that year, federal expenditures increased 14 percent over the previous year, even after adjusting for inflation. Increases in the years since 1972 have not kept pace with inflation. Consequently, in 1976, the federal expenditure, expressed in constant dollars, was less than it was in 1972.

4. How do federal investments for vocational education compare to those for other educational and training programs?

While vocational education programs at times cost more per participant than other secondary and post secondary programs due to the extra cost of equipment, supplies and the lower pupil/teacher ratios, they are actually more efficient than other training programs offered outside the school.

Table 3. Approximate Federal Investment Per Client of Various Education and Training Programs

| Program | Approximate Federal Investment Per Client | Approximate State and Local Investment Per Client |
|---|---|---|
| Vocational Education | $ 33.07[1] | $274.49[1] |
| Comprehensive Employment and Training (CETA) | 8,429.00[2] | -0- |
| Job Corps | 9,090.00[3] | -0- |

[1]U.S. Office of Education, Bureau of Occupational and Adult Education, FY 1977

[2]U.S. Office of Education, BOAE, "Response to the 'Evaluation Summary of the Vocational Education Grants to States Program," 1978.

[3]1980 U. S. BUDGET IN BRIEF, p. 48

5. Do the state and local governments pay their fair shares?

Yes! Despite Federal decreases, state and local governments continue to increase their support of vocational education. In this regard, vocational education programs are a model of the potential role of federal leverage, particularly when it coincides with state and locally perceived needs.

The federal share of vocational funding has decreased in the last decade from 18.6% to only 11.55% of total vocational education expenditures with state and local sources overmatching this level at an average ratio of 8 to 1. (This amount ranges from $33.62 per federal dollar in Florida to $1.37 in the District of Columbia.)

Table 4. Amount of State and Local Matching Per Federal Dollar

| 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| $4.92 | $4.71 | $5.29 | $6.33 | $6.53 | $7.68 | $8.30 |

Percent increase 1971-1977: 69%

Source: U. S. Office of Education

Although state and local overmatching is a positive sign in terms of commitment to vocational education and success of federal leveraging, state and local governments are gearing their expenditures to meet their own needs and not always those identified by the federal government as national priorities. For example, state and local governments are focusing on keeping up with inflation, increasing general enrollment, and constructing urgently needed facilities, and funding has not been adequate to offset the cost difference as needed to maintain, and improve programs. If the national priorities of increased accountability, elimination of sex and racial discrimination, coordination of programs with manpower training efforts, recruitment of handicapped and disadvantaged students, expansion of planning efforts, development of programs in depressed areas, and improvement of overall program quality are to be implemented, additional federal dollars will be necessary.

6. Are vocational education programs actually preparing people for work?

Yes. All vocational education programs prepare students for work, although not all are geared toward immediate, paid employment. For example, Consumer and Homemaking programs prepare males and females for their unpaid roles as full- or part-time homemakers and consumers.

Exploratory programs such as those in industrial arts and prevocational agriculture help students with career decisions that generally lead to employment-oriented coursework.

Yet, the percentage of students enrolled in programs geared for immediate, paid employment is 64%.

There is considerable evidence that those vocational graduates who desire immediate, paid employment upon completion of their programs are able to acquire jobs. Only 5% of the FY 1977 completers who wanted to work were identified as unemployed in followup studies.

Table 5. Placement of Program Completions in Vocational Education FY 1977

| Status | Number | % |
|---|---|---|
| EMPLOYED | 1,090,304 | 49% |
| -- Fulltime in field for which trained or related field (35% or 778,424) | | |
| -- Other employment (14% or 311,880) | | |
| CONTINUING EDUCATION AT HIGHER LEVEL | 381,916 | 17% |
| NOT AVAILABLE FOR PLACEMENT FOR REASONS OTHER THAN CONTINUING EDUCATION | 145,882 | 7% |
| UNEMPLOYED (Seeking Work) | 114,272 | 5% |
| STATUS UNKNOWN | 491,813 | 22% |
| Total: | 2,224,187 | 100% |

Source: U.S. Office of Education

7. Are vocational education programs sensitive to and able to change towards emerging areas of employment need?

Yes. An analysis of vocational education enrollments between 1972-1977 shows that three of the eight major areas are rapidly expanding in response to labor market needs:

| Program Area | % Increase 1972-1977 |
|---|---|
| Health Occupations | 50.8% |
| Office Occupations | 39.1% |
| -- Data Processing, Communication and Storage Occupations (34.5%) | |
| Technical Occupations | 30.4% |

Table 6. Vocational Education Enrollments in New and Emerging Occupations

| Occupational Area | FY 1972 | FY 1977 | % Increase |
|---|---|---|---|
| Surgical Technology | - | 3,522 | - |
| Occupational Therapy | - | 2,892 | - |
| Nuclear Medical Technology | - | 400 | - |
| Ophthalmic Occupations | - | 1,657 | - |
| Environmental Health | - | 5,192 | - |
| Medical Emergency Technology | - | 70,514 | - |
| Mortuary Science | - | 1,788 | - |
| Fire & Safety Technology | 8,826 | 28,714 | 225% |
| Electronic Occupations | 97,936 | 147,267 | 50% |
| Law Enforcement Training | 74,801 | 109,535 | 46% |

Source: U. S. Office of Education

- A 1977 study by the American Association of Community and Junior Colleges (AACJC) and the U.S. Energy Research and Development Administration showed that vocational education students are being trained in many key energy-related areas including coal mining technology, nuclear energy, petroleum technology, laser optics, solar energy, energy conservation, and geothermal energy technology (National Advisory Council on Vocational Education, 1977).
- The Vocational-Technical Education Consortium of States (VTECS) was chartered in 1973 in response to the need for current, individualized, job-specific instructional materials. Using systematic development procedures, VTECS members perform on-the-job task analyses of occupations, validate the tasks through worker surveys, develop performance objectives and performance guides for the tasks, and subject the results to field review by prospective users. VTECS has analyzed 124 occupations and surveyed 12,150 workers as a basis for developing its 70,000 catalogs and related materials. The materials are distributed to the 17 member states and the training components of the Air Force, Army, and Navy. All use the catalogs to develop new programs and revise existing technical education curriculm in order that programs will be sensitive to the needs of employers.
- Recent studies in Ohio and Georgia indicate that more than 75% of employers surveyed prefer to hire vocational graduates over nonvocational graduates, suggesting that the preparation provided students is appropriate for employer needs.

8. What evidence is there that vocational graduates have an advantage in the labor market over non-vocational graduates?

There is considerable evidence that vocational graduates have a strong advantage. For example:

- A national survey of 23,000 students, the U. S. Office of Education's Longitudinal Study of the High School Class of 1972, reported the following:
  - -- Vocational graduates generally require less time to secure their first jobs and then outearn other students.
  - -- Most vocational graduates report that their training was important in the acquisition of their first jobs, and the great majority rate this prior experience high.
  - -- Students from vocational programs find greater relevance in their education in terms of job expectations than do students in other curricula.
  - -- "Overall, graduates of the vocational curriculum seemed more satisfied with their jobs than did graduates of other curricula."
- Vocational students "obtain their first jobs more quickly and, subsequently, experience fewer and briefer spells of unemployment than others with a high school education" (Reubens, B.G. "Vocational Education: Performance and Potential," MANPOWER, July 1977, p. 905).
- In 1976, the youth unemployment rate for high school vocational completers was 13.5% as opposed to the 19.9% national rate for all 16-19 year olds. The rate for postsecondary completers was 8.2% as compared to 13.6% for all 20-24 year olds. (Project Baseline 1976 Annual Report)
- Vocational education trained students, when unemployed, have shorter periods of unemployment. (Project Baseline Annual Report)
- In West Virginia, high school vocational graduates have an unemployment rate of 13% as compared to 20% for nonvocational graduates. A total of 93% of the graduates from postsecondary vocational education programs find jobs in areas related to their instruction (West Virginia Department of Education).
- A 1978 survey of employers in Ohio revealed that a majority
  - -- hire vocational graduates for positions which nonvocational high school graduates could not fill without further training
  - -- find vocational graduates more technically skilled than nonvocational graduates
  - -- believe that vocational graduates exhibit greater employability skills than nonvocational graduates
  - -- (76%) express a hiring preference for vocational graduates over nonvocational graduates
- A study by the Georgia Advisory Council on Vocational Education revealed that 98% of employers in Georgia prefer to hire a graduate of a compresive high school that combines vocational and academic preparation instead of a graduate of a strictly academic high school.
- A Massachusetts study credits vocational high schools with producing male graduates who outearn their nonvocational counterparts by $1,378 per year (U. S. Office of Education).
- A 1974 Ohio study comparing the earnings of 4,879 vocational program graduates to all working graduates their same age found that males and females earned a higher mean income of 25% respectively.

Table 7. Average Incomes of Ohio Vocational Graduates Compared All Working Graduates in Same Age Group

| | Working Vocational High School Graduates | All Working Graduates in Same Age Group | % Difference |
|---|---|---|---|
| Males | $6,887 | $5,514 | 25% |
| Females | $4,324 | $3,362 | 28% |

Source: (Ghazalah, I.A. LONGITUDINAL STUDY OF VOCATIONAL EDUCATION GRADUATES AND UTILIZATION OF FEDERAL INCOME TAX DATA, Columbus, Ohio: Ohio Department of Education, Division of Vocational Education, 1978).

9. Can vocational education programs aid economic growth and development

Yes! In more than 20 states to date, the availability of vocational education has been an incentive for businesses to locate or expand in a particular area.

- A 1978 Congressional study of 300 firms in ten major U. S. cities revealed that the quality of the cities' schools and the availability of skilled workers were two of the top nine factors that influenced firms to stay or expand within their present locations.

Table 8. Importance of City Characteristics to Businesses in Deciding About Locations

| Rank | City Characteristics |
|---|---|
| 1 | City government attitude toward business |
| 2 | Crime level |
| 3 | Adequacy of public facilities |
| 4 | Market demand for product or service |
| 5 | Adequacy of public services |
| → 6 | Quality of city's schools |
| 7 | Cultural attractions |
| 8 | Cost of energy |
| → 9 | Availability of skilled workers |
| 10 | Personal tax rate |
| 11 | Local property tax rate |
| 12 | Labor cost |
| 13 | Coporate tax rate |
| 14 | Availability of professional employees |
| 15 | Cost of financing |
| 16 | Personal ties to local neighborhood |
| 17 | Cost of land |
| 18 | Tax depreciation |
| 19 | Availability of unskilled workers |
| 20 | Availability of investment tax credit |
| 21 | Availability of short-term financing |
| 22 | Availability of land |
| 23 | Availability of long-term financing |
| 24 | Existence of labor unions |
| 25 | High education level of workers |
| 26 | Low education level of workers |

Source: Central City Business--Plans and Problems, A study prepared for the use of the Subcommitte on Fiscal and Intergovermental Policy of the Joint Economic Committee, Congress of the United States, January 1979.

- In order to provide a more positive climate for business and industry, many state departments of education incorporate industrial development into their state vocational education programs. These programs are operated in conjunction with local or state development agencies, local and state chambers of commerce, and local governments. These groups bring the industries in; vocational education develops skilled workers for them.

- West Virginia: According to Governor John D. Rockefeller IV, "The program of vocational education has proved to be a vital link in the chain of economic development in West Virginia. . .Vocational education provides the skills needed by the people of our

state to become productively employed, and provides the training essential for business and industry to remain competitive."

- Alabama: Fred F. Denton, Jr., state industrial development coordinator, has stated, "It's one of the very finest tools we've got. . .We've actually gotten many plants that we would not have gotten before" (NATION'S BUSINESS, November, 1978).

- South Carolina: 485 new firms have been attracted to the state in the last 15 years largely due to the availability of vocational education. A total of 59,351 new jobs was created for which vocational education did the training.

- Iowa: In a much newer program, 23 firms have relied on vocational education for training people in 941 new positions.

- Oklahoma: 432 firms have been attracted, and vocational education has trained individuals for 35,901 of their jobs. According to NATION'S BUSINESS, during the fiscal year 1977 alone, the state's Voc-Tech Department trained 6,200 people for jobs with 53 new firms that had invested $553 million in the state. From the state's viewpoint, that is an investment of $89,000 per job. . . Even without the initial company investment, each job would pay back to the state more than $132 in one year in state income taxes--even if all 6,200 trained last year earned only $5,000 each. And that figure does not include the spending power of the new wage earners. Some are on the company payrolls before they finish their training (NATION'S BUSINESS, November 1978).

- Georgia: The industry services program has cooperated with 327 new or expanding industries to train 18,966 workers in the 29 area vocational schools. According to J. D. Fowler, industry coordinator for the Division of Vocational Education. "We figure we recoup the money in six months to two years. That's in personal and corporate taxes, the welfare and unemployment reduction is hard to nail down" (NATION'S BUSINESS, November).

- Florida: Multinational corporations are also being influenced by the presence of vocational education programs. Currently, the Utility Power Corporation (UPC) is building a $150 million plant in Palmetto, Florida. UPC's parent corporations, Kraftwerk Union of West Germany and Allis Chalmers of Milwaukee, selected Florida largely because the promise of cooperation from area training schools was significant according to Jesse Burt, acting coordinator for Florida's Division of Vocational Education, Industry Services Program.

- Maryland: In addition to attracting new or expanding business, vocational eduation programs can help revitalize existing industry, like the dying coal fields of western Maryland. Maryland's Industrial Training Program, offered through the state Department of Education's Division of Vocational-Technical Education, is cooperating with the Mettiki Coal Company in training workers at Garrett Community College, twenty miles from a mine. Mettiki expects to hire 400-500 people by 1980, and training officials estimate that each mining job will be supported by two other jobs in retail, professional and educational services.

- Minnesota: When the railroad running through Staples, Minnesota, closed in the early sixties, the town's major source of jobs closed. The remaining job base, agriculture, was not sound because of a water shortage. Under the guidance of the local superintendent of schools, vocational agriculture programs in farm management and agricultural technology were developed, along with a special program to train irrigation technicians. A chain reaction began: Irrigation technicians needed wells; the school system trained well drillers. The irrigated farmland increased production, consuming seeds, fertilizers, and chemicals. The expanded production required more machinery with the technicians to run or repair them. A larger volume of agricultural products created a greater demand for marketing facilities, including transportation and storage. At each juncture, the local vocational education programs were increased to meet the needs of the ever-expanding economy.

10. How well have vocational education programs moved to implement the intent of the 1976 amendments with regard to sex equity issues on program access?

Major increases are apparent in the numbers of women entering vocational programs traditionally marked by low access. FY 1976-77 figures show major percentage gains as shown below:

Table 9. Female Enrollment in "Nontraditional" Areas

| Program | Total FY 76 | Female | Total FY 77 | Female | % Increase |
|---|---|---|---|---|---|
| All Programs | 15,133,322 | 7,750,135 | 16,134,979 | 8,276,518 | 7% |
| Cooperative | 147,572 | 48,804 | 155,636 | 58,955 | 21% |
| Agriculture | 1,059,717 | 109,951 | 1,056,259 | 156,985 | 43% |
| Technical Educ. (all programs) | 484,807 | 44,135 | 519,537 | 88,069 | 99% |
| Trade & Industry (all programs) | 3,109,950 | 338,389 | 3,246,688 | 466,865 | 38% |
| Auto Mechanics | 365,534 | 13,325 | 368,720 | 18,397 | 38% |
| Electronic Occup. | 140,173 | 5,221 | 147,267 | 10,626 | 103% |
| Supervisor & Mgt. Development | 112,991 | 15,216 | 89,391 | 22,986 | 51% |

Source: U. S. Office of Education

At the same time, the number of women enrolled in "traditional" vocational programs (Consumer and Homemaking and Gainful Home Economics) decreased 7.8% between 1972 and 1976.

There has also been some shifting in the enrollment patterns of males. Between the years 1972 and 1976, for example, the number of men enrolled in Consumer and Homemaking and Gainful Home Economics increased by 229.3%.

As of January, 1978, each State Department of Education has a full-time person appointed to help eliminate sex bias in vocational education. These state coordinators are working to monitor all personnel laws prohibiting discrimination and to gether, analyze and disseminate data on the status of male and female students and employees.

11. How is vocational education responding to the needs of disadvantaged and handicapped students?

A. Enrollments

Enrollment figures for FY 1977 show an increase in the numbers of disadvantaged and handicapped students enrolled in vocational education programs.

Table 10. Enrollment of Disadvantaged and Handicapped Students in Vocational Programs

| | FY 76 Total | FY 77 Total | % Increase |
|---|---|---|---|
| Disadvantaged | 1,873,411 | 1,956,011 | +4.4 |
| Handicapped | 284,067 | 344,041 | +21.0 |

Source: U.S. Office of Education

There has been an impressive doubling of handicapped enrollments over the last decade, yet these numbers do not reflect the actual number of handicapped students served by vocational programs. The true picture is even better.

Due to the structure of reporting methods in the past, enrollment figures cited to date indicate only those students who are provided with special services in order to succeed in vocational courses; they do not indicate how many handicapped students have been mainstreamed. It is anticipated that institution of the new Vocational Education Data System (VEDS) will identify all handicapped students enrolled, causing enrollment figures to increase and present a more accurate picture (BOAE, "Response to the Evaluation Summary of the Vocational Education Grants to States Program," 1979).

B. Expenditures

Federal, state, and local dollar support for handicapped and disadvantaged students in 1977 shows an increase over 1976 figures:

47-710 O - 79 - 45

Table 11. Vocational Education Expenditures for Disadvantaged and Handicapped Students

| | FY 76 | % by level of gov't supp. | FY 77 | % of Total Expenditures |
|---|---|---|---|---|
| Disadvantaged | 322,197,943 | 100% | 386,556,853 | 100% |
| Federal | 100,990,331 | 31% | 110,157,920 | (28%) |
| State/Local | 221,207,612 | 69% | 276,398,933 | (71%) |
| Handicapped | 120,201,718 | 100% | 124,165,580 | 100% |
| Federal | 48,562,842 | 40% | 46,433,639 | (37%) |
| State/Local | 71,638,876 | 60% | 77,731,941 | (62%) |

Source: U.S. Office of Education

12. Is vocational education serving minority students?

Yes. There has been a substantial increase in the numbers of minority students who enroll in vocational programs. This has been largely due to more active recruitment of minority students and improvements in guidance and counseling programs.

Table 12. Enrollment of Minorities in Vocational Education

| Minorities | 1972 | 1977 | % Change |
|---|---|---|---|
| American Indian or Alaska Native | 83,074 | 107,999 | + 30% |
| Black, not of Hispanic Origin | 1,660,585 | 2,357,497 | + 42% |
| Asian or Pacific Islander | 98,962 | 177,800 | + 80% |
| Hispanic | 735,516 | 1,046,262 | + 42% |

Source: U. S. Office of Education

13. Are adults being served by vocational education?

Yes. Total adult enrollments have shown a steady increase. Between FY 1976 and FY 1977, there was a 3.4% overall increase in the number of adult vocational students.

Table 13. Adult Enrollments in Vocational Education

| | FY 76 | FY 77 | % Change |
|---|---|---|---|
| Total | 4,069,575 | 4,208,949 | + 3.4% |
| Preparatory | 865,461 | 847,774 | - 2.0% |
| Supplementary | 3,026,191 | 3,178,285 | + 5.0% |
| Apprenticeship | 177,923 | 182,890 | + 2.8% |

Source: U. S. Office of Education

These increases are important and encouraging, yet several concerns must be highlighted.

1) Adult enrollments are not expanding at a rate that should be expected in light of the growing number of adults in the society. Vocational education served only 4% of the labor force through adult programs in 1976, and a close examination of enrollments by state reveals considerable uneveness in the delivery of these programs. For example, Iowa Served 10.6% of the labor force, and the District of Columbia served less than 1%.

2) The number of adults in preparatory programs, i.e., those that prepared them specifically for employment, dropped in FY 1977.

3) In 1977, the total number of disadvantaged adults increased, but those in preparatory programs decreased 16.1%. (See Table 14.)

4) The total number of handicapped adults as well as the number in preparatory programs also decreased. (See Table 14.)

Table 14. Enrollments of Adult Disadvantaged and Handicapped Students in Vocational Education

| | FY76 | FY77 | % change |
|---|---|---|---|
| Total Adult Disadvantaged | 413,449 | 464,884 | +12.4% |
| Preparatory | 139,744 | 117,193 | -16.1% |
| Supplemental | 265,807 | 339,429 | +27.7% |
| Apprentice | 7,898 | 8,262 | +4.6% |
| Total Adult Handicapped | 42,280 | 37,206 | -12.0% |
| Preparatory | 27,275 | 14,963 | -45.0% |
| Supplemental | 14,593 | 21,499 | +47.2% |
| Apprentice | 412 | 744 | +80.6% |

Source: U.S. Office of Education

These statistics indicate that national initiatives and support are clearly needed to expand the capacity of the adult vocational education to serve more adults.

14. What is Consumer and Homemaking Education contributing to the social and economic needs of local communities?

In response to federal legislative intent, Consumer and Homemaking Education enrollments in economically depressed areas and areas with high rates of unemployment have increased: 1,361,420 students in FY 1976 and 1,500,535 in FY 1977.

- Among the local target groups now being served in Consumer and Homemaking Education programs are:

  -- Persons in economically depressed areas and areas with high rates of unemployment
  -- Older Americans
  -- Disadvantaged and handicapped persons
  -- Youth and adults in correctional institutions
  -- Single parents and school-aged parents
  -- Displaced homemakers who want to enter or reenter the labor force
  -- Males and females who want to enhance their roles as full- or part-time homemakers

- According to the U. S. Office of Education, the number of males enrolled in Consumer and Homemaking Education went from 287,763 in 1972 to 947,592 in 1976, an increase of 229%.

- Ohio: Family life/parenthood education programs assist poor families in inner cities and rural Appalachia to improve the conditions in their homes in order to break the poverty cycle. The number of participants in the program has increased from 1,199 in FY 1968 to 25,487 in FY 1977.

- Florida: In an Orlando, Florida program, nutrition education is combined with senior citizens' activities. Over 1,100 older Americans are fed daily by secondary consumer and homemaking education students, with supplementary programs provided in consumer education, food preparation for the elderly and other consumer and homemaking skills.

- Wisconsin: "Operation Nutrition Education for Families" is carried out by the Milwaukee Area Vocational, Technical and Adult Education District to teach family members to use their food dollars wisely in planning and preparing nutritionally sound meals. The North Central Vocational, Technical, and Adult Education District in Wisconsin teaches basic consumer and homemaking skills to disadvantaged people in every corner of the district with its "Classroom on Wheels."

- Kentucky: Eighteen programs featuring such seminars as Management-Consumer Education and Personal and Family Development are taught in community colleges, state vocational-technical schools, and area vocational-technical centers. Requests for additional programs have been turned down because the consumer and Homemaking funds have run short.

- Idaho: Nampa Senior High School, Idaho, has developed a program for teaching nutrition education to elementary students by utilizing secondary consumer and homemaking students as teachers. Although only one school offered the program during its initial year, it proved so successful that in subsequent years all elementary schools in the Nampa School District have participated in the nutrition program.[15]

15. What evidence is there that vocational education graduates often go into business for themselves?

Thousands of vocational education students, instead of or after becoming wage earners for employers, strike out on their own and become self employed. These entrepreneurs in turn hire their own employees and contribute in a number of ways to the nation's economy.

Statistics are not yet available on the number of such vocational graduates, but the following represent some of the current efforts of vocational education to prepare business owners:

- To combat the high failure rate of new businesses, the University of Minnesota's Agriculture Education Division began a long-term project to develop, test, evaluate, and disseminate an instructional program in small business management education patterned after the university's successful farm management education effort.

  -- The program is now underway in more than 30 schools in 9 states

  -- 75% of the enrollees continue into the second year and 80% or more of the second year students continue to the third

  -- According to Edgar Persons, director of the Minnesota program, for each dollar spent in the program in 1974, the community received a net return of $12.

- Connecticut: Hartford public school students work for pay in 15 businesses operated within the school system. These learning ventures include and auto center, a storm window manufacturing and installation service, a loan company, a bakery, and three school stores.

- Minnesota: Entrepreneurs are being developed in Minneapolis, where junior high students run restaurants and other businesses through three in-school "Technical Centers," and high school students run an auto repair shop and a drycleaning establishment.

Here are just a few examples of the new entrepreneurs prepared by vocational education:

- Janis Oliver, a graduate of Havre High School, Havre, Montana, is successfully pursuing a career in fashion merchandising. She, along with her sister, owns and manages J-Fashions, a fashion shop in Havre.

- Barbara Clark, a graduate of Springfield High School, Springfield, Oregon, has opened "The Gingham Dog and the Calico Cat" in Ladeview. She does custom tailoring, designs clothes, and sells antiques, jewelry and plants.

- Bob Frausto, a graduate from Laramie High School, Laramie, Wyoming, is planning expansion of his growing Mexican restaurant, the "El Conquistador." Bob attributes his fast success to the learning experiences of his two-year training in distributive education, one of the vocational education instructional programs.

- Mike Quinn, a graduate of Eisenhower High School, Hopkins, Minnesota, has bought out Larsons men's Clothes shop. Mike previously worked at Larsons as a salesperson. Mike is still involved with the local DECA Chapter and hires some of its members.

- Blake Blyth, a graduate of Franklin High School, Franklin, Virginia, is now owner of his own business, Blake Ford. In addition to being the owner of his own business, Blake is the youngest Ford dealer in the U.S.

STATEMENT OF MAVIS E. KELLEY

Ms. KELLEY. I am going to try to return home this evening so I appreciate the time, I represent the State Supervisors of the Vocational Home Economics across the Nation as their president but am here today to speak about the consumer homemaking program that prepares people for the occupation of homemaking, the job we all share commonly around this table I am sure to more than one degree.

I would like to just highlight two things. The trends that we are concerned about that we have seen in the last 5 years and some of the challenges we could assume if in fact the $6,700,000 of funding was added to our appropriation in the next fiscal year.

The things that concern us are things such as in the last 5 years, it has only been twice that the appropriation level for consumer and homemaking programs has been increased.

When you take into account the inflation rate you mentioned before, those two increases in the last 5 fiscal years have not been able to push or drive the stimulus as the Federal Government attempted to do in the authorizing legislation.

I think the partnership Dr. Taylor talked about becomes less and less from the Federal level as the lack of no increase in appropriations forces the State and local school districts to pick up for the lack of Federal appropiations.

In those last 5 years, the total dollars that were given in increase were $7 million and of that, one-third was mandated to serve economically and disadvantaged students.

That left less than $5 million to address the needs of the nondisadvantaged students in our secondary, postsecondary, and adult education programs.

SKILLS OF DUAL-ROLE MANAGEMENT

To summarize some of the challenges that we would like to assume given $6,700,000 more, we would like to expand our programs to serve additional males and additional females with the skills of dual-role management.

The work of the home concurrently with the work outside of the home. Because futurists project that 70 percent of all women will work outside the home by 1990 and that is not long off.

Jobsharing in the home as well as jobsharing in the marketplace will be a realistic employment pattern. Therefore, we need to train both males and females with the skills of dual-role management in the occupation of homemaking.

We would like to expand our programs to serve additional single heads of households who must cope with dual work roles, management, single parenting and readjustment to new lifestyles.

It was recently reported the single-parent family has increased by 31 percent, almost three times the rate of growth of two-parent families in the United States.

We would like to serve additional economically and disadvantaged persons. We would like to expand the availability of the consumer and homemaking programs which enhance the preparation of skilled workers by making their work role more relevant, by helping them as individuals to become more socially and economically stable, by helping individuals to make dual family and career plans and decisions, to help individuals develop personal and interpersonal skills and to help diminish the sex role stereotypes inherent in even our own occupation of homemaking.

It's our goal someday to provide for all students enrolled in vocational education the opportunity to maintain dual enrollment, enrollment in both the preparation for work in the home and the preparation of skills for work outside of the home.

Today we are turning away potential students at a large percentage of school districts. This is true in Maryland and Iowa. The rate of program expansion nationwide has not kept up with the student demand.

So in summary, I would say that we are looking to an appropriation level of $50,197,000, an additional $6 million, which we feel is not an amount which could not be appropriately and adequately addressing the needs that we have identified in a 1-year fiscal period.

Thank you.

Senator MATHIAS. Thank you very much.

[The statement follows:]

## STATEMENT OF MAVIS E. KELLEY, POST-SECONDARY CONSULTANT, IOWA DEPARTMENT OF PUBLIC INSTRUCTION, DES MOINES, IOWA

Mr. Chairman and Members of the Senate Labor-HEW Sub-committee on Appropriations, I am Mavis Kelley, Post-Secondary Consultant for Vocational Home Economics Programs in the State of Iowa and President of the National Association of State Supervisors of Vocational Home Economics, whose membership currently supervises programs and services to 4 million secondary, post-secondary and adult students enrolled in the consumer and homemaking programs in the United States and its Territories.

I appreciate your invitation and also the privilege of appearing before your sub-committee to discuss the responsiveness and the effectiveness of the consumer and homemaking programs as a part of vocational education and to seek your support for an increase in appropriations for the next fiscal year.

The members of the state supervisors association (NASSVHE) join with the American Vocational Association in support of a request to increase the appropriation level for consumer-homemaking programs to $50,197,000.00 (P.L. 94-482 Sub-part 5).

I. CONSUMER AND HOMEMAKING PROGRAMS - AN INTEGRAL PART OF VOCATIONAL EDUCATION FOR ALL STUDENTS

I will first address consumer and homemaking education's role as an integral part of vocational education and its contribution to an individual's dual role in society - the work role within the home and the work role outside the home. An individual's ability to manage both roles effectively contributes to their productivity, and their social and economic stability.

Consumer and homemaking education provides individuals with the essential skills for the occupation of homemaking. Consumer and homemaking education is a program which encompasses not only knowledge and skills essential to homemaking but also an affective component involving attitudes and judgmental behavior. It is based on the assumption that youth and adults must be educated to manage their resources such as money, time, energy and skills. Consumerism continues to be a major focus of all skill areas related to the occupation; nutrition, housing, clothing, child and adolescent development and others. Consumer skills taught as an integral part of the consumer and homemaking program are: essential throughout the individual's life cycle, needed by all persons in all economic groups, and essential in enhancing employability. Consumer and homemaking education continues to help individuals and/or families to adjust their life styles to their finan-

cial situations, and teaches consumer skills which are significant in the conservation of energy. Consumer and homemaking education prepares individuals for an occupation which has monitary value since services performed would otherwise have to be purchased in the market place; Chase Manhattan Bank has in the past equated the value of these services at approximately $14,000.00 per year.

Consumer and homemaking education makes the preparation for work relevant for many individuals. Consumer and homemaking education develops skills that enhance an individual's self-concept as a productive citizen and employee. Much of an individual's values and goals related to the world of work originate from the home setting. The family influences and is influenced by the work environment of family members. The work environment and home environment can be mutually supportive of one another if individuals are prepared to recognize their dual role responsibility.

Consumer and homemaking education helps the indivdual become socially and economically stable. A study of employment related problems identified by female high school graduates in Iowa as they participated in the work place were money management, food management, acceptance by family members of newly acquired work roles, finding suitable living arrangements, and interpersonal relationships both on and off the job. It is significant to note the students who had been enrolled in the consumer and homemaking classes reported fewer problems in these employment related areas.

Management of financial resources is given a priority in many consumer and homemaking programs because financial problems are recognized as a primary source of stress in the employment setting and the home for both individuals and families. Let me illustrate with a success story of a student who benefitted from a consumer and homemaking program. The high school principal and several faculty members reported that it was a triumph for the school and specifically the consumer and homemaking program that the student, a graduate of a Wisconsin high school, had become the first member of her family to stay out of trouble with the law, to complete high school, to establish a stable home, and even to become a community leader.

Consumer and homemaking helps the individual make dual family and career plans and decisions. Preparation for managing the work of the home and outside employment is addressed very specifically; the decision to assume both

roles, techniques to combine roles successfully, and evaluation of the consequences of the career decisions. The curriculum emphasizes the development of managerial and living skills important to all vocational education students and necessary for performance on the job, in the home or the market place.

Consumer and homemaking education helps the individual develop personal and interpersonal skills. Interpersonal relationship skills are important in the occupation of homemaking and in all other occupations. There is evidence that many people lose their jobs because of their inability to get along with employers or employees. Similarly it is suspected that unsatisfactory interpersonal relationships is a major cause of separation and divorce of families. Similarly it has been documented that there are significant gains in a student's self-concept, feelings of self-worth, in equality with others and respect for themselves as a result of participation in programs of consumer and homemaking education.

The only true criterion of economic value of a worker is not in dollars and cents but in the character of the workers we produce.

Consumer and homemaking education contributes to the productivity of workers. The State of Georgia has one of the largest enrollments of youth and adults in post-secondary consumer and homemaking education programs. Employers have testified that employees currently enrolled or graduates of consumer and homemaking education courses have given evidence of being more responsible and having better managerial skills that enable them to better cope with problems than employees not enrolled in these courses. Consumer and homemaking knowledge and skills can easily be applied to the productivity of workers. For instance, application of the principles of nutrition should diminish nutrition related illness and therefore the absenteeism caused by these illnesses. Also the application of principles of interpersonal relationships as it is applied to individual stress and tension; stress and tension are factors that influence an individual's productivity in their work role. Application of principles of consumerism help the employee manage and receive the greatest benefit from their earnings creating greater self-satisfaction and higher productivity.

II. CONSUMER AND HOMEMAKING EDUCATION'S RESPONSIVENESS TO FEDERAL PRIORITIES

Elimination of sex role stereotyping in the curriculum. State education agencies have given guidance to teachers and administrators to help them

understand their role in the elimination of sexism in student recruitment, course offerings, resource materials, and the classroom environment. Implementation of the ideas will serve to diminish sex role stereotyping in consumer and homemaking classes. The elimination of sex bias and sex stereotyping will serve to both increase the number of male students served in consumer and homemaking education and also set a more favorable learning climate for all students. Enrollments show that there has been a steady increase in the number of male students served in consumer and homemaking education classes. More dramatic data is that which will be collected in the current and succeeding years. Iowa is proud to report a remarkable enrollment gain; in 1968 only 1 percent of secondary students in consumer and homemaking education were male, nine years later (1977) 23 percent of the enrollment was male students.

Greater accessibility of programs to disadvantaged and handicapped persons. The State of Ohio last year reported 20 percent of enrollees in consumer and homemaking programs were handicapped or disadvantaged. Services were provided through mainstreaming and specialized classes. Within the past year identification of handicapped has been more definitive and mainstreaming into regular consumer and homemaking programs has become a reality as evidenced by enrollment growth of handicapped students more than six times that of the 1975-76 school year. Another federally funded innovative program in Ohio is being conducted for disadvantaged persons in the inter city. Students will be taught simple home repairs and then tool maintenance kits will be loaned out for the student to use in the improvement of their home environment. Hopefully, their pride in the accomplishment will help to build not only skills but self-esteem and acceptance of responsibility to the upkeep on one's home environment. Many of these students live in public housing where often people assume little or no responsibility for the maintenance of private or public property.

Programs for disadvantaged persons have also been conducted in correctional institutions, halfway houses and work release programs. The curriculum content is tailored to the student's needs and emphasizes consumer education, coping skills, parent education, values clarification, self-concept, family relationships and nutrition.

Sub-part 5 monies are used in Kentucky to partially support a consumer and family life skills program at the Kentucky Correctional Institute for

Women. The purpose of this program is to help residents develop basic living skills on an individualized basis with emphasis in interpersonal relations, decision-making skills and parenting skills. Students enrolled in the other vocational education programs offered at the school may also be enrolled in this program which adds to their employability skills. Even though success stories may be hard to find as more than 50% of offenders may be again incarcerated, administrators feel the success is in the attitude changes of the residents and cooperation they show during the incarcerated period. Observers of the program have labeled it very worthwhile.

State supervisors have consistently documented the desire of local education agencies to increase programs or services to the disadvantaged in economically depressed areas. Federal legislation requires at least one-third of the Sub-part 5 funds appropriated to states be allocated to this target population. In reality a great number of states actually allocate more than the 33 percent requirement. The State of Kentucky allocated 60 percent of the federal appropriation in FY '78 to serve economically disadvantaged persons.

Parent and nutrition education programs accessible to school age parents and pregnant adolescents. Parent education designed for adolescents addresses the preventive approach with emphasis on decisions to make before becoming a parent, values clarification, and a knowledge of the needs of children for food, shelter, guidance and education.

Although a high percentage of pregnant students elect to drop out of school because of health, financial, emotional or social reasons some students do decide to remain in their regular schools or attend special programs if they exist locally. Consumer and homemaking education teachers reach a very high percentage of those enrolled in the regular classes but because of privacy these students often are not isolated in statistics. Within the home economics curriculum they will be taught many concepts and competencies that can help them, and the regular student, function more effectively as a parent as well as give them a better understanding of child growth and development and personal and family relationships. Ohio reported assisting in the funding of seven local teen age parent programs where students received instruction concerning the management of personal resources, child care and guidance, nutrition, coping with everyday problems, and making decisions about future

goals for self and child. Community health and social agencies are deeply involved as they provide supportive services to these educational programs.

A two-year project in Kentucky developed curriculum materials in response to the federal initiative to expand parent education programs. As a result 53 local school districts initiated programs the following year involving both secondary and adult learners.

Expansion of programs to serve post-secondary and adult audiences. State supervisors of consumer and homemaking education report remarkable growth of both post-secondary and adult enrollments. Two years ago Wisconsin served over 28,000 students; Iowa over 38,000; and Kentucky over 21,200. The following summary of program offerings illustrate both responsiveness to curriculum and to audiences included as emphasis areas in the federal law:

| Curricular Areas | Audiences |
|---|---|
| Consumer Education | Welfare Recipients |
| | Low Income Rural Families |
| | Displaced Homemakers |
| | Senior Citizens |
| | Minority Groups, Spanish Speaking Adults, Vietnamese, Native Americans, and Others |
| | WIC Clients |
| Parent Education | Parents with Children in Foster Care |
| | WIC Clients |
| | Inmates of Correctional Institutions |
| | Single Parent Families |
| | Head Start Parents |
| | Low Income, Disadvantaged Parents Enrolled in Post-Secondary Programs |
| Nutrition Education | WIC Clients |
| | Vietnamese Refugees |
| | Low Income Families, Rural and Urban |
| | Residents of Spanish Speaking Community |
| | Head Start Parents |
| | Senior Citizens |
| | Patients of Maternal and Child Health Centers |

The State of Iowa made a commitment to serve greater members of adult students in Fiscal Year 1974. A special grant program was initiated utilizing federal and state vocational education funds. All post-secondary institutions elected to participate resulting in an increase in adult consumer and homemaking students from 10,000 served in FY '74 to over 33,000 served in FY '78; a dramatic increase in a four-year period, stimulated by the presence of federal vocational education funds.

III. FACTORS WHICH HAVE CONTRIBUTED TO THE EFFECTIVENESS OF CONSUMER AND HOMEMAKING EDUCATION PROGRAMS

Consumer and homemaking education programs have been successful because of the following factors:

--Consumer and homemaking instructors are very knowledgeable about the process by which secondary, post-secondary, and adult students learn.

--Consumer and homemaking education addresses needs of the society in which the program is offered.

--Consumer and homemaking education has given recognition to the traditions of cultural groups.

--Consumer and homemaking education has blended contemporary life outside the school with the education setting, i.e., studies of families today, employment patterns, government policies affecting welfare reform, and care of the elderly.

--Consumer and homemaking education has given primary attention to the individual learners.

IV. TRENDS THAT CONCERN VOCATIONAL EDUCATORS OF CONSUMER AND HOMEMAKING PROGRAMS

**In the last five years the federal appropriation level for consumer and homemaking programs has been increased only twice and rampant annual inflation has diminished the intended impact of the federal dollars.

**The federal share of the funding partnership with state and local government for consumer and homemaking programs has decreased each year and yet Congress has written more prescriptive legislation for states with each reauthorization, an indication of Congressional intent to maintain a leadership role in decision making.

**In the last five years a total of seven million dollars has been added to the federal appropriation level for consumer and homemaking programs. And yet the program is authorized to serve students at all instructional levels,

out-of-school youth, school age parents, elderly persons in correctional institutions, welfare recipients, rural and urban residents, single parent families and others.

**With a Congressional mandate to utilize 1/3 of the federal appropriations for economically disadvantaged persons, less than five million dollars was available to stimulate new and expanded programs to the large numbers of students who are not economically disadvantaged but wish to enroll in consumer and homemaking programs.

V. CHALLENGES TO BE ASSUMED BY VOCATIONAL EDUCATORS OF CONSUMER AND HOMEMAKING PROGRAMS

**Expanding programs to prepare both males and females with the skills of dual role management - the work of the home concurrently with a work role outside of the home. Futurists project 70 percent of all women will work outside of the home by 1990. Job sharing in the home as well as job sharing in the marketplace will be a realistic employment pattern.

**Expanding programs to serve single heads of households who must cope with dual work role management, single parenting and readjustments to new life styles. It has been recently reported that the single-parent family has increased by 31 percent, almost three times the rate of growth in two parent families.

**Expanding programs to serve greater numbers of economically disadvantaged persons. The current economic trend of rampant inflation has increased the number of economically disadvantaged persons who are having difficulty with consumer decision making related to provisions of housing, food, transportation, clothing, and the management of financial resources.

**Expanding the availability of consumer and homemaking programs which enhance the preparation of skilled workers by:

--making work roles relevant

--helping individuals become socially and economically stable

--helping individuals to make dual family and career plans and decisions

--helping individuals develop personal and interpersonal skills

--helping diminish sex role stereotypes

**It is our goal to some day provide for all students enrolled in vocational education the opportunity to maintain dual enrollment in the preparation of skills for the work of the home and the preparation of skills for work outside of the home.

Today we are turning away potential students in a large percentage of the school districts in every state throughout the United States. The rate of program expansion nationwide has not kept up with student demand despite declining secondary school enrollments.

VI. AN INCREASE IN FEDERAL APPROPRIATIONS - NEW INITIATIVE AND GREATER LOCAL COMMITMENT

Consumer and homemaking program educators are committed to carrying out the new challenges outlined in the vocational education amendments. They are requesting a funding level for FY '80 of $50,197,000.00 to meet the challenge granted by Congress. We believe this will allow every state to expand services and local appropriations for consumer and homemaking assuring the opportunity to expand programs. Specifically, we believe expansion of programs and services will occur in six areas:

---Expansion of consumer and homemaking secondary and post-secondary programs to respond to a greater number of male students who seek skill training in the occupation of homemaking. High schools in every state turn away potential students, male and female, because of a lack of federal funding to stimulate and increase the number of programs. Additional federal funds are needed to reach additional male students.

---Expansion of consumer and homemaking programs in rural and urban areas to reach target audiences. Outreach programs have been mandated in the new law; the cost implementation of outreach programs add substantial excess cost to the existing program. Additional federal funds are needed to implement the congressional mandate for outreach programs to reach target audiences.

---Expansion of consumer and homemaking programs in every community to include special needs students within the classroom setting and encourage special services to meet their unique needs. Additional federal funds are needed to reach special needs audiences.

---Expansion of the number of staff available to provide a realistic student-teacher ratio in classes which mainstream handicapped and disadvantaged students. Additional federal funds are needed to provide appropriate learning environments for disadvantaged and handicapped students.

---Expansion of resources available to be utilized in economically depressed areas or areas of high rates of unemployment. Additional

federal funds are needed to provide consumer and homemaking programs in depressed areas.

---Expansion of the number of offerings available to the large percentage of students who do not drop out of secondary schools including school age parents. Additional federal funds are needed to expand the number of offerings to secondary students who graduate from high schools.

Three and one-half million students were served in consumer and homemaking programs in FY '76 at a cost per student of $11.50 federal funds; $50,197,000.00 would allow us to serve 4.5 million students at the same level of federal funding per student. The increase in number of students seeking access to consumer and homemaking programs in rural and urban areas, at all instructional levels and those who are in special populations far exceed 4.5 million people. However, we feel an increase of $6,700,000.00 would allow us to realistically expand programs and services to serve an additional 1 million students in one years time if all inflationary costs are covered by state and local funds.

VII. THE COST OF MEETING THE CHALLENGE: FY 1980 APPROPRIATION REQUEST

| | |
|---|---|
| F. Y. 1979 AVA Request | $50,000,000.00 |
| F. Y. 1979 Appropriation | 43,497,000.00 |
| Additional Funds Requested | 6,700,000.00 |
| F. Y. 1980 Request | 50,197,000.00 |

CONCLUSION

The secondary, post-secondary and adult vocational education students of today will be the active work force of the near future. We ask you to give all vocational education students the opportunity to prepare themselves to manage both a family life and a career; we ask you to support additional appropriations vitally needed to continue and expand the consumer and homemaking programs in our secondary and post-secondary institutions. We ask you not to leave the future of our nation's work force to chance. Invest in the educational delivery system - consumer and homemaking education - which recognizes the relationship between success in the home environment and productivity in the work environment. It will be an acknowledgement of the fundamental importance of the management role of households to the economic and social well being of our nation.

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## Statement of Alberta Hill

Dr. Hill. I am Alberta Hill, representing the American Home Economics Association. That is an organization of about 50,000 men and women. We not only represent early childhood, elementary, secondary and adult continuing education, but also those people who work in extension as dieticians and various kinds of nutrition programs, in all kinds of human services, in research, in higher education.

We do support the comments that have been made by Mrs. Kelley and really appreciate the opportunity to document the need for a program which is both comprehensive and which integrates knowledge in helping people take over the responsibility of maintaining the hopes of the country and support the responsibilities of parenthood.

This afternoon we have been sitting here and we heard of a number of programs that do tackle very important problems in our society.

Home economics, because it is an interdisciplinary, integrated kind of field of study, tackles all of them with the knowledge that we can bring to bear on the problems of the family.

We have been able to do some things in secondary education with the funds that we have and we have tried to outline some of those in our paper.

I won't represent them now. I will say we are happy to try to get additional information for you.

That is the American Home Economics Association can assist in getting documentation of what has been done. I might mention two things that are important.

### NUMBER OF MALES IN HOMEMAKING CONSUMER PROGRAMS

We have increased the number of males in homemaking consumer programs considerably from about 7 percent to 22 percent, I think, on a nationwide basis, and I have to mention the increased number of students we have enrolled in parenthood education, and I am doing that because yesterday I got a marvelous opportunity of visiting some of our better programs in the Tacoma area that really work.

It was kind of a thrill to be there and see what has been done. I don't think I need to review for you some of the social problems that make it even more necessary for us to have homemaking and consumer education at this particular time.

### SINGLE-PARENT FAMILY

Mavis has mentioned the problem of the single-parent family, and, of course, the increase in the number of two-parent families where both of them are working.

I think we can demonstrate, although it is very difficult, it may be easier when we get some information from the Department of Commerce on the worth of the homemaker, but it is difficult to document but we think we can to a certain extent the economic value of our maintaining homes and the value of our preparing people who are in the work force to cope with their home responsibilities.

AVOIDING INSTITUTIONALIZATION

One of the problems that I also might just highlight is the fact that as a society, we are moving toward trying to avoid institutionalization of various kinds of people who in the past have been institutionalized, particularly the handicapped and the elderly.

The home economics education programs have a great contribution toward helping these people live independently with our educational programs for them. One of the things I might point out in closing is that as an educational program very much concerned with some of our social problems, our severe social problems of malnutrition, child abuse, on and on, we work in a development approach and try to address these problems in an educational context, in a preventive context as opposed to waiting until it becomes a matter of needing crisis intervention.

Senator MATHIAS. Thank you very much.

[The statement follows:]

## STATEMENT OF DR. ALBERTA HILL, PRESIDENT-ELECT, AMERICAN HOME ECONOMICS ASSOCIATION

Mr. Chairman, I am Alberta Hill, President-elect of the American Home Economics Association, a national professional association of over 50,000 men and women who work in a variety of settings, including early childhood programs, elementary, secondary and post secondary educational institutions, the Cooperative Extension Service, human services agencies, the business community and in government. Home Economics, since its formal beginnings in 1909 has emphasized "family" as the essential unit in our society and has directed its efforts to enable families to best provide for themselves and their individual members.

We appreciate this opportunity to testify before your Subcommittee today. You have been a strong and consistent leader of educational opportunities for America's students. We are here today to provide additional information about the scope and quality of home economics programs funded under Subpart 5 of the Vocational Education Amendments of 1976, and to enlist your support for our request to increase the appropriations level for Consumer and Homemaking Education programs to $50 million for FY '80.

The pertinence of education for learning and performing family roles and for the management of resources is well-documented. Although an established, responsive and proven delivery system exists for this type of education, federal support for this endeavor has been decreasing. The authorizing legislation for the Consumer and Homemaking programs under the 1976 Amendments permitted a funding ceiling of $65 million for FY '79 and $75 million for FY '80. As you know, the Administration in its FY '80 budget, requested that Consumer and Homemaking programs be continued at the current level of services, i.e. $43,497,000. Given the mandates of the 1976 legislation, including the program thrusts and the priority

populations to be served, this funding level would permit no program expansion for students. More seriously, however, maintaining the current level of funding would undermine existing programs and require a reduction of teaching personnel.

We can document program and participant growth since the 1968 Consumer Homemaking amendments were implemented. Such program growth includes:

a. Increased proportion of males enrolled--from 8% in FY '72 to 22% in FY '77;
b. Increased proportion of learners identified as economically disadvantages;
c. Increased proportion of special learners;
d. Increased numbers of students enrolled in parenthood education, consumer education, nutrition education, the three program emphases of the 1976 legislation;
e. Increased numbers of school-community linked programs, through FHA/HERO chapters and adult education;
f. Overall increases in student enrollments;
g. Evidence of federal monies used to stimulate innovations via curriculum development, research and development, and ancillary services.

Home economists believe that Consumer and Homemaking programs are more vital than ever. These programs are a demonstrated way of enabling boys and girls, men and women, regardless of socio-economic status and regardless of race, to better manage their individual and family resources— including finances, time and emotional and physical energy. Family structures, size, composition, and environments are undergoing radical changes in America today. For some families, these changes have created and enhanced opportunities for shaping their own lives. For other families, changes have meant reduced capacity to meet family needs, and increased pressures.

1. Because of economic necessity, men and women who are single parent heads of households are now performing dual responsibilities in the home and in the paid labor force.

2. There is a marked increase in the number of two parent families, where both adults are working in the paid labor force to sustain their household needs. "In recent years, the number of working mothers of children under the age of 18 has dramatically increased from approximately 42% in 1970 to 53% in 1978——an increase of 26% in 8 years." Home economists can demonstrate that successful management of family needs and family relationships permit greater success in employment. We recognize that success in the home environment and productivity in the work environment can become a major strategy for strengthening families.

3. The increasing number of teenage pregnancies and adolescent parents emphasizes the vital need for basic parenthood education to enable young, inexperienced adolescents to develop living skills and become more responsible parents. Parenthood education enables students to manage their new, dual responsibilities of parent and student.

4. Nutrition education is looked to more and more as a means of preventing many health problems in later life.

5. Consumer education is crucial. We seem to be entering an era of scarcity, and we are gradually recognizing that resources <u>are</u> finite. Some of the objectives of consumer education include understanding the concepts of sales tax and income tax, awareness of the basic principles of money management, awareness of the principles of comparison shopping, understanding of credit systems,

and a knowledge of the resources available to the consumer in the face of misleading and/or fraudulent product/service claims or tactics. These are program emphases in Consumer and Homemaking Education. This type of education serves all homemakers.

6. In addition, we find it important, when government policies are being developed to avoid unnecessary and inappropriate institutionalization of the handicapped and the elderly, that home economics education, in a variety of settings, be made available to individuals to enable the development of skills for greater independent living.

7. Finally, home economics as been one available professional channel for career advancement for women. Home economists continue to view their profession as a vehicle for sex equity, for women and increasingly for men as they enter a profession with a long history of promoting the development of human potential.

The educational, developmental approach to social and economic problems has been demonstrated to be cost effective. Home economics programs address malnutrition, poverty, child abuse, teenage pregnancy, inadequate housing, consumer exploitation——but in a development, educational context, rather than as crisis intervention. We are providing educational leadership in preparing individuals for multiple roles as family members, workers and community citizens. We have an established and effective delivery system. We must, however, have continuing and increasing federal support to ensure attention to national social and economic needs, and to ensure program quality.

We have submitted a compilation of Consumer and Homemaking programs from 33 states that we would like to include in the record.

We appreciate having had the opportunity to appear before the Subcommittee and offer the support of the American Home Economics Association, with its network of constituents and considerable organizational strength, to work with you toward the shared goal of sound educational programs to address the nation's needs.

Thank you, Mr. Chairman. I will be happy to answer any questions that you might have.

## STATEMENT OF BETTY J. MAGE

Ms. MAGE. I am going to speak on behalf of adult education. I am Betty Mage from Vancouver, Wash., vice chairman of the National Advisory Council on Adult Education.

I do appreciate the opportunity to appear before this subcommittee on behalf of the Council and I would like to point out that I am not professionally employed as an educator.

I am a layman. I am a taxpayer. And for that reason, I feel it especially gratifying to appear before you today.

### ADVISORY COUNCIL REQUEST

The Advisory Council is requesting that your committee seriously consider an appropriation level of $125,525,000 for adult education for the fiscal year 1980 and last year the Labor-HEW appropriation bill did provide $1 million for the Adult Education Act to be effective July 1, 1979, for fiscal year 1980.

The total authorization for the act for fiscal year 1980 is $230 million.

The Council members did appreciate your supporting this authorized level but since the Adult Education Act is funded at the $1 million level, the Council at this time is requesting that you consider an additional $25.5 million to the $100 million level.

The reason this request is being made is because Council members strongly believe that the Government's investment in adult education is cost-beneficial.

A recent study that the Council made indicates that over 61,000 of the participants in adult education programs obtained jobs, returning over $320 million into our country's economy.

Also, these dollars are taxable. Nearly 19,000 persons were removed from the welfare rolls for a savings of over $35 million from public assistance moneys.

It is a known fact that that Nation's most rapidly growing segment of the population is adults and within that segment, illiteracy is a domestic concern. With the passage of an appropriations bill totaling $1,525,000 for fiscal year 1980, the Federal funds in concert with State and local moneys will allow educational agencies to maintain programs in carrying out the provisions of the Adult Education Act which Congress passed last fall and expand the program for those least educated.

The Council has prepared a detailed statement supporting the requests and there are some sections that we are requesting for this additional money.

I would like to highlight those.

STATE GRANTS

The $100 million that has been funded is for section 304, which is the State grants, and the increase we are asking is for these sections. Section 309, we are asking for $1,500,000 for discretionary funds to support the 309 provision for the U.S. Office of Education.

Section 311, $4 million. For special projects for the elderly to implement start-up costs in concert with the Commission on Aging.

STATE-PLANNED DEVELOPMENT

Section 315–B is $5,525,000 for State-planned development. This is extremely important. It really is essential.

If the States are going to implement the intent of Congress to expand the delivery system for those least educated and to develop three-year State planning cycles, this planning should be supported by the 5-percent provision.

IMMIGRANTS

The last request is $4 million for section 318 for the immigrants. This section reflects Senator Javits' detailed work in this area and this will provide start-up moneys for the new section of the act.

In closing, may I say that my family is really personally indebted to the adult education programs we have in this country because my mother-in-law learned to read and write English at age 60 and it was through this type of program that she could communicate with the rest of her family.

So I personally sincerely hope that your subcommittee will give favorable consideration to the request outlined by the Council in their written testimony.

We will appreciate your support.

Thank you.

Senator MATHIAS. Thank you very much. I hope you won't think it reflects any lack of sympathy on my part and I am sure not on the part of Senator Magnuson who has been a great champion of this over the years, but as you know, coming up to a level of $125 million would be an increase over the President's budget of about $35 million, or about a third—a little more than a third increase.

Ms. MAGE. This is recognized but I think as you will find in our testimony, we have identified specific sections and you may not be recognizing all of the areas but we certainly hope you would look at each section in relation to the request of the secretaries.

Senator MATHIAS. We will look at it with great care.

Ms. MAGE. Thank you very much.

[The statement follows:]

## STATEMENT OF MRS. BETTY J. MAGE, VICE CHAIRMAN, THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION

I am Betty Mage, Vice Chairman of the National Advisory Council on Adult Education. I appreciate this opportunity on behalf of our Council Chairman, Mr. Wu, and the Presidential appointees of the Council to submit this written statement in support of an appropriation level of $125,525,000 for Fiscal Year 1980.

Because of the advance funded provision for the Adult Education Act, a brief explanation is in order concerning the request. Last year, the Senate of the United States, in concert with your colleagues in the House of Representatives, passed the FY-1979 Labor-HEW Appropriation Bill which provided $100,000,000 for the Adult Education Act effective July 1, 1979 (FY-1980). The authorization for the Act in FY-1980 is $230,000,000. The $100 million is for the State Grant Program section of the law (refer to Appendix item 1) in FY-1980 and, since the program is advance funded, the Council's testimony today is for funds to be obligated on July 1, 1980, for use during the 1980-81 school year.

The concept of advance funding education programs is sound and a philosophy which assists state and local program development.

The present level of Federal funding (FY-1979) is $90,750,000 and constitutes 90 per centum of the cost of carrying out the states' programs. The contribution for the state and/or local agency is 10 per centum (refer to Appendix item 2).

The request of the Advisory Council is $125,525,000 for the following sections of the Act:

| | | |
|---|---|---|
| 1. | Sections 304/305/306/310/312<br>State Grants | $100,000,000 |
| 2. | Section 309<br>Discretionary Funds[1/] | 1,500,000 |
| 3. | Section 311<br>Special Projects for the Elderly | 4,000,000 |
| 4. | Section 315(b)<br>State Plan Development | 5,525,000 |
| 5. | Section 318<br>Immigrants | 4,000,000 |

| | |
|---|---|
| 6. Participant Growth & Increased Cost Factors | 10,500,000 |
| TOTAL REQUEST | $125,525,000 |

1/The USOE discretionary funds would be utilized in FY-1980. The $1.5 million is not advance funded to FY-1981. The level for Section 309 in FY-1981 is $2 million.

The purpose and method of operating the Adult Education Act program is to assist the States in eliminating illiteracy among the Nation's adults 16 years of age and older. Grants to States are made to support programs that enable educationally disadvantaged adults to develop basic skills necessary to function in society. The grants are made to States under a formula based on the number of adults within the States who lack high school equivalency and who are not enrolled in school. At least ten percent of each State's allotment must be used for special experimental demonstration projects and teacher training. State advisory councils on adult education may be supported, and special assistance is given to the needs of residents of rural areas, of urban areas with high rates of unemployment, adults with limited English language skills, institutionalized adults, and adult immigrants.

To address the problem of functional illiteracy in the United States, the Council's budget request of $125,525,000 is to provide basic support for adult education programs. Additional comments on each section of the law as it relates to a budget request item is as follows:

State Grant

In both 1979 and 1980, States are required to implement several changes mandated by the Education Amendments of 1978. States are expected to: improve needs assessments; expand the delivery system to include such groups as business, industry, labor unions, and community organizations; provide for a greater participation in the formulation and execution of State plans; concentrate resources on those who are most needy; and assist in removing barriers to participation in the program.

The estimated number of participants in the program in 1980 is 2,195,000.

The base level of funding for the state grant section is $100 million which, in addition to the instructional program stated in sections 304-5 and 306, includes the use of funds for special experimental demonstration projects and teacher training (not less than 10 per centum) and the discretion to fund a state advisory council.

Research, Development, Dissemination, Evaluation, and Information Clearinghouses

The U.S. Commissioner of Education has authority under this section to make grants and contracts to develop promising approaches and innovative methods addressing adult education problems having national significance. The Commissioner may also conduct evaluations and provide national information on approaches and methods pertaining to adult education.

This new provision of the Education Amendments of 1978 (P.L. 95-561) is being recommended for full funding by the Council at a level of $1.5 million.

Special Projects For The Elderly

The U.S. Census Bureau has recently indicated that in 1980, 11.2 percent of the population will be 65 years of age and over, compared to 8 percent in 1950. The projection is 40 million adults over 65 years of age by the year 2000, only 20 years away. That is almost a 100 percent increase over our current senior citizen population.

To meet the needs of this expanding population, educators, social scientists, physicians, and philosophers are intensifying efforts to improve the quality of life for the older person. The Adult Education Advisory Council concurs with the Congress in a provision within the Adult Education Act to authorize education projects to assist the elderly.

Funds in the section of the Act would enable the U.S. Commissioner of Education and the Commissioner of the Administration on Aging to coordinate many aspects of an education program and provisions of the Older Americans Act.

The Council supports an initial appropriation of $4 million.

Administration And Development Of A State Plan

Because of the expanded delivery system concept in the Act as a result of the 1978 Amendments, it is increasingly important that the Senate Appropriations Subcommittee provide funds under provisions of Section 315(b) which will aid the states in their three-year planning and the administrative requirements of the law.

The Council, through its state program visitation format, has significant evidence supporting the need to have this subsection of section 315 funded at a 5 per centum level. This would be 5 per centum of the state grant program ($100 million), together with the $10.5 million for growth and increased cost factors which

total $110.5 million resulting in a $5,525,000 appropriation for state plan administration.

Educational Opportunity For Adult Indians

The Act provides, under Section 316, authority for grants to state and local education agencies, and Indian tribes in support of planning and implementing adult education activities for Indians. The Act has an authorization level of $8 million each year through 1983.

The Adult Education Act has the authority for the program; however, it is administered by the Deputy Commissioner for the Office of Indian Education within USOE. The U.S. Office of Education is requesting an appropriation of $5.9 million through the Senate Committee on Interior and Related Agencies. The Adult Education Advisory Council supports that request and does not include that amount in this Labor-HEW Appropriation testimony.

Indochina Refugees

Adult education programs are supported through appropriations in the Indochina Refugee Children Assistance Act. Programs of instruction of adult refugees in basic reading and mathematics have been very successful and Congress should continue support for that target population.

The Council does not make a recommendation for an appropriation to Section 317 in this FY-1980 request. The Council will provide testimony for an appropriation level to implement this section from Indochina Refugee legislation rather than the Adult Education Act which has no authorization language.

Adult Immigrants

In the Senate Conference Report of last year (Report No. 95-856; May 15, 1978), the Committee on Human Resources provided information on the educational needs of adult immigrants. The Senate Report stated:

> "The Committee was impressed with the unserved needs discovered by its review of programs currently serving adult immigrants. Site visits were made and professional associations were consulted in designing the new program. The needs of immigrants differ somewhat from those of other adult education program participants, including a component geared to meet the need of immigrants for programs of English as a second language. Immigrant participation and retention rates in programs offered by the existing school-based provider system are exceedingly low."

In order to serve the unique needs of the adult immigrant, the National Advisory Council on Adult Education recommends an appropriation of $4 million under Section 318

of which 50 per centum would be made available for subsection (e).

The $4 million would provide adult education funds for 40,000 legal immigrants. This represents only 10 per cent of the immigrant population arriving in the United States each year. However, the $4 million would initiate a major step toward immigrant adult basic education.

* * * * * * * * * * * * *

As a group, the adults assisted by this program constitute perhaps the most disadvantaged subpopulation in society. They have not received the full benefits of education in the past. Furthermore, they have not mastered a basic use of language, cannot cope with the demands imposed by modern society, are unable to participate fully in the labor market or to reduce their dependence on government institutions, and thus remain semi-excluded from the benefits of American life.

With passage of an appropriation bill totaling $125,525,000 for FY-1980, the Federal funds in concert with state and local monies and the provisions of the Adult Education Act program will continue to address the needs of the educationally disadvantaged in our adult population. Expected benefits included the acquisition and mastery of the basic skills necessary to function in society, to secure and improve employment opportunities, and to participate fully in the political, economics, and social arenas. Furthermore, the educational achievement and attainment of children whose parents are in the adult program will be supported and improved thereby reducing the need to provide remedial assistance in the future for these youngsters.

The Senate of the United States has determined that the Adult Education Act program is basically sound. The Council agrees with that assessment and provides the Senate Subcommittee on Appropriations with a recommendation for financial support that is in line with the intent of Congress for the Adult Education Act.

* * * * * * * * * * * * *

Recommendation -- FY-1980 -- $125,525,000

APPENDIX

Item 1

Grants to States

Sec. 304. (a) The Commissioner is authorized to make grants to States, which have State plans approved by him under section 306 for the purposes of this section, to pay the Federal share of the cost of (1) the establishment or expansion of adult basic education programs to be carried out by local educational agencies and by public or private nonprofit agencies, organizations, and institutions and (2) the establishment or expansion of adult education programs to be carried out by local educational agencies and by public or private nonprofit agencies, organizations, and institutions. Grants provided under this section to States to carry out the programs described in the preceding sentence may be carried out by public or private nonprofit agencies, organizations, and institutions only if the applicable local educational agency has been consulted with and has had an opportunity to comment on the application of such agency, organization, or institution. The State educational agency shall not approve any application unless assured that such consultation has taken place. Such application shall contain a description of the cooperative arrangements that have been made to deliver services to adult students.

(b) Not more than 20 per centum of the funds granted to any State under subsection (a) for any fiscal year shall be used for the education of institutionalized individuals.

Allotment for Adult Education

Sec. 305. (a) From the sums available for purposes of section 304(a) for the fiscal year ending June 30, 1972, and for any succeeding fiscal year, the Commissioner shall allot (1) not more than 1 per centum thereof among Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands according to their respective needs for assistance under such section, and (2) $150,000 to each State. From the remainder of such sums he shall allot to each State an amount which bears the same ratio to such remainder as the number of adults who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools in such State bears to the number of such adults in all States. From the sums available for purposes of section 304(a) for the fiscal year ending June 30, 1970, and the succeeding fiscal year, the Commissioner shall make allotments in accordance with section 305(a) of the Adult Education Act of 1966 as in effect on June 30, 1969.

Item 2

Payments

Sec. 307. (a) The Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to that State. The Federal share shall be 90 per centum of the cost of carrying out the State's programs, except that with respect to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, the Federal share shall be 100 per centum.

(b) No payment shall be made to any State from its allotment for any fiscal year unless the Commissioner finds that the fiscal effort per student or the amount available for expenditure by such State for adult education from non-Federal sources for the preceding fiscal year was not less than such fiscal effort per student or such amount available for expenditure for such purposes from such sources during the second preceding fiscal year, but no State shall be required to use its funds to supplant any portion of the Federal share.

Item 3

Research, Development, Dissemination, Evaluation, and Information Clearinghouse

Sec. 309. (a)(1) Subject to appropriations under this section, the Commissioner shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program--

(A) to develop new and promising approaches and innovative methods which are designed to address those problems and which may have national significance or be of special value in promoting effective programs under this Act, including one-year grants to States to plan for the expansion of their systems for the delivery of adult education services;

(B) to determine, using appropriate objective evaluation criteria, which projects and approaches assisted under clause (A) and under section 310 of this Act have achieved their stated goals and are capable of achieving comparable levels of effectiveness at additional locations; and

(C) to disseminate throughout the Nation information about those approaches or methods pertaining to adult basic education which are most effective, by establishing and operating a clearinghouse on adult education which shall collect, select, and disseminate to the public information pertaining to the education of adults, those approaches and methods of educating adults which are most effective, and ways of coordinating adult education programs with manpower and other education programs.

(2) The Commissioner shall directly, and through grants and contracts with public and private agencies, institutions and organizations, evaluate the effectiveness of programs conducted under section 304 of this Act.

(b) In addition to the responsibilities of the Director under section 405 of the General Education Provisions Act and subject to appropriations under this section, the Director of the National Institute of Education, in consultation with the Commissioner, shall directly, and through grants and contracts with public and private agencies, institutions, and organizations, carry out a program to conduct research on the special needs of individuals requiring adult education.

(c) There are authorized to be appropriated for the purposes of this section $1,500,000 for the fiscal year ending September 30, 1980, $2,000,000 for the fiscal year ending September 30, 1981, and $3,000,000 for each succeeding fiscal year prior to October 1, 1983.

Item 4

Special Projects for the Elderly

Sec. 311. (a) The Commissioner is authorized to make grants to State and local educational agencies or other public or private nonprofit agencies for programs to further the purpose of this Act by providing educational programs for elderly persons whose ability to speak and read the English language is limited and who live in an area with a culture different than their own. Such programs shall be designed to equip such elderly persons to deal successfully with the practical problems in their everyday life, including the making of purchases, meeting their transportation and housing needs, and complying with governmental requirements such as those for obtaining citizenship, public assistance and social security benefits, and housing.

(b) For the purpose of making grants under this section there are authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1973, and each succeeding fiscal year ending prior to October 1, 1983.

(c) In carrying out the program authorized by this section, the Commissioner shall consult with the Commissioner of the Administration on Aging for the purpose of coordinating, where practicable, the programs assisted under this section with the programs assisted under the Older Americans Act of 1965.

Item 5

Appropriations Authorized

Sec. 315. (a) Except as otherwise provided, there are authorized to be appropriated $210,000,000 for fiscal year 1979; $230,000,000 for fiscal year 1980; $250,000,000 for fiscal year 1981; $270,000,000 for fiscal year 1982; and $290,000,000 for fiscal year 1983 to carry out the provisions of this title.

(b) There are further authorized to be appropriated for each such fiscal year such sums, not to exceed 5 per centum of the amount appropriated pursuant to subsection (a) for that year, as may be necessary to pay the cost of the administration and development of State plans, and other activities required pursuant to this title. The amount provided to a State under this subsection shall not be less than $50,000 for any fiscal year, except that such amount shall not be less than $25,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Item 6

Adult Education Program for Adult Immigrants

Sec. 318. (a) The Commissioner is authorized to enter into grants and contracts with State and local education agencies and other public or private nonprofit agencies, organizations, or institutions to provide programs of adult education and adult basic education to immigrant adults in need of such services. Such grants and contracts may be used for--

(1) programs of instruction of adult immigrants in basic reading, mathematics, development and enhancement of necessary skills, and promotion of literacy among adult immigrants for the purpose of enabling them to become productive members of American society;

(2) administrative costs of planning and operating such programs of instruction;

(3) educational support services which meet the need of adult immigrants including but not limited to guidance and counseling with regard to educational, career, and employment opportunities; and

(4) special projects designed to operate in conjunction with existing Federal and non-Federal programs and activities to develop occupational and related skills for individuals, particularly programs authorized under the Comprehensive Employment and Training Act of 1973 or under the Vocational Education Act of 1963.

(b)(1) Any applicant for a grant or contract under this section shall first submit its application to the State educational agency. The

State educational agency shall expeditiously review and make recommendations to the Commissioner regarding the quality of each such application, consistent with the purposes of section 306(b) (12) and (13) of this title. A copy of the recommendations made by the State educational agency shall be simultaneously submitted to the applicant.

(2) Any applicant which has submitted an application in accordance with paragraph (1) of this subsection, which is dissatisfied with the action of the appropriate State educational agency may petition the Commissioner to request further consideration by the Commissioner of such application.

(c) Applications for a grant or contract under this section shall be submitted at such time, in such manner, and contain such information as the Commissioner may reasonably require.

(d) Notwithstanding the provisions of sections 305 and 307(a), the Commissioner shall pay all the costs of applications approved by him under this section.

(e) Not less than 50 per centum of the funds appropriated under this section shall be used by the Commissioner to enter into contracts with private nonprofit agencies, organizations, and institutions.

(f) For the purposes of making grants and entering into contracts under this section, there is hereby authorized to be appropriated such sums as may be necessary for fiscal year 1979 and each of the four succeeding fiscal years.

Item 7

LEGISLATIVE HISTORY

P.L. 89-750, Nov. 3, 1966, Title III, 80 Stat. 1191;
P.L. 90-247, Jan. 2, 1968, Title V, 81 Stat. 815;
P.L. 90-576, Oct. 16, 1968, 81 Stat. 1095;
P.L. 91-230, April 13, 1970, Title III, 84 Stat. 159;
P.L. 91-600, Dec. 30, 1970, 84 Stat. 1669;
P.L. 92-318, June 23, 1972, 86 Stat. 342;
P.L. 93-29, May 3, 1973, 87 Stat. 59;
P.L. 93-380, Aug. 21, 1974, Title VI, Part A, 88 Stat. 576;
P.L. 94-405, Sept. 10, 1976, Title III;
P.L. 94-482, Oct. 12, 1976, Title III;
P.L. 95-112, Sept. 24, 1977, 91 Stat. 911; and
P.L. 95-561, Nov. 1, 1978.

# NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION

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## Presidential Appointees

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Ascutney, Vermont
1976 Appointee

Mrs. Betty J. Mage, Vice Chairman
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1976 Appointee

Dr. Archie L. Buffkins
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Presidential appointments are made for a three-year term.

Dr. Gary A. Eyre
Executive Director
Washington, D. C.

STATEMENT OF LEONARD B. HILL

Mr. HILL. Senator, it's good to be here, of course. I would like to speak to you as a practitioner in the field, one who is in touch with the people who are in the program, talking with them, working with them, and knowing how they feel.

Of course, we are a forefunded program. Our fiscal 1980 funding level is $100 million. So I am here really to talk with the subcommittee on restoring the $10 million which the President recommended be taken away.

There are several reasons I would like to suggest we do this. One is because the President himself talked about the curse or blight of illiteracy in our country.

This is a program directly related to illiteracy.

According to our amendment act of 1978, we have the responsibility of searching out the hardest to reach, the hardest to teach, as our No. 1 concern.

We have accepted that challenge but we can't do the job if we are going to have a decrease in funding.

Secondly, I would like to say that as a farm boy in Iowa, now living in Nebraska, that one of my favorite pastimes was to go to the farm pond and throw stones in and watch the ripples cross the water.

The reason I mention that is because the Adult Education Act has tremendous ripples.

Senator MATHIAS. How many times could you get it to skip?

Mr. HILL. We ought to challenge each other. I can't remember but I still do it if you won't tell the environmentalists. [Laughter.]

ADULT EDUCATION ACT

There is a tremendous amount of rippling that comes out of the Adult Education Act. I would like to talk to those three points if I might.

The first one is what happens to the person him or herself. I don't know personally what it means to have someone say to me: No, the job is not available, because I don't have education or qualifications, but to the people in our program, over and over again, this happens.

Sorry, the job has been filled or this or that or something else took place. We are not filling the position today.

The real reason is I am sorry, you don't have the skills, the basic skills, the academic skills that are required to do the job.

Consequently, the person's self-worth goes down, self-confidence is lost.

We worked within the State of Nebraska alone with over 8,000 people each year because of the generosity of Congress and our Federal Government. With the plummeting of self-worth also goes the fact that self-confidence dies.

Pretty soon, we have a group of people who no longer try. But with the adult basic education program, we have an opportunity to work with these people to build not just their academic skills, their basic skills, but we have the privilege of working with them to build self-confidence and to build their self-worth to where they are back on the firing line endeavoring to improve their own self lot.

EFFECT UPON CHILDREN AND YOUTH

This brings me to the second point of the ripple. That is the effect this has upon children and youth. We know for a fact because we studied it very diligently that parents going back to school to complete their education influence their children to stay in school and complete at least a high school diploma program.

Recently, a study was made and it was found out that 92 percent of the young people dropping out of school come from a home where either the mother or dad or both were high school dropouts.

If by getting adults to attend school again, going back to classes, completing a higher degree of education will improve this, I think we have a ripple effect that will save us money in years to come.

COST OF INADEQUATE EDUCATION TO THE NATION

The third point and final point is the financial situation. A few years ago, the Senate asked a group of people to do a study concerning the cost of inadequate education to the Nation.

A report was brought back to the U.S. Senate. These are some of the facts from that report.

It costs the Nation $237 billion in foregone income over the lifetime of these men and women who didn't complete at least a high school diploma. Of that $237 billion, at the time of the study, this would have meant $71 billion to the Federal Government in tax alone.

It would have meant an additional $24 billion to State and local tax treasuries. I think the cost of educating these people was about $40 million so we are talking about a net loss of approximately $200 billion.

Now, to put it down in terms of what we are talking about right here today, an increase—a decrease of $10 million will mean an approximate 100,000 people that have to be dropped from the program. I would hate to be the one, and I will have to be, to say to certain people in our State: "I'm sorry, we have to cut the program because funds are no longer available."

Senator MATHIAS. There is no room in the inn.

Mr. HILL. Well said. We are beginning to find out through the CETA program that many people can't be trained for jobs, vocationally or any other way, because they just don't have the basic skills.

We are interested in providing those basic skills. Senator, we are in the business of helping people. We need your help in order to do it.

I recommend that you give serious consideration to at least the restoration of the 10 million if you can't go another $25 million.

Senator MATHIAS. Thank you very much.

We—first, let me express my personal gratitude to all of you for what you do every other day of the year and my appreciation for your being here today.

Dr. TAYLOR. Thank you.

[The statement follows:]

## Statement of Dr. Leonard Hill, National Association for Public Continuing and Adult Education

Thank you for allowing me to appear before you today requesting increased funding for the Adult Education Act. It is my privilege to speak for the National Association for Public Continuing and Adult Education (NAPCAE) and for the three major groups affiliated with it--the National Council of State Directors of Adult Education, the National Council of Urban Administrators of Adult Education, and the NAPCAE Council of Affiliates. It is the thousands of members of these groups who have the responsibility for developing and carrying out the programs funded by the Adult Education Act across the country.

My fulltime responsibility is for adult and community education in the State Department of Education in Lincoln, Nebraska. I am currently serving as a NAPCAE Board member, and also as the chairman of the National Council of State Directors of Adult Education. Furthermore, it was my privilege to be elected as the first chairman of the National Advisory Council on Adult Education. Therefore, I am fortunate to be testifying about a program with which I have been intimately involved for many years and in whose value I deeply believe.

Today I am also representing the NAPCAE President, Dr. Thomas Damon, Palo Alto, California; the president of the urban administrators' council, Joe Fuller, Atlanta, Georgia; the president of the affiliates' council, Tom Ridlehuber, Waco, Texas; and the chairman of the NAPCAE Legislative Committee, Dr. Bob Walden, Montgomery, Alabama. I am accompanied by our executive director, Dr. James Dorland, who has appeared before this and other Congressional committees many times since he began representing us here in 1965. We also work closely with the National Advisory Council on Adult Education and various other groups which advocate increased educational services for our millions of undereducated adults.

Recognizing that you are hearing from many witnesses today, I will keep my testimony concise and to the point. First, a brief background statement: The Adult Education Act was passed by Congress in 1966 and has been amended and extended a number of times during the past thirteen years,

with the most recent extension coming last fall in the Education Amendments of 1978, P.L. 95-561. Its purpose is threefold: 1) to enable all adults to acquire the basic skills necessary to function in society; 2) to make it possible for those adults who wish to do so to complete at least the level of secondary school (high school), and 3) to make available to adults the means to secure training that will enable them to become more employable, productive, and responsible citizens. Thus, by its very nature the Adult Education Act is one of the most basic and most practical pieces of education legislation ever enacted. I need not go into detail over its litany of success--economic impact; extremely low cost per student; creative funding partnership among state, local and federal governments; minimal administrative costs--other than to state for the record that from all standpoints the Adult Education Act has been a "winner."

Its most recent funding history helps set the stage for our request today. From $67.5 million in FY 1976, to $71.5 million in FY 1977, to $80.5 million in FY 1978, to $90.75 million in the current fiscal year, the Adult Education Act has grown steadily but not spectacularly. As you know, the Adult Education Act is one of a small number of education programs which is advance funded by Congress. Therefore, although you are hearing testimony today for the Fiscal Year 1980 Labor-HEW budget, the Adult Education Act has already been allocated $100 million for next year, and in reality we are talking about advance funding for Fiscal Year 1981.

Traditionally, the people who have been consistently bypassed by our educational system and who have been systematically excluded from the mainstream of American society by virtue of their "have not" status, have also not been very well organized politically or legislatively. In effect we are trying to serve as their advocates. Also, because of the peripheral and fragmented nature of the field of adult education, we adult educators have not always presented as coordinated a front as our undereducated adults deserve. However, the hundreds of thousands of adult students, teachers and administrators which NAPCAE represents today are together in presenting a statement of need for advance funding for the Adult Education Act for Fiscal Year 1981. This is our plea: We ask that you advance fund the Adult

Education Act at the level of $123.5 million for FY 1981. Using the base of $100 million which Congress has already set aside for the 1980 fiscal year, we are seeking an additional $7 million for normal program cost increases for FY 1981, $15 million more for the state grant programs to meet the new Adult Education Act requirements for "significant expansion of adult education services" in P.L. 95-561, and we request $1.5 million for the purposes of Section 309, Research, Development, Dissemination, Evaluation, and Information Clearinghouse, which is to be allocated by the Commissioner of Education and the Director of the National Institute of Education. In summary, we request the following advance funding for the Adult Education Act for FY 1981:

| | |
|---|---|
| Continuation of Basic Allocation | $100 million |
| Normal Operating Increase | 7 million |
| State Grant Increase | 15 million |
| Initial Funding for Section 309 | 1.5 million |
| Total Amount Requested: | $123.5 million |

I should point out that although we are requesting a specific allocation of $1.5 million for Section 309 of the Adult Education Act--because we feel this effort is unique and is greatly needed--there are four other sections of the Act which also require separate funding: Section 311, Special Projects for the Elderly; Section 316, Improvement of Educational Opportunities for Adult Indians; Section 317, Emergency Adult Education Programs for Indochina Refugees; and Section 318, Adult Education Program for Adult Immigrants.

These are all programs which we think are worthy of funding, just as we have consistently felt that Section 315 (b) should be funded in keeping with its language which states: "There are further authorized to be appropriated for each such fiscal year (through 1983) such sums, not to exceed 5 per centum (of the total authorization) as may be necessary to pay the cost of the administration and development of State plans. However, we are realistic and can appreciate your limitations during a period of relative austerity. Although we would like to see the entire Adult Education Act funded at the maximum possible level, we recognize that all of the special populations can be reached through an adequately funded state grant program, and therefore we are concentrating our request on the $122 million for that

program, and the $1.5 million for Section 309. Congress has required in the new legislation that there be a "significant expansion of the adult education delivery system through the use of agencies, institutions, and organizations other than the public school systems, such as business, labor unions, libraries, institutions of higher education, public health authorities, antipoverty programs, and community organizations." Those of us in adult education intend to meet that requirement, but to do so effectively and without program reduction will mean that the Adult Education Act should be funded at the level we are requesting today.

Mr. Chairman, illiteracy is one of mankind's most debilitating problems. It is a modern day plague. Due to the programs funded by the Adult Education Act in the past 13 years, we are on the road to making a dent in America's illiteracy problem. Please help us continue along that road. Thank you for hearing our request today in behalf of adequate funding for the Adult Education Act.

## STUDENT ASSISTANCE, TRIO, LIBRARIES, COMMUNITY EDUCATION

STATEMENTS OF:

ARNOLD MITCHEM, NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

JOEL PACKER, LEGISLATIVE DIRECTOR, UNITED STATES STUDENT ASSOCIATION

DANNY EALUM, TRIO DESK DIRECTOR, USSA

JOHN FALLON, PRESIDENT, NATIONAL COMMUNITY EDUCATION ASSOCIATION

MS. EILEEN D. COOKE, ASSOCIATE EXECUTIVE DIRECTOR, AMERICAN LIBRARY ASSOCIATION

PAT KOCIAN, NATIONAL DIRECTOR, COPUS

STEVEN ABRAMS, COPUS

Senator MATHIAS. Our next and last panel of the day is the Student Assistance and TRIO, Libraries, Community Education, and if there is any other individual——

[Laughter.]

Senator MATHIAS. As an act of simple humanity——

[Laughter.]

Senator MATHIAS [continuing]. To yourselves and particularly to our long-suffering reporter, I hope we can submit as many of the statements and rely primarily on what you can interpret for us.

Has everybody been identified?

Mr. MITCHEM. I am Arnold Mitchem, Director of Educational Opportunity Program, Marquette University, and convenor of the National Coordinating Council of Educational Opportunity Associations.

I would like to introduce Joel Packer, Legislative Director of the United States Student Association, who will focus on basic grants. Danny Ealum, TRIO desk director for the United States Student Association, will comment on the trial programs.

Patrick Kocian, to my right, National Director of the Coalition of Independent Colleges of the United States, will focus his comments on Campus-based programs.

There are also some other persons who have been added to the Panel who might like to introduce themselves.

Ms. COOKE. Eileen Cooke, American Library Association, Associate Executive Director.

Mr. ABRAMS. Steve Abrams, also with COPUS, as a listener.

Dr. FALLON. I am John Fallon, President of the National Community Education Association.

TRIO PROGRAMS

Mr. MITCHEM. I would like to make three brief points. First, Let me say that less than 10 percent of the eligible population is currently being served by the TRIO programs.

Second, it's a very cost-efficient program. The cost for the student is low. For example, educational opportunity centers, the cost per student is $63; talent search, it's $75; special services $326 per student; and Upward Bound is $1,231.

The last point I would like to make is I would urge this subcommittee to consider an appropriation of $155 million over current service level and with that I will conclude, and Mr. Packer will talk about basic grants.

STATEMENT OF JOEL PACKER

Mr. PACKER. Just before I start reviewing our concerns regarding the fiscal 1980 budget, let me briefly run through a problem we had with the fiscal 1979 budget which I hope this committee can take action on.

MIDDLE-INCOME STUDENT ASSISTANCE ACT

The issue I am referring to is the financing of financially independent students. As you are probably aware, last year the Middle-Income Student Assistance Act which passed Congress made changes in the way awards are calculated for these people under the basic educational opportunity grants program, basic grants. In effect, several inequities that had been affected were removed. Liberalization was made in the formula to calculate awards for these people. These things are supposed to be effective with this current fiscal year, which would be for the upcoming academic year.

The administration, however, decided to delay implementation of this program until fiscal year 1980 which would be academic year 1981.

Initially, the administration claimed that they were legally prevented from funding the independent students in fiscal year 1979 because of a technicality. They have since financially admitted that it is really a budgetary decision to deny the 60,000 students the money they are entitled to under the law.

The legal technicality that they had referred to is the fact that in the final Labor-HEW appropriations bill for this current fiscal year there was language added that stated that no changes should be made in award calculations for these independent students.

This was done, however, before the Middle-Income Student Assistance Act passed at a time when it didn't appear this bill was going to pass.

Since that time several Members of Congress, including the chairman and ranking Republican of this subcommittee, have written to Secretary Califano stating in very strong terms it's their belief and intent that these students be funded this current fiscal year.

My organization urges this subcommittee to take whatever action is necessary to insure that these independent students receive the funds Congress intended them to have.

OPTIONS TO SOLVE THE PROBLEM

There are three options we will present to overcome this problem. First, the administration, since they admit it's a budgetary and not a legal decision, in effect, could be said to be either rescinding or deferring an appropriation already made. As you are well aware, this can't be done unless the administration submits an official request and Congress acts on it.

The second complete order could simply be as part of the fiscal year 1979 supplemental appropriations bill to add an additional $130 million to insure that these students are funded.

The third aspect is a little more complicated. The administration is proposing to carry over funds from both fiscal year 1978 and fiscal 1979 basic grant appropriations into fiscal 1980.

The amount they are requesting to carry over exceeds in effect what they are allowed to carry over under the Higher Education Act, so their carryover is really a reappropriation request of the subcommittee. We believe that this subcommittee could deny this full reappropriation request mandating that sufficient funds, funds from 1978 be left in the fiscal 1979 appropriation to fund these independent students.

This issue is one of our top priorities, and we once again strongly request you take whatever action is necessary to overturn the administration's defiance of congressional intent and action.

BASIC GRANTS

Let me briefly run through the two programs for fiscal year 1980 that I want to talk about. Basic grants is one of them. Happily for fiscal year 1980, the administration is recommending full funding of this program, planning and implementing all the changes made by the Middle-Income Student Assistance Act, including these independent students.

Their appropriation request is $2.44 billion which would provide grants to about 2.8 milion students. We strongly support their request for full funding and hope this committee will also.

Let me point out, however, that there has been some discussion by the Congressional Budget Office and others that the administration's estimate of what is necessary to forward fund the program might be a little bit short, and my testimony outlines some of the different complex aspects that go into determining the estimate, and I would hope the

committee will carefully examine all the factors and estimates that the administration made and, if it feels that the amount recommended is insufficient, that a sufficient amount be appropriated.

STATE STUDENT INCENTIVE GRANT PROGRAM

In regard to the State student incentive grant program which is the other sort of formula driven Federal grant program, the administration is recommending a level funding for this program at $76 million.

The United States Student Association recommends an increase to $100 million which would provide about 400,000 grants to students averaging $500 apiece.

This program is really the most cost-effective of all Federal student aid programs, because each dollar the government appropriates at the Federal level is matched by a dollar at the State level. It has been tremendously successful. It stimulated establishing these programs and now every single State and territory has them.

We think that increasing the Federal money will allow expansion of some of the smallest State programs, both in terms of the size of the average award and number of students served.

One last reason that an increased preparation is necessary for SSIG is that effective this past October 1, 1978, the statute mandates that all nonprofit institutions must be eligible for SSEG funds. This will increase the number of institutions who will be getting funding from this program.

EDUCATIONAL INFORMATION CENTERS PROGRAM

The last program I want to quickly mention is the educational information centers program, a very small program. So small the administration recommends zero dollars for it.

We believe it should be continued at the level of $5 million.

This program is not really well understood. They are supposed to provide information on opportunities for education, fixed aid, job placement, remedial tutorial services, et cetera, and provide a statewide coordination for these types of information. Two-thirds of the money is from the Federal Government with the State picking up the remaining one-third, and we would hope this committee would recognize the value of these programs and appropriate a small amount of $5 million.

In closing, let me leave you with the words of Thomas Jefferson. He said, and I think his words are still appropriate now, that a people who would be at once ignorant and free wants that which never was and could never be.

I would hope this committee would agree with these words and provide adequate appropriations to insure we keep our selves moving closer to the goal of equal educational opportunity for all citizens.

Thank you.

Senator MATHIAS. Very apt quotation from Thomas Jefferson, one that reflects my concerns expressed to one of the earlier panels.

[The statement follows:]

## STATEMENT OF ARNOLD L. MITCHEM, NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

The National Coordinating Council of Educational Opportunity Associations and its ten constituent associations are recommending an appropriation of $155 million for the Special Programs for Students from Disadvantaged Backgrounds (TRIO) in fiscal 1980. This level of funding is imperative since:

1) There are a substantial number of youth who qualify for TRIO services who are not receiving them. Even at the $155 million level, less than .6% of the eligible population will be served by Educational Opportunity Centers, only 2% of the eligible population will receive Upward Bound Services, only 2.2% of the eligible population will receive Talent Search services, and only 14.2% of the eligible population will be enrolled in Special Services projects.

2) The institutional demand for TRIO services is high and increasing. For example, only 23% of the requests for Educational Opportunity Center funding could be met.

3) TRIO is a relatively low-cost means of providing an avenue of upward mobility to the poor. The cost per client in Special Services this year is only $326, in Talent Search $75, in Upward Bound $1231, and In EOC's $63.

4) The effort to achieve equity in federal educational programs requires increased use of supportive services. Failure to invest sufficient monies in the Special Programs for Students from Disadvantaged Backgrounds will necessarily result in less than a full return on the billions of dollars which the Congress is committed to investing in the student assistance programs authorized under Title IV.

5) The TRIO Programs have been proven effective. For example, 71% of Upward Bound graduates enter college (as measured in a recent study commissioned by the Office of Education) while only 47% of their low-income peers go on to postsecondary institutions.

The National Coordinating Council of Educational Opportunity Associations and its ten constituent associations are recommending an appropriation of $155 million in fiscal 1980 for the Special Programs for Students from Disadvantaged Backgrounds (TRIO). The thrust of my remarks today is quite simple. First, there are a substantial number of youth who qualify for TRIO services who are not receiving these services. Secondly, the institutional demand for TRIO services is high--and increasing. Thirdly, TRIO is a relatively low-cost means of providing an avenue of upward mobility to the poor. Finally, the effort to achieve equity in federal educational programs--a continuing concern of this House and this Subcommittee for at least the past fifteen years--requires increased use of supportive services at the college and pre-college levels; in our view failure to invest sufficient monies in the Special Programs for Students from Disadvantaged Backgrounds will necessarily result in less than full return on the billions of dollars currently invested in the Student Assistance Programs authorized under Title IV of the Act.

UNMET NEED

The Special Programs subpart authorizes six programs: Special Services for Disadvantaged Students, Talent Search, Upward Bound, Educational Opportunity Centers, Service Learning Centers, and a training authority for Special Program staffs. For fiscal 1979 the $140 million appropriated for the TRIO programs was allocated by the Department of Health, Education and Welfare as follows: $55 million to Special Services, $15.3 million to Talent Search, $61 million to Upward Bound, $2.4 million to the training authority, and $6.3 million to Educational Opportunity Centers. The Service Learning Centers program was not funded. This funding will allow the provision of service to approximately 168,700 students in Special Services projects at an average cost of $326 per student, 204,000 individuals in Talent Search projects at an average cost of $75 per person, 49,550 students in Upward Bound projects at an average cost of $1231 per student, and 100,000 persons by Educational Opportunity Centers at an average cost of $63 per person. Yet this level of services is not nearly sufficient to meet the needs of the eligible population. While it is difficult to precisely delineate the number of persons eligible for TRIO services because of vagueness in the authorizing legislation, the following suggests the extent of unmet need.

Special Services programs are targeted upon students, enrolled or accepted for enrollment at the host institution who "by reason of deprived educational, cultural or economic background or physical handicap are in need of such services to assist them to initiate, continue or resume [their] post-secondary education" or students who by reason of limited English-speaking ability are in need of bilingual teaching or counseling.

A February 1979 Current Population Report of the Bureau of the Census indicates that 324,000 students between the ages of 18 and 24 from families with incomes below $5,000 were enrolled in college as undergraduates, 717,000 persons ages 18 to 24 from families with incomes between $5,000 and $9,999 were undergraduates, 901,000 persons ages 18 to 24 from families with incomes between $10,000 and $14,999 were undergraduates, and 2,801,000 persons between the ages of 25 and 34 were enrolled in college. Presuming that all students from families with incomes below $5,000 were eligible for Special Services, that half of the students from families with incomes between $5,000 and $10,000 were eligible for Special Services, that 25% of the students from families wiht incomes between $10,000 and $15,000 are eligible and that the proportion of eligible students in the 25-34 age group was the same as that in the 18 to 24 age group, there are currently 1,263,450 students eligible for Special Services. Assuming a 6% per annum increase in cost of services, without an increase in the appropriations level for the TRIO programs, Special Services projects will only be able to serve 158,960 students or 12.6% of the eligible population in fiscal 1980.

Talent Search services are to be provided to "qualified youths of financial or cultural need" with potential for post-secondary training. According to 1975 census data there are 7,044,000 persons 16 to 45 years of age living in poverty. The authorizing language permits Talent Search projects to serve persons who do not meet poverty criteria as long as the total number of such persons served by a project under this provision does not exceed one-third of the total clients served by the project. Accordingly, the total number of persons eligible for Talent Search services

is approximately 9,368,500. Again, assuming a 6% inflationary increase in cost of services, if a constant level of funding is maintained, Talent Search projects will only be able to serve 191,250 persons in fiscal 1980, that is 2% of the eligible population.

Upward Bound services are directed toward secondary school students from poverty backgrounds with inadequate educational preparation. According to 1975 census data there are 2,526,000 persons between the ages of 14 and 17 living in poverty. Again, given inflation, if a constant level of funding is maintained, the projects will only be able to serve 46,780 students in fiscal 1980; this is 1.8% of the eligible population.

Educational Opportunity Centers are intended to "serve areas with major concentrations of low-income populations." According to the same 1979 Census report, 21,906,100 persons between the ages of 14 and 34 live in central city areas. Presuming that half that number live in areas with major concentrations of low-income people, and that half again that number live in areas of high concentration of rural poverty, at least 16,429,500 persons are eligible for services from Educational Opportunity Centers. Given inflation and a constant level of funding, EOC's will only be able to serve 94,000 individuals in fiscal 1980, i.e. less than 1% of the eligible population.

The following table summarizes availability of services at present funding levels and at the requested funding levels. Projections made at the recommended levels are based on a distribution of funds as follows: $62 million to Special Services programs, $16.8 million to Talent Search projects, $66 million to Upward Bound projects, $7.4 million to Educational Opportunity Centers, and $2.8 million to the training authority.

Availability of Services
Table I

| | SPECIAL SERVICES | | | TALENT SEARCH | | | UPWARD BOUND | | | EDUCATIONAL OPPORTUNITY CENTERS | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Funding | Number Served | % of Eligible Population | Funding | Number Served | % of Eligible Population | Funding | Number Served | % of Eligible Population | Funding | Number Served | % of Eligible Population |
| At present levels-$140 million | 55m | 158,960 | 12.6% | 15.3m | 191,250 | 2.0% | 61m | 46,780 | 1.8% | 6.3m | 94,000 | .5% |
| At recommended levels-$155 million | 62m | 179,190 | 14.2% | 16.8m | 210,000 | 2.2% | 66m | 50,610 | 2.0% | 7.4m | 110,450 | .6% |

DEMAND

The table on the next page illustrates demand and funding patterns between fiscal 1976 and fiscal 1979.

DEMAND AND FUNDING PATTERNS

TABLE II

| Program | Number of Proposals | Number of Projects Funded | Demand | Allocation |
|---|---|---|---|---|
| Fiscal 1976 | | | | |
| Special Services | 570 | 373 | 54m | 23.3m |
| Talent Search | 219 | 132 | 19m | 6.0m |
| Upward Bound | 471 | 424 | 55m | 38.1m |
| EOC's | 135 | 13 | 22m | 3.0m |
| TOTAL | 1,395 | 942 | 150m | 70.3m |
| Fiscal 1977 | | | | |
| Special Services | 558 | 372 | 57m | 30.6m |
| Talent Search | 218 | 116 | 22m | 8.9m |
| Upward Bound | 448 | 345 | 61m | 41.5m |
| EOC's | 106 | 18 | 20m | 4.0m |
| TOTAL | 1,330 | 851 | 160m | 85.0m |
| Fiscal 1978 | | | | |
| Special Services | 651 | 487 | 75m | 47.0m |
| Talent Search | 190 | 131 | 23m | 12.0m |
| Upward Bound | 452 | 380 | 68m | 49.0m |
| EOC's | 72 | 22 | 15m | 5.0m |
| Training Authority | 4 | 1 | | 2.0m |
| TOTAL | 1,369 | 1,021 | 181m | 115.0m |
| Fiscal 1979 | | | | |
| Special Services | 725 | | 83m | |
| Talent Search | 220 | | 25m | |
| Upward Bound | 489 | | 79m | |
| EOC's | 73 | | 17m | |
| Training Authority | -- | | -- | |
| TOTAL | 1,507 | | 204m | |

Thus between fiscal 1976 and fiscal 1979 institutional demand for Special Services funds increased by 53%; demand for Talent Search funds increased by 21%; and demand for Upward Bound funds increased by 43%. This year the Office of Education was only able to meet two-thirds of the demand for Special Services funds, 61% of the demand for Talent Search funds, 77% of the demand for Upward Bound funds, and 37% of the demand for EOC funds.

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COST EFFECTIVENESS

A year ago a New York Times series drew attention to the fact that two societies are emerging in black America--one group rapidly acquiring more education, better jobs and higher incomes; another mired in poverty, an unyielding underclass with few qualifications. Later that month, a series on Mexican Americans in the Washington Post depicted a similar situation among the Hispanic population. Both series stressed the fact that only two options are open to state and federal governments as they consider the plight of poor Americans, be they black, Indian, Latino or white. The nation can choose to maintain the poor in poverty, or it can provide these individuals various means of egress from poverty. Listed below are Department of Labor fiscal 1979 estimates comparing the relative cost of providing these types of services.

| | Cost per Client |
|---|---|
| Job Corps | $13,754 |
| Youth Community Improvement Program | 8,000 |
| Young Adult Conservation Corps | 10,500 |
| Youth Employment and Training Program | 5,000 |
| Youth Incentive Entitlement Projects | 5,300 |

Certainly, when we consider that the cost per client for Upward Bound is $1,231, and the cost per client in Special Services is $326, and that the youth served by these programs generally come from backgrounds very similar to those of the individuals assisted by the various Labor Department programs, the cost of providing compensatory educational services to this clientele seems strikingly low.

THE CONTINUING STRUGGLE FOR EQUITY IN FEDERAL HIGHER EDUCATIONAL PROGRAMS

In the closing hours of the last session, the Congress passed the Middle Income Student Assistance Act. MISAA moved the nation to a firmer commitment to the principle that post-secondary education is a right for every American with the capacity and drive to benefit from it. But the promise of a right to a college education which you made--and the Administration confirmed--often seems an empty one in the world of disadvantaged youth. $1800 in a Basic Grant, and similar substantial amounts in Supplementary Educational Opportunity Grants, State Student Incentive Grants, loans and work-study may mean little to a student unless a knowledgable adult tells that student that he or she is eligible for such money, assists the student in applying for it, and assists him or her in applying for and selecting a college or university to attend.

Moreover, the data consistently demonstrate that it is college graduation, not simply college attendance which most significantly impacts upon an individual's chances for upward mobility. Oftentimes, in the experience of educational opportunity program personnel, a student from a disadvantaged background has a slim chance of graduating from college unless he or she is afforded the extra per-

sonal and academic support which is provided in Special Services and Upward Bound projects. The amount of time and money which many parents in middle income families invest in encouraging their children to attend college, preparing them for school, and enabling them to enroll at the institution of their choice is substantial. Poor students who are often unable to find this type of information and support in their own families must often look to the TRIO programs in order to receive it.

Now the Administration has proposed to establish 25 new "Special Emphasis Upward Bound" projects to prepare high school students for careers in the physical sciences. It also proposes to establish 34 "New Concept Special Services" project to increase the number of disadvantaged students who enter graduate and professional school. We applaud this initiative. According to the 1978 edition of the Condition of Education, only 3.6% of the Ph.D's awarded in 1975-76 went to blacks, 1.2% were earned by Hispanics, and .3% were earned by American Indians. Only 4.7% of the law degrees awarded were earned by blacks, 2.6% by Hispanics, and .2% by Indianss. In medicine, the outcome was similar: 5.2% of the M.D.'s awarded went to blacks, 2.3% to Hispanics, .3% to Native Americans. We would quarrel, however, with the Administration when it seeks to reduce current services in order to launch this effort. The number of minority and disadvantaged students attaining graduate and professional degrees will not be increased unless the pipeline to the graduate and professional schools--which is TRIO--is maintained.

In the last decade the number of 18 to 24 year olds from low-income families at institutions of higher education rose only slightly, from 20% to 22.4%. In comparison, 58.2% of students from families with incomes above $17,050 are in college. The message is clear. Student financial assistance alone is not enough to get and keep poor students in college. Supportive services are also required. As you may know, a recent Office of Education sponsored study demonstrated that 71% of Upward Bound graduates entered college as compared to 47% of their low-income peers. In this and other studies, TRIO programs have been shown to be effective in motivating and supporting disadvantaged youth enrolled in or aspiring to attend college. Financial aid programs alone are not enough. It is for this reason that the National Coordinating Council of Education Opportunity Associations urges an appropriation of $155 million for the TRIO programs in fiscal 1980.

## Statement of Danny Ealum

Mr. Ealum. Mr. Chairman and members of the committee, I would like to thank you for the opportunity to be here today.

My name is Danny Ramon Ealum. I am Director of the TRIO Desk, an intern position with the United States Student Association (USSA). I am on leave from Vincennes University in Indiana, where I am currently enrolled as a freshman in the prelaw program. I would not have made it this far if it had not been for the TRIO programs, namely, upward bound.

Born and raised in Evansville, Ind., where I am the oldest of five children, my family has had difficult times just like many other disadvantaged families.

When I was a high school freshman I had a very difficult time adjusting to the new school to which I had been bused. This difficulty grew worse until I was expelled from high school for the rest of the

semester. The reason I was expelled is because I had defended myself, but the principal didn't believe my side of the story. I had been jumped on by three whites for nothing that I knew about, so it was either fight or get beat up, so I fought and got the blame for it. I was expelled and the three whites were not.

During this period I had been fortunate enough to meet Mrs. Verna Cooper, who was in charge of the Upward Bound program in Evansville, Ind. Mrs. Cooper got me into the Upward Bound program and encouraged me to return to school and graduate.

Upward bound has provided me with tutorial assistance and career counseling, but most of all, Upward Bound has given me the feeling of being somebody. When I was in Upward Bound we lived on campus at Vincennes University and really got the feeling of being on our own. The program encouraged us all to get involved in activities, even if we weren't the best in them. Staying and participating in the Upward Bound program has made my mother very proud of me and also helped me to set an example for my three brothers and one sister.

In particular, I found that Upward Bound helped me realize there are people who are willing to help you when times get rough. Without TRIO programs, such as Upward Bound, and the beautiful people that have helped me, I would not have reached this point today. I probably would have delayed going to school and graduating.

Upward Bound has given me the opportunity to get a college education while in the process teaching me to respect myself and others around me.

I have come before you to tell you how important and effective the TRIO programs are, and the need for full funding of these programs. It is my duty, as a TRIO student, to testify and make way for the millions of disadvantaged students, like myself, who have not yet experienced the unusual opportunities in the TRIO programs to their fullest potential.

Also, I would mention I received several hundred letters from students in the TRIO programs concerned about the $10 million cut for fiscal year 1980, and I am receiving more letters every day.

FULL FUNDING FOR THE TRIO PROGRAMS

The United States Student Association (USSA) which represents 3 million college and university students, is requesting full funding for the TRIO programs. These programs have proven to be essential and effective for providing the disadvantaged student with access to a post-secondary education, regardless of economic and cultural deprivations. Even with full funding, only 25 percent of the eligible population—4 million—would be served.

There are currently over 1,200 TRIO programs in existence, but applications number over 1,400 for a total request of $204 million.

The President's proposed $130 million for TRIO programs for fiscal year 1980 is a $10 million cut from the fiscal year 1979 appropriation of $140 million. This $10 million cut will result in approximately 28,000 students being cut out from participating in programs such as Upward

Bound (UB), talent search (TS), special services (SSDS), and the educational opportunity centers (EOC). Also the President's proposed $130 million for fiscal year 1980 doesn't allow for the inflationary cost of managing the TRIO programs. Furthermore, the President's proposed budget does not give just consideration to the increased demand for TRIO programs services. While the President says that his budget is helping the disadvantaged people in America, he is cutting the TRIO program. This is really the only program designed to help disadvantaged students overcome some of their educational and financial obstacles, so that they can have access to a postsecondary education, while at the same time becoming culturally enriched.

This Congress must not neglect the needs of the disadvantaged youth in America. Congress must fully support programs such as TRIO, and see to it that TRIO programs are appropriated the amount of funds needed to continue to operate successfully.

Attached to this statement is detailed information about the TRIO programs, including descriptions of each program, summary statistics, evaluations and funding history.

As you can see, TRIO programs have been very effective in increasing high school retention and graduation rates, and college entrance, retention and graduation rates.

USSA views TRIO as an investment to protect the multibillion dollar investment the Federal Government has in student aid. If disadvantaged students are given the the financial support they need, but are denied academic support, they will drop out of college. The end result of this will simply be unfulfilled educational goals for the students and wasting of the Government's student aid funds.

The administration has rationalized the reduction in TRIO funding by stating they are redistributing the $10 million to two other programs, the graduate and professional opportunity programs, (GPOP), and a new program for disadvantaged students in Biomedical Sciences. USSA supports funding for these two programs, but not at the expense of TRIO. If disadvantaged youths are not given enough resources to complete an undergraduate education, then they will obviously not be available for graduate level programs.

While we believe that full funding at $200 million is justified and needed, we are aware of the current fiscal restraints. Therefore, we ask the Congress to appropriate $170 million for fiscal year 1980 for TRIO.

In closing I once again thank you for the opportunity to be here and would be happy to answer any questions you may have.

Senator MATHIAS. I want to say it's extremely important to the committee that you came. You give us firsthand testimony about the program and about the value of the program and that is, of course, of the utmost importance to the committee in making assessments about what we can afford to invest in this particular slot for the coming year.

Let me ask you: Are you going to leave these letters with us?

Mr. EALUM. Yes.

Senator MATHIAS. I am not sure they can all be printed as part of the committee record, but they will be useful to us as evidence in consideration of the request.

Mr. EALUM. OK, thank you.

[The statement follows:]

## Statement of Danny Ealum, TRIO Desk Director, United States Student Association

TRIO was authorized under Section 417, Higher Education Act of 1965 in Subpart 4, Special Programs for Students from Disadvantaged Backgrounds. ( as amended by the 1976 Education Amendments.)

The legislation authorized services specifically designed to identify and assist youths from low-income families who have academic potential, but who may lack adequate secondary school preparation, who may be physically handicapped, or who may be disadvantaged because of severe rural isolation, to enter, continue, or resume programs of secondary and postsecondary education.

These programs came to be known as the TRIO programs including:
Talent Search (TS) 1965
Upward Bound (UB) 1965
Special Services for Disadvantaged Students (SSDS) 1965
Educational Opportunity Centers (EOC) 1972
Service Learning Centers (SLC) 1976
Training Authority (TA) 1976

Talent Search- off campus community based recruiting programs designed to:
- identify youths of financial or cultural need to complete secondary or undertake postsecondary education;
- publicize and provide students with information on existing student financial aid;
- encourage secondary or college dropouts of demonstrated aptitude to continue or resume postsecondary education;
- two-thirds of TS participants must meet low income criteria.

Upward Bound- on campus, postsecondary preparatory recruitment program designed for high school youths of grades 10-12:
- to generate skills and motivation necessary for success in education beyond high school;
- to provide youths from low income backgrounds and with inadequate secondary school preparation with a variety of academic and cultural activities on a full-time basis during the summers and academic years;
- to provide tutorial assistance in areas of English, Math and other areas of inadequate preparations.

Special Services- on campus compensatory and counseling services for postsecondary education students designed to:
- assist students from deprived educational, cultural or economic backgrounds, the physically handicapped and those with limited English speaking ability who are in need of such services;
- provide tutorial assistance in compensatory skills coures, reading, writing, math, communications;
- provide counseling and supportive services for students in need of information, academic and personal support assistance;
- provide educational bilingual teaching, guidance and counseling.

Educational Opportunity Centers- on and off campus educational resource, information and recruitment centers serving areas with major concentration of low income families. designed to:
- assist residents who demonstrate need to pursue postsecondary education;
- provide information, counseling and assistance on admission and financial aid;
- provide counseling and tutoring for enrolled students from the area who need such assistance;
- provide counseling and recruitment information to staff of neighboring high schools, colleges and universities.

Service Learning Centers- on campus compensatory and counseling services:
- 1/3 of SLC participants do not have to fit the low income criteria;
- designed to provide compensatory educational and other special services for students who are enrolled or accepted for enrollment in that institution.

Training Authority- on and off campus staff and leadership personnel training. Institutions, public and non-profit private organizations may contact the Commissioner of Education to:
- to develop and provide inservice training programs for TRIO staff and personnel;
- to improve their skills and the delivery and effectiveness of services.

## STATISTICS ON THE TRIO PROGRAMS

Program: Special Programs for students from Disadvantaged Backgrounds (TRIO)
Public Law Number-92-318, as amended by 94-482
Common Title- Education Amendments of 1976
Subsection Designation- Title IV ( Student Assistance, Part C)

In 1975-76 (TRIO) programs served 284,350 students, 32,000 in Upward Bound programs, 112,000 through Talent Search, 89,750 in Special Services, and 50,000 students at Educational Opportunity Centers.

(1) The Upward Bound program is increasing entry into postsecondary education for disadvantaged students. Among high school graduates in the class of 74, 71% of the Upward Bound participants entered postsecondary education compared to 47% of the comparison.

* Upward Bound projects on the whole retain 60-70% of their students through high school graduation, place 50-60% of those graduates in college, and report that 60-80% of those entering college are retained for two or more years.

* 34% of Talent Search clients are not high school graduates 60% of the high school graduates are placed in postsecondary institutes, a figure representing 4,404 post-secondary placements by projects reporting.

| Enrollment Rates | | | College Retention Rates | |
|---|---|---|---|---|
| students served | TRIO student | Comparative group | TRIO student | Comparable group |
| (UB) 48,603 | 70.7% | 46.7% | 72.0% | 47.0% |
| (TS) 58,404 | 78.0% | 19.0% | 72.0% | 24.0% |
| (SSDS) 23,485 | | | 64.0% | 36.0% |

| Special Services - Retention Rates | | #students | %students |
|---|---|---|---|
| Satisfactory Academic Progress | | 6,948 | 30% |
| Transferred to other College/Univ. | | 2,181 | 9% |
| Graduation | | 5,781 | 25% |
| | Total: | 14,781 | 64% |
| Insufficient Aid | | 982 | 4% |
| Personal Reasons | | 5,185 | 22% |
| | Total: | 6,167 | 26% |
| Academic Dissmissal | | 2,227 | 9% |
| Administrative Dissmissal | | 181 | 1% |
| | Total: | 2,408 | 10% |

(1) Excluding Special Vetrans Programs-Research Triangle Institute, North Carolina Program year 1974. (2) Comparative Group-students enrolled in some high school as selected Upward Bound students, and who would ordinarily be eligible.

* In FY 77, Rep. Shirley Chisholm aimed to get from $100 to $250 million for TRIO programs. Chisholm also gave a speech on the house floor lauding achievements of the TRIO programs. In particular, she cited an ongoing Office of Education study of 14 Upward Bound projects which shows that it's students enter postsecondary education at a 66 to 70 percent rate, compared with the 30 percent mark of a control group from similar backgrounds.

* Amounts appropriated: FY 76-$70.3 million—FY 77-$85 million— FY 78-$115 million FY 79-$140 million, amount needed for fiscal year 1980 $200 million, which is full funding. An appropriation of $200 million would allow the provision of services to aproximately 570,000 students, an increase of 110,000 students over the estimated number to be served in fiscal 79.

* Athorization should be increased to $400 million.

## TRIO PROGRAM OPERATIONS AND EVALUATIONS

### A) UPWARD BOUND

1975-76, 403 (UB) projects were funded (2 new projects and 401 continuing projects). The grants to projects ranged from $26,863 to $360,000 with an average of $95,105. Approximately 46,181 students were served by the program. Of the 403 projects, 324 were hosted by four-year colleges or universities, 58 were hosted by two-year colleges, and five were hosted by vocational schools.

The latest available program data shows that in 1976 over nine thousand (9,245) Upward Bound participants completed high school and that about 70 percent of these were planning on entering some form of postsecondary education--mostly college (69 percent). About 6,327 (68 percent) of the 1976 graduates actually enrolled in colleges the same year.

71 percent (UB) students entered postsecondary institutions compared to 47 percent of the comparison.

### B) Talent Search

1975-76, 116 projects were funded with the $6 million appropriation; of these projects 111 are continuing 5 are new. The grants ranged from $6,000 to $170,200 with an average grant of $51,716. Average cost per client was estimated by the program at $41, based on the estimated total of 146,000 clients to be served.

In the 1975-76 academic year, 46,895 clients were placed in postsecondary education with an addional 29,358 accepted, but not yet enrolled. Approximately 21,000 actual or potential dropouts were persuaded to return to school or college. Slightly more than 4,000 were enrolled in high school equivalency programs.

Based upon the reports of the 100 of the 130 funded projects from July 1, 1976 through December 31, 1976, approximately 6,100 actual or potential dropouts were persuaded to return to school or college. Nearly 1,200 clients were enrolled in high school equivalency programs. In addition, slightly more than 24,000 clients were placed in postsecondary education with an additional 6,300 accepted, but not yet enrolled.

### C) Educational Opportunity Centers

On June 30, 1976, the EDUCATIONAL OPPORTUNITY CENTERS PROGRAM completed it's second year of operation. Final reports submitted to the OE central office indicated that the twelve funded projects provided various forms of counseling and assistance to 37,169 participants. Eight HEW regions hosted one center each, while two regions hosted two centers each. The average grant was $250,000 and the average cost per participant was $81.

I. Total number of participants by center. Estimated cost per participant.

| | | | |
|---|---|---|---|
| 1) | Massachusetts (I) | 3,837 | $84 |
| 2) | New Jersey (II) | 679 | $368 |
| 3) | New York (II) | 5,794 | $51 |
| 4) | District of Columbia (III) | 1,234 | $243 |
| 5) | Alabama (IV) | 4,968 | $50 |
| 6) | Ohio (V) | 2,479 | $62 |
| 7) | Texas (VI) | 4,494 | $55 |
| 8) | New Mexico (VI) | 1,509 | $99 |
| 9) | Missouri (VII) | 3,781 | $85 |
| 10) | Colorado (VIII) | 3,052 | $81 |
| 11) | California (IX) | 4,116 | $68 |
| 12) | Washington (X) | 1,226 | $133 |
| | | 37,169 | $81 average cost per partici |

Due to the newness of this program, an evaluation has not been conducted. Program data for the first year of the program shows that 12,412 participants were placed in postsecondary schools or other types of training programs, and 2,707 participants had been accepted by a postsecondary institution but had not yet begun their studies. More than 100,000 individuals received some assistance through the centers.

D) Special Services for Disadvantaged Students

In FY 1975, 327 projects were funded (9 new and 318 continuing). The grants ranged from $15,000 to $250,000, with an average grant of $70,333. The average cost per student was $228. Approximately 50 percent of the clients are black, about 25 percent were white, and about 20 percent were of spanish decent. Approximately 55 percent of the clients were female. A small portion, roughly 8 percent, of the clients reported family incomes of $9,000 or more. Approximately 63 percent of the clients reported incomes of $6,000 or less. During the period from July 1, 1976 through December 31, 1976, 366 projects were funded with a $23 million appropriation, of these projects 55 received two month funding for the transition quarter ending September 30, 1976.

Based upon 329 reporting projects of the 366 total, the cost per client was $337. Approximately 5 percent of the clients were culturally or educationally disadvantaged, 6 percent were of limited english speaking ability, independent of the low income criteria. About one-half of the clients were black, 24 percent were white, and 17 percent were hispanic.

PROGRAM EFFECTIVENESS AND PROGRESS

Program records show that in FY 1975 (program year 1975-76), approximately 90,000 students participated in the Special Services programs. Of this number, about 66,500 received supportive services for the entire period; about 5,800 students showed adequate academic and personal adjustment and moved out of the program into the regular academic channels of the host institutions; about 5,800 graduated from the host institutions, and about 2,200 left the host institution to transfer to other colleges, and presumably were making satisfactory progress, or transfer would probably not have been possible.

TRIO PROGRAMS # OF PROJECTS FUNDED

In the fiscal year 1978 with an appropriation of $115 million, 1025 projects were funded. For the fiscal year 1979, the funding increased to $140 million and the number of projects jumped to 1250.

However, the total request for funding was $205 million for 1507 projects as follows*:

| PROGRAM | NEW PROJECTS REQUESTED | CONTINUING PROJECTS REQUESTED | TOTAL REQUESTS |
|---|---|---|---|
| EOC | $10.75 (51 projects) | $6.3 (22 projects) | $17 (73 projects) |
| TS | $9.9 (90 projects) | $15.4 (130 projects) | $25.3 (22 projects) |
| UB | $18 (113 projects) | $61 (376 projects) | $79 (489 projects) |
| SSDS | $26.6 (245 projects) | $56.8 (480 projects) | $83.4 (725 projects) |

*(ALL NUMBERS IN MILLIONS)

Thus the aggregate demand far exceeded the $140 million appropriation and even exceeded the maximum authorized funding level of $200 million.

Special Services Program Funding History
(millions of dollars)

| Fiscal Year | Total Auth. | Total Approp. | TS | UB | SS | EOC | Training Authority |
|---|---|---|---|---|---|---|---|
| 1970 | 56,680 | 44,601 | 5,000[a] | 29,601 | 10,000 | | |
| 1971 | 96,000 | 50,000 | 5,000 | 30,000 | 15,000 | | |
| 1972 | 96,000 | 51,000 | 5,000 | 31,000 | 15,000 | | |
| 1973 | 100,000 | 67,331 | 6,000 | 38,331 | 23,000 | | |
| 1974 | 100,000 | 70,331 | 6,000 | 38,331 | 23,000 | 3,000 | |
| 1975 | 100,000 | 70,331 | 6,000 | 38,331 | 23,000 | 3,000 | |
| 1976 | 100,000 | 70,331 | 6,000 | 38,331 | 23,000 | 3,000 | |
| 1977 | 200,000 | 84,400 | 8,900 | 41,500 | 30,000 | 4,000 | |
| 1978 | 200,000 | 115,000 | 12,500 | 49,700 | 45,500 | 5,300 | 2,000 |
| 1979 | 200,000 | 140,000 | 15,300 | 61,000 | 55,000 | 6,300 | 2,400 |

[a]Funded since 1966, starting at $2 million.

## Statement of Joel Packer, Legislative Director, United States Student Association

Mr. Chairman and members of the Subcommittee I would like to thank you for the opportunity to be here today. My name is Joel Packer and I am Legislative Director of the United States Student Association (USSA). USSA is the oldest and largest national student organization, representing almost 3 million students enrolled at our 350 member campus student governments. Accompanying me is Danny Ealum, USSA TRIO Desk Director.

Before I review our concerns regarding the Fiscal Year (FY) 80 budget, let me briefly present a problem with the FY 79 budget. The issue I refer to is financing of improvements in calculation of Basic Educational Opportunity Grant (BEOG) awards for students who are financially independent of their parents. As you are aware, last year the Congress passed the Middle Income Student Assistance Act (MISAA), P.L. 95-566. One of the provisions of that bill removed several gross inequities in calculating awards for these independent students, primarily those who had their own dependents, in other words the older student who is married or has his/her own children. While these changes are effective with the current fiscal year (academic year 1979-80), HEW has decided to delay implementation until FY 80 (academic year 1980-81). While HEW initially claimed that they were legally prevented from funding the independent students in FY 79 because of a legal technicality, they have finally admitted that it is really a budget decision to deny these 60,000 students the money that they are entitled to under the law.

The legal technicality they refer to is the fact that the final FY 79 Labor-HEW Appropriations bill contained language that stated that no changes should be made in award calculation for independent students. This was done however before MISAA passed and at a time when it did not appear that MISAA was going to pass. In fact several members of Congress including Senators Magnuson, Eagleton, and Schweiker from this Subcommittee, Senator Pell, chair of the Senate Education Subcommittee, and Reps. W. Ford and Buchanan, respectively chair and ranking Republican of the House Postsecondary Education Subcommittee all wrote to Secretary Califano stating in strong terms that they believed that the independent students should be funded in FY 79.

USSA urges this Subcommittee to take whatever action is necessary to ensure that these independent students receive the funds that Congress intended them to have this year. Attached is a recent press release we issued that provides more details on this. There are several actions this Subcommittee could take. First, since the Administration is now admitting that their decision to delay funding is a budgetary one, then it could very well be considered that they were either rescinding or deferring appropriations. As you are well aware this cannot be done without the Administration submitting a request for rescission or deferral and Congress acting on it. Second, you could simply, as part of the FY 79 Supplemental approve the additional $130 million necessary to finance these changes. Actually it appears that there has been enough money appropriated in FY 79 to cover this, but the Administration is proposing to carry over funds from both FY 78 and FY 79 into FY 80 for Basic Grants. A total of $726 million is proposed for carryover. This carryover is actually a reappropriation, since under the Higher Education Act, only 15 percent of

the previous appropriation can be carried over without Congressional action. This brings us to the third option, which is for the Congress to deny the full reapproriation request and mandate that sufficient funds remain in FY 79 to cover the independent students. This would circumvent any legal problems since FY 78 dollars would be paying for the independent students. The language added to last year's bill would only apply to FY 79 funds.

This is one of our top priorities and we once again strongly request you to take whatever action you deem necessary to overturn HEW's defiance of Congressional intent and action.

Let me now turn to the student aid program funding requirements for FY 80.

BASIC EDUCATIONAL OPPORTUNITY GRANTS (BEOG)

This program is the cornerstone of Federal student aid programs. The President's budget recommends full funding of Basic Grants. This would continue the provisions of MISAA which expand eligibility to students from family income upto $26,000, and would implement the above mentioned changes for independent students.The maximum grant would be funded at the full $1800 level.The exact request is for $2.444 billion to finance awards for almost 2.6 million students, that average $940.

USSA strongly supports this request for full-funding. The key with Basic Grants is that sufficient funds be appropriated to fund all the changes mandated by MISAA and to keep the award maximum at $1800. There has been some suggestion particularly by the Congressional Budget Office (CBO) that the President's request is too low to meet the funding requirements of Basic Grants. USSA is pleased that the Administration has stated they will recommend a supplemental appropriation is the $2.444 billion falls short.

It is interesting to note that the recommendation for FY 80 is $156 million less than the $2.6 billion that was appropriated for FY 79. This results not from any programmatic reduction, since as noted the Administration is committed to full-funding of BEOG, but from two factors. First, each year as incomes rise due to inflation, the students from families at the top end of the income scale are pushed out of the program. Thus, every year, asssuming no programatic changes the level of BEOG funding automatically decreases. The second reason for the lower appropriation results from savings attributed to HEW's new validation of information students provide on their applications. This procedure was implemented this year and resulted in almost five hundred thousand students who applied not receiving a Basic Grant. While there has been much talk of the savings resulting from catching cheaters, USSA strongly believes that actual cheating is very minimal and that most errors that result in a student being rejected are the cause of confusion over forms and procedures. The new HEW procedures were implemented in a very short time frame and added to the complexity of the program. Low-income students and their parents have great difficulty coping with systems like this and thus make errors. Evidence of the disproportionate impact that the validation efforts had on low-income students can be seen from the attached chart from the draft Basic Grant Application Process 1978-79 Academic Year An Evaluation Report:Part One.

As can be seen in every one of the lower-income catagories there was substantial reduction in the number of recipients from last year, while the number of higher-

income students increased. USSA has been working with the Office of Education and the private needs analysis services to reach a balance that ensures accurate information, while at the same time not denying students grants they deserve because they cannot fill out the forms. We are hopeful that the number of rejections will decrease. The Subcommittee should carefully examine the estimates HEW has used to project the funding needs of BEOG. If they turn out to be unrealistic, we urge that sufficient dollars be appropriated.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)

The Administration is requesting level funding of SEOG at $340 million. This is another violation of MISAA which sets a minimum funding threshold of $370 million for FY 80. At an average grant of $570, the Administration's request would provide for about 596,000 grants, while the $370 million would allow about 50,000 more grants for a total of 649,000.

SEOG, due to its nature as one of the "campus-based" programs can provide flexibility to meet the needs and problems of individual students that Basic Grants, due to its nature as a nationwide standardized program cannot meet. SEOG's do not duplicate Basic Grants, since a BEOG can be no more than one-half the cost of education. Thus, particularly for low-income students at higher-priced institutions, SEOG's are a necessity.

In academic year 1980-81 the average total cost of college for all institutions will be $4400. Since the average BEOG is $915, only 21 percent of student expenses are met in this manner. Clearly, increased appropriations for this program are necessary. USSA recommends a modest increase to $400 million, which will provide 702,000 grants.

COLLEGE WORK-STUDY (CWS)

The President is again requesting level funding of this program at $550 million. This would provide about 902,000 jobs averaging $610 per year. USSA recommends a modest increase of $50 million for an appropriation of $600 million and 982,000 jobs.

CWS is a vital and unique program that is very popular among college students. Particularly with youth unemployment at appallingly high levels, it is extremely important that adequate Federal Work-Study funds are available. CWS besides providing needed financial assistance, allows students to gain work experience and job skills. For many students CWS is their only source of financial aid. Over one-third of Fall 1977 freshpersons who received CWS money received only CWS, or CWS plus NDSL.

Work-Study is also the only source of Federal student aid for graduate students, besides loans. In 1976-77, 35,000 graduates students were assisted by this program.

NATIONAL DIRECT STUDENT LOANS (NDSL)

USSA is strongly opposed to the Administration's recommendation of $220 million in new Federal capital contributions. This is $90 million below last year's level of $310 million and $66 million below the minimum funding threhold required in the Higher Education Act. The Administration claims that this cut will not reduce the number of loans available because increased collections will more than compensate for the lower Federal contribution. USSA believes

this projection to be overly optimistic. Even if collections do hold to the HEW estimate, we believe that increased demand for NDSL's from low-income students will outstrip available monies.

MISAA removed the income ceiling on GSL for receipt of the Federal interest subsidy. Many more low-income students will find it increasingly difficult to obtain a GSL since the combination of greater numbers of high-income eligibles and a tight money market will cause lenders to restrict loan capital and to give preference to customers. These students will be forced to turn to NDSL as their only source of loan funds.

NDSL provides assurance to these persons who need a loan but cannot get a GSL. Many more low-income students receive NDSL than GSL currently. Students from traditionally Black colleges are in particular need of NDSL. In Fall 1975 over one-third of all freshpersons at private Black colleges received an NDSL. USSA recommends level funding of NDSL at $310 million for FY 80.

STATE STUDENT INCENTIVE GRANTS (SSIG)

The Administration recommends $76.7 million for SSIG, level funding. 307,000 awards will be granted from this appropriation. USSA recommends an increase to $100 million, which would allow almost 400,000 grants averaging $500 ($250 Federal share). SSIG is the most cost effective of all Federal student aid programs with each dollar matched by a State dollar. SSIG has been tremendously successful. Before its enactment, only 27 States had scholarship programs, while all 56 eligible States and territories now have such programs. In about 16 States the program would not exist were it not for the Federal funds. However, the size of the average award varies greatly among States, ranging from a low of $182 in Oklahoma in 1977-78, to a high of $1,350 in California. Simailarly, the participation of numbers and type of students varies. Increasing the Federal SSIG money will allow expansion of the smaller programs, both in terms of the size of the average award and the number of students served. Another reason for increasing the appropriation is that effective October 1, 1978 all non-profit institutions must be eligible for SSIG funds.

BASIC GRANT AND GSL INSTITUTIONAL COST ALLOWANCES

The 1976 Education Amendments authorized up to $10 per Basic Grant and $10 per GSL recipient as payment to institutions to provide student consumer information and to offset the administrative costs associated with campus delivery of student financial aid. These allowances have never been funded and the Administration request does not include any funds for these allowances. USSA is in agreement with the institutions and the financial aid officers that these cost allowances should be fully funded. Institutions are increasingly burdened by new requirements in the financial aid programs. The new influx of recipients due to MISAA, will even further overtax the resources of aid offices. The adequacy of information and counseling services that students receive will continue to decline without Federal support. Many studies have shown how vital these services are, especially to the lowest-income students. If funds are available, but persons eligible for them do not get them, the programs are not serving their intended purpose. USSA urges that these allowances be funded in FY 80. To ensure that the money will not supplant existing campus dollars being spent in this area, we suggest report language to the

effect that these funds should only be spent on the upgrading and improving the dissemination of information about and the delivery of student aid to enrolled and prospective students.

TRIO-SPECIAL PROGRAMS FOR DISADVANTAGED STUDENTS

USSA takes strong exception to the President's request of $130 million for TRIO. This is a cut of $10 million from the present appropriation of $140 million. Danny Ealum, USSA TRIO Desk Director details our rationale for an appropriation of $170 million for this set of effective programs.

Let me know turn to a few of the key catagorical programs that USSA supports.

GRADUATE AND PROFESSIONAL OPPORTUNITIES PROGRAM (GPOP) - Title IX. USSA heartily endorses the Adminstration's decision to increase funding here from $8 million to $15 million. GPOP is designed to increase the number of minorities and women pursuing professional degrees. Let me point out that $12 million is needed just to maintain the program at the FY 79 level of 500 new fellows. Any decrease from this level will result in fewer new fellows this year than last.

EDUCATION INFORMATION CENTERS - Title IV, Part A, Subpart 5. USSA disagrees with the Administration's decision to zero out this small but important program. Last year the Administration also recommended zero and Congress approved $3 million. We recommend that this be increased to $5 million. The EIC's are supposed to provide information on opportunites for postsecondary education, financial aid, job placement, and remedial/tutorial services, all of which is extremely important in acheiving the goal of equal educational opportunity. Low-income students, as well as older potential students, need to be aware of the full range of opportunities available, yet are often the least informed. The EIC's attempt to provide statewide coordination of such information. Two-thirds of the cost is paid by the Federal governement, with the remainder coming from the States.

DEVELOPING INSTITUTIONS - Title III. USSA strongly supports the budget request of $120 million for strengthening developing institutions, which is full-funding. The colleges aided by this program, 435 institutions, serve significant numbers of minority and disadvantaged students.

COMMUNITY SERVICES AND CONTINUING EDUCATION - Title I, Part A. Once again, the Administration is asking that this program be zeroed out. Congress last year rejected this recommendation and USSA urges that you do so again. We recommend an appropriation of $30 million. Community Services was designed to strengthen programs to meet the needs of adults, including veterans, men and women returning to education, professionals seeking advancement, pre-retirees and retirees, disabled and handicapped persons, all of whom are not adequately served by existing postsecondary programs. In FY 77 states received three times as many proposals as they could fund.

LIFELONG LEARNING - Title I, Part B. This program, authorized by the 1976 Education Amendments supports the development of alternative methods to improve the training of adult educators, appropriate curriculum development, and coordination within communities among educators, employers, labor unions and others to assure that lifelong learning opportunities are designed to meet community needs. USSA supports an appropriation of $5 million to start up this program.

COMMUNITY COLLEGE EXPANSION - Title X. The 1976 Amendments expanded the authority of this program to provide grants to help develop educational programs and institutional delivery systems especially suited to nontraditional students, the "new clientele" of postsecondary education. Included in this catagory are part-time students (almost 40% of enrollment), the physically disabled, older persons, women returning to the workforce and others unlikely to continue their education beyond high school. While the Administration is not requesting any funds for this program USSA urges $25 million.

COOPERATIVE EDUCATION - Title VIII. The purpose of this program, which the Administration is asking be level funded at $15 million, is to provide grants to establish education cooperative programs that alternate periods of full-time academic study with periods of full-time employment. This not only helps students to earn money to finance their education, but also provides useful work experience related to the student's academic or career objective. USSA urges an increase to $20 million. A recent national assessment of co-op education said, "considering the benefits provided by cooperative education and the sizeable degree of expansion which appears possible, serious consideration should be given to providing additional support..." It also noted that graduates from co-op education were being hired into higher paying jobs closely related to their vocational interests.

FACILITIES RENOVATION - Title VII. USSA supports the request of A.C.E. for funding of $100 million for this Title for reconstruction and renovation of facilities, specifically for removal of architechtural barriers to the handicapped, and for meeting health and safety standards and for improved energy efficiency.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION (FIPSE). USSA supports an increase from the President's request of $14 million to $20 million. This would enable the Fund to continue and expand its comprehensive program, while developing major new initiatives to help institutions develop more flexible forms of education for the new student population of working adults, housewives and others, improvements in teaching methodology, and increasing cost effectiveness in postsecondary education through diffusion of proven methods to interinstitutional cooperation, encouragement of new ways to save dollars, and development of new cost-effective approaches. Increasing numbers of student groups are submitting proposals to FIPSE.

WOMEN'S EDUCATIONAL EQUITY ACT (WEEA) - Sec.402, ESEA. USSA supports an increase in funding to $30 million. Attached to my testimony is a detailed statement from the National Advisory Council on Women's Educational Programs which explains the need for this appropriation.

Mr. Chairman, in closing let me leave you with the words of Thomas Jefferson, " A people who would be at once ignorant and free wants that which never was and can never be." I hope this Subcommittee will agree with these words and provide adequate levels of appropriations to help ensure that we move closer to the goal of equal educational opportunity for all citizens. Thank you.

USSA OPPOSES BASIC GRANT FAMILY CONTRIBUTION SCHEDULE

The United States Student Association (USSA) expressed its strong opposition to the proposed Basic Educational Opportunity Grant (BEOG) Family Contribution Schedule which was submitted to Congress today by HEW. This Schedule, which determines who is eligible to receive a Basic Grant, takes effect unless disapproved by Congress. HEW's proposal excludes the improvements in calculation of BEOG awards for financially independent students that are mandated by the Middle Income Student Assistance Act (MISAA), P.L. 95-566. This deletion will deny 60,000 low-income students the awards they are entitled to under law.

"We must urge Congress to disapprove this Schedule", said Frank Jackalone, USSA National Chairperson. "The students who will be completely prevented from receiving a Basic Grant are primarily those students with their own dependents, clearly students who are desperately in need of financial assistance. HEW is blatently ignoring the intent of Congress. They are reneging on commitments made last year."

Joel Packer, USSA Legislative Director noted that the Administration initially seized on a legal technicality as an excuse to delay funding this provision, but has finally admitted that the decision to save an estimated $130 million is based on budgetary issues. "We have made this issue one of USSA's top priorities for this session", noted Packer. "We will not sit idly by while the Administration, in clear violation of the law, attempts to take away vitally needed dollars from widowed parents and young married couples attempting to obtain a college education."

USSA has urged all its members to contact members of Congress on this issue. On April 23-24, 1979, USSA will bring almost 400 student leaders to Capitol Hill to lobby on this issue as part of its 10th National Lobbying Conference.

Comparison of Distribution of Applicants
by Income Category Between 1977-78 and 1978-79 Award Periods
from draft Basic Grant Application Process 1978-79 Academic Year An Evaluation, Part One, U.S. Office of Education

| | 1977-78 BEOG | | 1978-79 MDE | | Change | |
|---|---|---|---|---|---|---|
| Income | Number | Percent | Number | Percent | Number | Percent |
| $ 0 - 4,000 | 746,970 | 27.8 | 545,866 | 23.2 | - 201,104 | - 26.9 |
| 4,001 - 6,000 | 335,962 | 12.5 | 257,153 | 10.9 | - 78,809 | - 23.5 |
| 6,001 - 7,500 | 203,769 | 7.8 | 158,189 | 6.7 | - 50,580 | - 24.2 |
| 7,501 - 10,000 | 304,011 | 11.3 | 234,118 | 9.9 | - 69,893 | - 23.0 |
| 10,001 - 12,000 | 197,283 | 7.4 | 158,320 | 6.7 | - 38,963 | - 19.7 |
| 12,001 - 15,000 | 252,780 | 9.4 | 212,101 | 9.0 | - 40,679 | - 16.1 |
| 15,001 - 20,000 | 322,097 | 12.0 | 319,146 | 13.6 | - 2,951 | - 0.9 |
| 20,001 + | 314,625 | 11.7 | 470,291 | 20.0 | + 155,666 | + 49.5 |
| Totals | 2,682,497 | 100.0 | 2,355,184 | 100.0 | - 327,313 | - 12.2 |

NOTE: Figures include only applicants with a valid eligibility index.

1977-78 BEOG Program Statistics as of 8/21/77, Table A.
1978-79 BEOG Program Statistics as of 9/10/78, Table A.

BACKGROUND INFORMATION
ON
FY 1980 APPROPRIATION FOR THE WOMEN'S EDUCATIONAL EQUITY ACT

The Women's Educational Equity Act of 1974 was designed "to provide educational equity for women in the United States" through grants and contracts to generate model strategies and replicable tools. The Act has recently been reauthorized with the additional purpose of providing "financial assistance to enable educational agencies and institutions to meet the requirements of Title IX of the Education Amendments of 1972." This new language will provide money to assist individual schools and colleges in overcoming barriers to Title IX compliance.

The previous authorization of $30 million was increased to $80 million, with the proviso that funds would not be available for the second purpose (or tier) until more than $15 million is appropriated. Under the $30 million authorization, $9 million was appropriated for FY 1979. Only $10 million has been requested for WEEA in the FY 1980 budget. Unless this figure is increased past the trigger level of $15 million, the intent of Congress in broadening and extending the Act will be vetoed.

On March 8 the House Education and Labor Committee voted 18-6 to recommend $30 million to the Budget Committee for inclusion in the overall FY 1980 budget resolution.

In the new section of the Act Congress specified that 75% of the funds available for tier two is to be earmarked for use by local educational agencies. The balance may be used by other eligible recipients (state education agencies, post-secondary institutions, community groups, student groups, nonprofit organizations, and individuals). These funds will pay only a portion of the costs of approved projects and for no more than two years.

Both the Assistant Secretary for Education and the Director of the Office for Civil Rights, recognizing the potential contribution the new WEEA can make toward compliance with Title IX, earlier supported funds to initiate activities under tier two. The justifications for this include:

- Tier one would benefit from the increase (to $15 million) by permitting additional emphasis to be given to Title IX related projects without penalizing the existing diverse program.
- The $15 million (of the $65 million authorized) available to tier two would enable the program administrators to discover and correct administrative problems early in the life of the statute.
- Local initiatives such as those possible under tier two are increasingly necessary as OCR improves the Title IX enforcement climate. These funds will permit correction of compliance problems before OCR receives--and acts on--complaints.
- If technical assistance becomes available under WEEA, OCR will be able to minimize its involvement in providing such assistance. Due to the primary role OCR has as an enforcement agency, provision of TA is often seen as a conflicting mission and is suspect in the eyes of educational administrators.
- WEEA now has developed a solid body of models which may be underused due to financial problems at the local level; funding of tier two would help overcome those barriers to full use.

The relationship of the two sections of WEEA may be clarified by listing types of projects appropriate to each. Models which can be replicated nationally or regionally have already been developed under WEEA, dealing with a diverse set of population groups and issues. Among these are:

- projects targeting special needs of Indian, Hispanic, black, rural, displaced homemaker, re-entry, offender, and other women;
- basic skills projects;
- projects targeting various populations to assist in moving women into educational administration;

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- a collection of publications on selected Title IX policy issues (e.g., how to develop a self-evaluation tool); and
- model programs to bring women into non-traditional vocational education programs.

Under the newly authorized program of direct assistance for projects at the local level (tier two), the following types of activities are authorized by the statute:

- planning and review activities to assess the state of compliance with Title IX and to revise strategies for compliance as necessary;
- community or student monitoring of compliance at schools;
- inservice training of faculty or administrators in their obligations under the local Title IX compliance effort;
- development of sex fair curricular materials which are tailored to the specific classroom situations of the applicant schools;
- implementation of models developed under WEEA's tier one capacity building program;
- outreach programs to encourage enrollment or sustain participation of students in courses of study not considered "traditional" for members of their sex;
- limited renovation of physical facilities to facilitate compliance with Title IX; and
- a wide variety of "tailoring" activities to accommodate existing programs to the special needs of women or girls with special curricular, counseling, or other needs.

Questions have been raised concerning the relationship of the new WEEA role to that of Title IV, 1964 Civil Rights Act. The latter, designed to provide local education agencies with technical assistance in achieving racial desegregation, was amended in 1974 to permit technical assistance in achieving "sex desegregation". In FY 1978, $8 million of the $37.4 million appropriation was earmarked for this work, which is carried out through regional centers, training institutes, and limited staff services at state and local levels. WEEA activities are not restricted to local education agencies but encompass a broad definition of education for all ages.

## Statement of Pat Kocian

Mr. Kocian. I am Patrick Kocian. I am on leave from Wesleyan in Connecticut and I am National Director of the Coalition of Independent College and University Students, otherwise known as COPUS.

I want to thank you for the opportunity to spend an afternoon with you. [Laughter.]

### MIDDLE-INCOME STUDENT ASSISTANCE ACT

Appropriations for student financial aid will be made this year in the context of a new mandate, the Middle-Income Student Assistance Act, MISAA.

COPUS worked very hard in support of MISAA. We welcome its passage and applaud the Congress and administration for their commitment to educational opportunity.

As students it seems we are forever learning that things are not as they seem. Last year we worked hand-in-hand with the administration, convinced they had finally seen the light of educational opportunity, and we were proud to be in attendance when the President signed MISAA last November.

Now as we march toward fulfilling promises of MISAA, we turn to find our once staunch ally suffers from not merely a case of cold feet, but from an apparent loss of memory and resolve altogether.

Perhaps it was heat rather than light which motivated the administration's support for MISAA. Whatever prompted their support is not now entirely evident in the budget for student financial aid.

In three crucial budgets, it directly contradicts the requirements. In basic grants, the budget ignores the provision for independent students. In supplemental grants, the budget proposes to disregard the minimum funding level or threshold authorizing the MISAA legislation.

Likewise, in the direct loan program the budget proposes to slash Federal support by one-third and fund below the threshold.

Why they are doing this, I don't know. It's capriciousness or whatever, that is not a question we would like to answer. But we were surprised.

The administration may have forgotten MISAA, but I know that students haven't, and I am hoping Congress has not also.

We urge you very much in your deliberations ahead to recall the high public priority that MISAA articulated only five months ago.

I will speak to the Campus-based financial aid——

Senator MATHIAS. Let me say that it's my experience over the years that it's easy sometimes to doubt people's motivations, but most people would prefer to do the right thing. We have learned over the years through such folk sayings as "There's many a slip twixt the cup and the lip," "The road to hell is paved with good intentions," that people who sometimes intend the right thing are not always able to carry them out. I don't know that it's particularly up to me to defend the President in this respect, but just to say that because he has not been able to fulfill the promise doesn't mean they weren't well-motivated in the first place.

Mr. KOCIAN. I am sure you are right. It's the usual scapegoat, though.

Senator MATHIAS. We will see what we can do to remedy the situation. But I do think the question of motivation is one that as you get older you tend to be more charitable about.

Mr. KOCIAN. I will learn.

SUPPLEMENTAL GRANT PROGRAM

Campus-based financial aid is very important to our students who attend the highest cost colleges in the country. It's these programs that are sensitive to the variations of college costs. They don't have a national needs criteria. SEOG, or the Supplement Grant program, is perhaps the most important of these for students in high cost colleges.

As I mentioned, the President's budget would fund SEOG at $340 million, which is $30 million below the funding threshold just establishing MISAA.

The rationale for that seems to be the increased basic grant funding diminished the need for SEOG. We assert this isn't the case. Basic grants and the supplemental grants are as different as the concept of base and supplemental are different. They are designed to serve different needs in an overlapping but not identical constitutency.

One target of the SEOG program is the lowest income student for whom this grant is necessary, simply to provide any kind of access to education.

For example, a full basic grant award of $1,800 itself falls short of the average college costs in both sectors, public and private.

We know that 40 percent of all basic grant recipients in academic years 1977 and 1978 also received other Federal student aid.

Half of these students received supplemental credits.

In short, for a lot of studies, basic grants alone are insufficient to meet the real financial obstacles they face.

Since MISAA does not increase the grant awards in basic grants, we don't think that is a good argument to diminish support of further supplemental grants program.

The other objective of SEOG is to provide students with some degree of flexibility in choosing an educational program. For example, many of our student members faced college costs in excess of $7,000 a year. That is a lot of money on any middle-income budget, I imagine.

Yet these students who receive—these students of middle-income families will likely receive no more than token assistance under the basic grant, but they nonetheless have very real need.

Nearly half of all the financial aid recipients within colleges charging over $2,000 weren't eligible for basic grants. All these students had need, but they weren't eligible for basic grants. That is why these other programs are so important.

I want to add that some of them may be encompassed by the expanded SEOG program, but a $250 basic grant is hardly sufficient to cover more than a semester's worth of textbooks.

SEOG has, therefore, unique importance, we believe, in the—I will get to quote one too. We believe that in the words of William Bowan, president of Princeton University, who said "A truly democratic society cannot afford to have institutions of higher education stratified by economic circumstances. Nor can we afford, as a society, to lose the values of pluralism and diversity represented by a system of higher education that included both public and private institutions of many kinds."

SEOG is a recognition of the value of a pluralistic system of higher education and recognition of the necessity of assuring all students the opportunity to enjoy the diversity of educational experience that this system uniquely affords.

The funding threshold in SEOG is an unequivocal statement that these values and goals can't be separated from our national commitment to educational opportunity.

RECOMMENDED FUNDING LEVEL

So COPUS recommends that the SEOG program be funded at $400 million for 1980. This we believe is a very modest recommendation. In fiscal year 1977 alone certified institutional need for the SEOG program was over $600 million. But we are trying to reflect the concerns about budgetary restraint also. I should note that the original—some of the original MISAA legislation last year called for a funding threshold of $450 million for SEOG.

I do not want to state that funding for the SEOG program is the highest priority of students in independent colleges. Every year we have felt we have been somewhat shortchanged by an imbalance in funding. We have to recognize that basic grants can't do everything. Particularly for students of middle-income families facing high college costs.

Going to NDSL, like previous years, the President's budget would cut the program. This time he eliminated one-third of the Federal capitalism. The difference this year is the rationale being used which is interesting.

HEW suggests that vastly increased collections will retrieve enough NDSL to compensate for the $90 million they want to cut from it. They expect nearly a 30-percent increase in collections, which is three times the current rate of increase and the projected rates of increase for subsequent years.

In other words, HEW is counting on one miracle year in 1980. We applaud HEW's goals. We admire their attitude of positive thinking and can-do. But we question whether the lives and opportunities of real college students should be determined on uncertain premises. Whatever shortfall HEW efforts suffer will mean an absolute loss in dollars available to students.

If they don't collect the money they project they will collect, that's a real loss to students. Even if they manage to double collections and let's hope they do, there will still be a loss of $30 million in loan money available to students.

This is particularly important because, as you know, in MISAA, well, let me proceed by saying NDSL has kind of come to serve students, who can't get a guaranteed loan. That is the role it serves now. With the MISAA legislation which allows students from all income brackets to receive Federal interest subsidies, private lenders are much more likely to shift their GSL capital to students from the highest income brackets, who they consider to be the lowest risks.

As a result, then, while the administration's proposal would likely decrease the amount of NDSL capital available to students, MISAA, at the same time will likely increase the need for loans, so we will have a shortfall here.

To summarize that, we hope that HEW will succeed in its collection efforts, but we hope that you will not gamble educational opportunity of college students on their uncertainty.

I don't usually use miracle and HEW in the same sentence. They will have to prove themselves, Senator. If they can do it, I am happy.

Senator MATHIAS. Our chief counsel, his last train for the evening leaves at 7:40, and he has to jog to the station, but the libraries are critically important.

[The statement follows:]

## Statement of Patrick W. Kocian, National Director, Coalition of Independent College and University Students

Mr. Chairman and Members of the Subcommittee, I am Patrick W. Kocian, National Director of the Coalition of Independent College and University Students, also known as COPUS. COPUS is grateful for the opportunity to present testimony on the Fiscal Year 1980 Federal Budget for student assistance programs.

Appropriations for student financial aid will be made this year in the context of a new and promising mandate, the Middle Income Student Assistance Act (MISAA). MISAA, now Public Law 95-566, recognized the increasing burden of rising college costs on low-income students and their families, as well as the urgent need to begin addressing the phenomenon of an increasingly disenfranchised middle-class. COPUS, which has long held that rising costs threaten to restrict diversity of educational opportunity to only the most disadvantaged (who receive student aid) and the most affluent, worked hard in support of MISAA, welcomed its passage, and applauded the Congress and the Administration for their commitment to educational opportunity.

But alas, as students we are forever learning, "things are not always as they seem". Last year, we worked hand-in-hand with the Administration, happily convinced that they had finally seen the light of equal educational opportunity, proud to be in attendance when the President signed MISAA just last November. Now, as we march confidently toward fulfilling the promises of MISAA, we turn to find that our once staunch ally suffers from not merely a case of cold feet, but from an apparent loss of memory and resolve altogether.

Perhaps it was heat rather than light which motivated the Administration's support for MISAA. For whatever prompted their support, it is not evident in the President's Budget for student financial aid. In three crucial programs, the Budget directly contradicts the requirements of the MISAA legislation. In Basic Grants, the Budget ignores the MISAA provisions to assess more equitably the needs of independent students; In Supplemental Grants, the Budget proposes to disregard the minumum funding level authorized by Congress in MISAA; and in the Direct Loan Program, the Budget proposes not only to slash Federal support by nearly 1/3, but to fund the program below event the

minimum funding level set, like that of SEOG, in the recent MISAA legislation. Whether this turn-about suggests simple capriciousness or pre-meditated "bait-and-switch" tactics, is a question we'd rather leave to the experts. In any event, students were surprised and disappointed.

While the Administration's memory may be short, students have not forgotten the good news of five months ago when MISAA was passed, nor, do we suspect, will Congress. COPUS urges you to remember, in your deliberations ahead, the high public priority that MISAA articulated so recently.

Here follows our recommendations for funding of Federal student assistance programs:

Basic Grants (BEOG): It is a pleasure to be free from the annual obligation to plead for full-funding of the BEOG program; this goal has been achieved at long last. The Administration has proposed to continue full-funding of the BEOG, which we presume to mean that they will request a supplemental appropriation if necessary to that end.

Our pleasure is brief, however, as we join the U.S. Student Association in incredulous outrage with HEW's proposed BEOG Family Contribution Schedule, and its neglect of MISAA provisions requiring improved treatment of independent students. This provision was an important and unambiguous element of MISAA; it should not be subject to the uncertainty and arbitrariness of administrative fiat. We ought no longer postpone attention to the growing constituency of independent students. COPUS asks the Subcommittee to take any opportunity to underscore its concern for the sixty-thousand students affected by this provision, and to oppose operation of the BEOG program until independent students are funded according to the MISAA authorization.

Supplemental Grants (SEOG): Campus-based financial aid programs are of *crucial* importance to our student constituency. The BEOG program, with its standard, national needs assessment, is important in providing a foundation for access to some postsecondary education, but it is the campus-based programs alone which are sensitive to variations in college costs faced by students selecting the education which best serves their individual needs. Of these, the SEOG program is perhaps the most important, particularly for students in high-cost public and independent colleges

and universities. Typically, then, it is SEOG which is one of the programs most consistantly maligned by the current and past administrations.

As you know, the President's Budget would fund SEOG at $340 million, below the funding threshold--the amount which must be appropriated before the BEOG is funded--established in MISAA, i.e. $370 million. The rationale for this request--which apparently would require legislation to "disregard" the threshold --is not entirely clear, but seems to revolve around the notion that increased BEOG funding diminishes the need for SEOG. This simply is not the case.

BEOG's and SEOG's are as different as the concepts "basic" and "supplemental"; they are designed to serve different needs in an overlapping, but not identical constituency. One target of the program is the lowest-income student, for whom a Supplemental Grant is necessary simply to provide access to education: the full BEOG award, $1800, falls far short of average college costs in both the public and independent sector. Note that 40% of all BEOG recipients in academic year '77-78 also received other Federal student aid; nearly half of these students received SEOG awards. In other words, for these students, BEOG entitlements were insufficient to meet real financial obstacles to a postsecondary education. Since we cannot forsee any substantial increase in BEOG awards in the near future--of course, no increase in the maximum award is legally obtainable in FY 1980--the changes wrought in the BEOG program by MISAA can not diminish the need of these students for additional aid, including SEOG.

While SEOG is chiefly important in supplementing Basic Grant assistance to particularly needy students, it is also instrumental in providing all students a modest degree of choice of educational program. For example, many of our student members face college costs in excess of $7000 a year. That is a substantial, if not insurmountable financial burden on any middle-income budget, but students from middle-income families are unlikely to be eligible for any but the smallest BEOG grant. These students, who, by national standards, will recieve no more than token assistance under BEOG, nonetheless have a very real need. Nearly half of all financial aid recipients facing college charges in excess of $2000 in 1977-78 *were not eligible for Basic Grant assistance.* The expanded BEOG program will encompass some of these students, but will meet the full need of only the smallest margin of them. After all,

a $250 BEOG is hardly sufficient these days to cover the cost of even a semester's worth of textbooks.

For students with the lowest incomes, and for all students who would persue an education at a high-cost public or independent college, the SEOG program has a unique importance equal to any other program. We agree with the words of William Bowen, President of Princeton University, when he said last year, "A truly democratic society cannot afford to have institutions of higher education stratified by economic circumstances. Nor can we afford, as a society, to lose the values of pluralism and diversity represented by a system of higher education that included both public and private institutions of many kinds." The SEOG program is a recognition of both the value of a pluralistic system of higher education, and the necessity of assuring all students the opportunity to enjoy the diversity of educational experience afforded by this system. The minimum funding threshold for SEOG is an unequivocal statement that these values and goals can not be separated from the national commitment to educational opportunity.

COPUS recommends that the SEOG program be funded at $400 million for FY 1980. This is a very modest recommendation--in FY77 alone, the certified institutional need for SEOG was over $600 million--and is designed to reflect our concern for restraint in Federal spending. Please recall that some of the original MISAA legislation had proposed a minimum funding level of $450 million for SEOG.

Before I continue, let me add that increased SEOG funding is the highest priority for students in independent colleges and universities. Our students have been shortchanged every year with the imbalenced funding of student assistance programs. We must recognize that Basic Grants are inherently incapable of meeting the needs of most SEOG recipients, 30% of whom, incidently, are from families earning over $12,000 annually. These students desparately need your attention; that is what Middle Income student aid was once all about.

National Direct Student Loans (NDSL): We wonder if it wouldn't be more expedient for all of us for COPUS to simply refer to previous years' statements concerning NDSL, for the situation each year seems to be the same: the Administration tries to slash the program, and the Congress slaps the Administration's hand. This year, the President's Budget would

eliminate 1/3 of the Federal Capital Contribution to the program. This year's rationale, however, is a little bit different.

HEW suggests that vastly increased collections will retrieve enough NDSL capital to compensate for the $90 million cut in FCC. Specifically, they expect nearly a 30% increase in collections, three times both the current rate of increase and the projected rates of increase for subsequent years. In short, HEW is counting on nothing less than a miracle.

We applaud HEW's goals and admire its attitude of positive thinking, but question whether the lives and opportunities of real college students should be determined on such euphoric premises. Note that whatever shortfall HEW's valient effort suffers will mean an absolute loss in loan capital available to students. Even if collections are doubled, there will be a loss of $30 million in loan money available to students.

This is particularly important in light of MISAA. As you know, the NDSL program has come to serve primarily those students unable to obtain a Guaranteed Student Loan from a state or private lender--usually low-income students who have little or no credit history and are therefore assumed by banks to be poor risks. MISAA, of course, now entitles students from any income bracket to recieve Federal income subsidies on Guaranteed Loans, and the natural tendency of private lenders will be to allocate their GSL quota to higher-income, presumably lower-risk students. Given that there is probably an absolute limit on the amount of GSL capital available, this shift in lending patterns will mean that many more students of moderate incomes will be unable to obtain Guaranteed Loans. Thus, while the Administration's Budget will likely decrease the amount of NDSL capital available to students, MISAA will likely increase the student need for NDSL loans!

We share the concerns of many Members about problems in NDSL operations. But these problems should and must be addressed through a careful and reasoned evaluation of the program and its alternatives--an evaluation currently in progress in the education authorizing committees--and not through abandonment of the program mid-stream. We sincerely hope that HEW will succeed in its important collection efforts, but we hope that you will not gamble the educational opportunity of college students on that success, and will in prudence maintain the Federal Capital Contribution to NDSL at $310 million.

College Work-Study (CWS): COPUS recommends a CWS appropriation of $600 million in FY 1980. College Work-Study is unique in its universal popularity it enjoys among Congress, students, and college administrators. It is valuable in its assistance to students who may not be eligible for other forms of student aid--particularly students in higher-priced colleges: over 1/4 of all aided students in higher priced (above $2000) colleges recieved College Work-Study without BEOG or SEOG assistance. It is valuable because it is productive, often--albeit not often enough--providing students with work experience relevant to their academic or professional interest. And it is a fiscal bargain, for at least 20% of CWS aid is derived from non-federal sources--a particularly important point in these times of all-too-tight budgets. We are not award of any serious complaints about College Work Study.

State Student Incentive Grants (SSIG): SSIG is one of the most logically compelling of Federal student assistance programs. Particularly as we are forced to recognize the limits of the Federal budget, it is imperative for us to encourage states to re-assume a large responsibility for the provision of educational opportunity to students. Yet as exciting and appealing as SSIG is to us today, it is an essentially untried concept, given the meagre funding it has received.

COPUS recommends a SSIG appropriation of $100 million for FY 1980, an increase modest enough not to strain the Budget, but large enough to spark an expansion of the state role in financing higher education. We hope that you will pay close attention to SSIG in this and future years, for its potential to contribute to the achievement of equal educational opportunity has never been so important.

Summary: The Coalition of Independent College and University Students recommends appropriations of $400 million for the SEOG program, $600 million for the CWS program, $100 million for the SSIG program, $310 million in capital contributions to the NDSL program, and full-funding of the BEOG program. We ask the Subcommittee not to accept the Administration's proposals to disregard the NDSL and SEOG funding thresholds, and to object to the Administration's refusal to fund independent students as mandated in P.L. 95-566.

STATEMENT OF EILEEN D. COOKE

Senator MATHIAS. You are not a stranger here.

Ms. COOKE. Thank you. I appreciate your support in the past and also the honor of being on the panel that tops off your hearings showing that that is giving us all increased visibility. I sat here this afternoon and identified with every panel. That is one of the problems and plights of libraries, that within the American Library Association we are dedicated to improving library service for all citizens of all ages, whether it's young children coming into the public libraries or school children or students. We figure the libraries have a role to play in student assistance to just undergirding the whole educational process.

As you know, in the last few years the budgetary situation of libraries has really gone from bad to worse, looking at proposition 13 very closely, we found some devastating statistics. Library systems that have closed down temporarily only to reopen and still on sort of a tenuous situation.

The Los Angeles Public Library, I think, is the most devastating case. It has been living from month to month. They have gotten another reprieve. They may stay in business until the end of June, but it's just a hand-to-mouth existence.

Generally, libraries in California have reduced income up to 62 percent and many people don't know the public libraries are dependent upon property taxes. It's a rude awakening when they say we didn't mean to cut the library, but it's cutting hours, materials, staffing, drastically.

This is happening in a ripple effect in many places across the country.

We are concerned, because of the budgetary situation for the libraries in the last 5 years.

I have a very brief statement and then some backup. The green page, which is the third sheet in my testimony, shows the dollar figures.

Senator MATHIAS. It will all appear as fully as if read.

Ms. COOKE. Thank you very much.

We are concerned because in the last 5 years the average book cost went up 43 percent. Right now it's $20.10 for the average periodical cost, which students rely on very heavily for research. It went up 56 percent to $27.58. Meanwhile the inflationary rate rose only 36 percent. That is bad enough.

Senator MATHIAS. As a casual book purchaser, I am extremely conscious of that problem. The committee also takes cognizance of the fact that the budget requests for this year would put you back in your 1977 level.

Ms. COOKE. That's right.

Senator MATHIAS. That is moving in the wrong direction.

Ms. COOKE. About a $51 million cut they are proposing for the acquisition of library materials, so we would urge that this committee at the very least restores these cuts.

What we recommended may look very "blue sky," but prorating that across the population that winds up being about $2.34, which you can't buy anything for as an individual now, but I think that is the value of libraries.

Just pooling resources, sharing, and we have many attachments that show how the various States would be affected.

For example, Maryland alone under the President's policy would lose $854,000 for library services, the school library program, and the college library program.

The college library program, we have a chart on there, because it is a very sad tale—80 percent of the colleges in the country have an enrollment of under 5,000. The administration thinks that the basic resource program is so small, so few dollars that it's really of negligible value.

We got letters from our constituents who say it is very critical to their existences. In some cases it's 10 percent of this acquisition budget.

In a few cases, it's 25 percent. And they don't have anyplace else to turn. But the value of the basic resource program under the higher education title II, is it has a maintenance of effort provision which acts as a deterrent. When people are tempted to say, "Well, you have books on the shelves, why do you need more," the incentive of having some Federal seed money helps considerably. So we appreciate the opportunity to appear here today, and I should add since Mr. Marquis, who testified on behalf of the Joint Counsel on Educational Telecommunications, alluded to the fact I had been chairman of that group, that the American Library Association, which is a member of JCET, fully endorses their representatives, getting some telecommunications and better utilization of material.

Thank you very much.

Senator MATHIAS. Thank you.

[The statement follows:]

## Statement of Eileen D. Cooke, Associate Executive Director, American Library Association

My name is Eileen D. Cooke. I am Associate Executive Director of the American Library Association and Director of its Washington Office. A nonprofit educational organization of some 35,000 librarians, trustees, educators, and other friends of libraries, ALA is dedicated to the improvement of library services for all citizens. Attached to my statement are (1) a one-page summary of our FY 1980 recommendations, and (2) detailed justification papers on library and related programs covered by the Labor-HEW appropriations bill. Since you have requested that oral testimony be kept very brief I will simply outline some of the problems facing libraries of all types, refer you to the justification papers, and answer any questions you may have.

In the last few years libraries of all types--public, school, and academic--have seen a decline both in actual budget dollars and in the purchasing power of the funds they receive. Even when budgets remain stable or increase slightly, previous deep cuts in hours of public service, in purchases of books, periodicals, and other library materials cannot be restored.

The purchasing power of the library dollar has shrunk alarmingly because the costs of acquiring, processing and providing access to library materials have risen faster than the overall inflation rate. Over the past five years the average book price has risen 43 percent to $20.10; the average periodical subscription price, 56 percent to $27.58. The overall inflation rate rose 32 percent during the same period. These costs are uncontrollable no matter how prudently library management watches its dollars.

People most in need of services--the poor, the elderly, the handicapped, the newcomers with little or no English, the disadvantaged student--find that the special materials suited to their needs may no longer be acquired because funds are not available to carry out such programs. Handicapped users have a more fundamental problem--how to gain access to the many antiquated and inaccessible library buildings across the country. With the conclusion of public works funds and the competitive situation for general revenue sharing, library construction funding is the major source of assistance for barrier removal.

Library training and demonstration grants aid special constituencies also by adding to the minority representation in the library field, and by developing improved delivery of library services to groups with special information needs. Demonstration grants are also needed to stimulate the development and application of new technology for disseminating information. Because no library today can be

self-sufficient, and to allow the riches of all libraries to be available to the user of any one library, federal support of interlibrary cooperative efforts is essential.

Finally we note with some irony the administration's emphasis in its FY 1980 budget on a new ESEA basic skills improvement program as "the centerpiece of our national literacy program." How can basic skills and literacy be improved without a commitment to library support? Adequate funding of all the library programs would relate directly to this high administration priority--a high priority of the Senate as well, as evidenced by the hearings on basic skills now underway in the Education, Arts, and the Humanities Subcommittee. School libraries use federal funds for resources to support development of effective reading and writing skills; learning resource centers in community colleges and other institutions of higher education provide remedial materials and assistance to students needing help with learning skills; public libraries hold English classes and provide individualized assistance which meets the unique needs of many adult learners.

Libraries are an essential component of any national literacy effort, and could do more to help develop an effective and informed citizenry with further support.

Mr. Chairman, I thank you for this opportunity to present the views of the American Library Association.

LIBRARY SERVICES AND CONSTRUCTION ACT

TITLE I - PUBLIC LIBRARY SERVICES

Program Purpose

Grants to the States for: promoting the extension and improvement of public library services in areas without such services or with inadequate services; improving library service for physically handicapped, bilingual, institutionalized, and disadvantaged persons; strengthening metropolitan libraries that serve as regional and national resource centers; and strengthening state library administrative agencies. When appropriations exceed $60 million, a portion of the funds are earmarked for urban libraries.

Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| $62,500,000 | $56,900,000 | $140,000,000 |

Justification for ALA Appropriation Request

1. The FY 1979 appropriations bill (PL 95-480) provides $62.5 million for LSCA I, triggering for the first time the provision that a portion of any amount over $60 million be reserved for cities with a population over 100,000. This recognizes the major role our nation's urban libraries play as resource centers for the population. To more fully implement this provision $140 million is needed in FY 1980.

2. Increased funding of LSCA I is also necessary to provide much needed aid for the nation's smaller public libraries--helping them meet state standards and join with other larger libraries to better serve their users. Libraries in towns and rural areas are also beset by the rising costs of library materials and increasing postal rates, while at the same time facing an increased demand for materials and services. Nearly 80 percent of citizens responding to a nationwide Gallup poll this past sum-

mer indicated that if a budget crunch were to occur, they would not favor reducing library services to the public.

3. Congressionally mandated priorities for LSCA call upon libraries to serve the handicapped, the institutionalized, the disadvantaged, and those of limited English-speaking ability. It was estimated in 1976 that 28.5 million people in the U.S. lack the necessary communicative skills to cope with routine daily matters. For instance, one in twenty U.S. Army recruits is functionally illiterate, despite the fact that the army has a higher percentage of high school graduates (83 percent) than ever before. There are people of all ages who are not in the army and who must rely on local programs for assistance to overcome their inabilities. The Gallup poll shows 35 percent of the respondents to be very interested in getting help to improve their reading ability. Libraries require the funding provided by LSCA I in order to help meet these needs.

4. Although construction funding needed to carry out the intent of the "504" regulations would fall under LSCA II, increased funding is required under Title I to provide services to the handicapped other than simply opening the door. In FY 1977 libraries serving the blind and physically handicapped circulated more than 14,000,000 items. Libraries need funds to continue and expand provision of materials in braille, large print books, records, audiovisual aids and a countless variety of other services and materials aimed at giving the user, handicapped or not, the full benefit of our heritage, knowledge and thoughts.

5. Four out of five adults are involved in a learning project each year, and 75 percent of these are self initiated, according to a recent nationwide survey. LSCA I funding is an essential source of support for libraries in providing resources to support these learners. Just as adults are no longer assumed to stop working at a specified age, they no longer expect to cease learning after high school or college.

6. LSCA I continues to be viewed as a catalyst by which modest sums dispersed to the states would generate quality library service. The federal appropriations have acted as seed money for state library agencies as well as for local libraries. Since 1956 fifteen states have enacted legislation providing state aid to public libraries, bringing the total of states with such legislation to 41.

7. This year, state aid provided $137.5 million in state-wide services to readers. LSCA money has made possible a start on state-wide information networks and has demonstrated the commitment of states to the role of the public library as an indispensable part of a multifaceted education system, offering a unique opportunity for self-education.

8. Public libraries must continually grapple with the problem of how to serve the broadest spectrum of citizens in their community with increasingly limited funds. The recent development of library job information centers in New York State represents a paragon of how federal money from various programs can work in concert to achieve positive results for hundreds of thousands of citizens throughout one state. Yonkers Public Library received a $15,000 grant from the Department of Labor to establish a prototype job information center. The resulting program was so successful that nearly every library system in the state adapted the program in some form. In the process of attempting to locate sources of funding for these local adaptations of the Yonkers program, many libraries turned to LSCA and CETA, as well as state and local sources of funding. The results have added to an already long list of LSCA success stories.

9. Libraries throughout New York State and all other states are facing cutbacks so severe as to nearly eliminate all but the basic service of purchasing a few books and placing them on the shelf. Frightening stories such as the month-by-month reprieves putting off the permanent closing of the Los Angeles County Public Library are not coming only from California. The loss of LSCA funds directly hurts successful programs such as the job information centers. The hiring of trained staff, the offering of special assistance and programs designed to meet local needs, and the attempts to reach out to the community are increasingly the victims of tight budgets and scarce local resources.

10. Even minimal services require substantial budgets. The $8.47 cost of an average book in 1968 rose to $20.10 in 1978; an increase of 137 percent. During the same period the average periodical subscription rose from $8.65 to $27.58, or an increase of 219 percent. In addition, wages, energy consumption, and numerous other factors contribute substantially to the financial burden of even the most lean and efficient library operation.

11. Congress has demonstrated its understanding that effective decision-making requires substantial information resources through its support of the Congressional Research Service. The Congressional Research Service's budget request for FY 1980 is $30,335,000 or $56,700 per member of Congress. Total LSCA funds appropriated under all titles for FY 1979 amounts to only 31¢ per capita, with 28¢ being from LSCA I. In a democratic society decision-making is an important activity at all levels of the population. To fully assure wide access to the full range of information resources, 64¢ per capita, or $140,000,000, is needed for LSCA I.

Accomplishments

FLORIDA - Four county library systems expanded their programs of services to aged residents by enlarging their collections of large print books to be placed in retirement homes and nutritional centers. Films, projectors and screens were purchased for use by senior citizens. Directories of services for senior citizens were prepared and widely distributed, as were promotional materials designed to encourage use and participation.

MARYLAND - Through information stations in each state correctional institution, the State Library Agency has established an information and referral service, as recommended by two conferences studying inmate needs. Cooperating with the Maryland State Library Agency are the Maryland Division of Corrections, the Enoch Pratt Library of Baltimore, other Maryland libraries, and the District of Columbia Public Library's Community Information Service.

MASSACHUSETTS - Among the 43 projects carried on during FY 1979 in Massachusetts is the establishment of employment information centers at the Jones Library in Amherst and the Falmouth Public Library. In Provincetown, an information center will focus on providing information control to the town's economy--the fishing industry.

MISSOURI - In response to the large number of physically and mentally handicapped children in the Kansas City area, the Public Library is developing special book collections for the children, as well as information to assist the parents of handicapped children.

NEW YORK - LSCA money will enable Brooklyn Public Library branches to provide Sunday hours for the first time.

WISCONSIN - To improve and extend library service to Indians on reservations, the Wisconsin State Library Agency is strengthening 10 tribal libraries on 12 reservations. This is being accomplished through the cooperative efforts of three public library systems, the Indian Technical Assistance Project and the Indian Tribal Councils. The project emphasizes the development of library collections pertaining to Indians, collections of general resource materials, and continuing education for Indian trainee librarians.

WHAT LIBRARY USERS WOULD LOSE
Under Carter's FY 1980 budget for Public Library Services
(Library Services and Construction Act Title I)

FY '79 Appropriation: $62,500,000 FY '80 Budget Request: $56,900,000

LSCA I funds are allocated to the states to extend and improve public library services, with special emphasis on improvement of library services for the physically handicapped, the institutionalized, disadvantaged, bilingual, and older persons; strengthening state library agencies; and strengthening major urban resource libraries. The FY '79 appropriation activated for the first time the provision enacted in 1977 (PL 95-123) that a portion of any amount over $60 million be reserved for cities over 100,000, thus recognizing the major role our nation's urban libraries play as resource centers for the population. The administration's budget request would not activate the urban library provision, and would adversely affect citizens' access to information in all size libraries. If funding is not restored to at least the FY '79 level, libraries in the states would lose funding in the amounts listed below.

47-710 O - 79 - 50

| State | Amount State Would Lose* | State | Amount State Would Lose* |
|---|---|---|---|
| Alabama | $ 93,744 | Montana | $ 19,375 |
| Alaska | 10,470 | Nebraska | 39,827 |
| Arizona | 57,715 | Nevada | 15,731 |
| Arkansas | 54,327 | New Hampshire | 21,223 |
| California | 552,303 | New Jersey | 188,335 |
| Colorado | 66,081 | New Mexico | 30,076 |
| Connecticut | 79,604 | New York | 463,281 |
| Delaware | 14,935 | North Carolina | 140,167 |
| D.C. | 17,964 | North Dakota | 16,552 |
| Florida | 214,357 | Ohio | 274,330 |
| Georgia | 127,901 | Oklahoma | 71,084 |
| Hawaii | 22,685 | Oregon | 59,690 |
| Idaho | 21,377 | Pennsylvania | 302,866 |
| Illinois | 287,237 | Rhode Island | 24,020 |
| Indiana | 136,343 | South Carolina | 72,983 |
| Iowa | 73,753 | South Dakota | 17,604 |
| Kansas | 58,997 | Tennessee | 108,654 |
| Kentucky | 88,176 | Texas | 323,319 |
| Louisiana | 99,441 | Utah | 31,616 |
| Maine | 27,484 | Vermont | 12,241 |
| Maryland | 105,856 | Virginia | 129,646 |
| Massachusetts | 148,610 | Washington | 92,667 |
| Michigan | 233,860 | West Virginia | 47,013 |
| Minnesota | 101,469 | Wisconsin | 118,303 |
| Mississippi | 60,691 | Wyoming | 10,034 |
| Missouri | 122,846 | | |

*Figures based on estimated distribution using FY'79 appropriation and FY '80 budget estimate.

TITLE II - PUBLIC LIBRARY CONSTRUCTION

Program Purpose

Grants to the States for public library construction, defined as the construction of new public library buildings and the acquisition, expansion, remodeling, and alteration of existing buildings for use as public libraries. Remodeling to remove architectural barriers and to conserve energy are priorities added in the LSCA Amendments of 1977.

Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| -0- | -0- | $97,000,000 |

Justification for ALA Appropriation Request

1. A recent survey (table attached) of the states revealed that 679 communities need new or expanded public library facilities. These projects could be started this year if LSCA II matching funds are made available. State and local dollars would match the federal dollars by almost 2 to 1. Of the $724 million spent for public library construction from 1965-1978, 73 percent came from local and state sources, with local support comprising the major share, 66 percent. Federal dollars frequently provide sufficient seed money to get a local building program off to a healthy start.

2. Federal policies encouraging and assisting handicapped persons to fully participate in society, formally recognize the importance of providing access to information by adding remodeling for handicapped access as a new priority under LSCA II (PL 95-123). Barriers in the form of massive steps, narrow aisles, antique plumbing fixtures, and lack of electrical hookups for equipment used by the blind and the deaf, are examples of the obstacles in 8,147 public libraries needing a total of $275.6 million for structural modifications (see attached table).

3. Persistent concerns over energy availability, in combination with needs to reduce local taxes underline the benefits to be derived from funds used to insulate and remodel older library buildings. Large windows, massive doors, and antiquated structures are costly and wasteful when in operation seven days a week, 12 hours a day, during all seasons, and in most communities throughout the nation. Dollars

not spent for fuel can be better used to buy library materials of direct benefit to the users. Energy conservation is the second of the priorities added by the LSCA Amendments of 1977 (PL 95-123).

4. Our public libraries not only serve our community leaders and government officials, local business concerns and civic groups, they are a backup service for our college students, school children, and the unemployed. On a busy evening or weekend there is literally standing room only. It is essential that space be available so that story hours, reference and information assistance, and quiet study can take place simultaneously without distraction. Informal learning is the library's special contribution to education. To turn aside the library user by inadequate space may be to take away his or her only access to independent learning.

5. Projects funded by Title II have provided 88,458,742 persons with the opportunity to avail themselves of a full range of library services offered from a permanent building. This high count of population served (over one-third of the country's current population) reflects only the availability of library services and does not begin to measure the benefits of these services in terms of human value.

**Public Library Construction Projects - Ready to Start in 1979**
**If LSCA Title II Matching Funds Are Available**

| | Number of Projects | Total Dollars Needed | Federal LSCA II Dollars | State & Local Dollars | Other Dollars |
|---|---|---|---|---|---|
| TOTALS | 679 | $458,200,476 | $176,486,310 | $263,499,566 | $18,214,600 |
| Alabama | 10 | $ 2,560,000 | $ 1,560,000 | $ 1,000,000 | |
| Alaska | 3 | 12,700,000 | 3,720,000 | 8,980,000 | |
| Arizona | 7 | 8,000,000 | 3,000,000 | 4,000,000 | 1,000,000 |
| Arkansas | 10 | 1,262,000 | 757,200 | 504,800 | |
| California | 40 | 30,000,000 | 10,000,000 | 5,000,000 | 15,000,000 |
| Colorado | 7 | 1,150,000 | 725,000 | 375,000 | 50,000 |
| Connecticut | 14 | 2,650,000 | 1,400,000 | 1,250,000 | |
| Delaware | 7 | 6,107,000 | 3,202,000 | 2,905,000 | |
| Florida | 5 | 5,000,000 | 1,850,000 | 3,000,000 | 150,000 |
| Georgia | 26 | 13,212,620 | 10,676,620 | 2,056,000 | 480,000 |
| Hawaii | 3 | 3,206,000 | 200,000 | 3,006,000 | |
| Idaho | 12 | 5,000,000 | 2,500,000 | 2,300,000 | 200,000 |
| Illinois | 12 | 3,250,000 | 650,000 | 2,225,000 | 375,000 |
| Indiana | 20 | 15,014,308 | 7,206,868 | 7,807,440 | |
| Iowa | 26 | 9,597,500 | 4,790,000 | 4,789,500 | |
| Kansas | 5 | 2,400,000 | 1,800,000 | 600,000 | |
| Kentucky | 8 | 4,239,741 | 2,668,241 | 1,571,500 | |
| Louisiana | 5 | 10,300,000 | 6,180,000 | 4,120,000 | |
| Maine | 3 | 1,600,000 | 300,000 | 1,300,000 | |
| Maryland | 7 | 4,590,000 | 1,292,000 | 2,638,400 | 659,600 |
| Massachusetts | 5 | 5,000,000 | 500,000 | 4,500,000 | |
| Michigan | 20 | 10,000,000 | 2,500,000 | 7,500,000 | |
| Minnesota | 10 | 7,000,000 | 2,000,000 | 5,000,000 | |
| Mississippi | 18 | 3,052,195 | 1,831,317 | 1,220,877 | |
| Missouri | 3 | 6,000,000 | 2,000,000 | 4,000,000 | |
| Montana | 2 | 2,500,000 | 1,250,000 | 1,250,000 | |
| Nebraska | 7 | 4,500,000 | 2,250,000 | 2,250,000 | |
| Nevada | 2 | 471,679 | 150,000 | 321,679 | |
| New Hampshire | 4 | 1,480,000 | 592,000 | 888,000 | |
| New Jersey | 13 | 11,784,080 | 2,356,880 | 9,427,200 | |
| New Mexico | 0 | | | | |
| New York | 39 | 58,500,000 | 20,475,000 | 38,025,000 | |
| North Carolina | 5 | 11,551,527 | 4,620,612 | 6,930,915 | |
| North Dakota | 4 | 1,900,000 | 950,000 | 950,000 | |
| Ohio | 31 | 10,629,252 | 4,783,162 | 5,846,090 | |
| Oklahoma | 12 | 7,519,920 | 3,759,960 | 3,759,960 | |
| Oregon | 13 | 8,636,573 | 3,454,629 | 4,931,944 | 250,000 |
| Pennsylvania | 10 | 8,000,000 | 6,000,000 | 2,000,000 | |
| Rhode Island | 7 | 8,580,000 | 4,341,700 | 4,238,300 | |
| South Carolina | 1 | 200,000 | 100,000 | 50,000 | 50,000 |
| South Dakota | 5 | 1,750,000 | 875,000 | 875,000 | |
| Tennessee | 25 | 10,000,000 | 5,000,000 | 5,000,000 | |
| Texas | 62 | 74,089,460 | 10,238,500 | 63,850,960 | |
| Utah | 21 | 6,284,500 | 3,142,250 | 3,142,250 | |
| Vermont | 15 | 2,700,000 | 1,566,000 | 1,134,000 | |
| Virginia | 35 | 17,691,000 | 8,845,000 | 8,846,000 | |
| Washington | 18 | 11,325,561 | 5,455,573 | 5,870,038 | |
| West Virginia | 43 | 8,263,560 | 6,610,848 | 1,652,712 | |
| Wisconsin | 11 | 8,500,000 | 2,125,000 | 6,375,000 | |
| Wyoming | 8 | 8,470,000 | 4,235,000 | 4,235,000 | |

Estimated Number of Public Library Buildings Inaccessible to Handicapped
Based on a 1978 Survey of State Library Agencies

| State | Number of Libraries | Total Funds Needed to make Barrier Free | Average Cost Per Building |
|---|---|---|---|
| TOTALS | 8,147 | $275,644,747 | $33,834 |
| Alabama | 125 | 4,500,000 | 35,000 |
| Alaska | 50 | 650,000 | 13,000 |
| Arizona | 46 | 212,800 | 4,626 |
| Arkansas | 55 | 800,000 | 14,545 |
| California | 1,000 | 50,000,000 | 50,000 |
| Colorado | 32 | 469,000 | 15,000 |
| Connectict | 80 | 900,000 | 11,205 |
| Delaware | 21 | 15,750 | 750 |
| District of Columbia | 18 | 1,024,000 | 56,888 |
| Florida | 65 | 1,300,000 | 20,000 |
| Georgia | 198 | 990,000 | 5,000 |
| Hawwii | 0 | | |
| Idaho | 105 | 990,000 | 9,428 |
| Illnois | 317 | 9,185,400 | 28,976 |
| Indiana | 211 | 2,365,971 | 11,213 |
| Iowa | 461 | 2,305,000 | 5,000 |
| Kansas | 192 | 3,500,000 | 18,299 |
| Kentucky | 8 | 49,750 | 6,218 |
| Louisiana | 245 | 1,731,000 | 7,065 |
| Maine | 200 | 5,000,000 | 25,000 |
| Maryland | 65 | 1,503,667 | 23,133 |
| Massachusetts | 525 | 26,250,000 | 50,000 |
| Mighigan | 250 | 19,975,000 | 79,900 |
| Minnesota | 199 | 7,960,000 | 40,000 |
| Mississippi | 96 | 576,000 | 6,000 |
| Missouri | 220 | 6,000,000 | 27,273 |
| Montana | 7 | 280,000 | 40,000 |
| Nebraska | 232 | 923,789 | 3,982 |
| Nevada | 15 | 45,150 | 3,010 |
| New Hampshire | 191 | 742,000 | 3,907 |
| New Jersey | 126 | 1,260,000 | 10,000 |
| New Mexico | 15 | 391,670 | 24,536 |
| New York | 525 | 39,375,000 | 75,000 |
| North Carolina | 38 | 2,200,000 | 57,894 |
| North Dakota | 36 | 1,620,000 | 45,000 |
| Ohio | 341 | 42,390,000 | 124,000 |
| Oklahoma | 114 | 714,000 | 6,260 |
| Oregon | 159 | 2,448,600 | 15,400 |
| Pennsylvania | 375 | 5,125,000 | 15,000 |
| Rhode Island | 47 | 1,352,000 | 28,765 |
| South Carolina | 51 | 500,000 | 9,840 |
| South Dakota | 57 | 2,394,000 | 42,000 |
| Tennessee | 164 | 8,200,000 | 50,000 |
| Texas | 314 | 5,000,000 | 15,923 |
| Utah | 40 | 975,000 | 25,000 |
| Vermont | 202 | 3,261,000 | 16,143 |
| Virginia | 111 | 3,885,000 | 35,000 |
| Washington | 78 | 912,600 | 11,700 |
| West Virginia | 35 | 496,650 | 14,190 |
| Wisconsin | 55 | 1,325,000 | 24,090 |
| Wyoming | 35 | 1,575,000 | 45,000 |

TITLE III - INTERLIBRARY COOPERATION

Program Purpose

Grants to the States for: planning for, and taking other steps leading to the development of, cooperative library networks; and establishing, expanding, and operating local, regional, and interstate cooperative networks of libraries, which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved supplementary services for the special clientele served by each type pf library.

Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| $5,000,000 | $3,337,000 | $20,000,000 |

Justification for ALA Appropriation Request

1. LSCA Title III is the only federal program which provides funds directly to the states for the purpose of promoting and supporting library cooperation and networking. A recent Ford Foundation Letter points out the necessity of interlibrary networking and sharing:

"Not only has there been an explosive increase of information and of publication in books and other media, but the cost of books has risen even more than general inflation...A system of national bibliographic control and sharing must be established if American libraries are to serve their users comprehensively and economically."

2. A USOE funded evaluation study issued in 1978 indicated three important contributions of LSCA III: 1) Greater centralization of planning and administration of library services at the state and regional levels, 2) playing a major role in influencing state legislatures to modify or pass legislation favoring cooperation and networking (by 1976 over 76 percent of the states participated in library networks), and 3) providing the impetus for participation in intrastate and multistate cooperatives/networks, and for increased use of telecommunications.

3. The same study also noted that under LSCA III, optimal development and improvement of library services is dependent on 1) a threefold increase in the basic state allotment of LSCA III funds; 2) a provision for multi-year funding; and 3) the assumption of a leadership role by the U.S. Office of Education, along with the National Commission on Libraries and Information Science and the Library of Congress in the development of standards and guidelines, and in the development of a national plan for library services.

4. This is a period of severe strain on our nation's libraries. The price of periodical subscriptions alone climbed 207 percent between 1967 and 1977, while the Consumer Price Index went up 81 percent. Increasing personnel and energy costs further deplete local library budgets. In the face of these tight budgets libraries have had to reduce their purchases of new materials with the hope of borrowing items which are in lower demand. LSCA Title III has provided the necessary stimulus to encourage localities, regions, and even states to join in multi-county, metropolitan, statewide, and interstate library networks designed to streamline administration and maximize resources, with the goal of better service to all.

5. A preliminary review of resolutions and recommendations from the first 35 Pre-White House Conferences on Library and Information Services, published in 1979, highlights the importance of wide access to information and the role of technology:

"Continuing advances in communication technology, computing, library and information science, and information systems hold the promise of facilitating substantial social and economic progress during this century by making information more available, accessible and useful. The information poor may, however, become even more impoverished unless they are given prominent consideration in the design of our new systems. One of our greatest challenges over the next decade is to guide the emerging information potential in a way that all of our citizens can benefit to the greatest degree possible. We must not become a nation of information 'haves' and 'have nots' because the consequences could indeed be severe for all of us."

6. LSCA III has enabled libraries to create networks linked through such traditional devices as the telephone and the mails, but more importantly to explore and establish effective linkages via teletype, telefacsimile, and satellite telecommunications. Each of these modes offer possibilities for reaching groups that might otherwise remain "information poor:" teletype for the deaf, satellite for the rural, and telefacsimile for the confined.

Accomplishments

As part of an overall evaluation of LSCA III, in-depth case studies were used to investigate the operation and impact of LSCA projects in selected states. These case studies revealed the following:

ALASKA - The University of Alaska has a union list of periodicals, but without LSCA III funds they could not have continued its development...Larger amounts of Federal money would allow greater access.

CALIFORNIA - The State Librarian feels that although LSCA III is not a large amount of money, it is entirely beneficial.

MINNESOTA - The State Librarian and the MINITEX (Minnesota Interlibrary Telecommunications Exchange) Project Director both agree that without Federal support in the form of LSCA III funds, the development of networks and cooperative projects in Minnesota would have been less extensive and that some projects would not have been started.

MISSISSIPPI - The Statewide Telephone and Teletype Reference Service has, according to several respondents, 'revolutionized library service in Mississippi.' The State Librarian assessed the contribution of LSCA III projects in Mississippi as being excellent.

NEW HAMPSHIRE - The State Librarian believes that without LSCA III funds these projects would not have developed. "It's hard to sell new ideas." "It gives us seed money to demonstrate cooperatives."

WHAT LIBRARY USERS WOULD LOSE
Under Carter's FY 1980 budget for Interlibrary Cooperative Services
(Library Services and Construction Act Title III)

FY '79 Appropriation: $5,000,000 FY '80 Budget Request: $3,337,000

LSCA III provides grants to the states for interlibrary cooperation activities which coordinate the resources of school, public, academic and special libraries for improved services to all library users. Because of increased numbers of publications and rising costs, each individual library is less and less able to meet its users' needs. This is not the time to reduce funding which brings improved library service to millions of citizens through cooperative purchasing, processing and use of library materials. If funding is not restored to at least the FY '79 level, states would lose funding in the amounts listed below:

| State | Amount State Would Lose* | State | Amount State Would Lose* |
|---|---|---|---|
| Alabama | $ 27,839 | Montana | $ 5,754 |
| Alaska | 3,109 | Nebraska | 11,828 |
| Arizona | 17,139 | Nevada | 4,671 |
| Arkansas | 16,134 | New Hampshire | 6,303 |
| California | 164,014 | New Jersey | 55,929 |
| Colorado | 19,623 | New Mexico | 8,932 |
| Connecticut | 23,639 | New York | 137,577 |
| Delaware | 4,435 | North Carolina | 41,625 |
| D.C. | 5,334 | North Dakota | 4,915 |
| Florida | 63,656 | Ohio | 81,466 |
| Georgia | 37,982 | Oklahoma | 21,110 |
| Hawaii | 6,736 | Oregon | 17,726 |
| Idaho | 6,349 | Pennsylvania | 89,941 |
| Illinois | 85,299 | Rhode Island | 7,133 |
| Indiana | 40,489 | South Carolina | 21,673 |
| Iowa | 21,903 | South Dakota | 5,228 |
| Kansas | 17,520 | Tennessee | 32,266 |
| Kentucky | 26,185 | Texas | 96,014 |
| Louisiana | 29,531 | Utah | 9,389 |
| Maine | 8,162 | Vermont | 3,635 |
| Maryland | 31,436 | Virginia | 38,500 |
| Massachusetts | 44,132 | Washington | 27,519 |
| Michigan | 69,448 | West Virginia | 13,961 |
| Minnesota | 30,133 | Wisconsin | 35,131 |
| Mississippi | 18,023 | Wyoming | 2,979 |
| Missouri | 36,480 | | |

*Figures based on estimated distribution using FY '79 appropriation and FY '80 budget estimate.

ELEMENTARY AND SECONDARY EDUCATION ACT

TITLE IV-B - INSTRUCTIONAL MATERIALS AND SCHOOL LIBRARY RESOURCES

Program Purpose

Grants to the States for: the acquisition of school library resources, textbooks, other printed and published instructional materials, instructional equipment and materials suitable for use in providing education in academic subjects for use by children and teachers in public and private elementary and secondary schools, which shall be used for instructional purposes only. Local educational agencies make the decisions as to how their allotments will be divided among the program purposes.

Appropriation Request*

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| $180,000,000 | $149,600,000 | $197,500,000 |

*This program is advance funded. The FY 1980 appropriation will be advance funding for FY 1981.

Justification for ALA Appropriation Request

1. President Carter's budget recommends a reappropriation of $18 million from ESEA IV-B to the new ESEA IV-D program of guidance, counseling and testing (formerly a part of IV-B until passage of the Education Amendments of 1978) for both FY 1980 and FY 1979. The rationale given for this reappropriation of funds is that it is "required" by the new amendments (PL 95-561). However, nothing in the law or its legislative history requires or even implies that such a transfer of funds should be made.

2. The guidance, counseling and testing portion of IV-B has been receiving from $11 million to $14 million over the last few years; transferring $18 million would penalize the other program purposes on which LEAs chose to spend their funds. In addition, Congress did not just change the location of the guidance, counseling and testing program, but amended and expanded it as well. It has become a new program with additional elements, and should have a separate appropriation.

3. As a matter of fact, Congress retained certain hold harmless provisions from the previous statute. If funding falls below the previous year's level the ESEA IV-B program reverts to the former categorical programs of ESEA II and NDEA III. Such a step would require additional paperwork just as the changes required by the Education Amendments of 1978 are being implemented.

4. The administration's budget materials state that the ESEA IV-B program is not well targeted toward need. However, for FY 1979, 31 percent of the program funds were estimated to be spent for high cost or high tax effort children. This represents 18 million children receiving additional aid beyond the funds spent according to enrollment. The IV-B program also has a very high rate of participation by private schools.

5. Both the administration's proposals and the education amendments just enacted by Congress emphasize the need to improve the basic skills of the nation's school children. A child would have great difficulty improving his or her reading and writing skills without having adequate library and instructional materials available. Despite recent progress, about one million students attend schools with no library or media center.

6. Both Congress and the administration have also emphasized the need to involve parents in their children's schooling. According to a recent Gallup survey, 92 percent of respondents believe the school library is important for their children's education, and 73 percent report the school library is frequently used by their children. Yet an inventory conducted for the National Commission on Libraries and Information Science shows school libraries have 522 million books but need an additional 526 million to serve adequately the current school population.

7. School library/media centers must also provide materials to satisfy the new emphasis on the world of work. Students should be exposed at the earliest possible age to the wide range of career options available to them. Vocational and career information must be replaced regularly and added to as conditions change. It is especially important that older occupational literature for students which may dis-

criminate against women and minorities be replaced with newer material which does not restrict the choices of any student.

Accomplishments

The following are among the ESEA IV-B projects reported by school librarians and media specialists from across the country:

CALIFORNIA - In a project with heavy parental involvement, students at Brittan Elementary School are encouraged to produce their own media programs and materials with the aid of IV-B funds for school library resources and equipment.

HAWAII - IV-B funds for multi-media materials will enhance an ethnic studies project for the 167 children of Immaculate Conception School.

ILLINOIS - In the Rockford Public School District, special materials relating to each subject area published in Spanish and developed for English as a second language were acquired for the bilingual student population of 1,056.

IOWA - The Maxwell Community School District's priority need was an elementary school library with a full range of media and equipment to replace a collection of out-of-date printed materials. IV-B funds helped in meeting this need.

KENTUCKY - In the Hardin County Schools, the availability of instructional equipment, audiovisual equipment and supplementary materials was minimal. IV-B funds were used to add additional materials to the county Media Resource Center. Circulation records show increased use of these resources. The project has been especially beneficial to the private school children, since the entire collection is available for their use.

MARYLAND - At Greensboro Elementary School, IV-B monies were used to purchase new types of audiovisual equipment, books, and other instructional materials. The children have been very responsive to the basic library media skills program which is interwoven with the reading program.

MASSACHUSETTS - A new regional school district replaced two previous districts and includes one very small elementary private school. The two components of the region had sharply contrasting school media services. With the establishment of a central high school, IV-B funds were used to upgrade and equalize media services. Students must complete a "basic skills in media" program. Needy elementary collections are also being built up.

MISSOURI - In the Branson R-IV School District, instructional television is used to provide an incentive for students experiencing reading difficulties and who had low science achievement test scores. IV-B funds allowed the purchase of additional receivers.

NEW JERSEY - Testing in certain private schools in Atlantic City revealed low scores on map and globe interpretation. Instructional equipment and materials were purchased by the public school district for the use of pupils and teachers in these private schools.

NEW MEXICO - IV-B funds helped establish a videocassette library in the Albuquerque district media center. These resources are loaned to all public and private schools in the area.

NORTH DAKOTA - Mud Butte School in Rhame is a small one-teacher school with 12 pupils in grades 1-8. Pupils are avid readers; many of them read 50 to 100 books in a school term. Each day the pupils have a thirty minute free reading period in addition to reading classes. $265 in IV-B funds purchased books and kits to meet their reading interests.

OHIO - Additional sound filmstrips and books in the language, science, and social science areas were purchased for the Ridgebury School Media Center in the South Euclid-Lyndhurst City School District. Heavier circulation of materials from the Media Center to home and classroom and increased usage in the center itself resulted.

OREGON - Chenewith, a little district of 990 students in central Oregon, used all of its money on a video-tape machine for closed circuit TV within the different schools. Students who had never been able to read or write were standing in line to read what they had written for their own TV presentation.

PENNSYLVANIA - Based on a recent needs assessment, the remedial reading program of the Conestoga Valley School District was improved by adding to the reading laboratories several student stations with listening and recording capability.

SOUTH CAROLINA - The objective of the Greenville School District was to provide a bridge between the various language minorities and the community. Part of the IV-B funds purchased native materials for the use of Spanish, Chinese, and Vietnamese students.

WASHINGTON - Ellensburg District received additional funds under their High Cost Formula and provided high interest materials, restricted vocabulary materials for special education students, and specialized materials for learning disabled children from low income areas.

WEST VIRGINIA - In Boone County, reading and mathematics instruction were improved through acquisition of reference library books, dictionaries, atlases, filmstrips, tapes, records, slides, charts, and instructional kits.

WISCONSIN - The Menominee Indian School District is the state's newest. Testing revealed deficencies in language arts and career development. The project tries to meet both needs by teaching students how to put together and publish a school newspaper and other printed matter.

## WHAT LIBRARY USERS WOULD LOSE

Under Carter's FY 1980 budget for School Library Resources
(Elementary and Secondary Education Act title IV-B,
Instructional Materials and School Library Resources)

FY '79 Appropriation: $180,000,000 FY '80 Budget Request: $149,600,000

ESEA IV-B funds are allocated to the states for the acquisition of school library resources, textbooks, other instructional materials, and instructional equipment and materials for use by children and teachers in public and private schools for instructional purposes. The administration's proposals place increased emphasis on basic skills, while cutting back funds for school library resources. Yet development of effective reading and writing skills requires access to adequate school library and instructional materials. If funding is not restored to at least the FY '79 level, the states would lose funding in the amounts listed below.

| State | Amount State Would Lose* | State | Amount State Would Lose* |
|---|---|---|---|
| Alabama | $ 539,065 | Montana | $ 109,400 |
| Alaska | 63,049 | Nebraska | 203,160 |
| Arizona | 343,420 | Nevada | 102,458 |
| Arkansas | 312,085 | New Hampshire | 132,179 |
| California | 2,921,794 | New Jersey | 950,636 |
| Colorado | 366,032 | New Mexico | 189,697 |
| Connecticut | 392,391 | New York | 2,234,364 |
| Delaware | 76,450 | North Carolina | 780,028 |
| D.C. | 76,794 | North Dakota | 88,201 |
| Florida | 1,022,164 | Ohio | 1,446,995 |
| Georgia | 755,150 | Oklahoma | 391,728 |
| Hawaii | 125,070 | Oregon | 330,365 |
| Idaho | 132,523 | Pennsylvania | 1,474,281 |
| Illinois | 1,526,876 | Rhode Island | 123,453 |
| Indiana | 763,161 | South Carolina | 432,928 |
| Iowa | 383,182 | South Dakota | 92,771 |
| Kansas | 294,292 | Tennessee | 606,922 |
| Kentucky | 494,020 | Texas | 1,913,022 |
| Louisiana | 615,789 | Utah | 217,011 |
| Maine | 156,404 | Vermont | 71,501 |
| Maryland | 549,829 | Virginia | 682,933 |
| Massachusetts | 721,425 | Washington | 508,726 |
| Michigan | 1,301,239 | West Virginia | 259,858 |
| Minnesota | 534,813 | Wisconsin | 632,428 |
| Mississippi | 381,972 | Wyoming | 67,205 |
| Missouri | 641,391 | | |

*Figures derived from administration estimates which include a proposal to transfer $18 million in FY '80 to the new ESEA IV-D guidance, counseling and testing program (formerly part of IV-B). A similar transfer is proposed for FY 1979. Both IV-B and IV-D are advance funded.

HIGHER EDUCATION ACT

TITLE II-A - COLLEGE LIBRARY RESOURCES

Program Purpose

To assist higher education by providing: (1) basic grants of up to $5,000 to institutions of higher education for the acquisition of library resources such as books, periodicals, documents, magnetic tapes, records and audiovisual materials; (2) supplemental grants of up to $20 per student to particularly needy institutions; and (3) special purpose matching grants to combinations of institutions which need special assistance in establishing and strengthening joint-use library facilities.

Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| $9,975,000 | -0- | $21,000,000 |

Justification for ALA Appropriation Request

1. Grants, not exceeding $3,963 each, were made to 2,536 eligible institutions under the FY 1979 appropriation of $9.975 million. This funding level was not enough to provide the $5,000 basic grant authorized in the law, and left no funds for aiding developing institution libraries or supporting cooperative efforts and special collections under the supplemental and special purpose grants. A $21 million appropriation will cover the $5,000 basic entitlement and allow funds for supplemental and special purpose grants as well.

2. The past accomplishments of the HEA II-A program and the need for continued funding at an adequate level are best expressed by the librarians of academic institutions throughout the country. They have recently reported as follows:

ALASKA - public 2-year college consortium library: I asked for the maximum amount under the HEA II-A program this year in order to purchase reference materials for the libraries in the tiny Eskimo villages which our college serves. There are about 35 of these villages, and none of them has a public library and most do not have school libraries. The need is tremendous, but the college's budget does not allow for the purchase of materials for all these off-campus sites. The HEA II-A grant would be just a start towards starting libraries for these students. If we did not receive the grant, the huge need could be addressed to an even lesser degree.

CALIFORNIA - public 2-year college: The maintenance of effort requirement has definitely helped to keep our budget up. Our college administration has maintained our budgets on at least as high a level from one year to the next, and the II-A grant has provided support for maintaining the levels. Otherwise, there might be a tendency to nibble away each year at acquisition moneys.

CONNECTICUT - private university: Due to inflation, etc., our new book budget is continually shrinking by 15 to 20 percent per year. Our total materials budget hasn't increased in four years. So the grant helps fight inflation by adding to the decreasing new book purchases.

FLORIDA - public 2-year college: If we did not receive this grant, acquisition of library materials, especially books on minorities, environmental issues and vocational information would suffer. The II-A grant has been the main source of money used to buy these materials for the past five years.

ILLINOIS - private 4-year college: Ironically, just when this program gives the most "bang for the buck" because of widespread OCLC sharing and interlibrary loan, it loses its credibility. Small institutions respond better to loan requests. HEA II-A funds have enriched our shared national patrimony. Changing this ecology now will mean less access for all. From a private 2-year college, the "small" grant is anything but "insignificant." It is vital to the operation of the department. The simple application and reporting forms make for efficient management and control of the funds. This is one government program that benefits many, has a minimum amount of paperwork, and is efficient.

IOWA - private 4-year college: Since our materials budget is only $30,000, a $4,000 grant has been a significant amount of money for additional materials. We are isolated geographically from any large urban centers. School classes as well

as community people from miles away use our resources. The grant has therefore, supplemented the materials available to many people beyond our student body.

KENTUCKY - public 2-year college: Without the grant, basic resources which are purchased on a continuing basis would have to be eliminated. Examples of this are the New York Times on microfilm and its index. Also periodical subscriptions would have to be reduced. We have only 190 subscriptions at present. From a private 4-year college: As the II-A basic grant comprises half of the total library budget for library materials and binding at our school, the effect would be that of a major setback in developing our library.

MARYLAND - public 2-year college: Loss of the II-A grant would severely impair even further an already greatly impaired ability to provide current information and adequate access tools for our students to use.

MASSACHUSETTS - consortium of small academic libraries: We share through reciprocal borrowing our periodicals with the ten other members of the consortium each of whom strives to complement the holdings of the others. Most of these libraries are eligible for II-A awards of a similar amount. It is not hard to see, therefore, that the impact of this award is considerably magnified by our act of cooperation, resulting in a benefit which monetarily represents some multiple of the basic $4,000. There is no doubt in my mind that title II-A continues to have considerable impact upon the quality of services in smaller college libraries and is cost effective. Funds should be appropriated in FY 1980.

MISSOURI - public university: Since our university is not located in an area even moderately endowed with library resources, we need to drastically increase serial holdings, reference materials, serial services, as well as books. If the II-A program is discontinued, we would have to cut back on serials, thus weakening our graduate programs at a time when the state coordinating board of higher education has restated our major responsibility in this geographical area.

NEW JERSEY - public 2-year college: Without a II-A basic grant we would be unable to purchase the basic complement of materials needed to support newly approved programs of study. In the past we have used II-A funds to purchase materials needed to provide a "basic" collection of materials to support new programs and courses.

NEW MEXICO - public university: The university is currently faced with an increase of 100 percent in its utility costs, thereby needing special funding to light and heat its buildings. Yet the cost of U.S. periodicals has increased at a higher rate than utilities for the period 1970/71 to 1977/78. Colleges and universities of all sizes and in a variety of locations are faced with this dilemma. The basic grant is an essential and crucial element of support for the smaller institutions in the state.

OHIO - public 2-year college: Very simply put, our purchasing power for books would be reduced by 20 percent without the II-A grant!

OREGON - private 4-year college: Without the grant our periodical budget of expensive items such as Biological Abstracts might have to be curtailed. Back files of periodicals would be cut and completion of sets, also new encyclopedias.

NEW YORK - public/private cooperative library council: Cooperative film purchases would be severely reduced. It is impossible for most individual member libraries to purchase expensive 16mm films on their own. Therefore, without the II-A funds to purchase the films, most of the films would not be available to students and faculty in the region. Member libraries would be required to expend thousands of dollars in rental fees if the basic grant were not available for cooperative film purchases and shared use. In the five years the regional media center has been serving libraries in this area, members have saved more than $120,000 in rental fees. The II-A basic grant is a relatively small amount of money, but here it goes a long way towards increasing available resources and saving libraries money.

PENNSYLVANIA - As important as the grant itself is the maintenance-of-effort criteria for eligibility. An institution must demonstrate that its current budget for all library purposes, and for library materials, is equal to its average expenditures for the past two years. For many, this has been a catalytic agent in institutional decisions allocating library appropriations. The college will keep pace, rather than lose $3,800.

SOUTH CAROLINA - public 2-year technical college: This grant is a vital part in strengthening the areas of our learning resources which need to be implemented further through new programs being added in such areas as allied health. We are building more research capabilities for our students who are working, commuting students and do not have much extra time to go to other libraries for research papers.

WISCONSIN - To the smaller institutions in Wisconsin, II-A has not been a luxury or the proverbial "frosting on the cake." What specifically do these libraries do with the basic grant? They purchase basic library materials to support their curricula. They acquire library materials necessary for new course offerings. They attempt to cope with the ravages of inflation. Even more basic than buying supportive materials for coursework is the need to purchase reference materials. These materials, used every day by hundreds of students, are some of the most expensive which must be purchased. They are also materials where out-of-date editions are virtually useless because they often provide erroneous or irrelevant information. From a public 2-year college: Loss of the basic grant would be disaster! We're so small our regular materials budget is only $10,000. Severe cuts across the board would be necessary. Periodical titles would be cut in half.

## WHAT LIBRARY USERS WOULD LOSE
Under Carter's FY 1980 budget for College Library Resources
(Higher Education Act Title II-A)

FY '79 Appropriation: $9,975,000 FY '80 Budget Request: -0-

HEA II-A provides basic grants of up to $5,000 to institutions of higher education for acquisition of library resources. The FY 1979 funding level provided grants averaging only $3,900 to 2,568 eligible institutions. The administration's budget request would wipe out the College Library Resources Program altogether. If funding is not restored to at least the FY 1979 level, colleges and universities in the states would lose funding in the amounts listed below. In addition, an important and much needed stimulus to maintenance of effort of college library budgets would be lost.

| State | Number of Grants* | Amount State would lose* | State | Number of Grants* | Amount State would lose* |
|---|---|---|---|---|---|
| Alabama | 63 | $242,437 | Montana | 13 | $ 49,962 |
| Alaska | 9 | 35,154 | Nebraska | 26 | 101,556 |
| Arizona | 26 | 101,556 | Nevada | 8 | 31,248 |
| Arkansas | 26 | 101,556 | New Hampshire | 23 | 86,532 |
| California | 192 | 749,946 | New Jersey | 46 | 179,676 |
| Colorado | 29 | 121,086 | New Mexico | 20 | 78,120 |
| Connecticut | 35 | 134,004 | New York | 194 | 753,946 |
| Delaware | 10 | 39,060 | North Carolina | 100 | 390,494 |
| D.C. | 16 | 62,090 | North Dakota | 14 | 53,778 |
| Florida | 78 | 304,668 | Ohio | 106 | 414,036 |
| Georgia | 74 | 289,038 | Oklahoma | 38 | 145,622 |
| Hawaii | 11 | 42,966 | Oregon | 33 | 127,086 |
| Idaho | 9 | 35,154 | Pennsylvania | 141 | 547,234 |
| Illinois | 108 | 420,942 | Rhode Island | 14 | 52,478 |
| Indiana | 48 | 183,514 | South Carolina | 51 | 199,206 |
| Iowa | 54 | 210,924 | South Dakota | 19 | 68,796 |
| Kansas | 43 | 167,958 | Tennessee | 53 | 206,612 |
| Kentucky | 36 | 139,304 | Texas | 114 | 445,284 |
| Louisiana | 28 | 107,462 | Utah | 9 | 35,154 |
| Maine | 22 | 85,932 | Vermont | 22 | 80,608 |
| Maryland | 43 | 167,646 | Virginia | 71 | 275,480 |
| Massachusetts | 95 | 360,834 | Washington | 41 | 159,040 |
| Michigan | 73 | 284,732 | West Virginia | 25 | 94,818 |
| Minnesota | 51 | 196,300 | Wisconsin | 75 | 285,314 |
| Mississippi | 38 | 148,422 | Wyoming | 7 | 27,342 |
| Missouri | 52 | 201,794 | | | |

*Estimated figures based on HEA II-A grants made under FY 1978 appropriation of $9,975,000. Outlying territories not listed.

## HEA II-A ACADEMIC LIBRARY PURCHASING POWER CUT

**Federal Aid**

FY 1968 Appropriation for
HEA Title II-A ($25,000,000)




purchased the
equivalent of



2.9 million books @ $8.47 average cost

OR



2.9 million periodical subscriptions
@ $8.65 average cost

FOR



7.5 million students
1968 enrollment 7,513,091

FY 1978 Appropriation for
HEA Title II-A ($9,975,000)




−60%

purchased the
equivalent of



496,269 books @ $20.10 average cost
+137%

OR



361,675 periodical subscriptions
@ $27.58 average cost +219%

FOR



11.4 million students
(1978 enrollment 11,354,756)
+51%

The purchasing power of the Higher Education Act Title II-A College Library Resources program has been cut drastically by a combination of reduced appropriations plus increased costs for library materials and increased enrollment. Since FY 1968, the HEA II-A appropriation has been cut 60 percent, while the average cost of a book has increased by 137 percent and the average cost of a periodical subscription has increased by 219 percent. Student enrollment in higher education has increased 51 percent during the same period.

**AMERICAN LIBRARY ASSOCIATION**
WASHINGTON OFFICE 1979

TITLE II-B - LIBRARY TRAINING AND DEMONSTRATIONS

Program Purpose

This program has a dual purpose: (1) to assist higher education by providing grants to institutions of higher education or library agencies to support the training of paraprofessionals and professionals in library and information science through fellowships, traineeships, and training institutes; and (2) to strengthen the delivery of library and information services by making grants to institutions of higher education and other organizations for demonstrations, the purpose of which is to improve library and information services.

Appropriation Request

| | FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|---|
| Training | $2,000,000 | -0- | $6,000,000 |
| Demonstrations | $1,000,000 | -0- | $3,000,000 |
| Total | $3,000,000 | -0- | $9,000,000 |

Justification for ALA Appropriation Request

1. Strong demand through 1985 for minority librarians, community outreach librarians, media specialists and library automation specialists has been projected by the Bureau of Labor Statistics. Assistance to minority students has been a high priority under HEA II-B in recent years. Library educators report that demand for minority librarians is very strong, and that such graduates are promptly placed.

2. Demonstration projects have made a significant impact on the library field and its effectiveness in serving library users. For instance, an early grant to the Ohio College Library Center (now OCLC, Inc.) to develop a computerized regional shared-cataloging system provided support at a crucial time for a system which now enables libraries of all types and sizes across the nation to share cataloging data and avoid duplication of effort. A later grant to OCLC to develop an interlibrary loan communication subsystem helped provide on-line access to the location of hildings of many smaller libraries as well as the large research libraries. This has led to more equalization of the interlibrary lending burden, to more efficient use of the resources of smaller libraries, and to more borrowing from closer locations thus speeding delivery of items. There is a continuing need to adapt changing technology to library operations.

3. The need for adequate funding of II-B training and demonstration programs is further supported the comments of librarians and library educators:

ILLINOIS - from a Spanish-speaking librarian now working at Chicago Public Library whose master's degree in library science from the University of Illinois at Champaign-Urbana was made possible by a II-B fellowship: I am now able to provide library services and programs which meet the needs of Spanish-speaking library patrons. I help people fill out government forms such as citizenship certificates and forms required of aliens, help them make arrangements to learn English (we have classes at our library), inform people about employment agencies, voter registration projects, federal taxes, state of Illinois agencies and their services, translate various forms and library press releases into Spanish. The Chicago Public Library has only 4 Spanish-speaking librarians out of around 400. Three of us went to library school on HEA II-B fellowships. I strongly recommend the continuation of HEA fellowship programs so that others may be afforded the same opportunity as was given to me two years ago.

MASSACHUSETTS - from a library educator: Since the inception of HEA, numbers of minorities have been recruited into librarianship and library education, women have moved into more responsible managerial positions, and problems of national and international interest have been addressed at the practical level through institutes, workshops, and seminars, and at the more scientific level through research and demonstration grants. At our own institution we have been able over the last two years to attract 6 fellowship recipients (1 black, 1 Asian American, 5 women) into our doctor of arts program in library administration. These are outstanding individuals who have a real contribution to make, now that they have been given a chance. Likewise our federally funded Institute on Library Management Without Bias which is scheduled in late April already has more applications in its first two weeks of advertising than we can accommodate.

NEW MEXICO - from a university librarian: New Mexico is a culturally rich state with a population that is over 40 percent Hispanic and over 7 percent Native American. Yet, in spite of concerted efforts on our part, it has been very difficult for us to recruit minority librarians, primarily because of the unavailability of qualified librarians from these cultures. This need can be met only by increasing the availability of trained and qualified librarians from these cultures. In most cases the only opportunity for these individuals to gain such training and necessary credentials is through the support under II-B. Also II-B demonstration grants being used to develop new methods of providing library service to the disadvantaged and unserved should be provided increased support. The University of New Mexico has conducted a very successful demonstration project to bring library service to the Pueblo Indians in central New Mexico.

NEW YORK - from a library educator: The library and information science profession needs representation from minority groups. Of the total 128,000 professional librarians and information scientists in this country, only about 250 are Hispanics, about 7,000 are Afro-Americans, about 1,600 are Asian-Americans and only about 20 are Native Americans. These figures, small as they are, represent the increase of the last ten years largely due to title II-B programs.

WASHINGTON - The University of Washington strongly endorses the continuation of title II-B which supports library training and research. This has been an effective program for library demonstration and research testing, and for generating new ideas, new services and new techniques. Local budgets are often inadequate to support such activities and there are very few other funding sources.

WISCONSIN - from a library educator: Whether the area be the application of new technology, such as computers and newer communications media, or service to special user groups, such as the aging, librarians are finding that they need to return to school to develop new skills and insights. Meanwhile library schools are finding that the supply of new faculty members who can teach in some of these areas is not sufficient to meet the needs. Lacking the large scale research projects that are typical in the science fields and the lower-level teaching-assistant-taught sections that characterize some of the humanities fields, library schools find it particularly difficult to support doctoral students. The HEA title II-B programs have been extremely important in meeting these needs, and the needs continue.

## TITLE II-C - STRENGTHENING RESEARCH LIBRARY RESOURCES

### Program Purpose

Provides grants to major research libraries (including academic, state, public, or independent research libraries) whose collections make a significant contribution to higher education and research, are broadly based and recognized as having national or international significance for scholarly research, are of a unique nature and contain material not widely available, and are in substantial demand by researchers and scholars outside the library's primary clientele. Institutions receiving grants under II-C are not eligible for HEA II-A grants.

### Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| $6,000,000 | $6,000,000 | $15,000,000 |

### Justification for ALA Appropriation Request

1. First-time start up funding in FY 1978 and follow-up funding in FY 1979 have been sufficient to provide a glimpse of the capabilities of the II-C program. Now an increased appropriation of $15 million is needed to help research libraries maintain and strengthen their collections, and to assist them in making their holdings available to other libraries whose users have need for research materials.

2. Our heightened recognition of cultural and language barriers, both within and between nations has led to such programs as the President's Commission on Foreign Language and International Studies, and Congressionally established efforts in the areas of bilingual education, literacy, and basic skills. Yet devaluation of the dollar, inflation, and many additional factors are forcing libraries to limit or severely reduce the acquisition of books and periodicals in foreign languages or by and about other cultures. This trend harms not only the individual institutions,

but the scholars, researchers, decision-makers, and ultimately the American citizen, all who rely on information and understanding to make informed choices.

3. The report, Research Universities and the National Interest (New York: Ford Foundation, December 1977), identifies some of the problems of research libraries and the reasons federal support is needed. An example: "Exceptional collections are created less frequently now, and most of those that exist are maintained with increasing difficulty. The high cost of continuing acquisitions, the physical deterioration of materials, and the expense of maintaining the necessary skilled staff are all problems of growing magnitude. The hazard they pose to future intellectual vitality is serious."

Accomplishments

The first awards under the HEA II-C program included the following funded in FY '78:

CALIFORNIA - The University of California libraries at Berkeley and at Los Angeles and the Stanford University libraries will convert all their serial titles to machine-readable form, link their serial files, and add detailed holdings statements to the records, thus resulting in more resources-sharing activities.

ILLINOIS - The University of Illinois Library at Urbana is the central library in a specialized national network of Slavic collections. These will be strengthened, especially in the areas of serial titles and Russian history and literature, and made easily available to researchers throughout North America.

MASSACHUSETTS - At Harvard College, research materials, especially collections of Judaica and Chinese materials, too fragile or rare to be lent will be identified, and copies made of certain high priority items. Other research libraries will be notified of the availability of lending copies, or copies available at cost.

MISSOURI - Jointly administered by the Missouri Botanical Garden in St. Louis and the New York Botanical Garden, this project will complete the recataloging and reclassification of the large and unique botanical/horticultural library collections at both institutions.

NEW JERSEY - At Princeton University, several projects will make research materials more accessible, including publication of a printed catalog of unique collections of Chinese materials, indexing of the archives of the American Civil Liberties Union, and a complete microfilm file of Arabic manuscripts.

WASHINGTON - Bibliographic and serials holdings, including many unique titles, at the University of Washington will be entered into the Washington Library Network data base using OCLC data in order to make those holdings more widely accessible.

## HIGHER EDUCATION ACT

### TITLE VI-A - UNDERGRADUATE EQUIPMENT AND MATERIALS

Program Purpose

Provides matching funds to states for institutions of higher education for acquisition of undergraduate instructional equipment and materials, including laboratory equipment, audiovisual equipment, printed and published materials other than textbooks, and television equipment, and related minor remodeling.

Appropriation Request

| FY 1979 Appropriation | FY 1980 Budget | FY 1980 ALA Appropriation Request |
|---|---|---|
| -0- | -0- | $15,000,000 |

Justification for ALA Appropriation Request

1. Instituions of higher education are no longer expanding their physical plants. Many are limiting enrollment because they have no room. If colleges are to serve the working population and provide continuing education without expanding, they must utilize educational technology to extend existing resources to these students in new and more effective ways. HEA VI-A can help by providing individual carrels, television, slides, computers, films, and combinations of audiovisual and other techniques.

2. Community colleges, technical schools and small private colleges have been able to acquire job-related and vocational training equipment through HEA VI-A. Such equipment is expensive and requires a heavy capital expenditure in a single year. Most institutions are on restricted budgets and are not able to make such an outlay in a single year. The Federal matching funds available through VI-A are often the only means whereby such schools can purchase modern equipment.

3. Many post-secondary institutions are bringing in education programs such as closed circuit transmissions of actual medical operations and two-way interaction with faraway experts via satellite, cable, and microwave, generating a heavy demand for two-way television equipment. Such techniques are effective and cost-saving in the long run, but require an initial heavy expense which few insitutions can manage without help from HEA VI-A.

OTHER PROGRAMS

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE (NCLIS)

The American Library Association supports the full budget request, $668,000, of NCLIS for FY 1980. This agency, responsible both to the President and to Congress, continues to provide independent and objective evaluations of the adequacies and deficiencies of current library and information resources and services, and to make recommendations concerning their improvement and coordination.

The very small increase requested over last year's appropriations is less than the budget request of last year, and is scarcely enough to allow NCLIS to function effectively in what will be an extraordinary year. The White House Conference on Library and Information Services will be held in October 1979 as the 1980 fiscal year begins. The law authorizing the White House Conference (PL 93-568) designates NCLIS as the agency to conduct the Conference and to issue a report on the results. Although funded separately, the Conference will require the efforts of the regular NCLIS staff and Commissioners as well. A major job for NCLIS after the Conference will be planning for implementation of its recommendations.

NATIONAL LIBRARY OF MEDICINE

The Association supports the budget request of the National Library of Medicine. This is certainly the minimal level at which the Library's important programs can be carried out effectively. We urge that $15 million be provided for the Medical Library Assistance Act, the same amount ALA recommended last year. In few areas of library and information work does the need for quick and comprehensive response to information requests occur so often, or have such direct consequences for human life and welfare. However the growing size and complexity of the medical information system poses a challenge--how to provide timely and accurate access to the exact portion of this vast knowledge needed by an individual practitioner, researcher, or citizen? What is required is a variety of materials, specific finding tools, skilled librarians, and advanced technology. Increased support of the Medical Library Assistance Act would help increase dissemination and retrieval of health information, much of which is generated through federal support of biomedical research.

SALARIES AND EXPENSES - U.S. OFFICE OF EDUCATION

The American Library Association has been concerned that the long history of staff reduction, staff details, and staff downgrading in the U.S. Office of Education's Office of Libraries and Learning Resources has resulted in low morale and a constant struggle for survival. As a recent example, under the consolidated ESEA IV-B program, the School Media Resources Branch in Office of Libraries and Learning Resources has had five professionals to administer $167,600,000 (in FY 1978) for school library resources, instructional equipment, and guidance, counseling and testing programs. Yet now that the guidance, counseling and testing portion has been removed to a new ESEA IV-D, the newly-established Guidance and Counseling Branch in the Division of State Educational Assistance Programs already has a staff of five professionals to administer a program for which there are as yet no funds. (The administration has requested that $18 million be transferred from ESEA IV-B.)

Such a discrepancy in staffing is, unfortunately, typical of the treatment afforded the Office of Libraries and Learning Resources. We believe adequate financial support for USOE's library unit is long overdue. We urge Congress to correct this situation by providing sufficient funding to enable the Office of Libraries and Learning Resources to administer with distinction the federal library programs.

NATIONAL CENTER FOR EDUCATION STATISTICS

The American Library Association supports the library survey program of the National Center for Education Statistics, and urges Congress to provide adequate funding to NCES to enable it to continue its important surveys of public, academic, school, state, and special libraries as well as its surveys of library networks. The basic data collected by the National Center for Education Statistics have been and will continue to be particularly helpful in connection with the upcoming White House Conference on Library and Information Services and its preceding state conferences.

NCES is the only official source of comprehensive and continuing statistics on library finances, collections, staff, and services. Library administrators, education and community planners, students and researchers, government agencies and Congressional committees all need consistent and timely data on libraries. We urge Congress to take whatever steps are necessary to ensure that the library survey program continues as an effective and viable component of NCES.

## STATEMENT OF JOHN FALLON

Senator MATHIAS. You have the honor of closing the day.

Dr. FALLON. Thank you, Senator.

I am John Fallon, here as president of the National Community Education Association, on behalf of the members and board of directors of that organization.

Like Dr. Essex here before me this afternoon, I will be necessarily brief and get right to the bottom line.

Federal involvement in community education began in 1974 with the passage of the Community Schools Act of 1974. That particular piece of legislation was authorized at $15 million, which I came to understand is standard.

However, it was appropriated at $3.5 million and proceeded that way for several years.

### COMMUNITY SCHOOLS AND COMPREHENSIVE COMMUNITY EDUCATION ACT

In November of 1978 the President signed into law the Community Schools and Comprehensive Community Education Act of 1978 for which there is a $100 million appropriation level for the first year and $500 million over 5 years.

However, the administration's recommendation for appropriation for the first year in that 5-year cycle is $3.138 million, which is less than 4 percent of the first year appropriation.

From the point of view of the National Community Education Association, it's somewhat inadequate to activate the most unique aspect of that particular piece of legislation.

Namely, the State program for community education which involves grants to State educational agencies, 80 percent of which would flow through to local agencies.

Again, the National Community Education Association feels strongly that in order to activate that legislation and that particular unique aspect of it we would need $30.2 million and that is a conservative estimate done very carefully and with great restraint in understanding the mood of things these days.

So therein lies our position. I think it's worth just a second for me to mention some of the rationale on which we feel strongly about community education.

SCHOOL VIOLENCE AND VANDALISM

The first relates to its impact on school violence and vandalism. In its final report on school violence and vandalism the 1977 Senate subcommittee to investigate juvenile delinquency chaired by Senator Bayh named community education as an approach that has the potential for reducing school violence and vandalism.

By extending the operation of the school into late evening, weekends, and during summer months the hours during which such destruction usually takes place, it was dramatically reduced.

A report by the House committee on Education and Labor concerning the Education Amendments of 1978 concurred with the Senate subcommittee.

SCHOOL BUILDING USAGE

Secondly, I would like to mention about how this relates to the economics as it relates to school building usage.

School buildings represent one of the biggest public investments in this country. Yet today a majority of schools are being used by less than one-third of the population for less than one-quarter of the day and for less than 9 months of the year.

Community schools open their doors to serve the total community, preschool through senior citizens and assist local community members in resolving their own problems.

As a result, there is a dramatic increase in the usage of such buildings and, consequently, makes public tax support of schools a much better investment.

Finally, older Americans, far too often neglected by our society, must be in close proximity to centers in the form of school buildings that can provide for their essential needs.

In addition, they need to have opportunities to volunteer their skills and experience, both so that they will feel they are worthwhile and needed citizens, and so the community can benefit from their abilities and experience.

It's estimated that close to one half million older Americans have been served by community schools throughout the country during the past 2 years. Providing social services, including hot meals at community schools, is not only more convenient, but can also cut down on delivery costs of these services.

Realizing time is important at this late hour, I could go into great detail and mention an evaluation that was commissioned by the U.S. Office of Education this past year which went into great detail throughout the country and evaluated the results of community education, and the reports that were forwarded on that evaluation were "unusually positive," positive to the point that the group that did the investigation had to go back and doublecheck some of the things in terms of impact.

All of this information is included in the prepared testimony I have.

I would say again one more time that we have done a good deal of study on this. As I listened to some of the other groups testify, it only reinforces the kind of situation that we are in, despite the evaluation

that was conducted and portrayed community development in this country so positively.

We think we need, in order to do the job that Congress thinks we ought to be doing, a minimum of $3.2 million and will appreciate your consideration in that regard.

Senator MATHIAS. Thank you very much. We will study your full statement with great care and try and measure it against the optimistic evaluation we had previously.

[CLERK'S NOTE.—The following statements were submitted for the record. There are also several statements submitted too late for inclusion in the record which are on file in the subcommittee office:]

STATEMENT OF ARTHUR L. BERMAN, STATE SENATOR FROM ILLINOIS

Thank you for giving me the opportunity to address your subcommittees regarding the appropriations to assist state and local education agencies in their efforts to comply with the mandates of PL 94-142 and PL 89-313. These hearings demonstrate your continued interest in the goals of PL 94-142 and in the needs of handicapped children.

Congress's commitment to the needs of handicapped children has been demonstrated in very real terms by the financial support provided under PL 94-142. Appropriations approved by Congress will have provided approximately $96.4 million to Illinois to expand and improve the special education services for handicapped children in the first three years of the 94-142 implementation. This assistance has been an essential element of our commitment to the goals of PL 94-142: to assure that a free appropriate education is available to all handicapped children.

Illinois has also responded to this mandate through a substantial allocation of state resources for special education. In addition to the federal support provided for special education under PL 94-142, state expenditures for special education catagorical grants to local school districts have increased from $117 million in fiscal year 1976 to $184.2 million in fiscal year 1979. This is state money only and represents a 57.4% increase over three years. As a result, catigorical grants for special education now account for almost 10% of all state expenditures for elementary and secondary education. These appropriations are in addition to the general state and local tax revenues which also support special education programs.

For school year 1979-1980, the Illinois State Board of Education has requested an additional $37.9 million, a 20.6% increase, to assist local school districts in their effort to comply with the mandates of PL 94-142. This request, however, represents almost half (48.2%) of the total increase recommended for elementary and secondary education in the Governor's 1979-1980 budget. Almost all of the balance of additional resources for elementary and secondary education will be required just to meet the payout requirements of the teachers retirement systems ($27.5 million) and the expansion of bilingual education programs to conform to the principals of the U.S. Supreme Court decision in Lou vs. Nichols. ($7.1 million). This of course, leaves virtually

no additional funds for the basic educational programs provided by our local school districts.

Like the Congress, the Illinois General Assembly is faced with increased pressure to limit or reduce state and local taxes and expenditures. Therefore, I appreciate the circumstances under which I come to you to ask for your help. However, the current budget recommendations create serious problems for state and local agencies in their effort to comply with the mandates of PL 94-142.

As you know, the Education for All Handicapped Children Act authorized state grants to assist state and local education agencies in their efforts to provide a free appropriate public education to all handicapped children. Each state's grant authorization is equal to the number of handicapped children age 3 through 21 receiving special education services in the state multiplied by 5% of the national average per pupil expenditure in fiscal year 1978; 10% in fiscal year 1979; 20% in fiscal year 1980; 30% in fiscal year 1981 and 40% in fiscal year 1982.

In the first two fiscal years appropriations were sufficient to provide grants equal to the full authorization. In fiscal year 1979, however, the level of support was equal to only 12% of the national average per pupil expenditure rather than the 20% authorized. The fiscal year 1980 appropriation recommendation of $862 million, a similar 12% expenditure, for distribution in the 1980-1981 school year will result in a further erosion of the federal commitment under PL 94-142.

It has been suggested that the level of funding for state grants be increased from the present 12% to 20% of the average per pupil attendance. Based on current budget projections, that would provide $85.8 million in federal assistance to Illinois - an increase of $34.4 million over current budget recommendations. While such an increase would require a substantial commitment of federal funds over the current budget recommendation ($575 million) it would still be well below the 30% level authorized by Congress in PL 94-142. Funding at 20% would increase the federal grant per child from $211 to approximately $364.

It has been projected that the fiscal year 1980 budget recommendations of $862 million for state grants will increase the federal grant per child from $211 in fiscal year 1980 to $218 in fiscal year 1981, if funding is limited to 12%. This would provide an increase of only 3.3%. Thus, in "after-inflation dollars" federal assistance to state and local education agencies would actually decrease.

The increase to 20% is essential if we are to meet our obligations to assure that a free appropriate public education is available to all handicapped children. In the next several months local school districts will be making decisions which will effect special education services to handicapped children. These local decisions will be based in a large part on their expectations of federal support under PL 94-142. I believe that their confidence has already been eroded by the decision last year to fund the grant program at 12% rather than the 20% authorized.

A second year of 12% funding, in total disregard of a 30% authorization and no higher appropriation level than last year will be a clear signal to state and local education agencies that the "partnership" envisioned by 94-142 has been dissolved. The local agencies, in making plans for their budgets and programs will feel justified in cutting back on special education programs. The critics who have said that the handicapped students were being helped to the detriment of non-handicapped students will be reinforced in their opposition.

Congress and the states made a commitment to the goal of educating handicapped children by the passage and adoption of 94-142. Congress must not now make these empty promises by failing to support substantial levels of appropriation, at least to the 20% level.

Also related to the issue of 94-142 funding is the suggested decrease of Pre-school Incentive Grants under Part B, Section 619. The suggested cut is from last year's expenditure of $17.5 million to $15 million; $2 1/2 million. The services funded by these grants are considered by many professionals as the most critical. They treat the handicapped child early, between ages 3 and 5, and can save many times that amount of money needed to cure a further-developed handicap. I believe such a cut would be very short sighted, and eventually, very wasteful.

On a different but related subject I would now like to address the two proposals regarding PL 89-313. First is the elimination of the "off the top" funding, and the second is the elimination of the full funding of the programs.

89-313 funds, as you know, are designated to serve the most severely disabled child, who, by the nature and degree of his handicapping condition, requires an intensive level of service. These children are unable to participate in regular education or in regular special education under PL 94-142, but who, none-the-less, must be served.

What's more, under Section 504 of the Civil Rights Rehabilitation Act must be served in an appropriate fashion regardless of the degree of their disability, and regardless of funding sources.

89-313 dollars come to the State because this population of children are served in state operated and supported programs. In Illinois, code agencies such as our Department of Children and Family Services and the Department of Mental Health serve these children, as well as the Illinois Office of Education. 89-313 funds are separate and apart from PL 94-142 funds. They are generated by a separate count, and funded with separate dollars.

In fiscal year 1979, Illinois received $612 per child counted through Title I 89-313 funds for a total of $12,473,000 for 20,382 children identified as having unique special education and related service needs.

Projected dollars for fiscal year 1980 at $677 per child, for 26,302 children would bring our State $16,096,000. If these funds are frozen, and the full funding requirement is lifted, we would experience a loss of $1.8 million. (SEE CHART BELOW)

TITLE I (89-313)

| Fiscal Year | $ Per Pupil | # of Children | Total |
|---|---|---|---|
| 1979 | $612 | 20,382 | $12,473,000 |
| 1980 (Authorized) | $677 | 26,302 | $17,810,000 |
| 1980 (Frozen) | $612 | 26,302 | $16,096,000 |
| LOSS OF: | | | $ 1.8 million |

State operated and supported programs for this population are supplemental through Title One funds. Most states, like Illinois, have several state agencies providing programs for the severely handicapped, and a reduction of these funds can easily become yet another reason to allow a "buck-passing" approach by agencies in addressing the needs of the handicapped.

If 89-313 appropriations are frozen at fiscal year 1979 levels, the impact on the State of Illinois and its 1,000 school districts will become a major issue. Reduced dollars usually mean reduced

services, but under 504, the services cannot be reduced, and in many instances, must be increased.

Because of these mandated services, if funds are reduced, increased local and state dollars would be necessary to maintain services at the fiscal year 1979 level. The combination of reduced or frozen funding plus inflationary factors and the prevailing mood of Proposition 13 could easily spell disaster for a population of children who are least able to survive.

Illinois is not sitting on a substantial surplus. We have appropriated funds in keeping with our responsibilities, and we rely heavily on Congress continuing to meet its share of these responsibilities.

In closing, I respectfully urge that 94-142 be funded at the 20% level, funding Pre-school Incentive Grants at last year's level of $17,500,000, and that 89-313 funding be maintained at the "off-the-top" and full funding basis.

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## Statement of the Association of American Publishers

The Association of American Publishers (AAP) is the general association of book publishers in the United States. It comprises Technical, Scientific and Medical; College; International; Direct Marketing/Book Club; School; and General Trade divisions. Our over 300 member publishing houses produce the vast majority of general trade, educational, reference, professional and religious books published in this country and found in the nation's libraries as well as considerable related audio-visual materials.

### Education Funding During a Time of Budget Crisis

The greatest crisis which faced this nation since the British burned Washington in 1814 was the Civil War, a cataclysm which threatened to tear the republic asunder. Yet at this time of peril to the very existence of our republic, the Congress passed -- and President Lincoln signed -- the Land Grant College Bill, the so-called Morrill Act, which, in amended form, is still on the statute books. If in the midst of the Civil War we could expand the Federal commitment to education, we surely at this time cannot turn our backs on responsibilities the Federal Government has undertaken for the education of our sons and daughters.

The American people are concerned -- and properly so -- about the level of Federal expenditures. It is not amiss to ask where those funds above the Carter budget which we seek here are to come from. To fall back on what has now almost become a cliche -- "cut defense" -- is to beg the question. The money is available. Let us cite but a few specifics:--

1. Just a few weeks ago Comptroller General Elmer Staats told the Senate Budget Committee that roughly $8.2 billion could be saved if the Federal Government adopted all of the General Accounting Office (GAO) cost-saving and efficiency-promoting recommendations.

2. The country has been rocked by repeated stories of mismanagement, waste and fraud in the General Services Administration. The GSA, for example, pays more for typerwiters than you or I. Yet the GSA budget for FY 1980 is more than twice its FY 1978 expenditures.*

*FY 1978 actual -- $150,693,000; FY 1980 estimate -- $308,255,000 (P.476, The Budget of the U.S. Government, FY 1980)

3. An article last month by columnist Mike Causey asserts that "the federal government has about 450,000 civilian cars, trucks and buses -- one vehicle for every six federal employees -- and some government departments are renting additional cars and vans during this time of energy difficulties."

4. A Federal Times story of March 26 reveals that almost one out of every ten employees at the Nuclear Regulatory Commission (NRC) is a supergrader with a starting salary of more than $47,000. And many of these are non-technical people such as speechwriters and administrators rather than advanced technical personnel. An earlier Civil Service Commission study reported 11.5% of all Federal white-collarworkers were being paid more than their jobs warranted for a total of $436 million.

These are just examples gleaned from the press. Education should not be short-changed to underwrite this. The programs referred to in this testimony can be funded without reducing effective Federal services elsewhere.

What we urge here is not inconsistent with the concern of the American people for a tight budget. A January Roper Poll undertaken for the New York Times/CBS News indicated that while two out of every three Americans support a cut in Federal spending, only 9% favor a decrease in education expenditures and more than half favored an increase.

## General

The AAP is concerned with maintaining the continued vigor of federal education programs, especially in the face of inflation which continues to erode the power and effectiveness of the dollar and which, by diminishing state and local resources, lessens the capabilities of states and localities to fund education activities at all levels.

While our testimony is particularly directed to specific education programs where we have a unique concern, we do wish to take the opportunity in this preface to urge favorable consideration for all education programs, especially those, such as Education division salary and expenses and the National Center for Education Statistics (NCES) that do not have their own vocal constituency. The NCES, for example, is by law required to "assist state and local educational agencies in improving and automating their statistical and data collection activities". This activity enhances the ability of the states and local communities to undertake planning and to deal with their own problems and could well use the budgeted $14 million which we urge.

## School Libraries and Instructional Resources
(Title IV-B, ESEA)

AAP Request: $197.5 million

Federal school library support has been a successful undertaking. One need not rely on the word of the program's beneficiaries for such a conclusion. The December 30, 1974 General Accounting Office (GAO) report to the Congress, "Federal Library Support Programs: Progress and Problems," found that the program "had produced significant benefits, including

--an increase in the quantity of materials made available to school libraries,

--a diversity in the types of materials purchased,

--an increase in the use of library materials, and

--the design of new curriculums and innovative instructional techniques using the library materials."

The most recent Annual Evaluation Report on Programs Administered by the U.S. Office of Education states that "substantial amounts of Part B funds have been directed to benefit children whose education imposes a higher than average cost per child and children in local educational agencies with higher than average effort but low per pupil expenditures for education."

Non-public schools benefit particularly from this program, sharing in its funds to a greater proportion than any other Federal elementary-secondary school effort and serving a wider spectrum of non-public pupils. A bypass provision is in effect in those states where a legal disability frustrates assistance in the non-public area.

Other reasons for this funding may be summarized as follows:

1. In 1971 total Federal funds for ESEA II and NDEA III, the component parts of the present ESEA IV-B, were $130 million. Funding rose to $140 million in 1972 and $150 million in 1973. Yet the Carter FY 1980 budget for these items is only $149.6 million despite an increase in the consumer price index since 1973 of over 45%. And inclusion of non-public schools, previously exempt from NDEA III, makes the budget figure for IV-B even more unrealistic.

2. While with Federal help the percentage of elementary schools without library/media centers was reduced from 70% to 20% between 1967 and 1975, a U.S. National Center for Education Statistics survey indicates that only about 10% of all high school library/media centers meet accepted standards. With state and local educational agencies cutting back their acquisitions of instructional materials, some LEAs have expressed concern not only about meeting regional accrediting requirements for library resources, but also about meeting standards established by their own state agencies. In addition, there remains the 20% of all elementary schools without library/media centers.

3. A national survey of 24,000 teachers revealed that instructional materials structure 95% of classroom time and 90% of homework time. These instructional materials represent less than 1% of the total education budget (or one-sixth of U.S. expenditures for dog food).

4. Up-to-date library resources are essential to producing literate and informed high school graduates. The knowledge explosion and new technology has increasingly resulted in tomorrow's adults being trained with yesterday's tools. As noted by the authorizing committees, "quality in school library programs is directly related to academic achievement, to remaining in high school, and to continuing in college." As noted by the 1975 National Inventory of Library Needs, most school libraries fall short of indicated need.

Finally, we wish to emphasize that the Administration's argument to transfer $18 million from ESEA IV-B to ESEA IV-D is baseless. Attachment A details the rationale for this contention.

## Library Services
## (Title I, LSCA)

AAP Request: $80 million

The AAP urges an appropriation of $80 million for Title I (Library Services) of the Library Services and Construction Act (LSCA). In authorizing $150 million for FY 1980 for Title I, the House committee noted that amount would have "little inflationary impact on prices and cost in the operation of the national economy" and added that in the committee's judgment the inflationary impact "as a component of the total Federal budget is negligible."

Title I is a matching program wherein the effect of Federal dollars is multiplied by state and local contributions. In the current fiscal year, the $62.5 million Federal allotment is producing $62,909,734 state and local matching, with the Federal percentage ranging from 33% in Alaska to 64.7% in Mississippi and 66% in Samoa, Guam, Puerto Rico and the Virgin Islands.

Ours is a reasonable request in the light of the needs for library services in an America with an expanding population of literates and in light of the inflation which has increased costs of books and periodicals as well as personnel. Libraries for their part are endeavoring to hold the line. They have met the challenge of restricted budgets and tight costs by trimming staff, services, book purchases and hours of operation. And the public, which has increased its use of libraries, finds that these cutbacks seriously hamper its ability to utilize library services -- and says so.

The $80 million requested is relatively small when measured against the billions in federal dollars expended on other education programs for children and adults. Yet libraries and the books they make accessible -- some 39,000 new titles are published each year alone -- are a vital educational and informational resource in every community in the land.

The Library Services and Construction Act (LSCA) has been a successful undertaking. One need not rely on the word of the program's beneficiaries for such a conclusion. The December 30, 1974 General Accounting Office (GAO) report to the Congress, "Federal Library Support Programs: Progress and Problems", found:

> Federal library support programs have helped to improve library materials and services in school and public libraries nationwide. Benefits of these programs include:
>
> --Increased materials and services made available to school and public libraries.

--Increased diversity in the types of materials purchased.
--Increased use of school and public library materials.
--Improved services to the disadvantaged and other target groups.
--Improved state library services.

The GAO report went on to say that state library officials in Michigan and Ohio -- the two states surveyed in detail -- said that "without federal funding, many improvements in public libraries in the last 15 years would not have been possible. One benefit of the LSCA Title I program in Michigan and Ohio has been increases in the size of library collections -- books, reference materials, and periodicals."

If one were to ask the members of this committee where they received their education, the common denominator institution would be the library. The library is your alma mater just as much as is the University of Washington or Pennsylvania State University or any other school, just as libraries have been to other men and women of achievement since the first public library was established in Greece in the 6th century B.C. Today's library is not merely a window looking into the world -- it is a door giving entry into the universe. Public libraries merit strong and consistent support.

College Library Resources
(Title II-A, HEA)

AAP Request: $20 million

The AAP urges an appropriation of $20 million for Title II-A (College Library Resources) of the Higher Education Act. This is about a fourth of the FY 1980 authorization of $84 million. While it is an increase over the $9.975 million appropriated for FY 1979, it is less than the $35 million appropriated in each of FY 1967, 1968, and 1969.

A most cogent argument for the funding requested is found in the committee report on the previous extension of Title II-A authority, which merits quoting at this point.

> Modern college instruction places great emphasis upon the students getting their information and knowledge, not so much from textbooks and formal lectures, but from a wide array of library materials and media. Honors programs and independent study activities place special emphasis on library materials and sources. The need of college faculty for good libraries -- to prepare classroom lectures, conduct research for publication, and carry out related responsibilities is also much greater than in the past. College faculty and students cannot reap the fruits of the "information explosion" unless the information is readily available to them. These conditions all make it imperative that every institution of higher education has an adequately stocked, competently staffed, and sufficiently financed library.

This admonition is no less true today. With record enrollments in many schools, a broader range of courses, ever-expanding frontiers of knowledge which quickly outdate current references, and the burden of inflation, the need for Title II-A is greater than ever. Institutions of higher education, increasingly hard pressed for funds and limited as to how much they might increase tuition charges, find their libraries falling short of student demand and below desirable academic standards. Once behind, it is both difficult and expensive to catch up, difficult not only for the library and faculty but also for the student generation deprived of adequate library resources.

Strengthening Research Library Resources
(Title II-C, HEA)

AAP Request: $10 million

The Congress, in enacting the Education Amendments of 1976 (PL 94-482, October 12, 1976) added to Title II of the Higher Education Act a new Part C to strengthen library resources. The AAP urges an appropriation of $10 million for this purpose.

Institutions of higher education, public libraries, state libraries and private nonprofit independent research libraries would receive funds under this program if they serve as major research libraries. The Congress, contemplating limited funds, did restrict eligibility to major research libraries but, as the committee report emphasized, the American research libraries share their resources with thousands of smaller libraries through a growing system of interlibrary lending. Thus, Title II-C funds are not for the exclusive benefit of a restricted area but rather serve the wider community of research.

The argument for II-C was well put by the Carnegie Council on Policy Studies in Higher Education:

> The case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education. States cannot capture all the benefits from their support of large research libraries, and this may explain why public university libraries have been particularly hard hit by cuts in state appropriations in terms of constant dollars in recent years.

A further -- and persuasive -- reason for funding II-C at this time is contained in the Congressional findings (Sec. 231(a)(3)) wherein it is stated:

> the expansion of the scope of educational research programs and the rapid increase in the worldwide production of recorded knowledge have placed unprecedented demands upon major research libraries, requiring programs and services that strain the capabilities of cooperative action and are beyond the financial competence of individual or collective library budgets.

It has been said that the capacity for human knowledge is infinite. While this is fine philosophy, we must acknowledge that the human capacity for knowledge is finite. But we should seek to expand those limits. The $10 million requested for strengthening research library resources serves just such a purpose.

## Miscellaneous

The AAP wishes to invite the committee's attention to other programs of merit with which we are particularly concerned.

The recently-enacted Basic Skills program (ESEA II), is the successor to the former Right-to-Read/Reading Improvement Act with the addition of new elements, principally mathematics. It includes the highly successful Inexpensive Book Distribution Program. The AAP supports this program. In the light of continuing high rates of functional illiteracy, this program merits funding at $39 million, the amount requested by HEW to OMB.

The AAP has joined with a statement filed by the American Educational Research Association and other like-minded groups in support of funding of $105 million for the National Institute of Education. We reiterate that support here.

The National Library of Medicine should be no less than preeminent as a national and international health resource. We support the Library's budget request.

The AAP continues to support adequate funding for postsecondary student assistance programs. And we continue to urge needed funding for institutional assistance. The costs sustained by the nation's colleges and universities and fees charged to students still are rising. All this argues not only for strengthened student assistance but equally for institutional aid so that colleges and universities can hold their tuition and other charges to reasonable levels.

In support of funding for middle income student assistance, the argument was eloquently made by a 1972 Senate report, as follows:

> We must be careful lest our campuses be occupied principally by those at the poverty level, who qualify for special aid, and those from the upper income brackets, who can afford to pay -- a campus peopled only by the very rich and the very poor, pricing out the middle income, is also violative of the American system. -- Page 576 of Sen. Rpt. 92-604 (Education Amendments of 1972)

## Conclusion

A philosopher once observed that he who does not increase knowledge decreases it. While education is not synonymous with knowledge, it does precede it. It is to the increase of knowledge that this testimony is directed.

ATTACHMENT A

The FY 1980 budget (page 1100, Appendix) includes the following request for FY 1979:

LIBRARY RESOURCES

(Appropriation language now requested, existing legislation)

*Appropriations under this head for fiscal year 1979 in the amount of $18,000,000 for title IV, part B of the Elementary and Secondary Education Act may be made available for obligation under title IV, part D of the Elementary and Secondary Education Act: Provided, That such sum shall become available for obligation on July 1, 1979 and shall remain available until September 30, 1980.*

This supplemental appropriation language is required to make funds for guidance, counseling, and testing available under title IV, part D of the Elementary and Secondary Education Act, as required by 1978 amendments to the act.

1. The budget request language is incorrect in the assertion that the Education Amendments of 1978 (PL 95-561) requires $18 million to be transferred from part B of title IV to part D. Not only does the statute contain no such requirement, but such a transfer of funds from B to D is neither required nor implied in the House, Senate and conference reports on the bill. If either committee had meant IV-B funds to be transferred to IV-D, they would have said so.

2. Part D of ESEA title IV contains more than the former guidance, counseling and testing portions of the former ESEA IV-B. New elements are the following:

(a) A set aside of 7-1/2% for state leadership and supervisory services in guidance, counseling and testing. These funds previously had been available to local educational agencies for pupil-related programs.

(b) The establishment of a new guidance and counseling unit within the Office of Education to be funded at 5% of the IV-D appropriation. In this connection, there is no reason why funds should be diverted from instructional materials for school children in order to fund a new office within the OE bureaucracy.

The attached chart contrasts the previous and the present scope of the guidance, counseling and testing portion of title IV, ESEA.

3. ESEA IV-B at the time of its enactment in 1974 (PL 93-380), at the time of the enactment of its predecessor programs in 1965 (PL 89-10), and under present law (PL 95-561) has always been a program in which the local school authorities (as opposed to state or Federal direction) determine in what way program funds should be used in accord with local needs. The requested transfer of funds from part B to part D for the newly-authorized state and Federal use in addition to local use would be an unprecedented Federal intervention in local decision on education fund utilization.

4. Due to the complexities of the amended act, Federal, state and local administration -- let alone comprehension -- of the law would be thrown into chaos by a raid into IV-B for IV-D funds.

5. The proper solution is an appropriation for part D of title IV in accord with the programs needs and merits.

COMPARISON OF GUIDANCE, COUNSELING, AND TESTING PROGRAMS
IN TITLE IV, ESEA
UNDER OLD LAW AND UNDER NEW STATUTE

Former Law
(IV-B)

(3) for (A) a program of testing students in the elementary and secondary schools, (B) programs of counseling and guidance services for students at the appropriate levels in elementary and secondary schools designed (i) to advise students of courses of study best suited to their ability, aptitude, and skills, (ii) to advise students with respect to their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (iii) to encourage students to complete their secondary school education, take the necessary courses for admission to postsecondary institutions suitable for their occupational or academic needs, and enter such institutions, and such programs may include short-term sessions for persons engaged in guidance and counseling in elementary and secondary schools, and (C) programs, projects, and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

Present Law
(IV-D)

"*Sec. 441. (a) The Commissioner shall carry out a program for making grants to States (pursuant to State plans approved under section 404) for—*

"*(1) State leadership and supervisory services in the fields of guidance, counseling, and testing; and*

"*(2) comprehensive guidance, counseling, and testing programs in elementary and secondary schools throughout the State, including such services as—*

"*(A) elementary and secondary school counseling,*

"*(B) in-service training for guidance and counseling personnel,*

"*(C) supervision and leadership services at the local level,*

"*(D) program planning and development,*

"*(E) special guidance and counseling programs suited to meet the special needs for such programs by persons who are disadvantaged,*

"*(F) a program of testing students in elementary and secondary schools, and*

"*(G) evaluation of such programs.*

"*(b) Of the sums allotted to any State for any fiscal year for the purposes of this part, not to exceed 7½ per centum shall be available for the purpose described in clause (1) of subsection (a).*

"*Sec. 443. (a) The Commissioner shall establish or designate an administrative unit within the Office of Education for purposes of—*

"*(1) carrying out provisions of this section;*

"*(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling; and*

"*(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.*

"*(b) The Commissioner may reserve an amount not to exceed 5 per centum of the sums appropriated for this part to carry out the provisions of this section.*".

# JOINT STATEMENT OF THE AMERICAN EDUCATIONAL RESEARCH ASSOCIATION, AMERICAN ASSOCIATION OF COLLEGES FOR TEACHER EDUCATION, AMERICAN PSYCHOLOGICAL ASSOCIATION, ASSOCIATION FOR THE ADVANCEMENT OF PSYCHOLOGY, ASSOCIATION OF COLLEGES AND SCHOOLS OF EDUCATION IN STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND AFFILIATED PRIVATE UNIVERSITIES, COUNCIL FOR EDUCATIONAL DEVELOPMENT AND RESEARCH, DEANS NETWORK, SOCIETY FOR RESEARCH IN CHILD DEVELOPMENT, TEACHER EDUCATION COUNCIL OF STATE COLLEGES AND UNIVERSITIES

Our Associations join together in support of adequate funding for the education inquiry activities of the federal government and for dissemination programs designed to improve the practice of education at the local and institutional levels. Our members include thousands of individuals and hundreds of organizations productively engaged in the full range of educational research, development and related activities (e.g., evaluation, dissemination, and policy analysis). These research and related inquiry activities are the way in which the federal government least intrusively and most productively supports the improvement of education in this country. If education personnel and agencies are to maintain their current strength and meet the challenges of austere budgets, adjustment in enrollments, providing equal access to quality education, and preparing children for a life in a highly sophisticated society, they must have access to the best available knowledge and practices. The following recommendations represent a national investment in the future of the American education enterprise and the children and adults which it serves.

## Summary of Recommendations

National Institute of Education (NIE): We request that NIE's appropriation for FY 1980 be $105 million to avoid delays in scheduled R&D, adjust to the operation of the National Assessment of Education Progess (NAEP), and assure that funding meets the presidential goal for research, particularly basic research, to keep pace with the present rate of inflation (budget request is $98.3 million).

USOE National Diffusion Programs (NDN): We request that $14 million (stable funding) be appropriated to assure the continued efforts to provide facilitation, development, technical assistance, and evaluation studies essential for the education organizations receiving the benefits of this highly cost-effective education improvement program (budget request is $10 million).

USOE Bilingual Education Research and Evaluations: We ask that you support the president's budget request in order that we may move ahead with assessing national needs, studies of parental involvement, improving instructional methods, and developing entry and exit criteria for program participants (budget request = $6 million).

Fund for the Improvement of Postsecondary Education (FIPSE): We recommend that the FIPSE appropriation be $20 million so that, in addition to the demonstration work conducted by the Fund, more extensive evaluations can be conducted and that institutions may prepare for major adjustments in size and type of student enrollment expected throughout the 1980s (budget request = $14 million).

USOE Basic Skills Improvement (ESEA - Title II): We support the Administration's budget request for this major national education program and emphasixe that the provisions for development and dissemination of model local and state programs be fully implemented (budget request = $35 million).

National Center for Education Statistics (NCES): We recommend that NCES be funded at $12 million so that the Center can continue to improve the timely reporting of data, implement the National Longitudinal Studies, collaborate in the implementation of the Paperwork Control Amendments of 1978, increase its assistance to states and expand such assistance to institutions of higher education (as required by the Education Amendments of 1978) (budget request - $10.89 million).

ESEA Title I Evaluation and Studies: We recommend that the evaluations and studies for the major disadvantaged program of the federal government be funded at their full authorized levels (including the funds for the concentration program). This will enable USOE to explore the implementation of new program changes authorized in the 1978 Amendments, perform studies on the available data, and implement the far reaching school finance studies authorized in 1978 (budget request = $15.706 million for evaluation of regular grants and $2 million for concentration grants).

USOE/BEH Education of the Handicapped Innovation and Development: We recommend that the authorized amount of $24 million be appropriated to assist education personnel and agencies in meeting the challenges of providing appropriate education of all handicapped children (particularly meeting the demands of individualized education plans) (budget request is $20 million).

Vocational Education Programs of National Significance: We ask that the appropriation be funded at the authorized request of 5% of the total for state grants in order to meet the requirements of funding the national vocational education R&D center, the National Occupational Information Coordinating Committee, graduate and certification programs and curriculum centers being drastically cut in the FY 1979 appropriation (budget request is $10 million).

The above recommendations represent our specific priorities for the FY 1980 budget and we ask that you fund the other research and related inquiry programs of the Education Division in an amount no less than that requested in the budget.

RATIONALE

National Institute of Education (NIE).* The Institute represents the federal government's principal effort to support the generation of new education knowledge and its use in improving educational practice. Our $105 million request is designed to allow NIE to 1) adjust to new assignments mandated by the Congress (particularly the administration of the National Assessment of Educational Progress - NAEP), 2) move ahead with the agency-wide ($16 M) effort to address the broad aspects of literacy (teaching and learning of reading, math, oral and written communication, reasoning and decision-making), 3) keep pace with the rate of inflation** so that important work in the priority areas mandated by Congress can continue, and 4) implement the recommendations of the Congressional Panel for the Review of Laboratory and Center Operations. As a result of the Panel's recommendations, NIE is currently negotiating long-term agreements with labs and centers.

The Institute has assumed two timely and broad-based themes to guide all of its work: educational equity* and the improvement of local education practice. Two major questions will be addressed in FY 1980: 1) How best do we raise levels of literacy? and 2) What makes a good school? These difficult and important questions indicate that NIE is addressing issues facing the society in general and those responsible for teaching children in particular. In keeping with its mission to improve education, NIE will emphasize regional problems, dissemination of the outcomes of its R&D work, and making the results of education inquiry more understandable and usable to teachers and other practitioners. In addition, NIE will address problems of learning in desegregated settings, urban education, higher/postsecondary education, problems of students with diverse cultural and language backgrounds, the legal/legislative impact on education, and education management (with a new emphasis on jr. and sr. high schools). Efforts to assist states, particularly in the areas of fiscal equity and dissemination, will continue along with support for projects designed to increase the numbers of minority and women researchers.

Our recommended funding level will also allow the Institute to move ahead in two areas being delayed due to budget reductions by the Office of Management and Budget: the study of the impact of television on basic skills learning (emphasis on poor and minority children) and the particular impact of rural education on learning and school management.

NIE is organized along three main program areas. The following is a summary of R&D highlights in those areas:

- Teaching and Learning programs include the primary literacy focus on reading, math, science and bilingual education for poor and minority students. Urban

* Over 50 associations and organizations have joined us in a statement calling for an increased appropriation for the Institute.

** The President has placed an emphasis on basic research. NIE is the principal source of support for fundamental education research.

* Improvement in education equity is defined as reducing the predictive value of race, sex, and socio-economic background in relation to educational achievement.

education research will concentrate on how the home, community, and workplace can enhance school learning. This area will also explore complex thinking and reasoning relationships to learning; occupational and educational barriers for minorities and women; and the use of assessment to enhance learning. The National Assessment will be administered within the Teaching and Learning division. The teaching area will also place emphasis on continued professional development for classroom teachers.

- Education Policy and Organization programs will expand the study of the jr. high, the role and performance of school principals, and desegregation (with a new emphasis on classroom integration). Staff development for improved desegregation and a concentration on organization and management of postsecondary education are included. Legal studies will focus on the effects of legislative, judicial, and administrative policy on equity and achievement (including the impact of school finance reform). The role of family and community on the organization and operation of schools will be a continuing area of exploration.

- Dissemination and Improvement of Practice will focus on efforts to solve regional problems through the application of research and development efforts. An expansion of efforts to assist urban schools and a revision of the research resource files to make them more usable to school personnel are also planned. This unit works with other areas of the Institute and researchers throughout the country in order to increase the availability and use of educational R&D to various sectors of educational practice. The program to increase the numbers of women and minority researchers is also continued in the unit.

These program plans and highlights clearly indicate that the Institute is meeting its statutory purposes to help solve problems, improve practice, promote reform, and strengthen the scientific and technical foundation (including the R&D system) of American education. Specific work is being devoted to each of the congressionally mandated priorities: basic skills, finance and productivity, education equity, education and work, and dissemination of knowledge gained from educational inquiry. The Institute is making significant progress in working with labs and centers to increase the stability, enhance the character of the missions and functions, and improve the dissemination and impact of these R&D institutions.

If NIE is to continue the progress it has made and meet the challenges of the future, it will need adequate financial resources. Our proposal is a modest increase toward that end.

USOE National Diffusion Program (NDN). The NDN program , according to a recent evaluation, represents a highly successful and cost-efficient effort to disseminate exemplary programs funded by the federal government. NDN represents an excellent example of the use of research in the improvement of educational practice. Funds provided by the Congress in FY 1979 ($14 M) have allowed the NDN to support facilitators and developers working directly with state and local education agencies. They have provided increased insights into the dissemination process through evaluation and study efforts. We ask that funding be continued at the $14 million level (rather than the $10 million budget request). Without this level of support, drastic cuts will be taken in each of the above areas. We hope that, in future years, funding for this successful dissemination program will be increased so that its benefits can be extended to higher education and, specifically, to teacher education programs.

USOE Bilingual Education Research and Evaluation. We strongly support the Administration's budget request of $6 million for these inquiry efforts. The Congress (1978) adopted several changes in the bilingual education program and clarified its intent. Funding efforts will increase USOE's ability to identify national needs, study ways in which parents can become involved in bilingual education programs, improve teaching and instructional programming, and developing entry and exit criteria.

Fund for the Improvement of Postsecondary Education (FIPSE). An appropriation of $20 million for FIPSE will allow the Fund to expand its support of demonstration programs designed to improve all aspects of postsecondary education. The Fund currently receives over 2,000 proposals and is able to support less than 175. These

programs serve three themes: making equity of opportunity more effective, serving educational needs of working populations, and improving college instructional programs. Our funding request is particularly important for higher education as it adjusts to the size and type of student enrollment in the 1980s (with particular emphasis on adult and older learners). Projects will also help improve the adaptation of successful management practices to specific settings. There is also a need to increase evaluation and study efforts to better understand the effects of FIPSE supported programs.

USOE Basic Skills Improvement (Title II, ESEA). We support the budget request of $35 million for this important effort to address a critical national problem in education. The program replaces previously authorized reading programs with a comprehensive authority to improve reading, math and oral and written communication among the nation's elementary and secondary students. We believe that this modest request should be devoted to the development and dissemination of exemplary state and local basic skills programs (including the use of television and other technology).

National Center for Education Statistics (NCES). We are recommending a modest increase in NCES funding (a total of $12 million) so that the Center can continue to improve the timing of its data reporting, fully implement the National Longitudinal Study of high school sophomores and seniors (providing important data to researchers and policy makers), and support the Secretary in the implementation of the Paperwork Control Amendments of 1978. With regard to the paperwork effort, the Center is able to provide about eight states (25-30 applicants) with assistance in improving their data collection and burden reduction efforts. The 1978 statute expands this assistance authority to institutions of higher education. In short, the number of eligible agencies and institutions will double. Under the budget request, few new applicants will be funded. It is, therefore, essential that NCES be provided with resources to expand its role in the government-wide effort to improve data collection and reduce reporting burden on education agencies and institutions.

ESEA Title I Evaluation and Studies. By funding Title I evaluation and study efforts at their authorized levels, USOE will be able to implement the demands for evaluation improvement and program assessment included in the Education Amendments of 1978. This is particularly important given the changes in the Title I statute and the mandated studies of school finance. This funding level will also allow the further analysis of collected data and for the assessment of the concentration grants authorized in 1978.

USOE/Education of the Handicapped: Innovation and Development. We recommend that $24 million be provided for innovation and development (a program stable funded at $20 M for the past several years). These funds will allow education personnel to better cope with the challenge of providing an appropriate education for all handicapped children. Specifically, we need to improve the ability to assist teachers with new handicapped populations in their classrooms and to provide adequate individual education plans for these students. The bureau has plans for inquiry into alternative approaches to problem solving, computer assisted diagnosis, and improving teaching for the hearing impaired and deaf. The bureau will also seek ways to improve the physical education of the severely retarded.

Vocational Programs of National Significance. Due to a lack of clarity in program purpose, important efforts to study and improve vocational education were severely reduced in the FY 1979 appropriation. We recommend that the Programs of National Significance be funded at their statutory rate of 5% of the total for state grants. This will allow USOE to meet its obligations for funding the national R&D center, the National Occupational Information Coordinating Committee, applied research, curriculum development centers, and graduate and certification fellowships.

Specifically, plans are designed to reduce sex role stereotyping in vocational education, program and personnel improvement, and the advancement of management practices.

SUMMARY

Our recommendations represent efforts to encourage the Congress to appropriate funds for the conduct of educational research, development, evaluation, and dissemination. These efforts allow the federal government to support the improvement of education and the expansion of knowledge from which future improvements can be generated. The National Institute of Education, the U. S. Office of Education (particularly in the areas of dissemination, bilingual education, compensatory and basic education, education of the handicapped, and occupational education), and the Office of the Assistant Secretary (NCES and FIPSE) are making important investments in the present improvement and future enhancement of American education. The suggested appropriations are modest, in some cases representing amounts less than the rate of inflation, and will specifically improve the programs authorized by the Congress. In this time of austere budgets, schools and colleges need knowledge resources in order to cope with financial constraint, changing student populations, and the need to keep up with a rapidly changing industrial society. We thank you for this opportunity to share our thoughts and information related to these critical federal programs.

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## Joint Statement of Associations and Organizations in Support of the National Institute of Education

The National Institute of Education represents the federal government's primary effort to support the generation of education knowledge and its use for improving education practice. The budget request for NIE is $98.3 million (including funds for the operation of the National Assessment of Educational Progress transferred to NIE by the 1978 Education Amendments). This amount is the absolute minimum necessary to provide for critical research and related inquiry efforts in education. The Institute continues to address critical problems in education through its agency themes: enhancing educational equity and improvement of local education practice. The FY 1980 budget themes center around two important questions: "How best to raise levels of literacy?" and "What makes a good school?". Approximately $16 million will be devoted to an agency-wide effort to address the broad aspects of improved literacy (e.g., teaching and learning of reading, math, oral and written communication, and decision making).

In addition to literacy, priorities for FY 1980 will include improved learning in desegregated settings, urban/rural dissemination, higher education study, legal studies and administration, and programs for women and minorities. A modest increase above the budget request (e.g., $100 million) would allow the Institute to initiate programs being delayed due to fiscal constraints: the impact of television on basic skills learning (particularly among poor and minority students) and rural education. Given the rate of inflation, real spending power for NIE will be decreased without an appropriation of at least $104.5 million (based on 8% inflation index, the mid-range of CBO estimates of 7 to 9 percent).

The Institute is organized along functional lines and includes inquiry and dissemination efforts dealing with the following critical areas:

- Teaching and Learning programs include the primary literacy focus on reading, math, science and bilingual education for poor and minority students. Urban education research will concentrate on how the home, community, and workplace can enhance school learning. This area will also explore complex thinking and reasoning relationships to learning; occupational and educational barriers for minorities and women; and the use of assessment to enhance learning. The National Assessment will be administered within the Teaching and Learning division. The teaching area will also place emphasis on continued professional development for classroom teachers.

- Education Policy and Organization programs will expand the study of the jr. high, the role and performance of school principals, and desegregation (with a new emphasis on classroom integration). Staff development for improved desegregation and a concentration on organization and management of postsecondary education are included. Legal studies will focus on the effects of legislative, judicial, and administrative policy on equity and achievement (including the impact of

school finance reform). The role of family and community on the organization and operation of schools will be a continuing area of exploration.

- Dissemination and Improvement of Practice will focus on efforts to solve regional problems through the application of research and development efforts. An expansion of efforts to assist urban schools and a revision of the research resource files to make them more usable to school personnel are also planned. This unit works with other areas of the Institute and researchers throughout the country in order to increase the availability and use of educational R&D to various sectors of educational practice. The program to increase the numbers of women and minority researchers is also continued in the unit.

There is a vital need for knowledge relating to teaching and learning, financing and managing education, and improved educational opportunities for disadvantaged students. Teachers are not only receiving such knowledge, but, through efforts supported by NIE, are actively engaged in the generation and dissemination of educational research outcomes. NIE also directly assists states to improve dissemination efforts and education finance systems. This is particularly important given the problems of managing education in a period of austerity.

Without important and timely knowledge, well intentioned educators will be forced to operate with obsolete information. Incomplete or outdated knowledge is both wasteful and counterproductive. Given inflation and fiscal constraint facing nearly all sectors of education, the nation cannot afford to reduce its commitment to educational inquiry in all forms (basic and applied research, development, dissemination, evaluation, policy studies, and data collection and analyses).

We thank you for this opportunity to present our views on educational research support in the FY 1980 budget. The federal government represents the primary source of support for educational inquiry into teaching and learning for all ages and settings. With your assistance, the National Institute of Education can provide a stable and sustained commitment to funding the nation's important education information and knowledge needs.

THE FOLLOWING ORGANIZATIONS ARE IN SUPPORT OF THIS STATEMENT CONCERNING AN INCREASE IN FUNDING FOR THE NATIONAL INSTITUTE OF EDUCATION FOR FY80

AMERICAN EDUCATIONAL RESEARCH ASSOCIATION
William J. Russell, Executive Officer

AMERICAN ASSOCIATION OF COLLEGES FOR TEACHER EDUCATION
Edward Pomeroy, Executive Director

AMERICAN COLLEGE TESTING PROGRAM
Philip Rever, Director

AMERICAN COUNCIL ON EDUCATION
Jack Peltason, President

AMERICAN FEDERAL OF TEACHERS, AFL-CIO
Albert Shanker, President

AMERICAN HISTORICAL ASSOCIATION
Mack Thompson, Executive Director

AMERICAN INSTITUTES FOR RESEARCH IN THE BEHAVIORAL SCIENCES
Paul Schwartz, President

AMERICAN LIBRARY ASSOCIATION
Eileen Cooke, Director

AMERICAN PERSONNEL AND GUIDANCE ASSOCIATION
Charles L. Lewis, Executive Director

AMERICAN PSYCHOLOGICAL ASSOCIATION
Charles A. Keisler, Executive Officer

ASSOCIATION FOR CHILDHOOD EDUCATION, INTERNATIONAL
James C. Young, Executive Director

ASSOCIATION FOR EDUCATIONAL COMMUNICATIONS & TECHNOLOGY
Howard Hitchens, Executive Director

ASSOCIATION FOR EDUCATIONAL DATA SYSTEMS
Shirley Easterwood, Executive Secretary

ASSOCIATION FOR SUPERVISION AND CURRICULUM DEVELOPMENT
Gordon Cawelti, Executive Director

ASSOCIATION FOR THE ADVANCEMENT OF PSYCHOLOGY
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ASSOCIATION OF AMERICAN COLLEGES
Mark H. Curtis, President

ASSOCIATION OF AMERICAN PUBLISHERS, INC.
Roy H. Millenson, Staff Director

ASSOCIATION OF AMERICAN UNIVERSITIES
Thomas A. Bartlett, President

ASSOCIATION OF RESEARCH LIBRARIES
John G. Lorenz, Executive Director

BOSTON COLLEGE
John J. Walsh, Professor and Division Director

CHILD DEVELOPMENT ASSOCIATES CONSORTIUM, INC.
Ruth Massinga, Executive Director

COMMITTEE FOR FULL FUNDING OF EDUCATION PROGRAMS
Susan Adler, President

COUNCIL FOR AMERICAN PRIVATE EDUCATION
Robert L. Lamborn, Executive Director

COUNCIL FOR EDUCATIONAL DEVELOPMENT AND RESEARCH
E. Joseph Schneider, Executive Secretary

COUNCIL FOR EXCEPTIONAL CHILDREN
William Geer, Executive Director

COUNCIL OF THE GREAT CITY SCHOOLS
Samuel B. Husk, Executive Vice President

THE DEANS NETWORK
William Gardner, Chair (U. Minnesota)

EDUCATION COMMISSION OF THE STATES
Warren G. Hill, Executive Director

EDUCATIONAL TESTING SERVICE
William W. Turnbull, President

HUMAN RESOURCES RESEARCH ORGANIZATION
Saul Lavisky, Executive Officer

INTERNATIONAL READING ASSOCIATION
Ralph C. Staiger, Executive Director

KENT STATE UNIVERSITY
Robert J. Alfonso, Dean

MUSIC EDUCATORS NATIONAL CONFERENCE
James A. Mason, National President

NATIONAL ASSOCIATION FOR WOMEN DEANS, ADMINISTRATORS AND COUNSELORS
Patricia Rueckel, Executive Director

NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
William L. Pharis, Executive Director

NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
Owen B. Kiernan, Executive Secretary

NATIONAL ASSOCIATION OF STATE BOARD OF EDUCATION
Wesley Apker, Executive Director

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES
Jerold Roschwalb, Director of Government Relations

NATIONAL AUDIO-VISUAL ASSOCIATION
Harry R. McGee, Executive Vice President

NATIONAL CATHOLIC EDUCATION ASSOCIATION
Rev. John F. Meyers, President

NATIONAL CONGRESS OF PARENTS AND TEACHERS
David Stratman, Executive Officer

NATIONAL COUNCIL FOR ACCREDITATION OF TEACHER EDUCATION
Lyn Gubser, Director

NATIONAL COUNCIL FOR SOCIAL STUDIES
Elizabeth Scott, Executive Director

NATIONAL COUNCIL OF ADMINISTRATIVE WOMEN IN EDUCATION
Josephine Coiner, Executive Director

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NATIONAL COUNCIL ON MEASUREMENT IN EDUCATION
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NATIONAL SCHOOL PUBLIC RELATIONS ASSOCIATION
John Wherry, Director

NATIONAL UNIVERSITY EXTENSION ASSOCIATION
Lloyd H. Davis, Executive Director

NORTHWEST REGIONAL EDUCATIONAL LABORATORY
Lawrence D. Fish, Executive Director

SOCIETY FOR RESEARCH IN CHILD DEVELOPMENT
Eileen Blumenthal, Washington Liaison

SOCIETY FOR RESEARCH IN MUSIC EDUCATION
Edgar Turrentine, Chairman

SPEECH COMMUNICATION ASSOCIATION
William Work, Executive Secretary

STATE UNIVERSITY OF NEW YORK AT ALBANY
Robert H. Koff, Dean

SWRL
Richard Shutz, Executive Director

VERMONT STATE DEPARTMENT OF EDUCATION
Robert A. Withey, Commissioner of Education

COUNCIL OF CHIEF STATE SCHOOL OFFICERS
William Pierce, Executive Director

NATIONAL ASSOCIATION FOR EQUAL OPPORTUNITY IN HIGHER EDUCATION
Samuel L. Myers, Executive Director

ILLINOIS STATE DEPARTMENT OF EDUCATION
Joseph M. Cronin, State Superintendent of Education

AMERICAN ANTHROPOLOGICAL ASSOCIATION
Edward J. Lehman, Executive Officer

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES
John Mallan, Asst. Executive Director

COUNCIL OF GRADUATE SCHOOLS IN THE UNITED STATES
Michael Pelczar, President

STATEMENT OF SCHOOL DISTRICT NO. 2 OF RICHLAND COUNTY, SOUTH CAROLINA

1. QUESTION: The amount of local taxes represented by PL 874 payments?

ANSWER:

| | | |
|---|---|---|
| PL 874 Revenue Received 1977-78 | | $ 683,733 |
| Assessed Value District No. 2 | | 32,405,510 |
| Assessed Value at 95% Collection | | 30,785,235 |
| Value of One (1) Mill | | 30,785 |
| Total Revenue | 683,733 | |
| Value of Mill | 30,785 | 22.21 Mills |

2. QUESTION: Who will pay the taxes if PL 874 is eliminated?

ANSWER: The taxpayers of School District No. 2 of Richland County

3. QUESTION: Is a vote required for a levy increase?

ANSWER: No. County Council has authority.

4. QUESTION: Will staff members be reduced in number if budget cuts are required?

ANSWER: Yes.

5. QUESTION: What services will be cut if budgets are reduced?

ANSWER: Instructional and Support Services

6. QUESTION: How much federal property is off the tax rolls?

ANSWER: Total Amount $168,700,467

| | |
|---|---|
| Land | $ 1,611,400 |
| Improvement to Land | 9,641,277 |
| Buildings | 121,756,795 |
| Utilities and Sanitation | 19,091,141 |
| Industrial and Plant Equipment | 504,943 |
| Other Capital Equipment | 16,094,911 |
| | $168,700,467 |

7. QUESTION: What revenue is lost due to the presence of the installation?

ANSWER:

| | |
|---|---|
| Average Assessment Rates | 6% |
| 6% of $168,700,467 | $10,122,028 |
| Revenue Realized per Mill | 10,122 |
| Tax Levy for School Purposes (Mills) | |
| General Operations | 125.0 |
| Debt Services | 33.0 |
| Local Taxes Lost Due to Tax Exempt Status | |
| General Operations 125 x 10,122 | 1,265,250 |
| Debt Service 33 x 10,122 | 334,026 |
| Total Taxes | 1,599,276 |
| Less PL 874 Payments | 683,733 |
| Total Taxes Lost | $ 915,543 |

8. QUESTION: If military, what revenue is lost due to the application of the Soldiers and Sailors Relief Act or the principle of exclusive jurisdiction, or on-base tax-free shopping.

ANSWER:

| | |
|---|---|
| Total on-base tax free shopping | $ 23,676,538 |
| Tax rate | 4% |
| State taxes lost due to tax exempt status of military base | 947,061 |

$23,676,538 x .04

9. QUESTION: Is your district subsidizing the federal child? If so, by how much?

ANSWER: Yes

$$\frac{\text{General Operations + Debt Service}}{\text{Average Daily Attendance}} = \frac{10,973,852 + 1,140,989}{9317} = 1,300.00$$

$$\frac{\text{PL 874}}{\text{Average Daily Attendance}} = \frac{683,733}{1868} = \$366.00 \text{ (average A,B, \& C's)}$$

Amount subsidizing = Local per pupil less PL 874 per pupil = 934.00
($1,300.00 - $366.00)

10. QUESTION: What percent of your budget is received from PL 874?

ANSWER:
$$\frac{\text{PL 874}}{\text{General Operations + Debt Service}} = \frac{683,733}{12,174.841} = 5.6\%$$

11. QUESTION: What is your percent of impaction?

ANSWER:
$$\frac{\text{PL 874 Average Daily Attendance}}{\text{District 2 Average Daily Attendance}} = \frac{1868}{9317} = 20.0\%$$

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## Statement of School District 193, Idaho

I am extremely concerned about the Administrations 1979-80 Education Budget for P.L. 81-874-Impact Aid. The elimination of the 3(b) category students will result in a significant loss of revenue for Mountain Home School District No. 193 (estimated 3(b) proration payment for fiscal 1979, $180,677.57; estimated full entitlement eligibility through Tier III for fiscal 1979 $384,312.69). The proration of 3(b) students during the 1970's has sharply reduced district funds for this category of students, further reduction of these funds will have a devastating effect on the educational program of School District No. 193. To recover the amount of the proration entitlement revenue at the local level, would require an override levy election approving approximately .006 mills of property taxes. However, the limitation imposed by the one (1) percent property tax limitation in Idaho practically eliminates the remotest possibility of achieving voter approval of additional property taxes.

Mountain Home School District No. 193 is a medium sized rural Idaho school district located in a semi-arid desert area approximately 40 miles southeast of Boise, the capital of Idaho. The Federal government is the largest land owner in the State of Idaho, owning 66.8 percent of the total land area of the state; the Federal government is also the largest land owner in School District No. 193, 66 percent of the total land area of the school district is under federal ownership.

In Idaho the elimination of funding for the 3(b) category of P.L. 81-874-Impact Aid would eliminate, almost entirely the local educational agencies receiving maintenance

and operation funds the provisions of this act. They would be unable to satisfy the minimum number or percentage of federally affected students required to qualify for participation in this program. Only those school districts with a significant number of 3(a) students would meet the eligibility requirements to participate in the program (probably six (6) or seven (7) districts out of the sixty-four (64) eligible school districts at present, this would be a substantial financial loss to Idaho School Districts. The Idaho, State Department of Education Fiscal 1980 budget estimate for P.L. 81-874 funds for Idaho School Districts is $5,000,000.00.

Opponents to the funding of the 3(b) classification students under P.L. 81-874-Impact Aid according to news articles, testimony and editorials is based upon the fact that the parents of 3(b) primarily live off Federal property, hence, they are property taxpayers of the community in which they reside through payment of rent or by virtue of property ownership. The critics neglect or ignore the fact that in nearly all situations there are two sources of real and/or personal property taxes; residential and the place of business (work site). This is true whether the work site is a small local business or a large corporation.

Even with full funding of all categories of P.L. 81-874-Impact Aid Act, to eligible Idaho school districts the federal government is only a "partial support paying participant". With reduced funding (proration) the partial level of support for educational services is further reduced. Complete elimination of funding for 3(b) category students would mean, for many Idaho school districts, that the federal government is a non-financial support partner in providing for the education needs of federally affected students.

Two important features of the P.L. 874-Impact Aid legislation are; the low cost of administration and the funds are paid directly to local education agencies for maintenance and operation, thereby, promoting and enhancing the strength of government LOCAL CONTROL!

In closing I wish to take this opportunity to express my thanks and appreciation to the Committee for the privilege of submitting this testimony and on behalf of Mountain Home School District No. 193 and all other participating Idaho School Districts to solicit your support for continuation of the 3(b) category students in P.L. 81-874-Impact Aid and for an appropriation adequate for full funding of all categories of this Act through the Tier III level.

# STATEMENT OF MIDDLETOWN, RHODE ISLAND

1. Local education funding 3,148,308 Percent 53%

   State education funding 2,053,544 Percent 34%

   Federal education funding 790,000 Percent 13%

2. Percent of taxable property 30.9% Non-taxable property 69.1%

3. Percent of non-taxable federal property 62.1%

4. Tax loss due to federal property (Approximate tax revenue if land and buildings were on tax rolls.) $10,706,865

5. Amount of impact aid entitlement for payment

| | No. of Students | Entitlement | Entitlement For Payment | Difference |
|---|---|---|---|---|
| Total | | | | |
| A | 678.33 | 581,188.81 | 523,009.92 | 58,118.89 |
| B | 634.95 | 249,555.64 | 144,102.89 | 105,452.70 |
| L.R.H. | | | | |
| H.H. | | 210,832.83 | | |

6. (a) Percent of Impact Aid students compared to total number of students. approximately 40%

   (b) Percent of Impact Aid compared to total budget. 13%

   (c) Percent of Impact Aid compared to LEA funding in budget. _____

   (d) Percent of Impact Aid compared to State funding in budget. _____

7. Translate into increased taxes. _____

COMMENTS:

# STATEMENT OF NORTH KINGSTOWN, RHODE ISLAND

1. Local education funding $5,699,080 Percent 53.5%

   State education funding 3,277,416 Percent 30.7%

   Federal education funding 737,098 Percent 6.9%

   Other revenues-Tuitions 948,000 8.9%

2. Percent of taxable property 78.2% Non-taxable property 21.8%

3. Dollar value of ~~Percent of non-taxable~~ federal property $56,764,540

4. Tax loss due to federal property (Approximate tax revenue if land and buildings were on tax rolls.) $1,886,758

5. Amount of impact aid entitlement for payment

| | No. of Students | Entitlement | Entitlement For Payment | Difference |
|---|---|---|---|---|
| Total | 673 | | | |
| A | 59 | | | |
| B | 614 | | | |
| L.R.H. | | | | |
| H.H. | Actual Cash | $702,445 | | |

6. (a) Percent of Impact Aid students compared to total number of students. 13%

   (b) Percent of Impact Aid compared to total budget. 7%

   (c) Percent of Impact Aid compared to LEA funding in budget. _____

   (d) Percent of Impact Aid compared to State funding in budget. _____

7. Translate into increased taxes. $3.50/M

COMMENTS:

# STATEMENT OF PORTSMOUTH, RHODE ISLAND

1. Local education funding 2,908,402 Percent 56%
   State education funding 1,683,499 Percent 32%
   Federal education funding 638,910 Percent 12%

2. Percent of taxable property 58% Non-taxable property 42%

3. Percent of non-taxable federal property 20%

4. Tax loss due to federal property (Approximate tax revenue if land and buildings were on tax rolls.) 2,021,062.74

5. Amount of impact aid entitlement for payment

| | No. of Students | Entitlement | Entitlement For Payment | Difference |
|---|---|---|---|---|
| Total | 787 | | | |
| A | 148 | 113,688 | 102,319 | 11,379 |
| B | 639 | 226,416 | 130,822 | 95,594 |
| L.E.H. | | | | |
| H.H. | | 193,190 | 193,190 | 0 |

6. (a) Percent of Impact Aid students compared to total number of students. .2552
   (b) Percent of Impact Aid compared to total budget. 12%
   (c) Percent of Impact Aid compared to LEA funding in budget. 2.2%
   (d) Percent of Impact Aid compared to State funding in budget. 3.8%

7. Translate into increased taxes. $3.80

COMMENTS:

| Loss of Hold Harmless & B | | | Total Entitlement |
|---|---|---|---|
| FY1978 | 324,012 | $3.80 | 426,333 |
| FY1979 | 283,769 | $3.38 | 383,699 |
| FY1980 | 245,399 | $2.89 | 345,329 |

# STATEMENT OF NEWPORT, RHODE ISLAND

1. Local education funding 4,971,125.12 Percent 50.7%

   State education funding 3,966,589.77 Percent

   Federal education funding 862,442.93 Percent
   9,800,157.82

2. Percent of taxable property 50% Non-taxable property 50%

3. Percent of non-taxable federal property 60%

4. Tax loss due to federal property (Approximate tax revenue if land and buildings were on tax rolls.) 3,078,000

5. Amount of impact aid entitlement for payment

| | No. of Students | Entitlement | Entitlement For Payment | Difference |
|---|---|---|---|---|
| Total ADA | 1797.39 | | | |
| A | 533.66 | 584,747.33 | 497,709.33 | $87,038.43 |
| B | 1263.73 | 629,284.38 | 251,043.00 | 378,241.38 |
| L.R.H. | 738.24 | 386,342.63 | 94,007.00 | 292,335.63 |
| H.H. | | 116,269.25 | 116,269.25 | |

6. (a) Percent of Impact Aid students compared to total number of students. 1797.39 • 4635 = 38.8%

   (b) Percent of Impact Aid compared to total budget. $\frac{862,442.83}{9,800,157.82}$ 8.8%

   (c) Percent of Impact Aid compared to LEA funding in budget. $\frac{862,442.93}{9,800,157.82}$ 17.3%

   (d) Percent of Impact Aid compared to State funding in budget. $\frac{862,442.93}{3,966,589.77}$ 21.7%

7. Translate into increased taxes. Approximately $1.75 per 1000 if "B" students and Hold harmless are not funded in FY 1980.

COMMENTS:

## Statement of Dr. John Fallon, President, National Community Education Association

On behalf of the Board of Directors and members of the National Community Education Association, I want to thank you and the members of your Subcommittee for the opportunity to testify in support of increased funding for community education.

With the passage of the Education Amendments of 1978 (Public Law 95-561) came the emergence of community education as a separate title, thereby removing it from the Special Projects Act. Included as Title VIII, the Community Schools and Comprehensive Community Education Act of 1978 authorizes $478 million, over a five-year period, for community education development.

The adoption of this important piece of legislation comes at a time when there is growing concern over both inflation and taxation and the impact Federal spending is having on these serious national problems. In light of current economic troubles it is both understandable and commendable that the Congress seems committed to carefully scrutinizing the current levels of Federal spending. Such Congressional vigilence is needed and, in fact, has the support of the American people.

Each and every piece of legislation before this Subcommittee for consideration should be judged in part on the extent to which it will contribute to more efficient utilization of Federal resources while, at the same time, providing a maximum of benefit. Our Association believes that Title VIII can help local communities throughout America to make more effective utilization of existing resources and, therefore, reduce the waste of tax dollars. In numerous communities throughout the country, community education has proven its ability to reduce unnecessary duplication of efforts on the part of local, state, and Federal agencies and organizations. In the Statement of Findings and Policy Section of Title VIII, "Congress finds that the school is a primary institution for the delivery of social services and may be the best instrument for the coordination of frequently fragmented services." Indeed, there is support for this position. Some five thousand community schools throughout the country are being used to coordinate the delivery of social services to meet the needs of the people in the communities which they serve.

Yet in addition to the degree of inter-agency coordination of services,

several other tangible results are realized through the implementation of community education programs.

1. In its final report on school violence and vandalism, the 1977 Senate Subcommittee to Investigate Juvenile Delinquency, chaired by Senator Bayh, named community education as an approach that has the potential for reducing school violence and vandalism. By extending the operation of the school into late evenings, weekends, and during the summer months, the hours during which such destruction usually takes place is dramatically reduced. A report by the House Committee on Education and Labor concerning the Education Amendments of 1978 concurred with the Senate Subcommittee. The House report stated:

   "Some recent trends have converged to make community education a particularly attractive approach...a recent NIE (National Institute for Education) study of school violence found that the cost of school vandalism runs about $200 million annually and that more acts of vandalism occur during non-school hours. Since community education extends the use of school facilities beyond normal school hours, incidents of vandalism are likely to decrease in these facilities."

2. School buildings represent one of the biggest public investments in this country. Yet today a majority of schools are being used by less than one-third of the population, for less than one-quarter of the day and for less than nine months of the year. Community schools open their doors to serve the total community, pre-school through senior citizens, and assist local community members in resolving their own needs. As a result, they dramatically increase the usage of such buildings, and consequently make public tax support of schools a much better investment.

3. Older Americans, far too often neglected by our society, must be in close proximity to centers that can provide for their essential needs. In addition, they need to have opportunities to volunteer their skills and experience both so that they will feel they are worthwhile and needed citizens and so that the community can benefit from their abilities. It is estimated that close to one-half million older Americans have been served by community

schools throughout the country during the past two years. Providing social services, including hot meals, at community schools is not only more convenient but can also cut down on the delivery costs of these services.

The authorization level for Title VIII - Community Schools and Comprehensive Community Education Act is $100 million for fiscal year 1980. And yet President Carter has requested only $3,138,000, or less than 4% of the total authorization. Such an extremely low level of funding would obviously make it impossible to implement the legislation as envisioned by the Congress.

The National Community Education Association, after careful analysis and interaction with our members throughout the country, requests an appropriation of $30,200,000 for Fiscal Year 1980. The request, if funded, would allow for successful implementation of the legislation. At the same time it should be noted that the request represents approximately one-third of the total authorization and shows restraint during this needed period of financial concern.

The Federal involvement in community education to date has been very successful. More specifically, the Community Schools Act of 1974 was evaluated by Developmental Associates of Arlington, Virginia. The evaluation was conducted during 1977-78 under contract with the U. S. Office of Education. In summarizing the findings, the independent firm found the results to be overwhelmingly positive. The report said, in part, that the findings "lead inescapably to the overall conclusion that the legislative mandate of the (1974) Community Schools Act was met" and that "such compelling and positive findings are unusual."

The study also found that:

- At the local level, the projects' results included increased use of school facilities, increased interagency coordination, increased citizen participation in school and other public agency decision-making, and increased community support for schools.

These conclusions were reached as a result of interviews with randomly selected individuals directly involved in the projects.

A sampling of school principals and teachers resulted in 85% reporting that their buildings were open more for community use. Moreover, 77% stated that there were improvements in the types of cooperation and communication between their school and other agencies because of project activities.

With regard to the impact of community education on interagency cooperation, 78% of the staff from community agencies said that the community school project staff had facilitated an interagency network of services and 56% described positive changes in interagency cooperation and coordination which were attributable primarily or entirely to community education project staff.

The sentiments of lay citizens were equally positive. For example, 68% of the chairpersons of project advisory councils reported increased community involvement in project schools because of community education.

Thus, the findings justify greater involvement by the Federal government in developing community education throughout the country in the next few years. The study also validates the Congressional contention that community schools have proven their merit and should be given greater emphasis by establishing the program as a separate title in the Elementary and Secondary Education Act of 1978.

Included in the testimony which I am submitting today is a section-by-section breakdown of the National Community Education Association's funding request. If you are interested in referring to this breakdown, it can be found as Appendix A of the written testimony you have before you.

Rationale

Although each section of the bill is important if the legislation is to fully meet its stated objectives, the most important component is Section 804: State Programs for Community Education. The National Community Education Association recommends $20,000,000 of a possible $50,000,000 for the state program. Provided as Appendix B is a breakdown of the amount each state would receive if this section were funded at the level of $20,000,000.

The role of the State Education Agency (SEA), is critical if community education is to continue to expand in the years ahead. The states that have experienced the most successful development are those where the SEA has taken an active role in terms of providing developmental and technical assistance. Eighty percent of the funds received by the SEA under this legislation would flow to local education agencies. There is little question that the states are in a much better position than the Federal government to determine who should be funded. Of equal importance, the SEA can provide more continuous and meaningful assistance to funded projects.

The other key components of the legislation are as follows:

Section 809 - Local Education Agencies.

The Association recommends a funding level of $3,000,000 for grants to local education agencies out of a possible $25,000,000. It is essential that the U. S. Office of Education retain a small amount of discretionary funds in order to develop unique approaches and models that can be replicated by other communities. Washington is in a unique position to provide this leadership.

Section 810 - Public Agencies and Non-Profit Organizations.

The purpose of this section is to encourage public agencies and non-profit agencies to utilize school facilities for delivering their services to the local community. These organizations would be encouraged to develop contractual arrangements with local education agencies which would facilitate cost saving practices. The Association requests $2,500,000 of the $7,000,000 authorized for this section.

Section 812 - Training Community Education Personnel.

Critical to the success of any program is the availability of trained leadership. The Association is requesting $2,500,000 of the $10,000,000 authorized for this section. The emphasis should be placed on providing short-term pre-service and in-service opportunities for individuals involved in the operation of community education programs. Short-term training in community education is less costly than long-term degree-granting opportunities, and is more effective in meeting training needs in community education.

Section 814A - Clearinghouse.

Federal support for the Federal Community Education Clearinghouse began in 1975 and continued through February of this year. Over the last four years, the Federal government has financially supported a feasibility study, a design study, and the establishment of the Clearinghouse, including a sophisticated data base system. The Association is acutely aware that since its beginning in 1976, the Clearinghouse has responded to thousands of requests. The Association believes that it is ill-advised to terminate Federal support for a service that has a demonstrably strong record of

service, and therefore, requests $200,000 for the continuation of funding for the Clearinghouse.

Section 814B - Advisory Council.

The HEW Community Education Advisory Council has been of invaluable assistance to the U. S. Office of Education in the development and administration of the Federal community education program. Its continuance is essential to the continued success of the Federal community education program. The Association, therefore, requests an appropriation of $200,000 of the authorized level of $500,000.

Mr. Chairman, Thank you for the opportunity to testify before your Subcommittee. We know your responsibilities are great and appreciate your consideration of our request.

EDUCATION AMENDMENTS OF 1978
(Public Law 95-561)

Recommendations of the

NATIONAL COMMUNITY EDUCATION ASSOCIATION

for Fiscal Year 1980

| | | Congressional Authorization Level | NCEA Recommendation for Minimum 1980 Appropriation |
|---|---|---|---|
| 1) | Section 804: State Programs for Community Education | $50,000,000 | $20,000,000 |
| 2) | Section 809: Local Educational Agencies | 25,000,000 | 3,000,000 |
| 3) | Section 810: Public Agencies and Non-profit Organizations | 7,000,000 | 2,500,000 |
| 4) | Section 811: National Leadership and Planning | 5,000,000 | 1,000,000 |
| 5) | Section 812: Training Community Education Personnel | 10,000,000 | 2,500,000 |
| 6) | Section 813: Research | 1,000,000 | 500,000 |
| 7) | Section 814A: Clearinghouse | 500,000 | 200,000 |
| 8) | Section 814B: Advisory Council | 500,000 | 200,000 |
| 9) | Section 814: Administration | 1,000,000 | 300,000 |
| | | $100,000,000 | $30,200,000 |

Appendix B

BENEFITS TO STATES UNDER THE ALLOCATION FORMULA SECTION 804 "STATE PROGRAMS FOR COMMUNITY SCHOOLS & COMPREHENSIVE COMMUNITY EDUCATION ACT OF 1978

($50,000 State Floor plus proportionate share of total population)
Sec. 804 - 1979 Authorization level - $40,000,000
Sec. 804 - 1979 Appropriations level proposed by NCEA -$20,000,000
( Dollars in thousands)

| | State | Proposed 1979 Appropriation |
|---|---|---|
| 1. | Alabama | 343.500 |
| 2. | Alaska | 62.500 |
| 3. | Arizona | 231.000 |
| 4. | Arkansas | 212.500 |
| 5. | California | 1,900.000 |
| 6. | Colorado | 250.000 |
| 7. | Connecticut | 306.000 |
| 8. | Delaware | 81.000 |
| 9. | District of Columbia | 81.000 |
| 10. | Florida | 756.500 |
| 11. | Georgia | 456.000 |
| 12. | Hawaii | 100.000 |
| 13. | Idaho | 100.000 |
| 14. | Illinois | 1,000.000 |
| 15. | Indiana | 493.500 |
| 16. | Iowa | 268.500 |
| 17. | Kansas | 231.000 |
| 18. | Kentucky | 325.000 |
| 19. | Louisiana | 362.500 |
| 20. | Maine | 118.500 |
| 21. | Maryland | 381.000 |
| 22. | Massachusetts | 531.000 |
| 23. | Michigan | 812.500 |
| 24. | Minnesota | 362.500 |
| 25. | Mississippi | 231.000 |
| 26. | Missouri | 437.500 |
| 27. | Montana | 81.000 |
| 28. | Nebraska | 156.000 |
| 29. | Nevada | 81.000 |
| 30. | New Hampshire | 100.000 |
| 31. | New Jersey | 662.500 |
| 32. | New Mexico | 118.500 |
| 33. | New York | 1,600.000 |
| 34. | North Carolina | 493.500 |
| 35. | North Dakota | 81.000 |
| 36. | Ohio | 962.500 |
| 37. | Oklahoma | 268.500 |
| 38. | Oregon | 231.000 |
| 39. | Pennsylvania | 1,056.000 |
| 40. | Rhode Island | 100.000 |
| 41. | South Carolina | 268.500 |
| 42. | South Dakota | 81.000 |
| 43. | Tennessee | 400.000 |
| 44. | Texas | 1,112.500 |
| 45. | Utah | 137.500 |
| 46. | Vermont | 62.500 |
| 47. | Virginia | 456.000 |
| 48. | Washington | 343.500 |
| 49. | West Virginia | 175.000 |
| 50. | Wisconsin | 418.500 |
| 51. | Wyoming | 62.500 |

## STATEMENT OF SUSAN R. BUSWELL, MARYLAND ASSOCIATION OF BOARDS OF EDUCATION

INTRODUCTION

The purpose of Part B of the Education of the Handicapped Act, Rules and Regulations is stated as follows:

> (a) To insure that all handicapped children have available to them a free appropriate public education which includes special education and related services to meet their unique needs,
> (b) To insure that the rights of handicapped children and their parents are protected,
> (c) To assist States and localities to provide for the education of all handicapped children, and
> (d) To assess and insure the effectiveness of efforts to educate those children. (121a.1)

These purposes are worthy and the intent of the law is to be commended. There are, however, sections and/or subsections of the law, which were delineated in the Tuesday, August 23, 1977 Rules and Regulations as presented in the Federal Register, which impose restrictions that educators must overcome in order to meet the mandate as it is set forth. In some instances these restrictions delay or interfere with the provision of service for handicapped students. It is our belief that Legislators responsible for the Education of Handicapped Children Act need to be cognizant of these areas of concern. This presentation will be directed to these concerns and will be sequentially presented as ordered in the Rules and Regulations.

121a.4 Free appropriate education.

This section states that,

> ... the term "free appropriate public education" means special education and related services which:
> (a) Are provided at public expense, under public supervision and direction, without charge.
> (b) Meet the standards of the State education agency, including the requirements of this part, ...

Because of this provision, some children with serious medical conditions are now enrolled in public education programs. The question of teacher liability for these students is of national concern. The doctrine of sovereign immunity does not apply to teachers; therefore, they may be personally liable. Specific information must be made available regarding the definition of educational versus medical treatments for handicapped students, the responsibility of school systems for these students, and the provision of professional liability insurance for teachers and other school personnel.

121a.5 Handicapped Children.

In subsection (b) (8) the term, "Seriously emotionally disturbed", is defined as follows:

> (i) The term means a condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree, which adversely affects educational performance:
> (A) An inability to learn which cannot be explained by intellectual, sensory, or health factors;
> (B) An inability to build or maintain satisfactory interpersonal relationships with peers and teachers;
> (C) Inappropriate types of behavior or feelings under normal circumstances;
> (D) A general pervasive mood of unhappiness or depression; or
> (E) A tendency to develop physical symptoms or fears associated with personal or school problems.
> (ii) The term includes children who are schizophrenic or autistic. The term does not include children who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed.

The qualifier "seriously" appears to preclude special education services for a student who evidences a mild to moderate emotional problem. In the interest of early intervention and the provision of a least restrictive environment, it is clear that it is not in the best interest of a student to withhold services until the student's condition deteriorates to the "serious" level. In addition, this qualifier appears to be discriminatory towards emotionally disturbed students because the other definitions of handicapping condition are not restrictive according to the degree of seriousness or severity.

These same concerns apply to students with a specific learning disability. In order to be identified as handicapped and in need of special education there must be a severe discrepancy between ability and achievement. Thus, a student with a mild to moderate learning disability may never receive service or must wait until he or she is identified as severely impaired before specially designed instruction and related services are provided.

The obligation of public school systems to students with mild to moderate emotional disturbance or specific learning disability should be defined within the law. PL 94-142 funding should be made available to provide appropriate educational programs for students who are mildly to moderately specific learning disabled or emotionally disturbed.

medical services which are rendered within the school setting pose a question of liability for the individual providing the service and for the school system.

121a.14 Special Education.

Subsection (a) (1) which defines special education states that,

> ... the term "special education" means specially designed instruction, at no cost to the parent, to meet the unique needs of a handicapped child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

The inclusion of physical education in this definition appears to be inconsistent and confusing. This inclusion is inconsistent because it sets physical education apart from other related services such as art, music, etc. It is also confusing because it imposes additional responsibilities on physical education teachers or mandates additional physical education staffing for handicapped students.

Subsection (b) (1) states that, "At no cost" means that all specially designed instruction is provided without charge, but does not preclude incidental fees which are normally charged to non-handicapped students or their parents as a part of the regular education program. Clarification of the term "incidental fees" is needed. Specifically, in the case of students in residential placements, there has been a question of charges which include raw food costs, drycleaning, ski trip expenses, horseback riding expenses, haircuts, etc.

Subsection (3) states that,

> "Vocational education" means organized educational programs which are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree.

Careers requiring "other than a baccalaureate or advanced degree" may include enrollment in business schools, junior colleges, trade schools, etc. for those students who complete the local high school program prior to age 21, and for whom there is determined to be a need for further vocational preparation. Provision for funding to implement this intent is not included in the law.

121a.10 Parent.

The document states that, "As used in this part, the term 'parent' means a parent, a guardian, a person acting as a parent of a child, or a surrogate parent who has been appointed in accordance with 121a.514."

Under the Comment section, the term "parent" is defined to include persons acting in the place of a parent, such as a grandmother or stepparent with whom a child lives, as well as persons who are legally responsible for a child's welfare. This section infers that a child may live with a relative who is not the legal guardian but who resides within an educational area which provides comprehensive special education services that may not be available within the area of residence of the legal guardian. This interpretation could place additional responsibilities on those individual states and individual local educational agencies that provide comprehensive programs.

121a.13 Related Services.

This section includes the following defintion:

> ... the term "related services" means transportation and such developmental, corrective, and other supportive services as are required to assist a handicapped child to benefit from special education, and includes speech pathology and audiology, psychological services, physical and occupational therapy, recreation, early identification and assessment of disabilities in children, counseling services, and medical services for diagnostic or evaluation purposes. The term also includes school health services, social work services in schools, and parent counseling and training.

The requirements to provide occupational and physical therapy services may be difficult to implement by many school systems because a sufficient number of specifically trained professionals are not available.

In addition, psychological counseling and social work services for children and parents, as well as school health services, are mandated. It seems inappropriate that the intent of the law requires that the public school systems provide all services needed by a child. The mandated extent of the services for which the public school systems should be responsible should be clearly defined. With regard to school health services, the term "other qualified person" should be defined. The provision of health services or

121a.306 Nonacademic services.

This section states that,

> (a) Each public agency shall take steps to provide nonacademic and extracurricular services and activities in such a manner as is necessary to afford handicapped children an equal opportunity for participation in those services and activities.
>
> (b) Nonacademic and extracurricular services and activities may include counseling services, athletics, transportation, health services, recreational activities, special interest groups or clubs sponsored by the public agency, referrals to agencies which provide assistance to handicapped persons and employment of students, including both employment by the public agency and assistance in making outside employment available.

The intent of this section is unclear. The interpretation given by some local educational agencies is that existing nonacademic and extracurricular services must be made available on a nondiscriminatory basis. Further, this section is interpreted as not mandating development of specific programs for handicapped students so long as the handicapped are included in existing programs and those to be developed in the future.

The portion of the statement regarding "referrals to agencies which provide assistance to handicapped persons ..." is interpreted to mean in a like manner for those students who are not handicapped, such as through guidance counselors, work study coordinators, etc. Other interpretations may result in special educational personnel being specifically assigned to the tasks of referring handicapped students to other agencies and of seeking employment for handicapped students. This interpretation would require budgetary considerations.

121a.342 When individualized education programs must be in effect.

This section states that an individualized education program must "Be in effect before special education and related services are provided to a child."

In some situations, particularly at the preschool and primary level, there are not appropriate standardized evaluation instruments to assess adequately the needs of the student. In these situations, diagnostic-prescriptive teaching by a special educator should be used to provide information to complete the mandated assessment. However, such teaching services cannot be implemented prior to the development of an individualized education program. The regulations should include specific provisions to allow the implementation of

such teaching prior to the development of an individualized education program.

121a.344 Participants in Meetings.
121a.345 Parent Participation.

These sections include requirements which are most difficult to implement within the time frame of the regular school day. Release time for teachers to participate in meetings to develop, review or revise the individual education program must be provided. Particularly at the secondary educational level, where one student may have several teachers, it is difficult to obtain sufficient release time for these teachers. Although the law requires only one teacher to be present at these meetings, if all teachers from whom the student will receive instruction are not aware of the specialized needs of the student, effective programming cannot be implemented. In many school systems the provision for release time is part of the negotiated teacher agreement and, therefore, is considered to be an economic issue rather than an educational issue. This factor is a major deterrent in implementing the provisions of these sections.

The specific requirements regarding extensive documentation of efforts to obtain parental participation in individualized educational program meetings requires additional time and increases the amount of paperwork. The time required for such record keeping could be better used for instruction of students.

121a.504 Prior Notice; parent consent.
121a.505 Content of notice.

These sections require that prior notice of all procedural safeguards be made available to parents. It is appropriate that parents be made aware of proposed actions and share in the decision making process regarding a child who is handicapped. However, explaining all of the procedures, including the process of hearing appeal, prior to evaluation of a student appears to have a negative impact on school/parent relations. This is particularly true when the local education agency is proposing to evaluate the child and it has not yet been determined that the child is handicapped.

121a.380-121a.387 Comprehensive System of Personnel Development.

Section 121a.380 requires "inservice training of general and special educational instructional, related services, and support personnel" and requires that "activities sufficient to carry out this personnel development plan are scheduled" for

> ... effective procedures for acquiring and disseminating to teachers and administrators of programs for handicapped children significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices and materials developed through those projects.

Subsection (e) (1) of section 121a.382 states that,

> The use of incentives which insure participation by teachers (such as released time, payment for participation, options for academic credit, salary step credit, certification renewal or updating professional skills) are required to be included by the State Education Agency.

Implementation of the mandates in the two sections quoted above require, at a minimum, funding for consultants and release and substitute time for both classroom and special education teachers. Negotiated agreements which are prepared by local educational agencies and local teachers' associations limit the participation of teachers beyond the established school hours and thus require per hour reimbursement for teachers who elect to participate in such inservice offerings. Local educational agencies may not mandate teacher participation unless compensatory time and/or hourly wages are provided. In certain instances the local educational agencies may be required to reimburse each participating teacher involved in attending required inservice programs for transportation, e.g., mileage reimbursement.

Funding at the state educational agency and local educational agency levels is limited. This section requires activities which are far reaching, under funded, and difficult to implement due to conflicting legal restrictions.

121a.514 Surrogate parents.

This section requires the appointment of a surrogate parent when

> (1) No parent ... can be identified;
> (2) The public agency ... cannot discover the whereabouts of a parent; or
> (3) The child is a ward of the State under the laws of that State.

It is recognized that the statement is made on page 42512 that the "Federal Government has no authority to limit legal liability". However, the selection of a surrogate parent is limited by this lack of protection. This lack of protection limits state education agencies and local education agencies in obtaining an appropriate surrogate parent. Some acknowledgement of this situation should be provided and alternative procedures should be described.

It would be appropriate to remove the responsibility for selection of a surrogate parent from the educational agency and to assign this responsibility to social service (welfare) agencies.

121a.532 Evaluation Procedures.

The criteria for evaluation procedures which are established in this section are appropriate. Many teachers within the field of special education have not had appropriate training at the college and university level in tests and measurements, and in selection, administration and interpretation of educational assessment materials. The specific requirements of this mandate regarding assessment and ongoing evaluation require a sophisticated knowledge of evaluation techniques, materials and program implementation. Higher education must address itself to this weakness within the undergraduate and graduate level curricula.

121a.550-121a.556 Least Restrictive Environment.

Section 121a.550 requires that each public agency establish and implement procedures to insure

> (1) That to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped, and
> (2) That special classes, separate schooling or other removal of handicapped children from the regular educational environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

Section 121a.551 states it shall be insured that, "... a continuum of alternative placements is available to meet the needs of handicapped children for special education and related services".

Section 121a.552 regarding placement requires each public agency to insure that placement

> (1) Is determined at least annually,
> (2) Is based on his or her individualized education program, and

(3) Is as close as possible to the child's home; ...

These sections clearly mandate a continuum of services, alternative placements, annual review of placement based upon an individualized educational program and placement as close to the child's home as possible. There are three major factors affecting the implementation of this mandate: preparation of classroom teachers, provision of a least restrictive placement, and location of placement. Many classroom teachers are unprepared to appropriately teach handicapped students. Inservice education is required, however, the nature and urgency of the mandate precludes adequate time in which to implement inservice training; and adequate funding to provide for the depth and range of service which will be required.

The mandate of the section regarding least restrictive placement is likely to lead to a "token" service that is not appropriate. Local education agencies must consider a reduction in class size for the regular education teacher who must provide specially designed instruction to handicapped children. Many negotiated teacher agreements include class size as a negotiable item; thus, it becomes an economic, not an educational, issue.

State educational agencies have recommended non-public school placements which are "as close as possible to the child's home" but are inappropriate because of the restrictiveness or lack of related services such as transportation, psychological and psychiatric services, etc. A handicapped student who requires comprehensive service must be given a full range of service, not just the least restrictive service. In summary, least restrictive service does not equal appropriate service. Appropriate service should be the key consideration in provision of educational services.

121a.573 Destruction of information.

This section provides that,

> (a) The public agency shall inform parents when personally identifiable information collected, maintained, or used under this part is no longer needed to provide educational services to the child.
>
> (b) The information must be destroyed at the request of the parents. However, a permanent record of a student's name, address, and phone number, his or her grades, attendance record, classes attended, grade level completed, and year completed may be maintained without time limitation.

Provisions should be made so that the public agency may maintain confidential reports and records which substantiate that the agency has met the mandates of the law. When records have been destroyed and parents later institute legal action against the agency, the agency is unable to submit evidence of compliance with the law. The right of the agency must be protected.

INTRODUCTION

The Rules and Regulations which were published in the Federal Register, Volume 42, Number 250, on Thursday, December 29, 1977, include "... additional procedures which apply only to the evaluation of children suspected of having a specific learning disability".

121a.540 Additional team members.

This section requires that the evaluation team must include the child's regular teacher or a teacher qualified to teach a child at that age.

121a.542 Observation.

This section requires that the child must be observed in a regular academic setting.

121a.543 Written report.

This section requires that each member of the evaluation team must certify in writing that the reports reflect his or her conclusions. If the report does not reflect his or her conclusions, the team member must submit a separate statement presenting his or her conclusions.

These sections appear to be discriminatory in that requirements are established which relate to only the handicapping condition of specific learning disability and not to any other handicapping condition. The evaluation procedures for children with specific learning disability should not be different from those for other handicapped children.

STATEMENT OF K. MICHAEL AYERS, PROGRAM COORDINATOR, AMERICAN LEGION

The American Legion has a longstanding interest in and commitment to the improvement of the American education system. With approximately two million members of The American Legion operating in more than 16,00 local Legion Posts, there are very few communities in the Nation where our influence is not felt.

Interest of our organization in American youth and American education has a long and distinguished history of successful accomplishment. As a founder of American Education Week in 1921, The American Legion immediately launched a war against illiteracy in America. In more recent years, our "NEED A LIFT?" booklet (currently in its 28th edition) informs youth of postsecondary educational opportunities available to them as well as providing an excellent listing of sources of career information for students.

With this in mind, it is only natural that we offer our wholehearted support for the Career Education Program. Our involvement in this particularly vital area of education has been brief; however, our energies have been directed toward the importance of teaching students about the world of work through Career Education.

It is The American Legion's contention that the Career Education Incentive Act provides for a modest investment in the futures of our Nation's school-age children and, in our opinion, is highly cost effective. We see the Act as a "preventive" device providng career guidance to many children who would otherwise be unaware of what jobs were in demand at the time they enter the labor market, significantly reducing the need for more expensive "rehabilitative" efforts such as job retraining.

Our membership is being instructed to work with the schools in Career Education in support of federally-funded programs. The development of volunteer resource centers, using our membership as speakers to students of all ages, is just one program now being initiated. Others include setting-up a "Career Night" in the Post Home and providing the schools with printed Career Education materials which they might not otherwise be able to afford.

It has been our experience in working with the Career Education people in the Office of Education and the State Career Education Advisory Committee that many top-flight people are investing a great deal of time and expertise in putting this program to work. It is obvious that Career Education, although only nine (9) years old, is one government program with a solid foundation resulting in better educated students who will attain a sense of direction about their future prior to graduation.

For the following reasons, The American Legion supports Career Education and asks for your indulgence in consideration of maximum funds for FY '80.

1. Basic academic skills become more relevant to students as the linkage is made between study and how people earn a living.

2. Career Education promotes positive work value, attitudes and habits.

3. Career Education addresses all youth. It is not limited to "special need" groups.

4. Career Education is a long-term, developmental tool to minimize social disruption. Career Education cannot create jobs but what it can do is help people ready themselves for work.

5. Career Education is cost effective because it draws up community resources like those possessed by The American Legion to multiply the impact of each Federal dollar.

. Child Benefit Services which go to aid the parochial schools.

. KIDS program which serves children and parents from low socioeconomic households.

. One Speech Therapist.

. One Resource Room Teacher.

. One Elementary Music Teacher.

. One Elementary Art Teacher.

. One Reading/Learning Disabilities Specialist.

In addition to these, we have eliminated all elementary athletics, and as usual, have reduced drastically replacement and repairs to equipment, and eliminated one third of the repair to buildings account.

Some months ago you were quoted as saying, "What is $10,000 less in the Portsmouth school budget"? I would ask, Mr. Magnuson, at this time that you try about $400,000 less. It would appear that Messrs. Carter, Califano, and yourself are to be congratulated on having taken the first step in destroying what is a fine school system amply supported to the utmost limit by the residents of this community.

Due to the bitter disappointments on the part of the Portsmouth Board of Education and its administrators regarding the lack of concern by the United States Congress or HEW for the proper funding of education costs of military students in a community, we have taken steps to bring local action against the Commander of Pease Air Force Base and the residents of PAFB to recover losses through inadequate funding of the impact aid program. This perhaps is the legal route to take, however, it would only seem that justice would better be served if the suit was brought against Mr. Carter, Mr. Califano, and the United States Congress which is responsible for appropriating adequate funding for the support of the education of military dependent children. One unfortunate result of the attitude of the US Congress and Mr. Carter will most certainly by the deterioration of the excellent military/civilian relations that so many of Portsmouth's leading citizens have worked so hard to foster.

In closing I would like to point out that impact aid is a cheap price to pay for the education of military students when compared to what the local property owner must pay. If Pease Air Force Base were taxed at the same rate as local residents' property, we would receive $2,250,000 this coming year on a very conservative assessment of a $20,000 evaluation for each of the 1262 housing units on base, as well as a $50,000 assessment on the Officers Club, NCO Club, recreation center, bowling alley, theatre, and 3,000 acres of prime waterfront property at $5,000 per acre.

Perhaps someone with the wisdom of a member of Congress would have the knowledge to suggest that all Federal lands and buildings be taxed as is any other local property.

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## STATEMENT OF DR. HAROLD A. GOULD, DIRECTOR, CENTER FOR ASIAN STUDIES, UNIVERSITY OF ILLINOIS

Mr. Chairman, this written testimony is offered for the Subcommittee's consideration in my capacities as Chairperson of the Institutional Liason Committee of the South Asia Council of the Association for Asian Studies, and Vice-President of the American Institute of Indian Studies. My concerns relate to the FY 80 appropriation request for NDEA VI submitted by the U. S. Office of Education. This pertains to the support of language and area studies centers, foreign language and area studies fellowships, citizen's education for global understanding, and special projects abroad.

Act, even in this "austere budgeting climate", be set at least at $5.0 million for fiscal 1980 rather than $3.5 million as the Administration proposes. The additional funds are urgently needed if the Act's administrators are to perform a reasonable level of research, provide wide dissemination of curriculum materials, initiate practical model projects, and furnish adequate technical assistance to governmental agencies and non-governmental organizations. A 1978 NWF resolution on this general subject is enclosed for your additional information and use.

Sincerely yours,

THOMAS L. KIMBALL
Executive Vice President

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## STATEMENT OF JOHN R. LOUGHLIN, ASSISTANT SUPERINTENDENT, PORTSMOUTH SCHOOL DEPARTMENT, PORTSMOUTH, NEW HAMPSHIRE

I would like to present the following as testimony in connection with your committee hearings on education appropriations which include impact aid funding. Mr. Carter's budget proposals call for the elimination of all "B" funding, and HEW regulations now mandate a .7375% for "A" funding.

The Portsmouth, New Hampshire School District has located in it Pease Air Force Base which sends to the Portsmouth School District approximately 1100 students each year. The City of Portsmouth has never received the actual costs for educating these students. The reimbursement per student is figured on a HEW formula which establishes a rate for reimbursement purposes. This has always been grossly unfair to the local taxpayer of Portsmouth, NH; and with the projected funding for "A" students next year, the burden upon the local taxpayer in the City of Portsmouth as a result of the 1100 students living on Pease Air Force Base will be criminal.

I would like to put the cost figures for the coming year in perspective:

| | | |
|---|---|---|
| Actual Average Tuition Costs for Portsmouth School District | | $ 1,595 |
| HEW Established Tuition Rate | $ 1,406 | |
| .7375% of HEW's Rate | | 1,036 |
| | | $ 599 |

We now educate approximately 1100 military students, thus 1100 times $599 equals $614,900 which the taxpayers of Portsmouth are contributing towards the education of "A" students who, keep in mind, are living on a Federal enclave and would not be in the schools of Portsmouth were not that base located in Portsmouth.

There has been a school budget crunch in the City of Portsmouth for the past several years, and that crunch can be contributed in each of those years to impact aid funding -- or rather the lack of it. Each year the Superintendent, the Assistant Superintendent, and Business Manager for this school district must sit in budget hearings and budget workshops and make a choice of dumping a heavier tax burden on each individual taxpayer or eliminating critical programs that serve the students of our school district, all because the Congress of the United States and whatever President happens to be sitting feel no moral obligation to pay their bills in regard to the education of military children.

To leave the budget at a survival level for this coming year would mean asking the local taxpayers to pick up better than one third of the actual tuition rate for each military student. We have chosen not to do this, but rather to eliminate critical programs and postpone the employment of needed special education personnel.

Following are just a few examples of excellent service programs that will be deleted or postponed due to the generosity of the US Congress and Department of Health, Education & Welfare:

Two words--education and work--have been forces in making America strong. Both words have fallen on hard times. The Nation's economic health depends upon both words regaining value. This is best done by helping all Americans connect the relationships between education and work. This is the essence of Career Education.

The American Legion's prime interest, in terms of the content of public education, lies at promoting good citizenship and pride in America. One's role as a worker is certainly an intregal part of one's role as a good citizen. We firmly believe the Career Education Program provides youth with the proper motivation for attaining a sense of pride in their school work as a preparational tool for the future.

The American Legion strongly supports the statement "Career Education is a process that will increasingly cause the education of our youth to become more meaningful". We offer our total support because we believe Career Education insures a well-rounded experience for all students.

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## Letter From Thomas L. Kimball, Executive Vice President, National Wildlife Federation

March 19, 1979

Mr. Terry Leriman
Staff Director
Subcommittee on Labor, Health,
Education and Welfare
Committee on Appropriations
1108 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Leriman:

The National Wildlife Federation requests that the following statement regarding the Young Adult Conservation Corps (YACC) and the Environmental Education Program be made a part of the public hearing record on fiscal 1980 Labor-HEW appropriations.

Ours is a private organization which seeks to attain conservation goals principally through educational means. Affiliates of the National Wildlife Federation (NWF) are located in all 50 states, Puerto Rico, Guam, and the Virgin Islands. These affiliates, in turn, are made up of local groups and individuals who, when combined with associate members and other supporters of the NWF, number an estimated 4.1 million persons.

The Federation is disturbed that the President's budget for FY 80 proposes to cut funding for YACC from $216.9 million (in 1979) to $166 million, a reduction of more than 23 percent. In our judgment, that is an unwise and puzzling cut.

First, the YACC is proving to be highly successful in providing useful work for unemployed youths, ages 16 to 23. Among other things, the program is helping to relieve social unrest in areas of high unemployment. Second, the labor-intensive conservation projects being carried out by the YACC on public lands, both federal and state, are badly needed at this time to fill the gaps created by inadequate budgets for the principal government conservation agencies such as the Forest Service and the National Park Service.

Last, we find it somewhat inconsistent for the Administration to delete all funding in FY 80 for the Youth Conservation Corps ($60 million in FY 79) on the basis that the YACC will pick up the slack and then proceed to cut its budget!

In view of the above, the National Wildlife Federation recommends that 1980 funding for the YACC be restored at least to the fiscal 1979 level, i.e. $216.9 million.

Turning to another subject, NWF, as an organization profoundly interested in environmental education, recommends that funding for the Environmental Education

Basically, the area studies profession is pleased with the positive orientation to this vital field of education and research which the USOE's budget request of $22 million implies. They are asking $18 million for specifically area studies needs and $4 million for Fulbright-Hays. There is no question that this much more favorable attitude toward NDEA VI funding reflects the impact on international education throughout the government and the country of a strong Administration initiative in this domain. I refer, of course, to the Presidential Commission on Foreign Language and International Studies which was created by President Carter and whose purpose is to find ways of bringing the American education system into closer consonance with the educational clauses of the Helsinki Agreement to which the United States was a signatory.

We owe Representative Paul Simon of Illinois a debt of grattitude for pointing out that the US may in fact be violating the terms of the Helsinki Agreement by not doing more to foster the study of foreign languages and cultures. (See his Washington Newsletter, a weekly column published for his 24th District constituents, for the week of March 13-19, 1977. Its lead article is entitled, "A Treaty We May Be Violating.") This obviously does not qualify as a major breach of trust by this country, to be sure, but it does focus our attention on something whose long-range implication for American viability in world economic, political and intercultural affairs can actually be rather serious. For we live in a world where economic and political advantages increasingly accrue to those nations which produce citizens who are skilled in dealing with its cultural nuances. Businessmen, politicians, educators and scientists who know how to communicate with their counterparts abroad in their own languages and in terms of their indiginous cultural styles are no longer a mere novelty, a manifestation of pleasant (but essentially useless) dilletantism. They are a national resource which, like oil and minerals, the more you have of them the richer and stronger you are.

German and Japanese businessmen are outmaneuvering and outselling us in the world's markets today not because they are the beneficiaries of "cheap labor" but in part because they are more linguistically and culturally adroit than our people are. The Russians succeed in Third World countries today, usually at America's expense, partly because they provide their overseas specialists with magnificent training in the languages and cultures of the peoples toward whom they aim their competitive sights.

This national-resource dimension of language and area expertise was recognised with the inception of NDEA VI in 1958 and this authority has done much to serve

America's international needs and interests over the ensuing years. We have considerable pools of so-called area experts and a fairly extensive network of centers or programs in foreign cultures located on the campuses of a number of American colleges and universities.

Ironically, we owe the existence and preservation of these resources more to congressional than to presidential authority. Congress, which has so often been criticised by comparison with the presidency for being too diffuse and indecisive when it comes to addressing itself to national needs, has been far more consistent and clear in its support for international education than has the executive branch. At least until recently. The Presidential Commission alluded to above is the first serious executive branch initiatve in the field of foreign language and international studies since NDEA VI was enacted in 1958. It is to be commended for this and we await Commission recommendations. But congress is to be praised and commended for having kept the body alive for the intervening two decades, often against very formidable odds, until the executive branch came around to the realization that the need for an internationally enlightened and competent citizenry was not confined to the immediate aftermath of Sputnik's launching.

What, then, are the needs for FY 80 and beyond in the face of this encouraging reawakening of international education concerns by the executive branch of the US Government? Hopefully, we will know more when the President's Commission issues its report. But in the meantime, the Administration has put forward a budget request that exceeds previous requests and recommends some new thrusts for international education. The international education community and its friends have also developed a number of conclusions about where this important field needs to go over the next year or two as it gears to meet the new challanges that are apparently being prepared for it.

Let me say at the outset that many of us feel that the combination of inflation and existing indaequacies in NDEA VI resources suggest to us a need for $25 million for this authority alone, plus $4 million for Fulbright-Hays, rather than the $18 million plus $4 million being requested by the Administration. Put another way, we would like to see $25 million apprpriated for Sectons 601, 602 and 603 and then $4 million more for Fulgright-Hays.

Section 603 was authorized three years ago when NDEA VI authorization legislation was amended. It embodies one of the most crucial new thrusts which the international education community envisions for this field over the next decade, and one which we expect the President's Commission to strongly endorse. This

section provides a basis for weaving international education into the fabric of the American system of education at all levels, making it as intrinsic to the educational process as the three-R's. This, we feel, is the only feasible way to overcome the appalling ignorance of the world that currently afflicts our people. You lay the foundation for international competencies in elementary and secondary schools. You expand and perfect them at the post-secondary level. You reinforce and perpetuate them through adult educational programs and through special programs adapted to the needs of the business community, the professions and the scientific establishment.

Language and area studies centers have created loci of expertise on foreign languages and cultures. They have acted as green houses where techniques for teaching about and doing research on foreign cultures have been innovated, amplified and crafted. But they have not been in and of themselves in a position or in possession of the resources to move heavily into this more comprehensive domain of international education envisioned by Section 603. They were provided some modest resources for such undertakings prior to the activation of Section 603 (15 percent of their budgets were to be devoted to "educational outreach" avtivities) and with these many interesting and valuable innovations have been tried.

But the main job lies ahead. To prepare for it, language and area centers need to be expanded in both number and scope. There are now 80 of these programs that are federally assisted. At least 100 need to be, at a level of about $150,000 per center. This adds up to $15 million. A larger proportion of their budgets should be mandated for citizens' education activities, a minimum of 20 percent instead of the present 15 percent, with the right to apply as much as 30 percent of their budgets to them. In this way, many more programs, spread more widely across the United States, would be available to apply their special, critical expertise to the coming need to shape international educational activities in accordance with recommendations to be forthcoming from the Presidential Commission.

In testimony before the International Operations Sub-Committee of the House Foreign Relations Committee (Dante B. Fascell, Chairman) on July 27. 1978, I made reference to the "quality control" function that language and area centers will be compelled to perform if an expanded policy of international education support is to be undertaken at the behest of the federal government.Let me quote briefly from this testimony:

> If you don"t carefully build linkages between these programs that the government and the universities have spent so much money developing in the first place ... and make use of them as a source of resources, of expertise, of people who are capable of contributing to the building

> of these endeavors ... it is going to be a waste of already developed resources, on the one hand, and a potential source of further waste, on the other ...
>
> I think there should be a partnership between these programs, the state school authorities and, of course, the Office of Education and the federal government generally as well ... a network that would provide a much wider spectrum of international education for the American people.

The number of fellowships (FLAS) available to students who want to study non-Western and Latin American languages should be expanded. To accomplish this, $5 million is needed, and emphasis should be placed on encouraging numbers of these students to contribute their newly acquired linguistic and cultural skills to the citizens' education programs to be developed under the impetus of Section 603.

Section 603 itself should not be increased over current budget requests for this coming fiscal year. The two million dollars already recommended is sufficient to get started with new programs. We should wait until the Presidential Commission reports before we proceed further in order to make certain that too precipitous and consequently wasteful moves are not made.

Finally, $1.5 million for undergraduate international programs, $1.5 million for international research activities, and $2 million for special projects abroad are needed. The latter are particularly necessary because they can be funded for the most part in US-owned foreign currencies.

Important educational enterprises have been pursued for years in Egypt, India and Pakistan with the use of non-convertible, US-owned balances in these countries. In India, the American Institute of Indian Studies, the only organization which provides significant opportunities for American students and researchers to go to that country for scholarly purposes, receives rupees to operate its language training programs in India from the USOE's Special Projects Abroad program. Language training, teacher training tours, and archaeological scholarship in Egypt benefit from American-owned Egyptian pounds which are in part made available through this USOE program. Soon these pounds will be exhausted, due to the great increase in scale of US-Egyptian relations in recent years, which means that the USOE's role in supporting these activities will have to be restructured, perhaps through the earmarking of dollars to sustain them.

Let me conclude by reiterating my hope that funding for NDEA VI for FY 80 will be viewed by the Congress as a foundation-building enterprise. It is an opportunity to put in place a pattern of resource-allocation for international education that will prepare language and area studies for the citizens' education mission that appears to lie ahead. When the Presidential Commission on Foreign Language and International Studies releases its final report and recommendations, the area studies profession should be geared to implement them.

STATEMENT OF DR. PATRICK J. MCDONOUGH, ASSOCIATE EXECUTIVE VICE PRESIDENT, AMERICAN PERSONNEL AND GUIDANCE ASSOCIATION

My name is Patrick J. McDonough. I am the Associate Executive Vice President of the American Personnel and Guidance Association and its Director of Professional and Governmental Affairs. The American Personnel and Guidance Association is the national professional organization of over 41,000 guidance, counseling and student personnel workers. These individuals work primarily in elementary, secondary and higher education settings, but also in community and rehabilitation agencies, government and business and industry, performing counseling and guidance functions. The thirteen national divisions and 53 State Branches (District of Columbia, Puerto Rico, and European Branches included) of APGA span every sub-discipline and geographical area of the United States within the guidance and counseling field.

Mr. Chairman, perhaps like never before the education profession, and the discipline of guidance and counseling within the education profession, needs the assistance of the federal government in obtaining financial assistance to support ongoing educational programs and activities benefiting this nation's children, youth and adults. As you know, ordinary costs are skyrocketing, inflation taking a tremendous toll on the purchasing power of the dollar in obtaining and maintaining routine educational services and basic staffing for our schools and other community agencies. The ordinary taxpayer and the local and state agencies that historically have borne the burden of most educational and rehabilitation costs, are stretched to their limit. Relief is thus sought from the federal government in providing for a larger share of support for these educational and rehabilitation programs.

Congress in its wisdom has recognized the need to support local and state educational funding through the enactment of timely and needed legislation to bring relief to these local and state agencies. Such public laws as P.L. 95-207, Career Education Incentive Act; P.L. 94-482, the Education Amendments of 1976; and P.L. 95-561, the Education Amendments of 1978, have brought new hope to education.

To bring reality and commitment to the hopes that have been raised by these landmark public laws, they need to be adequately funded for Fiscal 1980! Thus, the purpose of this testimony is to pinpoint those vitally needed guidance and counseling programs, contained within the above public laws, which need federal funding support.

The Career Education Incentive Act, P.L. 95-207 was passed by Congress by wide margins in both chambers and on December 13, 1977, President Carter signed this important piece of legislation into law.

A. As you know the Carter Administration has recommended rescissions of $12.5 Million in Career Education incentive programs for FY '79 which seems to be in direct contradiction to the intent of Congress, the spirit in which this law was passed and in which it was signed into law. In addition, there is no Administration budget recommendation for FY '80 for the Career Education Incentive Act. If this recommendation holds the Career Education Incentive Act and its widely publicized message of hope for American education will be stifled.

The transition from education to work has never been more important. P.L. 95-207 attempts to put in place the building blocks to bridge this transition. The time for demonstration projects, a la Special Projects Career Education is over. There have been four years of demonstration and now is the time to institutionalize the career education program.

To prevent this from happening the American Personnel and Guidance Association recommends the following FY '80 funding for P.L. 95-207, the Career Education Incentive Act: in Section 4, State Grants $100 Million; and in Section 11, Post Secondary Educational Demonstration Projects, $15 Million.

B. Another thrust of this testimony is the funding for Title IV D, Guidance, Counseling and Testing of P.L. 95-561. This program is not a new program but rather a separation of "people" and "things" programs formerly consolidated under P.L. 93-380 as Title IV B, Library and Learning Resources. Congress, in its deliberations on the Education Amendments of 1978 separated the consolidation of Library, Audio-visual and guidance and counseling programs into two parts -- IV B (Library and Audio-visual programs) and IV D(Guidance, Counseling and Testing). This IV D program provides vitally needed guidance, counseling and testing programs through State and Local Educational Agencies to every public and private school setting in the United States and to every State. Programs of elementary and secondary guidance, in-service and supervisory training are supported by this program.

The American Personnel and Guidance Association recommends that the Subcommittee endorse the Carter Administration's recommendation of $18 Million for FY '80 funding of P.L. 95-561, Title IV D, Guidance, Counseling and Testing.

In another area, Mr. Chairman, the American Personnel and Guidance Association wishes to emphasize the importance of funding Title III D of P.L. 94-482

the Education Amendments of 1976. No budget request has been sought by the Carter Administration. This program is a small program however, with an awesome responsibility. Title III D, Guidance and Counseling, has the special mission of coordinating information on all guidance and counseling activity within the various Departments of the Federal Government, including Labor-HEW, but also to provide opportunities for upgrading the professional skills and competencies, on a competitive grant basis, of supervisory and administrative personnel throughout the state departments and school systems of the United States. Technological change, new concepts in education demand upgrading of the skills of guidance supervisors in working with the everyday problems of children and youth served by counselors throughout the nation.

The American Personnel and Guidance Association recommends FY'80 funding of $15 Million for P.L. 94-482, Title III D, Guidance and Counseling.

Finally, Mr. Chairman, a program with much hope for rural and urban communities throughout this nation is P.L. 94-482, Title I, Subpart 5, Sections 418 A and B, Education Information Centers. This program was funded in FY '79 at $3 Million. This was a beginning. However, the potential of accomplishment through providing an array of community referral, education, employment, career and health information services, is limitless. Economy of effort, elimination of duplication of services and localized attention to an array of human needs can be adequately addressed by Education Information Centers.

The American Personnel and Guidance Association recommends FY '80 funding of $30 Million for P.L. 94-482, Title I Higher Education, Subpart 5, Sections 418 A and B, Education Information Centers.

Mr. Chairman, previously this year (February 9, 1979) we communicated our concerns to you about our concerns for programs addressed by P.L. 95-602, Rehabilitation Act Amendments of 1978. We will not address these concerns again but merely summarize our funding requests for FY '80.

P.L. 95-602, Rehabilitation Act Amendments of 1978

- Title I, Vocational Rehabilitation Services, Part A, Section 101, General Provisions -- $808 Million
- Title I, Training Section 114 -- $34 Million
- Title II, Research, Section 204 -- $50 Million
- Title VI, Employment Opportunities for Handicapped Individuals, Part A, Section 601 -- $35 Million

- Title VI, Projects with Industry and Business Opportunties for Handicapped Individuals, Part B, Section 621 -- $15 Million
- Title VII, Comprehensive Services for Independent Living, Part A, Section 701, Part B - Section 711 and Part C -- Section 721-- $80 Million

Rationale sheets for the four education programs and the six rehabilitation programs are provided in attachments 1 - 10 of this testimony.

I appreciate this opportunity to provide testimony to the Subcommittee and stand ready to supply the subcommittee with any additional information as needed.

FY'80 Appropriations

Public Law 95-207, Career Education Incentive Act

Section 4, State Grants
Section 11, Post Secondary Educational Demonstation Projects

A. Background:

The Career Education Incentive Act was signed into law on December 13, 1977. Its purpose is to assist states, local educational agencies, and institutions of post secondary education in making education as preparation for work and as a means of relating work values to other life roles and choices a major goal of education. A contextual thread throughout this legislation is the importance of guidance and counseling in the implementation of career education programs at the state, local and post secondary levels.

Essentially, the "Career Education Incentive Act" plans to institutionalize a new philosophy of education within a five year period. This legislation expands and broadens the federal role initiated by the Career Education Special Projects Act of the Education Amendments of 1974, P.L. 93-380. It is entering into its second year of authorization.

B. Funding:

| | | |
|---|---|---|
| Section 4 | ° Requested | $100 Million |
| | ° Authorized | $100 Million |
| | ° Carter Budget | -0- |
| Section 11 | ° Requested | $15 million |
| | ° Authorized | $15 million |
| | ° Carter Budget | -0- |

C. Rationale:

This new program to be effective as a change agent within the five year projected period of its life needs to be fully funded. The peculiar escalating and de-escalating funding requirements of the state grants section emphasize the gradual institutionalization and complete takeover of the career education function in five years. Without full funding the programs and plans at state, local and post secondary levels cannot be operationalized.

Emphases of this program include:
- in-service training of all educational personnel in career education practices
- curriculum revisions
- elimination of sex role stereotyping
- business, labor, education and private organization cooperative planning
- comprehensive career guidance, counseling, placement and follow-up services
- occupational and career information dissemination and evaluation
- career education demonstration projects at the post secondary level

Attachment 2

FY'80 Appropriations

Public Law 95-561, The Education Amendments of 1978

Title IV, Educational Improvement, Resources and Support

Part D, Guidance, Counseling and Testing

A. Background:

Title IV D is not a new formula grant program. Rather it is an extension and improvement of Title IVB, the consolidation of Library, Audio-visual and Guidance and Couseling programs formerly found under Library and Learning Resources of P.L. 93-380.

In the development and passage of P.L. 95-561 extensive testimony was given on the old Title IV B program. The upshot was that the IV B program was an unfortunate consolidation of "people" programs (guidance and counseling) and "things" programs (library and A-V materials). Congress decided that "this marriage has caused a great deal of competition in some local districts between two areas which the Committee feels are both of high priority "with the result that it would remove guidance, counseling and testing from the existing Title IV B and create a separate program, a new IV D, to fund the guidance, counseling and testing formula grant activities.

Allocation of funds to states and local jurisdictions are still by student population (age 5-17) formula. Those same guidance, counseling and testing activities, formerly carried out under Title IV B, are still carried out here but under a separate part.

The major provisions of this program include:

1. Providing state leadership and supervisory services in the fields of guidance, counseling and testing.
2. Grants to states for comprehensive guidance counseling and testing programs in elementary and secondary schools.

B. Funding:
- Requested $18 million
- Authorized $50 million
- Carter Budget -0-

C. Rationale:

1. Congress, throughout the hearing process, leading to the creation of Title IV D in P.L. 95-561, Guidance, Counseling and Testing, has repeatedly emphasized the importance of guidance and counseling services to state and local educational agencies. This program continues these services to children in all states both in public and private schools.

2. This program has a "trigger" of $18 million funding for FY'80. Otherwise, if this minimum funding is not met, "the Commissioner shall carry out programs under Part A of Title V of the National Defense Education Act of 1958 as in effect for fiscal year 1971 (prior to the expiration thereof)".

3. The intent of Congress to provide guidance and counseling services to states and local agencies would be lost. The end result would be wastefulness, duplication of effort and in some instances lost jobs.

Attachment 3

Public Law 94-482, The Education Amendments of 1976

Title III, Extensions and Revisions of Other Educational Programs

Part D, Guidance and Counseling

A. Background:

The purpose of this part is to fill the coordination gap now found in guidance and counseling activities supported jointly or separately by federal programs (within and outside the Department of Health, Education and Welfare), and by state and local programs. Part D will also provide increased and improved preparation opportunities for guidance and counseling personnel (including administrative and supervisory personnel) at the state and local levels. There is a contract and grant dimension of this part so that on a competitive basis, state and local education agencies, institutions of higher education, and private, non-private organizations can provide institutes, workshops, and seminars to improve the professional guidance qualifications of teachers and counselors in state and local education agencies and non-public elementary and secondary schools.

Further, the Commissioner can make grants to states to assist them in carrying out new and existing programs of guidance and counseling.

B. Funding:
- ° Requested $15 million
- ° Authorized $20 million
- ° Carter Budget -0-

C. Rationale:

1. Since 1958 (the National Defense Education Act) there has been no identifiable unit with the USOE to coordinate and administer the variety of guidance and counseling provisions now found in existing Public Laws -- administered within and outside the Department of HEW (i.e.) Higher Education Act, Vocational Education Act, CETA, Juvenile Delinquency and Prevention Act, Elementary and Secondary Act, Older Americans Act, Education of the Handicapped, National Institute of Education, and Rehabilitation Act.

2. Training and retraining of professional guidance and counseling personnel (pre-service and in-service) inclusive of supervisory and administrative personnel, is essential for keeping abreast of new job market, career education and technological advances and trends.

3. State departments of education and local education agencies need to coordinate better the federal and state programs of guidance and counseling being administered in the state. These new Part D provisions serve to restore that statewide thrust and eliminate financial waste and duplication of effort in attaining specific guidance and counseling programmatic goals.

Attachment 4

Public Law 94-482, The Education Amendments of 1976

Title I, Higher Education

Subpart 5, Sections 418 A & B, Education Information Centers

A. Background:

Educational Information Centers are designed to establish comprehensive regional centers to serve as reservoirs of support services, informative and education programs in order that individuals, including individuals in rural areas, are afforded reasonable access to all necessary programs. The purpose of the center is to combine the efforts and activities of professional and lay groups, communities, private and public agencies and local, state and federal government to consolidate activities into a multi-purposes and accessible single agency to mobilize the resources that impact on educational needs.

B. Funding:
- ° Requested $30 million
- ° Authorized $30 million
- ° Carter Budget -0-

C. Rationale:

1. The importance of Education Information Centers is to avoid the excessive duplication of services through a plethora of programs and consolidate such activities in a multi-purpose and accessible single agency designed to mobilize the resources of the community, state and federal government that impact educational needs. The scarcity of new fiscal resources, combined with rapid growth, inflated costs and funding plateaus mandates the necessity of sharing resources.

2. Vitally needed job placement, guidance and counseling, referral services and tutorial assistance is made accessible to residents of rural and urban communities through this new program.

Attachment 5

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title I, Vocational Rehabilitation Services

Part A - General Provisions, Section 101

A. Background:

The purpose of this title is to authorize grants to assist States to meet current and future needs of handicapped individuals in order that such persons may prepare for and engage in gainful employment to the extent of their capabilities.

B. Funding: Requested $808,000,000. (For FY '79)

Authorized $808,000,000.

C. Rationale:

Full funding is recommended since it is needed to provide direct rehabilitation services to handicapped youth and adults. In addition, funds are needed to meet the priority of serving the severely handicapped. It is generally recognized that it costs from two to two and one-half times more money to rehabilitate a severely disabled individual as compared to the non-severely disabled individual. This shift in priorities necessitated an adjustment by VR Agencies in that fewer people can be rehabilitated for the same amount of money. When inflation is taken into account, the end result is really less money to utilize for case services to the handicapped.

Attachment 6

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title I, Training

Section 114

A. Background:

Under this authority, the Rehabilitation Services Administration may make grants to and contracts with States and public or nonprofit agencies to pay part of the costs for training of professionals, traineeships and inservice training of teachers involved in teaching the deaf.

B. Funding: Requested $34,000,000. (For FY '79)

Authorized $34,000,000.

C. Rationale:

Full funding is recommended to continue programs and to initiate new and innovative training of professionals. The need to develop the manpower to provide adequate rehabilitative services is imperative.

Attachment 7

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title II, Research

Section 204 (Research)

A. Background:

This section establishes a National Institute of Handicapped Research (NIHR) to oversee federal assistance to rehabilitation research. NIHR

will have authority over a program of demonstration centers to develop the employment potential of severely handicapped individuals.

B. Funding: Requested $50,000,000. (For FY '79)

Authorized $50,000,000.

C. Rationale:

Full funding is recommended as authorized by law in order that rehabilitation research continue in its quest for better techniques of improving the potential of the disabled.

Attachment 8

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title VI, Employment Opportunities for Handicapped Individuals

Part A - Section 601

A. Background:

This is to establish "Community Service Employment Pilot Programs" for the handicapped. These programs would pay at least the minimum wage and offer placement assistance when clients complete the project.

B. Funding: Requested $35,000,000. (For FY '79)

Authorized $35,000,000.

C. Rationale:

Projects under this section will provide employment for the handicapped in services related to publicly owned and operated facilities; contribute to the general welfare of the community and provide increased employment opportunities which would otherwise not be available for the handicapped. These jobs will not result in any displacement of currently employed workers.

Attachment 9

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title VI, Projects with Industry and Business Opportunities for Handicapped Individuals

Part B - Section 621

A. Background:

The Projects with Industry Program, which provides private-sector employment and training opportunities in realistic work settings, is expanded.

B. Funding: Requested $15,000,000. (For FY '79)

Authorized Such sums as necessary.

C. Rationale:

Provides handicapped individuals with training and employment in realistic work setting in order to prepare them to continue to engage in the employment in the competitive market. In addition, supportive services are provided to permit them to continue to engage in employment for which they received training.

Attachment 10

Public Law 95-602, Rehabilitation Act Amendments of 1978

Title VII, Comprehensive Services for Independent Living

Part A - Section 701, Part B - Section 711 and Part C - Section 721

A. Background:

Services may be provided, under this Title, to any person whose ability to engage or continue employment is so limited by servity of disability that they do not presently have the potential for employment, but may benefit from vocational rehabilitation services which will enable them to live and function indopendently.

Note: Parts B and C of the Act establish Centers for Independent Living and spocial services for older blind persons.

B. Funding:

| | |
|---|---|
| Requested | $80,000,000. (For FY '79) |
| Authorized | $80,000,000. |

C. Rationale:

Full funding is recommended to move ahead with these long awaited services on a broad scale. All of the above programs and services have been tried on an small scale and are now ready to serve greater numbers of the severely disabled.

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## Statement of the National Federation of Urban-Suburban School Districts, Inc.

The National Federation of Urban-Suburban School Districts, Inc., is a broad-based organization including 27 large school systems located in 19 states scattered throughout the nation. This organization provides a forum for members of boards of educations (the policymakers), and the local school system administrators (the implementers of the boards' policies), to address areas of mutual concern.

One of the main topics of mutual concern is programming for special education services. For the past two years the organization has had a committee addressing concerns related to special education with particular emphasis being placed on the rules and regulations that were promulgated to implement P.L. 94-142, The Education For All Handicapped Children Act of 1975, and the effect of these legal requirements on member school districts. This paper presents a synopsis of the major concerns related to this topic. They will be discussed under the following headings: individualized education programs; related services; specific learning disability procedures; child identification (private schools); funding; and concluding remarks.

INDIVIDUALIZED EDUCATION PROGRAMS

The Federation supports individualization of educational programs for all students. However, the requirements outlined in the rules and regulations for insuring individualization of programs for handicapped students have created serious problems for member districts. First, the requirements for meetings, participants in meetings and the detailed documentation required to insure that the local educational agency has made every reasonable effort to involve the parent in the development of the individualized education program (I.E.P.) places a tremendous burden on the staff in terms of time.

Second, the content of the I.E.P. must include specific short term instructional objectives along with many other items. The inclusion in the I.E.P. of "short-term instructional objectives" has caused concerns. Short-term objectives are generally viewed as those specific kinds of instructional purposes that would change on a rather frequent basis. The very term itself, "short-term instructional objectives," suggests that the amount of time required to complete a short-term objective would vary; but in many cases, depending on the handicapped student, the instructional time could fluctuate from a period of a few days to months. This becomes a difficult problem for the teacher and the school, since the I.E.P. cannot be changed without having it reviewed and approved by the parent. The very inclusion of this requirement suggests that every time a short-term objective changes, or needs to be modified, an I.E.P. meeting must be held with the parent to modify the child's program. Not only is this terribly impractical and unnecessary, but also it has a tendency to delay the professional decision-making processes.

It is recommended that short-term objectives be deleted from the content of the I.E.P. and that teachers be given the latitude of developing these objectives as part of the ongoing daily instructional planning. Emphasis should be placed on instructional strategies and goals formulated to assist the student to reach the annual goals that are included as an important part of an I.E.P.

Third, the section of the law on I.E.P.'s does not distinguish among the degree or type of handicapping condition and, therefore, requires that all conditions of the law be followed for all handicapped children regardless of the severity and/or complexity of the handicapping condition. This is an impractical approach to educating the handicapped child and impedes the immediate delivery of instructional services to the mildly handicapped. As an example, a large majority of the communication handicapped students are enrolled in speech therapy programs to remediate articulation disorders. An articulation disorder can be classified as a mild handicapping condition, and it is not always necessary to involve any

agencies or representatives other than the parent and teacher in reaching instructional decisions related to the articulation program.

Finally, an annual review of the I.E.P. must be conducted under the same basic conditions that are stipulated for the initial placement. It is recommended that the I.E.P. be revised and updated as appropriate through parent-teacher conferences. In certain instances it may be desirable to involve other persons and/or agencies but such a decision should be left to the parent and school professionals on the basis of need rather than being required for all cases.

With the above mentioned modification to the rules and regulations, much staff time and effort currently being expended in time consuming paperwork activities and meetings could be devoted to providing direct services to handicapped students. This would result in a more effective utilization of the school system resources without sacrificing the delivery of quality service to handicapped students.

## RELATED SERVICES

The member school districts of the Federation accept the responsibility for providing educational services to all handicapped students. However, P.L. 94-142 inappropriately places the major responsibility on the local educational agency to provide related health and social services for handicapped students. Member school districts have reported that it is virtually impossible to bring about cooperative interagency agreements that have any legal basis to insure that appropriate related services are provided for handicapped students. Also, when member districts have attempted to secure related services from other agencies, those agencies have stated that they do not have the resources to provide the kind of support necessary. This leaves local educational agencies in a tenuous position. It is important to note that these other agencies have been very vocal in expressing the belief that school systems are receiving adequate funding through P.L. 94-142 to provide these related services.

There is an apparent misconception on the part of other agencies with regard to available funding levels for special education and related services under P.L. 94-142. The local educational agencies, as well as the health and social service agencies, must clearly understand their respective responsibilities in the area of services to the handicapped. Without this clarification, children in need of services may not be receiving them because other agencies now view these services in the domain of the local educational system. Therefore, it is most critical that the responsibilities of the respective agencies be delineated.

## SPECIFIC LEARNING DISABILITY PROCEDURES

The handicapping condition defined as a specific learning disability has been a source of concern to member districts of the Federation. First, it is recommended that the definition and detailed criteria for determining the existence of a specific learning disability be refined. Second, the member districts question the necessity of increasing the membership of the multidisciplinary evaluation team; required observations by at least one team member other than the child's regular teacher; and a special written report. These stipulations increase paperwork and staff time beyond that which is required in the rules and regulations for the other handicapping conditions. It is recommended that these additional requirements be deleted from the law.

## CHILD IDENTIFICATION (PRIVATE SCHOOLS)

The rules and regulations of P.L. 94-142 require that each local educational agency insure that all handicapped children (regardless of the severity of the handicapping condition) residing within its jurisdiction,whether enrolled in public or private schools, be identified, located, and evaluated. This requirement places a heavy burden on member districts of the Federation, many of which have large numbers of private schools within their boundaries.

The member school districts accept total responsibility for identifying, locating and evaluating handicapped students in the public schools. However, the Federation takes the position that if parents voluntarily choose to enroll their children in a private school, the responsibility for appropriate education and related services should rest with the parents and the private school.

## FUNDING

The President's F.Y. 80 budget calls for a funding level that represents 12% of the excess education costs for handicapped students, while the Education For All Handicapped Children Act (P.L. 94-142) authorizes 30% of the excess costs to be funded in F.Y. 80.

A typical member district of the Federation indicates that the average cost per handicapped full-time equivalent student for F.Y. 1979 is $5,094.97. The average cost per non-handicapped full-time equivalent student in the same school district for F.Y. 1979 is $1,668.91. This amounts to an average excess cost per handicapped student of $3,406.06. In this school district the excess cost is offset through the following revenue sources:

| | |
|---|---|
| P.L. 94-142 (Pass through and discretionary) | $ 414.61 (12.2%) |
| State Handicapped Aid | $1,532.79 (45%) |
| Local | $1,458.66 (42.8%) |
| Total | $3,406.06 (100% |

If Congress fails to increase the funding for excess costs for handicapped students, it will necessitate that local taxes be increased and/or local school systems be forced to reallocate resources from other existing non-handicapped educational programs to meet the mandates of P.L. 94-142. Neither of these alternatives is desirable and; therefore, the Federation requests that Congress appropriate funds to the limit of the authorization.

CONCLUDING REMARKS

The Federation takes the position that the intent of P.L. 94-142, The Education For All Handicapped Children Act of 1975, is worthy. However, members feel that the rules and regulations that are being mandated to implement this law are far too restrictive for the delivery of services to the vast majority of mildly handicapped children. For those handicapped students with severe and complex problems the Federation members basically support the current rules and regulations.

Therefore, the Federation calls upon Congress to examine the implementation of P.L. 94-142 in terms of its original intent and to make modifications that will insure that all handicapped students have equal educational opportunities that are comparable to non-handicapped students and are delivered in an expeditious manner.

Frequently, P.L. 94-142 has had the effect of placing interested parties in adverse positions when it would be more desirable for them to be cooperating together as a team. This sad state of affairs has been brought about as a result of: (1) unrelenting pressure for total compliance with the rules and regulations and, (2) inadequate funding to achieve the worthwhile goals of the legislation. Consequently, parents, teachers, administrators, students, outside agencies, and members of boards of education are frequently frustrated and are forced to take positions that are not the most conducive for creating a positive educational climate.

It is the Federation's belief that if the major concerns addressed in this paper were resolved, and if P.L. 94-142 were funded as authorized, giant strides could be made in improving direct services to all handicapped students.

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## Statement of the Council of American Immigrant Education Agencies

The council of American Immigrant Education Agencies (CAIEA)is a coalition of community-based organizations which provide educational services to new Americans. Founding members include Agudath Israel of America (a national Jewish

organization) Hellenic American Neighborgood Action Committee and the Chinatown Planning Council. In serving hundreds of thousands of immigrants, these agencies have on impressive record of providing adult education.

All of the groups were extremely enthusiastic over the passage of the 1978 Adult Education Amendments which mandated the expansion of the current delivery system of adult education through agencies "other than the public school systems". Community based organizations were among those specifically identified by Congress as part of its new thrust to expand the delivery of Adult Education services.

However, our optimism has become dampened by those who do not wish to give the community-based organizations the recognition they deserve in providing adult education services. Since Congress has clearly outlined its intention to expand these programs to other than educational agencies, it is not merely appropriate but consistent with legislative intent to deal with the CBO's on par with LEA's.

As a result of an analysis of the issues that have been raised, it is our impression that forces are being marshalled to thwart congressional wishes and that legislative intent to expand services through CBOs will be undermined in the implementation. Lost in the process will be a primary advantage intended by the amendments (i.e. the flexibility to expand and contract programs geographically and fiscally depending on need). The need for the amendments was in part the recognition of the inflexibility of institutional education to adequately service all segments of the adult population.

We suggest that immediate attention be given to how the states will involve CBOs in the planning and implementation of projects. Futher, we call your attention to the fact that the National Advisory Council on Adult Education (NACAE) does not at present have CBO representation.

Regulations written to clarify the 1978 Adult Education Amendments must not be permitted to perpetuate the present system which relegates community based agencies into mere sub-contracts.

Issues that we feel have unfairly been raised in questioning more direct involvment of CBO's are as follows:

"meeting matching dollar and maintenance of effort requirements"

"non-qualified instructional personnel"

"inadequate meeting facilities"

"fiscal and audit monitoring"

"determining the ability of groups outside the school system to deliver services which they indicate having the ability to do"

Present and past experience prove none of the above listed issues to be valid. On the contrary, the experience of CBO sponsored educational efforts under CETA and independent community schools throughout the country in mounting successful community education efforts, have benefited millions. It is in fact insulting that such matters as CBO's not being able to find qualified instructional personnel or not having adequate meeting facilities, etc., have even been raised.

Besides the state grant programs currently in existence and in recognition of the need of the growing immigrant communities in the United States, Congress passed a special Adult Education Program for Immigrants (section 318 of the Adult Education Act of 1978).

> Section 318 authorizes a new Adult Education Program for Immigrants. The Commissioner of Education may make grants to, or enter into contracts with state and local educational agencies and other public and private non-profit agencies, organizations and institutions to provide programs of adult education to immigrant adults in need of these services.
>
> ....Not less than 50 percentum of the funds appropriated under this section shall be used by the Commissioner to enter into contracts with private non-profit agencies, organizations and institutions.

Although this legislation is a landmark in immigrant absorption programs and indicates congressional recognition of the need to fund agencies who work most directly with the immigrant populations (and as a result have a unique sensitivity to best provide educational services to immigrants) funds for this legislation have not yet been appropriated.

FUNDING

We are concerned that the need for expansion of delivery of Adult Education services will be crippled by curtailment of funds as proposed by President Carter. In addition, it will undermine the laudable effort of Congress to provide expansion through the CBO's. This problem is compounded for the population to be served under Section 318 since the new immigrant legislation has no appropriation. We therefore recommend that:

1) No cut in funding for the state grant programs be made
2) 50% of all Adult Education state grant funds be reserved for organizations other than the public system
3) The Adult Immigrant Act (Section 318) be funded in the sum of at least 25 million dollars in the coming fiscal year.

## Letter From Donald T. Cannon, Executive Director, Northern Plains Consortium for Education, Inc.

April 3, 1979

Honorable Quentin Burdick
HEW Senate Appropriations Committee
United States Senate Building
Washington, D.C. 20202

Dear Senator Burdick:

This letter represents written testimony for the Senate Hearings on Appropriations for Higher Education which conclude April 4, 1979. It is further written on behalf of the Northern Plains Consortium for Education (North Dakota), The New Hampshire University and College Council, and The Council for Interinstitutional Leadership (A Higher Education Association representing 130 consortium organizations with 1560 participating colleges). I have been duly authorized to represent them through this written communication. Further, we believe that the message of institutional cooperation and institutional interreliance has not been realistically presented, if presented at all, by the higher education associations or the Office of Education.

Basically we represent the following:

1. Formally organized cooperative arrangements which focus on day-to-day legitimate field operations all over the nation.

2. Hard working dedicated professional people who carry out effective educational programming on a cost efficient basis which single institutions could not accomplish.

3. Valid cooperative endeavors which put federal funds together with local funds to plan and develop exemplary programs which are later supported by local funds.

4. Cooperative sharing of existing resources and avowed purpose of interreliance between and among consortium colleges.

5. Small consortium staffs which know college presidents, deans, faculty, and sometimes students on a day-to-day basis which leads to first hand knowledge of real college needs.

Also, we do not represent the following:

1. Large bureaucratic structures interested in organizing higher education and using federal funds to accomplish it.

2. Organizations interested in the federal purse to supplant local college funds or become college welfare programs.

3. Cooperative endeavors with a lack of purpose, direction, objectives, or vague needs.

What is needed in higher education appropriations?

1. Provision for funded cooperative arrangements up to a five year term, especially in Title III of the Higher Education Act. This is critical if there is any intent to ensure sustained efficiency and effectiveness in program implementation.

2. Increased appropriations if programs for students with special needs are to be maintained and improved.

3. Cooperative arrangement provisions in all federally funded higher education programs.

4. Relevant and objective selection criteria for determining grant and contract recipients.

In conclusion we believe that cooperation and interreliance is critical for higher education in the decade ahead. Cooperatively we can accomplish so much more than is possible by "going it alone." An opportunity for exemplary development has to be offerred to those institutions which have the talent, imagination, and motivation to pursue it.

Sincerely,

Donald T. Cannon

Donald T. Cannon
Executive Director
Northern Plains Consortium

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## STATEMENT OF GRANT PINNEY, ASSISTANT SUPERINTENDENT, SIERRA SANDS UNIFIED SCHOOL DISTRICT, CALIFORNIA

*I am Grant Pinney, Assistant Superintendent--Business, of the Sierra Sands Unified School District in California. I certainly appreciate this opportunity to testify before this distinguished group of people. For 24 years, I have been in the China Lake/Ridgecrest, California area. I mention this because most of you will remember the China Lake School District who will not recognize the name of Sierra Sands Unified School District.*

*The Sierra Sands Unified School District has as it's primary employer the Naval Weapons Center at China Lake and has 70% impaction of "A" and "B" children under P.L. 874. As you can see, P.L. 874 money is our lifeblood. Since we have no other industry, the taxable assessed value of the school district is primarily the homes in the area. The second largest employer is the school district itself, third is the community hospital and forth is a federally-owned Post Office serving the 2,500 square miles of the desert area. Little assessed value is available from these employers.*

*The reason I feel so strongly for "B" category funding of P.L. 874 is that we do not have a property tax base which can support the education of the large number of impact children. Approximately 4,000 of our 5,600 students are impact aid children, but only 12.2% of our income is received from P.L. 874 funds. If the category "B" money is cut out this year, our school district would succumb to the lack of federal support of a federal problem. It is extremely unfair for 30% of the population to have the responsibility of educating 100% of the children. The place of employment historically has contributed 50% of the local property tax support of schools. As you can see, the problem in our district is that we have practically no employers in this area to pay the 50% of the tax money received, so the entire burden goes to the homeowners and the few small employers.*

*Our state, as you know, has passed proposition 13 and drastic cuts have been made already. More cuts will be made when the state reserve runs out. Proposition 13 calls for a 1% taxation on the real value of taxable property in the school district. The 1% must be shared by county, city, and school district entities. This, you will admit, is a meager tax to provide services and education in the community.*

*It is amazing to note, however, that if we could apply this meager 1% tax to federal property within our school district that the income to the school district*

in this area would be $20 million a year. This amount of money is nearly double our present total expenditure per year. In my opinion, and I think the facts bear it out, in heavily impacted districts such as ours the Government is simply neglecting its responsibility to educate the children of the military and civilian families who are wards of the Government.

Since 1963 this impact aid money has been cut back in our school district in several ways:

1. Less money appropriated each year
2. The China Lake Naval Weapons Center has forced residents to move off base; consequently, 1,500 children have been converted from "A" category to "B" category resulting in loss of Super "A" funding and 82.72% loss of the local contribution rate.
3. We presently have the same number of impact children that we had 5 years ago but receive only about 17.28% of the LCR for 3,000 of these children because they are now civilian "B" children.

In the State of California and in many other states, "B" category children are treated the same in the consideration of state funds per pupil. Whether military or civilian makes no difference since the sales tax or license fees are not a part of the school revenue. I am completely unable to understand why a difference is considered when funding the "B" category children. I might ask, are the children of a research scientist not as important as the children of the Naval officer?

In the situation at China Lake, the military play only a support role to the hundreds of civilian scientists. The children of military number 450 and the children of civilian number 3,550. A unique role is played here in the research and development of Navy weapons.

Regardless of the reasons for the large amount of reduction in P.L. 874 money, it remains that the Sierra Sands Unified School District is the financial victim of the action.

My recommendations for funding levels for fiscal 1979-80:

1. To prevent disaster in many impacted districts, give top priority to funding the hold harmless at 90% of last year.
2. Treat civilian and military "B" children the same where the burden is as great as in our school district.
3. Give high priority to full funding of entitlement of districts with 50% or more impact students.
4. I feel that if the committee believes that districts with a 20% "A" student population should have more money, then it follows that a district with 50% total impaction should have additional money and the appropriation action should so state.

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## STATEMENT OF FRANK W. ENGLISH, DISTRICT SUPERINTENDENT ATWATER SCHOOL DISTRICT, CALIFORNIA

The President's budget for the 1979-80 school year proposes to fund only category "A" students under the Impact Aid Program (P.L. 874). I am writing to you to make you aware that this money represents a significant part of our budget.

The Department of Health, Education, and Welfare has estimated that for the 1979-80 school year our district should receive approximately $246,301 from Category "B" at the Tier II level. The proposed elimination of Category "B" Tier II funding would substantially affect the operation of our district as we would be unable to easily absorb the funding reduction. Proposition 13, with it's cutback of funding from local property tax sources, has not only diminished

school financing but it has also curtailed some of the flexibility we had in the spending of these funds.

The Atwater Elementary School District is located in the heart of the San Joaquin Valley. The district is comprised of 6 elementary schools and one junior high school (grades 7-8). Our operating budget is approximately $5,000,000. Of this amount, our P.L. 874 allocation for 1978-79 is estimated to be $952,331. As you can see from these figures, P.L. 874 money will comprise approximately 19% of our budget. The elimination of funding for "B" students through Tier II would be most unfortunate inasmuch as our school district is continuing to grow annually.

With the government outback in defense spending (the closing of military installations), the personnel assigned to these bases is being transferred to other installations. Castle Air Force Base is one of those installations to which air force personnel and their families are being assigned. Our community is experiencing a great increase in construction of single family and apartment dwellings. Within the last year, the Planning Commission and the Board of Supervisors have given approval, or tentative approval, for the building of 1,138 single family dwellings. They have given approval for the development of 155 mobile home spaces and they have given approval for the building of 248 apartment units. This equates to an overall population growth of approximately 4,156 people and conservatively estimated as a student population growth of 1,788 students. Needless to say, a large number of these families will be military personnel.

At the present time, there is an assessed value loss under Section 2 of P.L. 874 of approximately $3,000,000 as a result of land which is held and used by the Federal government and not subject to taxation. During the 78-79 school year, we estimate that nearly 32% of our student enrollment will be comprised of "A" students and 18% of our student enrollment will be made up of "B" students. As you can see from these figures, we are a school district that is heavily impacted by the military activities when you realize that nearly 50% of our student population comes as a result of military activities.

While I am sure that President Carter and the Congress of the United States are trying hard to bring the federal budget into balance, the activities of education and the necessary services which result from national defense, are two areas which should be held as highest priority.

Please consider carefully when you have an opportunity to determine the allocation of federal monies under P.L. 874 for the 1979-80 school year. The loss of "B" student money through Tier II would have a severe adverse effect on the educational programs and opportunities within this school district. I urge you to reject President Carter's attempt to eliminate funding for "B" students for the 1979-80 school year.

Thank you for your attention to this matter.

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## Letter From Serve Wilson, Superintendent, McCall-Donnelly Schools, McCall, Idaho

March 23, 1979

Senate Appropriation Committee for Education
Appropriations for FY 1980
U. S. Congress
Washington, D. C.

RE: Appropriations for P. L. 874 (Impact Aid) for FY 1980,
Category "B" Students

To Whom It May Concern:

I am writing to you to express my concern over the administration's proposal to curtail the Impact Aid Program, particularly the elimination of Category "B" Students.

It often happens with proposals on a national scale that the administration has not taken the situation in rural areas into sufficient account when making recommendations.

The McCall-Donnelly School District #421 is a small rural school district with approximately 850 students located in the mountains of Central Idaho. Nearly eighty-nine percent (89%) of the McCall-Donnelly School District #421 is either Federally owned (86%) or State owned (3%). The largest employer is the United States Forest Service followed by lumbering related businesses and the school district.

Reductions or elimination of P. L. 874 (Impact Aid) "B" Students for FY 1980 will mean increases in mill levies to sustain our public schools in the State of Idaho. As you are probably aware, this is the year of the 1% Initiative in Idaho, and coupled with reductions or elimination of "B" students, this would compound the financial problems Idaho School Districts are already faced with.

Public Law 874 has respresented approximately three to five percent (3% to 5%) of our total operating budget, and based on a 1.5 million dollar plus budget, three to five percent (3% to 5%) of that budget represents a sizeable portion of our total budget. If P. L. 874 funds are eliminated, many programs and course offerings would be deleted from our curriculum and the ultimate loser would be the "kids".

Public Law 874 (Impact Aid) is one program that doesn't have a lot of federal controls and certainly leaves the decisions as to how the money is expended up to local school boards. Public Law 874 advocates local control.

I would urge that the needs of the McCall-Donnelly School District #421 and the school districts of the State of Idaho be fully appreciated and that the administration's proposals for reductions or elimination of P. L. 874 "B" Students be rejected. I would urge your support of the continuation of funding for "B" students.

Sincerely,

Serve Wilson

Serve Wilson
Superintendent

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## STATEMENT OF GUS HEADINGTON, DISTRICT SUPERINTENDENT, SAN PASQUAL VALLEY UNIFIED SCHOOL DISTRICT, CALIFORNIA

General Description of School District:

1. Located in Southeast corner of California
2. 38th Congressional District
3. 3 schools - Elementary, High School on same site, Winterhaven
   Continuation Education High School at Bard
4. Students - 738 Elementary - 460 High School - 150 Cont. Ed. - 20
   (Indian students - 325)
   Tuition students to Blythe - 70
   Tuition students to Brawley - 5
   Adults - 25
   Special Education to Yuma, Arizona - 8
5. Operating Budget - approximately $2,100,000
6. Sources: Federal - approximately 36% (P.L. 874 - 24%)
   State - 49%
   Local - 34%

7. Approximately $2,000

8. Aid - A Students - approximately $485,000

   B Students - approximately $15,000

9. Of the 600 plus students at our Winterhaven school site, approximately 325 are federally-related students but only 25% of our income is from P.L. 874 funds. If P.L. 874 funds are cut, our district would succumb to the lack of federal support for a federal problem. It is unfair for half of the population to support 100% of the children.

10. Rural farming around San Pasqual/Winterhaven school site. Also farming in northern section near Blythe. Large portion of district is desert land with low tax base. Approximately 1500 square miles total.

11. Indian reservation - approximately 50 square miles

12. Assessed valuation - $12,344,322

13. Assessed valuation - Fort Yuma Indian Reservation - approximately $27,267,000

14. Tax Dollar loss - $545,340

15. U.S.M.C. Air Station - Yuma, Arizona

    Yuma Proving Ground - Yuma, Arizona

    U.S. Bureau of Reclamation - Yuma, Arizona

16. To educate 325 students it would require:

| | |
|---|---|
| 11 teachers @ $15,500 | $170,500 |
| Fixed charges | 30,690 |
| Operation & Maintenance @ $526 | 170,950 |
| Debt service @ $96 | 31,200 |
| Transportation costs @ $219 | 71,175 |
| 11 Aides @ $192 | 62,400 |
| Fixed charges | 7,155 |
| Administration Salaries | 39,750 |
| Counseling | 15,000 |
| Fixed charges | 2,700 |
| Maintenance, operation, transportation, and Cafeteria Salaries | 196,520 |
| Fixed charges | 58,956 |
| TOTAL | $902,041 |

17. Federally-related students represent approximately 50% of resident students-325 students. Local money representing non-federally related students is approximately $1500. Federal money representing federally-related is approximately $1500.

Money representing Federally-related students is comparative at this time. If the percentage allowed for 3B students is cut, it will reduce our service by about $10,000. If any further cut is made in the monies representing our Federally-related students we will be reducing our services to compensate. This, with the monies lost through Proposition 13, will curtail services drastically in our district. This will predictably cost our district at least one classified position in Maintenance and Operations. If the predicted cut goes into effect for 1979-80 of eliminating the 3(B) students altogether and the 3(A) students by 15%, this will be a drastic blow to our budget. This could amount to at least 20% or $100,000 and could mean a cut in teachers and classrooms causing a much higher teacher/pupil ratio. It is a well-known fact that this is detrimental to education.

Any consideration on our behalf to protect and enhance the present allocation will be greatly appreciated. These additional funds do allow us to better service the needs of students.

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## Statement of Jack E. Jones, Assistant Superintendent/Clerk, School District 193, Mountain Home, Idaho

I am extremely concerned about the Administrations 1979-80 Education Budget for P.L. 81-874-Impact Aid. The elimination of the 3(b) category students will result in a significant loss of revenue for Mountain Home School District No. 193 (estimated 3(b) proration payment for fiscal 1979, $180,677.57; estimated full entitlement eligibility through Tier III for fiscal 1979 $384,312.69). The proration of 3(b) students during the 1970's has sharply reduced district funds for this category of students, further reduction of these funds will have a devastating effect on the educational program of School District No. 193. To recover the amount of the proration entitlement revenue at the local level, would require an override levy election approving approximately .006 mills of property taxes. However, the limitation imposed by the one (1) percent property tax limitation in Idaho practically eliminates the remotest possibility of achieving voter approval of additional property taxes.

Mountain Home School District No. 193 is a medium sized rural Idaho school district located in a semi-arid desert area approximately 40 miles southeast of Boise, the capital of Idaho. The Federal government is the largest land owner in the State of Idaho, owning 66.8 percent of the total land area of the state; the Federal government is also the largest land owner in School District No. 193, 66 percent of the total land area of the school district is under federal ownership.

In Idaho the elimination of funding for the 3(b) category of P.L. 81-874-Impact Aid would eliminate, almost entirely the local educational agencies receiving maintenance and operation funds the provisions of this act. They would be unable to satisfy the minimum number or percentage of federally affected students required to qualify for participation in this program. Only those school districts with a significant number of 3(a) students would meet the eligibility requirements to participate in the program (probably six (6) or seven (7) districts out of the sixty-four (64) eligible school districts at present, this would be a substantial financial loss to Idaho School Districts. The Idaho, State Department of Education Fiscal 1980 budget estimate for P.L. 81-874 funds for Idaho School Districts is $5,000,000.00.

Opponents to the funding of the 3(b) classification students under P.L. 81-874-Impact Aid according to news articles, testimony and editorials is based upon the fact that the parents of 3(b) primarily live off Federal property, hence, they are property taxpayers of the community in which they reside through payment of rent or by virtue of property ownership. The critics neglect or ignore the fact that in nearly all situations there are two sources of real and/or personal property taxes; residential and the place of business (work site). This is true whether the work site is a small local business or a large corporation.

Even with full funding of all categories of P.L. 81-874-Impact Aid Act, to eligible Idaho school districts the federal government is only a "partial support paying participant". With reduced funding (proration) the partial level of support for educational services is further reduced. Complete elimination of funding for 3(b) category students would mean, for many Idaho school districts, that the federal government is a non-financial support partner in providing for the education needs of federally affected students.

Two important features of the P.L. 874-Impact Aid legislation are; the low cost of administration and the funds are paid directly to local education agencies for maintenance and operation, thereby, promoting and enhancing the strength of government LOCAL CONTROL!

In closing I wish to take this opportunity to express my thanks and appreciation to the Committee for the privilege of submitting this testimony and on behalf of Mountain Home School District No. 193 and all other participating Idaho School Districts to solicit your support for continuation of the 3(b) category students in P.L. 81-874-Impact Aid and for an appropriation adequate for full funding of all categories of this Act through the Tier III level.

47-710 O - 79 - 56

# Statement of Berkeley County, South Carolina

The purpose of this report is to demonstrate the significance of PL 874 revenue in the Berkeley County School District.

The statements and data presented will indicate that the withdrawal of funds received from PL 874 will have an adverse effect on the operation of the school district. If PL 874 funds are withdrawn the taxpayers will have to be burdened with additional tax to replace the loss.

## General Description of the School District

Berkeley County School District is a unitary school system that encompasses the entire county.

The county of Berkeley is located in the southeastern section of South Carolina and is bordered by Charleston, Dorchester, Orangeburg, Georgetown, and Williamsburg counties. Berkeley County School District is in Congressional District # 1. The district's enrollment is the fifth largest in South Carolina and covers 1,110 square miles.

The fall enrollment was 22,008 with an average daily membership of 21,743 and an average daily attendance of 20,931.

The school district is composed of 15 elementary schools, 7 middle schools, 7 high schools and 2 vocational centers.

There is a total of 1,125 professional (certificated) persons and 725 support (non-certificated) persons employed by the school district.

The school district is classified as rural with the greatest density of population being in the Goose Creek and Hanahan areas. These two areas are the areas most affected by impaction.

Berkeley County has a population, as reported in the 1970 census, of 56,199. The estimated population as of July 1, 1976 was 70,400.

Exhibit # 1 gives a clearer picture of impaction as it lists schools and enrollment, indicating the number of students federally connected.

## Budget and Revenue Information

The Operational Budget for 1978-79 school year is $17,569,362. The per student cost is $803.54.

The assessed value of the county is $88,776,220. The school district operates on 58 mills for general operations and 12 mills for debt service for a total of 70 mills. A mill is equal to $88,776.22, based on 100% collection.

Revenue received from PL 874 during the 1977-78 school year was $1,735,810 for Class "A" students and $861,709 for class "B" students.

Anticipated revenue from our PL 874 application submitted this year (1978-79) is estimated to be $2,600,000. $1,768,000 for class "A" students and $832,000 for class "B" students. The anticipated revenue for Class "B" students alone represents 4.7% of the district's operational budget. Revenue received from PL 874 for Class "B" students during the school year 1977-78 represented the equivalent of 11.19 mills. (see exhibit # 2) Had the district not received funds for these students the tax payers would have to be burdened further in the amount of 11.19 mills in order that the operations and programs of the school district remain at that level.

Impaction Influence on Enrollment

Total membership at the time of the federal survey period in October of 1978 was 22,008. Federally connected students represented 33% of the total membership. There were 2,540 Class "B" students, 4,833 Class "A" students and 14,635 non federally connected students. Exhibit # 1 indicates federal impact on the individual schools in the district from an enrollment point of view.

Professional Personnel Relationship to Impaction Influence

Using a 30-1 ratio (1 teacher per 30 students), the impaction influence is as follows: 2,540 Class "B" students requires 84 teachers, 4,833 class "A" students requires 161 teachers for a total of 245 teachers. Translated into salaries, with the average salary being $10,000, the cost because of impaction would be $2,450,000. Teachers required because of impaction represents 21% of the school districts total professional staff.

Cost Per Student Relationship to Impaction

Class "B" student enrollment for 1978-79 is 2,540. Per student cost being $803.54 would amount to $2,040,991.60 for all class "B" students. We estimate revenue for class "B" students for PL 874 (1978-79 application) to be $832,000. This indicates that the district will contribute $1,208,991 over and above that received from PL 874.

Class "A" student enrollment for 1978-79 is 4,833. Per student cost being $803.54 would amount to $3,883,508.32. We estimate revenue for Class "A" students from PL 874 (1978-79 application) to be $1,768,000. This indicates that the district will contribute $2,115,508.32 over and above that received from PL 874.

Conclusion

Berkeley County Schools acknowledge that revenue from PL 874 is necessary and warranted. If the proposed cut back of any part of these funds becomes a reality, the educational programs and the continued employment of staff will be jeopardized.

EXHIBIT # 1

| SCHOOL | TOTAL ENROLLMENT | | CLASS "A" STUDENTS | CLASS "B" STUDENTS |
|---|---|---|---|---|
| Berkeley Elementary | K-5 | 990 | 34 | 76 |
| Berkeley Intermediate | 5-6 | 592 | 30 | 50 |
| Berkeley Middle | 7-8 | 586 | 27 | 58 |
| Berkeley High | 9-12 | 1796 | 119 | 210 |
| Boulder Bluff Elementary | K-5 | 658 | 157 | 124 |
| Cainhoy Elementary | K-6 | 391 | 0 | 5 |
| Cainhoy High | 7-12 | 403 | 0 | 15 |
| College Park Elementary | K-5 | 1087 | 368 | 155 |
| College Park Middle | 6-8 | 490 | 129 | 71 |
| Cross Elementary | K-6 | 443 | 0 | 16 |
| Cross High | 7-12 | 723 | 4 | 24 |
| George Fishburne Elementary | K-4 | 835 | 113 | 165 |
| Goose Creek High | 9-12 | 2179 | 644 | 402 |
| Hanahan Middle | 5-8 | 803 | 62 | 160 |
| Hanahan High | 9-12 | 915 | 53 | 218 |
| Howe Hall Elementary | K-5 | 1024 | 362 | 165 |
| J.K. Gourdine Elementary | K-5 | 308 | 1 | 10 |
| Macedonia Elementary | K-6 | 721 | 11 | 19 |
| Macedonia High | 7-12 | 753 | 2 | 16 |
| Marrington Elementary | K-5 | 856 | 854 | 2 |
| Marrington Middle | 6-8 | 579 | 578 | 0 |
| Men Riv Elementary | K-5 | 877 | 862 | 2 |
| Sandridge Elementary | K-6 | 221 | 2 | 0 |
| Sedgefield Middle | 6-8 | 958 | 217 | 202 |
| St. Stephen Elementary | K-5 | 454 | 5 | 43 |
| St. Stephen Middle | 6-8 | 400 | 0 | 29 |
| St. Stephen High | 9-12 | 495 | 1 | 45 |
| Westview Elementary | K-8 | 1086 | 173 | 221 |
| Whitesville Elementary | K-4 | 385 | 25 | 37 |
| TOTAL | | 22,008 | 4,833 | 2,540 |

EXHIBIT # 2

Amount of local taxes represented by PL 874 payment in 1977-78 school year.

| | | |
|---|---|---|
| PL 874 Revenue Received 1977-78 | $ 2,597,519 | |
| Assessed Value Berkeley County School Dist. | 81,000,000 | |
| at 95% collection | 76,950,000 | |
| Value of one (1) mill | 76,950 | |
| Total PL 874 Revenue ÷ one mill | | 33.75 mills |
| PL 874 Revenue Received for "B" student | 861,709 | |
| Value one mill | 76,950 | |
| Class "B" student revenue ÷ one mill | | 11.19 mills |
| PL 874 Revenue Received for "A" student | 1,735,810 | |
| Value one mill | 76,950 | |
| Class "B" student revenue ÷ one mill | | 22.55 mills |

# Resolution of Bossier Parish School Board

WHEREAS, the Bossier Parish School Board is charged with providing the best public educational system for all the children of Bossier Parish, and,

WHEREAS, federal installations and land holdings located in and around Bossier Parish have caused more than 4,000 children to be enrolled in the public schools of Bossier Parish, and,

WHEREAS, said federal installations are tax exempt and do not in any way contribute to the cost of educating those children or providing facilities, and,

WHEREAS, Public Law 81-874 has provided a mechanism whereby the federal government does financially assist local systems with the cost of educating the children of federally connected parents, and,

WHEREAS, the continuance of said funds is absolutely essential to the continued operation of the schools of Bossier Parish, now,

THEREFORE, BE IT RESOLVED that the Bossier School Board vigorously oppose any and all efforts to cut funds directed to the SAFA program and oppose any efforts to weaken the program as it is now constructed, and,

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Representative Leach and Senators Johnston and Long, along with the attached fact sheet, requesting not only their vote but their vocal support to restore funding for B category children which the administration has requested deleting.

Grover C. Adkins

Jake Cameron

Jack Clayton

Preston Cropwnover

J. M. Durham

Barbara W. Gray

S. H. Johnston

Randal Leffler

David Montgomery

Robert H. Moseley

Harlan W. Norton

Ruth Sullivan

John McConathy
Secretary-Treasurer

FACT SHEET

Impact Aid and Bossier Schools
February 8, 1979

Category A Child - one whose parents live on and work on a federal tax-exempt property

Category B Child - one who lives off a tax exempt property but whose parent works on a federal tax-exempt property; one who lives on but works off a tax-exempt property

Bossier Parish 1977-78 Count

| Category | Entitlement | Payment Received |
|---|---|---|
| A Children (1081) | $ 786,214 | $705,909 |
| B Children (2972) | $1,030,401 | $572,732 |

Percent of Total Receipts 1977-78

| | |
|---|---|
| State | 73% |
| Local | 19% |
| Federal | 8% |

Tax Loss Due to Federal Property -

Property Tax (in 1968, estimated by Tax Assessor Nelson, over $2 million)

Sales Tax ?

The total loss of Impact Aid revenue would necessitate an additional 10 mill property tax.

For many years the citizens of Bossier Parish have unhesitatingly voted taxes on themselves to provide good school buildings for all the children of Bossier. As partners with the federal government, Bossier Parish has provided the best possible education for children of federally connected parents. It is a fact that if Barksdale A.F.B. was an industry generating 4,000 pupils into the schools of Bossier, the property taxes would be much greater than the Impact Aid monies received.

As strongly as we know how, we protest and oppose the recommended cutback of funds for B category children and want to let you know that no other federally supported educational program is as vital to Bossier Parish as the full funding of Impact Aid.

Should these funds be cut, the Bossier Parish School Board would either have to ask for an additional raise in taxes or seriously curtail some programs.

(Shreveport Times, Tuesday, Mar. 13, 1979)

# FEDERAL IMPACT AID IN JEOPARDY

By JAMES M. CULLEN
Times Education Writer

A proposed cut in federal aid to areas with federal installations has Bossier school officials worried. The officials believe Congress will eventually eliminate the aid altogether.

A U.S. Senate subcommittee on human resources cleared President Jimmy Carter's budget recommendations last week. It included a cut in impact-aid funds for class B students, those whose parents work on federal installations but reside off the base.

Bossier Parish is one of 21 Louisiana areas receiving the aid. It is intended to reimburse schools for the cost of educating children of federal employees. Other nearby parishes which would be particularly hard hit by a cut are Rapides Parish, home of England Air Force Base, and Vernon Parish, location of the Army's Fort Polk.

Bossier schools now receive about $1.2 million in impact aid for 4,000 students, with 2,972 in the class B category. That figure already represents about $500,000 less than the parish would normally receive. Congress failed to appropriate enough funds to cover the full program last year, said Bossier Finance Director Jap Gullatt.

If Congress approves the president's education budget, the impact-aid cut could cost the school district more than $500,000, says Gullatt. But the greater threat is to aid for class A students, whose parents live and work on the base.

"If no funds are set aside for the B category, then ultimately the whole program will be killed, because there just aren't that many class A students to gain the necessary congressional support," Gullatt stated.

Almost one-fourth of the 16,500 students in Bossier schools are connected with federal installations, which produce no tax revenue for local education, he notes.

The impact aid was originally set up to help local school systems with significant numbers of federal employees' children. Gullatt said one-half the cost of educating a child comes from local taxes. That revenue is generally divided between tax revenue from homes and industry, he noted.

The schools, then, receive about half the tax revenue from parents who live off the base and none from those who live on the base, since the Supreme Court has ruled such installations as Barksdale Air Force Base are islands exempted from local tax. Even private improvements and businesses on the base are exempted, Gullatt said.

The loss in property tax from Barksdale Air Force Base has been calculated at $2 million, with an unknown amount of sales tax lost, Gullatt noted.

"If a private industry was generating 4,000 children into the system, think of the magnitude that industry would be paying into local education efforts," Gullatt stated.

"We don't criticize them for their benefits but want to convince them that we need some help," the finance officer said. "We only have so much coming in (from other revenue sources)," he explained.

The School Board in February passed a resolution asking the area's congressional delegation of Rep. Buddy Leach, Sen. Bennett Johnston and Sen. Russell Long to support the restoration of impact aid. So far, says Gullatt, only Johnston has responded.

Gullatt says Bossier officials don't like to think about the alternatives if

federal aid stops. But he sees either an increase in taxes or curtailment of some services. He estimated a total loss of impact aid could cause an additional 10 mills property tax.

Gullatt sees part of the problem as a difficulty in having legislators recognize the value of education. He complained education is the first budget item to be sacrificed when it comes to balancing the budget.

"It's generally agreed that one of the areas needing emphasis is education, whatever the shortcomings may be," Gullatt proposed, "but when it comes to trimming the budget, the first place they go is education."

The reason, he suggested, is that educators are not basically political animals. "If schools deteriorate, the people don't get on the politicians, they get on the local school system," Gullatt stated.

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(Shreveport Times, Editorial, Saturday, Mar. 17, 1979)

IMPACT AID LOSS

## CHAOS IN FINANCES

Bossier Parish school officials are plainly worried about congressional proposals to slash drastically or end altogether federal funds paid to school districts having federal installations within their boundaries, funds commonly called "impact aid." Impact aid reimburses school systems for the cost of educating children of federal employees, and takes the place of local taxes. In Bossier's case, the aid goes directly into the school system's general fund, just like other tax monies. (Federal installations, under a Supreme Court decision, are exempt from local taxes like property taxes and sales taxes.)

This is a major revenue source for the Bossier Parish School Board, which educates approximately 4,000 children of federal employees, primarily from Barksdale Air Force Base. Almost 25 percent of the 16,500 students in the Bossier Parish school system are connected with federal installations in the parish. Even this year, Bossier is receiving about $500,000 less than the amount it could under the impact aid formula, because the program was not fully funded by the federal government.

Any cut in impact aid will affect 21 areas in Louisiana that receive it, including Vernon Parish, home of Fort Polk, and Rapides Parish, home of England Air Force Base.

President Carter's budget this year proposed to eliminate all impact aid for one category of students — those whose parents work on a federal installation but live off the base — called category B impact aid. Although congressional support for such cate-

gory B aid "has had unshakable congressional support for three decades ... support for the B payments is thought by some to have declined in recent years," Congressional Quarterly recently reported in its discussion of the president's budget.

As to congressional prospects, the picture is clouded. A Senate subcommittee recommended that impact aid be granted only for category A students — those whose parents live and work on a federal installation — with no category B funding. A House subcommittee has recommended full funding for both category A and B, against the president's wishes. Other subcommittees have yet to hold additional required hearings. Furthermore, as CQ noted, funding only category A without any funding for category B is against existing law; category A cannot be funded unless category B is substantially funded. Rep. Claude "Buddy" Leach has said he will support retention of impact aid, and Sen. J. Bennett Johnston has said he will be following the situation in the Senate.

In the furor to balance the federal budget, impact aid, along with state revenue sharing, would be one of the first areas to be cut in the federal budget. So, cutting the federal budget would hit right at home, in Bossier and Vernon and Rapides parishes.

And if those cuts should be made, it's clear that the Bossier School Board would either have to curtail operations in some way or ask Bossier residents for additional taxes to generate the necessary revenue to keep its school system at its presently well-regarded status.

Bossier school system Finance Director Jap Gullatt said Bossier will be in a "difficult situation" if Congress does not fund impact aid as it has in past years. "It's just vital to the operation of the Bossier school system as we know it," he said. His statement could most likely be applied to all the school systems in Louisiana that receive impact aid.

## STATEMENT OF JOSEPH KELLY, DIRECTOR, BUREAU OF OCCUPATIONAL AND CAREER RESEARCH DEVELOPMENT, DIVISION OF VOCATIONAL EDUCATION AND CAREER PREPARATION, NEW JERSEY DEPARTMENT OF EDUCATION

My name is Joseph F. Kelly and I am the Director of the Bureau of Occupational and Career Research Development, Division of Vocational Education and Career Preparation, New Jersey Department of Education. I am also the project director for the Northeast Network for Curriculum Coordination and Chairman of the National Council of the National Network for Curriculum Coordination in Vocational-Technical Education. I am pleased to have this opportunity to present information to this committee to support the need for greater financial emphasis to the vocational programs of national significance.

My testimony concerns the effectiveness of the National Network for Curriculum Coordination in Vocational-Technical Education, which is funded by the United States Office of Education as a program of national significance under Title II of Public Law 94-482, the Education Amendments of 1976.

The purposes of the Network are improved quality of vocational curriculum and reduction of wasteful duplication of curriculum development effort. These aims are achieved through exchange of information and cooperative planning of curriculum development.

The Network system consists of six curriculum coordination centers, each responsible for service to a region. For instance, the Northeast Network for Curriculum Coordination serves Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Puerto Rico, Rhode Island, Vermont, and the Virgin Islands. Other centers are located in Hawaii, Illinois, Mississippi, Oklahoma, and the State of Washington and each serves a network of states.

The six center directors form the National Council of the Network and meet with representatives of the United States Office of Education and the National Center for Research in Vocational Education to determine common policy and plan inter-regional services.

Each State and political unit is represented by a State Liaison Representative, who is designated by the State Director of Vocational Education. Regional State Liaison representatives meet with center staffs several times a year to share information and plan regional activities. The State Liaison Representatives are the primary channels for Network contact with the States.

National information sharing services include a national network newsletter, document distribution services, a national search request system, and an annual concurrent regional meeting.

The National Network Newsletter is published by the Midwest Curriculum Coordination Center in Oklahoma. The newsletter describes curriculum activities of national interest and reports the availability of new programs or materials. Each center publishes a regional newsletter with regional emphases.

As new materials are published by the states they are disseminated to regional centers and to the States where they are generally made available by State curriculum resource centers to local educators. This makes the curriculum developed any place in the country available in any state or town or hamlet.

The National search request system, developed largely by the East Central Curriculum Coordination Center in Illinois, provides a formal mechanism for circulation of curriculum searches. A State or local educator can access all Network centers and State Liaison Representatives by conducting his or her State Liaison Representative. This system is particularly useful for locating esoteric programs and curriculum development projects in new occupational areas. In practice, most requests are screened and handled by the regional center responsible for the state.

The regional networks make different arrangements for handling information and document requests. For instance, the Northwestern Curriculum Coordination Centers annually publishes a very complete catalog, which provides ordering information for documents from numerous State curriculum laboratories. The Northwest Network relies heavily upon microfiche as a document distribution medium.

The Western Curriculum Coordination Center has made curriculum developed on the mainland available to such constituents as Guam, American Samoa, and the Trust Territory of Pacific Islands.

The Southeast Center has pioneered in relating curriculum development activities to direct interactions with industry--providing customized job training curriculum and instructional materials.

Most of the Centers operate in association with curriculum laboratories, and can deliver their own publications in response to most queries. All make

some sort of library loan service available and conduct manual and computerized information searches in behalf of their State Liaison Representatives.

Related services include orientation and training workshops for state personnel, technical assistance for state and local curriculum development projects, and liaison with other vocational program improvement agencies.

Once a year, all six regional meetings are held at the same time and location. This provides State Liaison Representatives an opportunity to exchange materials and ideas with representatives from other regions.

The regional Networks are also involved in cooperative planning of curriculum development. This has progressed farthest in the Midwest region, with the establishment of the Mid-America Vocational Curriculum Consortium. The Northwestern region is establishing a consortium along these lines and our Northeast Network is studying the feasibility of doing so.

Many states are adopting or adapting materials or programs from other states as an alternative to curriculum development. Some smaller states rely almost exclusively upon the Network for new materials. Considerable savings in time and money are realized by the adoption of materials supplied through the Network or their use as resources for local curriculum development.

The value of the Network has been recognized by other groups, particularly by the National Association of State Directors of Vocational Education, who have passed resolutions in support of the Network system.

This past fall I solicited support from the Northeast State Directors for our project proposal. In addition to their endorsements of the New Jersey proposal the State Directors commented more generally on the importance of the Network:

> "I believe the services of the Network are of particular benefit to a small State such as Maine with limited resources in manpower, money, and time. It is a credit to government efficiency when we have the advantage of material developed by other states for review, adaptation, or adoption."
>
> -Dr. Elwood A. Padham, Maine

> "This curriculum project has provided timely and updated vocational curriculum which has served students throughout the Commonwealth of Massachusetts."
>
> -Dr. David F. Cronin, Massachusetts

> "The Network has been of great assistance to the State of New Hampshire. It has been responsible for helping us make available hundreds of new curriculum materials to our state and local educators.

Not only has it provided hard copies and microfiche, but it has expanded our ability to respond to field needs for computerized searches."

"At both the state and local level, Network materials have become models for adaption and adoption. Without the Network, it is extremely doubtful that we would have been able to make these materials available except through endless hours of costly searching. Further, when we have had good New Hampshire materials available, the Network has assisted us in making sure they reached the "right" people nationally."

-G. William Porter, New Hampshire

"...the Division of Vocational Education, Connecticut State Department of Education of Education is extremely pleased with the past service rendered by you as Project Director of this important activity."

-C. M. Green, Connecticut

"The Northeast Network for Curriculum Coordination has been of tremendous assistance to New Jersey. The Network concept enabling our vocational educators to benefit from curriculum developments nationwide has been of great value and the service of the New Jersey Curriculum Coordination Center have been of top quality."

-Dr. William Wenzel, New Jersey

"New Jersey has provided a great number of services to this and other states in the Northeast---We in New York State would hope that support for the continuation of the National Network and its regional components would continue, despite the fiscal constraints in current legislation."

-Gerald L. Freeborne, New York

"During the past five years the center has kept us abreast of what is happening in vocational curriculum. This cordial exchange of views and sharing of information has opened lines of communication between the Northeast Network units.'

"Your cooperation and that of all the other State's representatives has been irreplaceable in this endeavor. Outcomes of such cooperation have been the more extensive utilization of materials and other resources, as well as the reduction or elimination, in some cases, of unnecessary duplication of efforts.'

"Because of the particular importance of the Northeast Network services to smaller states such as Puerto Rico, and its significant contribution to improving vocational education, we strongly support that New Jersey leadership be continued and strengthened through 1981."

-Luis Rafael Ortiz, Puerto Rico

"The Northeast Network has been an invaluable source of materials and information for the Rhode Island Department of Education, Bureau of Vocational-Technical Education. If it were not for the distribution of your newsletter and materials information and distribution process, we here at the Bureau would be hard-pressed to to stay current on what is available throughout the country in terms of vocational-technical education.'

"We appreciate the services which the Network provides and sincerely hope that these services will continue to be available to Rhode Island. Without the Network, we would perhaps have to assign someone, from an already busy staff, to sift through and seek out information useful to both State and local school staffs on vocational-technical materials."

-Frank M. Santoro, Rhode Island

"I feel that the Center in New Jersey has consistently met the needs of Vermont during times of curriculum development."

-Arthur W. Ericson, Vermont

"The division has benefited from this effort and looks forward to cooperate with the State of New Jersey in continuing its leadership role in Network activities through 1981."

-Wilburn Smith, Jr., Virgin Islands

Many states are adopting or adapting materials or programs from other states as an alternative to curriculum development. Considerable savings in time and money are realized because of the availability of information and materials through the Network.

In 1978 the federal government expended $394,000 for the Network system. The Curriculum Development Branch estimates 1978 State and local savings resulting from the Network at $3,096,000. The National Network for Curriculum Coordination in Vocational-Technical Education is extremely cost-effective. I believe the National Network for Curriculum Coordination in vocational-technical education is an exemplary use of limited federal funds to benefit the students of the nation.

As a representative of the National Network for Curriculum Coordination in Vocational-Technical Education I staunchly support the position of the American Vocational Association which is requesting $300,000,000 for all of Vocational Education and is requesting that 37.3 million be specified for programs of national significance. I urge you to consider the effectiveness of the National Network in your deliberations on this amendment.

Thank you for the opportunity to present my views to this committee.

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## STATEMENT OF J. E. SUTTON, SUPERINTENDENT EMERITUS, MIDWEST CITY-DEL CITY SCHOOLS, MIDWEST CITY, OKLA.

I am J. E. Sutton, Superintendent Emeritus of the Midwest City-Del City Schools, Midwest City, Oklahoma. I would like to have the following statement entered into the Committee hearing records.

The Midwest City-Del City Schools came into existence in the fall of 1943 as the results of the location of Tinker Air Force Base which was located in what was the Sooner Elementary School, Dependent District No. 52. As a result of the large number of families moving to this area, the Sooner District was

changed to a high school district known as Independent District No. 52. The school began with an enrollment of some 413 children in 1943 and closed the year with over 2000. It has continued to grow until today it is the fifth largest district in Oklahoma with an enrollment of over 18,000 students with 32.77% of those being federally connected.

Midwest City-Del City Schools is primarily a Category "B" district although there is some housing on Tinker Air Force Base. The budget for FY 77-78 for the school district was $18,655,129.55. The State funded 68.92% of this. Local funding was 20.93%, and federal funding was 10.15% with Impact Aid about 8%.

I feel that this clearly shows that the state and local patrons are making a great effort to support their schools. In fact, the patrons of this district have always voted the maximum millage permitted by law and have for twenty-seven years voted a bond issue for construction of new facilities.

The Midwest City-Del City School district without Tinker has a valuation of $92,318,191.20. The valuation behind every child is $5,618.58. This is far below the State average of $10,451.94. The per capita expenditure for the Midwest City-Del City Schools for 1977-78 was $1097.80. For the same period, Oklahoma's per capita expenditure was $1284.18 and the federal per capita expenditure was $1578.00. This districts per capita expenditure, including Impact Aid, is only 69.57% of the federal per capita expenditure. Surely this proves that this is not a wealthy district and can survive only on the continuance of Impact Aid.

Some of the consequences if "B" children are not funded are as follows for the Midwest City-Del City School District and I am sure they would be applicable to other districts:

1. Reduction of approximately 82 in the professional staff or a greater number if in support personnel. (This would be bad for the economy and lead to poor employee moral.)

2. Reduction in expenditures for supplies and equipment. (Unrest would develop in the community.)

3. The elimination of special needed programs such as special reading programs. (This would definitely lead to a community uprising.)

4. Maintenance of buildings would greatly suffer.

5. A shorter school year may be required which could result in loss of accreditation and state aid. (This would be the most drastic affect of all.)

6. The education of children living on and around a military base would be curtailed and could lead to poor military and civilian moral and poor relations between the schools and Tinker Air Force Base and its employees.

I feel that the children in the Midwest City-Del City Schools are entitled to a comparable education to other schools in Oklahoma. Such would not be the case with the loss of "B" funds. Military and civilian personnel are now anxious to move to Tinker because of the quality of education provided by this school district. An excellent working relationship exists between the city, school and Tinker. This would not be the case if the military and employees of Tinker were unhappy with our educational program.

As an educator, all I can do is tell you what affect the loss of any Impact Aid would have upon my district. It would reduce an excellent school to one of mediocrity. Impact Aid is our only hope to try to operate a comparable school to others in Oklahoma. The final decision of the kind of education the children will receive will depend upon what you appropriate.

Congress has repeatedly endorsed Category "B" funding for the Impact Aid program. History has proven that this aid is justified and should be continued. I cannot express this strongly enough. The federal government does have a responsibility because of the continuing burden caused by a federal installation, Tinker Air Force Base. To me the integrity of the government in meeting this obligation is paramount.

Schools have had to operate in an inflationary period while at the same time Congress was voting to reduce Impact Aid. This is unjust treatment of impacted area children.

I respectfully request that in your deliberations that you will see the need to continue authorization for full funding of both Category "A" and Category "B" children.

## Statement of Association of Media Producers

The Association of Media Producers is the national trade association which represents producers and distributors of educational media, materials and related services. We appreciate this opportunity to comment on the President's FY 1979 and FY 1980 budget proposals for school library resources (ESEA IV-B).

While recognizing the need for austerity during this period of spiraling inflation, AMP does not consider inflation a mandate for flagrant violation of congressionally enacted statutes. Yet this is what President Carter's proposed FY 1980 budget and proposed reprogramming of FY 1979 appropriations would do.

The Association of Media Producers believes that the FY 1979 appropriation of $180 million for school library resources (IV-B) should not be reprogrammed and that the President's proposed budget of $149 million for FY 1980 (a cut of $30 million) should not be accepted. Instead, ESEA IV-B should receive an appropriation of at least $197 million in FY 1980 if it is to continue to provide the services available in 1979.

The Administration's FY 1979 Budget Proposal

President Carter's FY 1980 budget request for ESEA IV-B includes a request for the transfer of $18 million from the FY 1979 IV-B appropriation of $180 million to the new ESEA IV-D (guidance and counseling). In making this request, the Administration states that the transfer of funds is "required to make funds for guidance, counseling, and testing available under Title IV, part D of the Elementary and Secondary Education Act, as required by the 1978 amendments to the Act."

The Administration is incorrect. There is no such requirement. Nor is such a requirement implied in the House, Senate or conference reports on the Education Amendments of 1978. In fact, during consideration of the ESEA reauthorization in the House, the committee unanimously deleted a provision which would have permitted funds for guidance and counseling to

be transferred out of the school library program (IV-B) and into the new Title IV-D. Instead, the committee authorized a new, separate appropriation for guidance and counseling programs.

The new Title IV legislation, as passed by Congress and signed by the President, leaves intact the provision which says that in any year in which funds for school library programs fall below the previous year's level, the Title IV-B consolidation will not be implemented and funds will be provided under the former ESEA II (school library resources) and NDEA III (instructional equipment) which are still consolidated under ESEA IV-B. Thus, the Carter Administration's proposal to reduce ESEA IV-B funds from $180 million to $162 million would place the IV-B appropriation for FY 1979 below the FY 1978 appropriation of $167.6 million and would, therefore, be insufficient to trigger the IV-B consolidation.

This so-called "trigger" provision does not, as some have contended, "tie the hands" of Congress. If Congress wishes to accede to the President's request, it may certainly appropriate $162 million for school library resources and instructional equipment. The IV-B authorizing legislation simply states that the consolidation may not be implemented with insufficient funds. This means only that if $162 million is appropriated in FY 1979, those funds must be made available under two programs (ESEA II and NDEA III) instead of one program (ESEA IV-B). It is, we think, fairly obvious that the paperwork necessary to resurrect and administer two programs would place a considerable burden on USOE, the states, and local school districts.

But, beyond the statutory requirements of the school library program, there are other significant reasons why a transfer of $18 million from ESEA IV-B to ESEA IV-D is inappropriate. First, the guidance and counseling program, as it existed under ESEA IV-B, was not itself transferred intact to the new Part D. Instead, new programs and requirements were added to Part D -- programs and requirements which change the nature of the guidance and counseling program as it was funded under the IV-B consolidation. ESEA IV-B was, and is, a locally administered program. That is, after 5% of the funds are subtracted for state administration of the program, all of the remaining 95% of the funds are channeled to the local school districts,

which decide how the funds are to be spent (within the scope of the legislation). This is not the case with the new guidance programs authorized under ESEA IV-D. Before Part D funds even leave Washington, 5% of the funds are subtracted from the appropriation to establish a new office of guidance and counseling within USOE. These funds, which are to be used to establish a new layer of bureaucracy within USOE, will never reach local school districts as they did last year and the year before that.

Further, the new Part D not only takes 5% of the funds off the top for state administration, but it subtracts another 7.5% for "state leadership and supervisory services" in guidance and counseling. Again, these are funds which would have gone to school districts, which they will now be deprived of. In short, instead of receiving 95% of the funds appropriated for guidance and counseling, as was the case when the program was funded under IV-B, school districts will receive only 82.5% of the funds. And yet, the Administration believes that all of the funds for guidance and counseling, including those which will be used for purposes never authorized under IV-B, should be derived from IV-B programs. (See Appendix A for a comparison of the previous and present scope of the guidance programs authorized under Title IV.)

Second, not only will a portion of the funds transferred out of IV-B and into IV-D not revert back to local school districts, but they will be used in a manner which totally subverts the local decision concept of the Title IV consolidation. Title IV-B at the time of its enactment in 1974, at the time of the enactment of its predecessor programs in 1965, and under present law, has always been a program which granted to local school districts the discretion to determine how program funds would be spent for local needs. To transfer funds out of Part B to Part D for the newly-authorized state and Federal guidance and counseling programs would be an unprecedented Federal interference in the local discretion historically provided under the legislation.

Third, guidance and counseling was tranferred out of Title IV-B to a new Part D because, among other problems, the marriage of an essentially personnel-oriented program with an acquisitions program fostered a

competition which threatened the impetus of the program. Although AMP had little objection to the way in which local school districts allocated Federal IV-B funds among instructional materials, equipment and guidance programs, a severe problem occurred in the allocation of local funds among the component parts of IV-B. Maintenance of effort requirements conditioned Federal funds upon at least a static level of state and local support for instructional resources and guidance programs. However, the escalation of guidance salaries resulted in more and more funds for instructional resources being siphoned off to pay for personnel. The effect of this was a dramatic decline in per pupil expenditures for instructional materials -- a decline which exceeds 31% over the past five years. Recognition of this problem was one of the factors which led the House and Senate authorizing committees to prohibit the transfer of IV-B funds to IV-D when the guidance program was moved. Under the IV-B consolidation enacted in 1974, support for instructional resources was actually diminished; leaving funds intact under IV-B can help remedy some of the damage.

The Administration's FY 1980 Budget Proposal

The President's FY 1980 budget request of $149.6 million is $30.4 million below the amount appropriated for FY 1979. Even if the Congress transfers $18 million from IV-B to IV-D in FY 1979, the President's FY 1980 budget request is still $12.4 million below the FY 1979 budget. To reiterate, the ESEA IV-B statute stipulates that if appropriations for ESEA IV-B fall below the preceding year's level, the former ESEA II and NDEA III must be implemented instead. Again, this means administering two programs instead of one.

In requesting a reduction in funds for the school library program, the Administration claims that the program does not target support effectively on the basis of need. This is totally erroneous! In fact, the IV-B statute requires that funds be distributed to: a) LEAs whose tax effort is substantially greater than the state average tax effort for education, but whose per pupil expenditure is no greater than the average per pupil expenditure in the state; and b) LEAs which have the greatest numbers of

children whose education poses a higher than average cost per child (e.g. handicapped children). The school library program supports all of the other programs authorized under ESEA, whose funds are used primarily for personnel costs, including bilingual education programs, special education, education for disadvantaged children, career education, etc. The program provides for the acquisition of the newer educational media and materials that schools could not otherwise afford, but which have been proven so effective in teaching learners with special needs. Additionally, this is the only program that can claim almost total participation by non-public schools -- 90% of whom receive IV-B funds.

Effectiveness of the School Library Program

The Instructional Materials and School Library Resources Program is not a large one; neither is it a controversial program. It simply does exactly what Congress intended it to do: it puts instructional materials into the hands of teachers and students, so that teachers can teach better and students can learn better. USOE's evaluation of the Title IV-B program said that it has strengthened "educational quality and opportunity by providing media necessary for the introduction of new subjects into the curriculum," and that "many children now have the use of certain types of educational media for the first time," and that "the proportion of public elementary schools with media centers has increased significantly." Moreover, USOE found that the IV-B program upgraded the education of disadvantaged children and estimated that 25 states have targeted IV-B funds to aid over 2 million students in bilingual education programs.

Further, according to a recent Gallup survey, 75% of the respondents with an oldest child of school age said the library is frequently used by that child, and all said the school library was important for that child's education. In addition, 87% said their oldest child was reading at or above grade level.

Validated research on educational media shows that media can achieve instructional learning objectives in substantially less time than conventional methods -- as much as 25% less time. Other studies have shown

that when audio-visual materials are used in addition to textbooks, test scores improve; this is further borne out by research conducted by Educational Turnkey Systems, which showed that students learn best when the same information is presented in a variety of ways.

That quality school library/media programs improve learning was illustrated by Project Discovery (1964-67 with follow-up in 1976-77). This study explored the effects on learning of providing teachers with all the materials and equipment they could possibly use for instruction. Schools were saturated with a wide variety of instructional materials and equipment, with large publishing companies donating entire libraries for the experiment. Here are the results:

a) 95% of the teachers said students showed more initiative and participated more in classroom activities;
b) 78% said vocabulary improved;
c) 81% said reading interests were stimulated;
d) 85% said discussion and oral expression had improved;
e) 92% said general information had increased;
f) 52% said critical judgement had sharpened;
g) 77% said observation skills had increased;
h) 52% said independent study was stimulated;
i) 92% said the materials had increased their own personal and professional background;
j) 63% said their knowledge of the curriculum improved.

As our educational system expands to provide more services to more individuals, the importance of educational media expands too. Non-print materials are one of the most cost-efficient methods to effectively train and educate students with diverse needs. As noted by the authorizing committees, "quality in school library programs is directly related to academic achievement, to reamining in high school and to continuing in college."

Need for Increased Appropriations for Instructional Materials and School Libraries

The Instructional Materials and School Library Resources Program

urgently needs additional money in FY 1980. Rather than being reduced, the FY 1980 appropriation for ESEA IV-B should be increased to $197 million. This is slightly more than a 10% increase, and will permit the delivery of current services only. Although the National Commission on Libraries and Information Science (NCLIS) reports that school libraries/media centers need an additional $4.9 billion to acquire essential materials, the Association of Media Producers realizes that current economic constraints make this impossible. We believe we are being realistic to ask only that this effective school library program receive sufficient funding to carry on the services it now provides.

The need for additional dollars -- beyond our modest request of $197 million -- is further justified by NCLIS's report that elementary and secondary school library/media centers have 522 million books, but need an additional 526 million volumes to serve current student populations; school libraries have 97 million audio-visual materials but require 942 million additional materials to serve current populations. Because of the serious shortage of funds, only 22% of the school library/media centers in the country reach or exceed 10% of the indicated level. These serve less than one-fifth of the pupils. With both Congress and the Administration emphasizing the need to improve basic skills of school children, it is essential that recognition be given to the important role played by instructional materials. Students and teachers must have the tools they need to do their jobs.

In this respect, a survey of 24,000 teachers revealed that instructional materials structure 95% of classroom time. The National Education Association has recommended that at least 5% of the total education budget should be spent to acquire quality instructional materials. And yet, despite the evident influence of these materials on daily classroom activities, this Nation spends only 1.1% of its total education budget on instructional materials. While school budgets have risen astronomically, the instructional materials allocation has declined by more than 50% since 1965; some states spend as little as $5.00 per pupil on instructional materials -- the national average is $14.00. Perhaps this explains why teachers spend a minimum of

$30 million out of their own pockets annually to purchase these materials (NEA opinion poll).

Because instructional materials budgets are reduced first, because they are "controllable" expenses and are "easiest" to eliminate in times of fiscal constraints, many states and school districts have expressed concern about the ability of schools to meet both regional and state accrediting standards for library resources; these standards must be met as a requirement for school district accreditation, and district accreditation is a requirement for students wishing to attend college.

Compounding the funding problem is the fact that instructional materials cost more to produce each year and, therefore, cost more to purchase. Overall, the cost of hardcover books has increased more than 10% from 1977 to 1978. Specifically, the price of a language arts book rose from $14.35 in 1977 to $17.02 in 1978, while a science book rose from $24.35 to $26.80. During the 1977-78 school year the average purchase price of a 15-minute, 16mm color film was about $225, while educational film catalogues for the 1978-79 school year show that a 15-minute, 16mm color film is now priced as high as $265 in some cases -- an 18% increase. A set of four sound filmstrips with cassettes cost schools an average of $76 last year; this year a set of four filmstrips with cassettes can cost as much as $89.95 -- again, an 18% increase.

Unfortunately, instructional materials budgets have not matched the increase in prices, and the increase in prices has not even matched the increase in manufacturing costs. This means that schools cannot afford to buy the materials they need, and publishers cannot continue to produce the same variety of quality instructional materials. The estimated decline in production of 16mm films in 1978, for example, was 13%.

Obviously, this has a significant impact on the market for ideas; this should be a buyers market, one which provides the buyer -- the teachers, librarian/media specialists, and curriculum specialists -- with as many ideas to choose from as possible. The richer the market, the more

competition there is among creative people to produce first-rate instructional materials.

In a changing society, which is constantly discovering and exploring new concepts, what is good for children today may not be even adequate tomorrow. Schools must have the funds to update their collections of instructional materials when necessary. Although our basic values may not change, the way we teach them constantly changes. For example, we cherish individual liberty as strongly as Americans did in 1776; but the way we teach it, and the tools we use, changes as media technology develops. Thus, the need for new materials is ever-present.

The incentive to invest in new materials for children to use in schools is not created by the producer; it comes from the prospective receptivity in the market itself. When the market is rich financially, it is rich with ideas, because both the creative people and the companies who bring their ideas to the public have the incentive to compete for the market. The best way to maximize creative competition, to ensure the widest possible choice and therefore to stimulate excellence, to encourage the allocation of more venture capital for more new ideas for children, is to give the ultimate buyer -- the schools -- more buying power.

To do this, the Instructional Materials and School Library Resources Program (ESEA IV-B) must receive increased funding for FY 1980. To do otherwise is to ignore the impact that instructional materials have on the learning process; they do have an impact and it is essential that we do what is necessary to ensure that this impact continues to be a positive one.

COMPARISON OF GUIDANCE, COUNSELING, AND TESTING PROGRAMS
IN TITLE IV, ESEA
UNDER OLD LAW AND UNDER NEW STATUTE

Former Law
(IV-B)

(3) for (A) a program of testing students in the elementary and secondary schools, (B) programs of counseling and guidance services for students at the appropriate levels in elementary and secondary schools designed (i) to advise students of courses of study best suited to their ability, aptitude, and skills, (ii) to advise students with respect to their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (iii) to encourage students to complete their secondary school education, take the necessary courses for admission to postsecondary institutions suitable for their occupational or academic needs, and enter such institutions, and such programs may include short-term sessions for persons engaged in guidance and counseling in elementary and secondary schools, and (C) programs, projects, and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

Present Law
(IV-D)

*"Sec. 441. (a) The Commissioner shall carry out a program for making grants to States (pursuant to State plans approved under section 404) for—*

*"(1) State leadership and supervisory services in the fields of guidance, counseling, and testing; and*

*"(2) comprehensive guidance, counseling, and testing programs in elementary and secondary schools throughout the State, including such services as—*

*"(A) elementary and secondary school counseling,*

*"(B) in-service training for guidance and counseling personnel,*

*"(C) supervision and leadership services at the local level,*

*"(D) program planning and development,*

*"(E) special guidance and counseling programs suited to meet the special needs for such programs by persons who are disadvantaged,*

*"(F) a program of testing students in elementary and secondary schools, and*

*"(G) evaluation of such programs.*

*"(b) Of the sums allotted to any State for any fiscal year for the purposes of this part, not to exceed 7½ per centum shall be available for the purpose described in clause (1) of subsection (a).*

*"Sec. 443. (a) The Commissioner shall establish or designate an administrative unit within the Office of Education for purposes of—*

*"(1) carrying out provisions of this section;*

*"(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling; and*

*"(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.*

*"(b) The Commissioner may reserve an amount not to exceed 5 per centum of the sums appropriated for this part to carry out the provisions of this section.".*

STATEMENT OF MICHAEL D. EDWARDS, DIRECTOR, FEDERAL RELATIONS, ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

My name is Michael D. Edwards. It is my great pleasure to present to this distinguished subcommittee the views of the Association of Community College Trustees (ACCT) regarding funding for the education programs within the Department of Health, Education and Welfare for fiscal year 1980.

ACCT -- representing the governing boards of our nation's community and junior colleges and technical institutes -- is deeply appreciative of the leadership of this subcommittee in helping to bring to the students of this country the kinds of educational opportunities and programs they so desperately need and deserve.

It has long been recognized in this country that education is more than just they key to jobs, to individual advancement and enrichment. It is more than merely a key to greater income, or prestige, or even human dignity. Education is the key to the very future itself.

America's 1,240 community colleges and technical institutes have developed with this in mind. Serving over four million students, these postsecondary institutions have become our "people's colleges." Their guiding principle has been to bring learning and training to all of our people, offering students of all ethnic and cultural backgrounds, all ages and geographic locations, all socioeconomic and ability levels an educational experience suited to their needs, capabilities and interests.

Our colleges are -- for the most part -- locally funded and are deeply aware of the need for responsible budgetary policy. At the same time, we recognize the tremendous importance of the federal partnership and the resulting federal programs which have increased access and improved services for millions of Americans who otherwise might have been denied them. We see the framework created by the Higher Education Act as an

investment: an investment in our most precious natural resource -- our people.

But a framework is just that. It needs the resources necessary to make it something substantial. For as this subcommittee knows so well, without adequate funding the best of laws and programs are little more than empty promises -- holding out hope to those for whom they are intended to benefit yet lacking the resources essential to making those promises into a reality.

It is with this in mind that ACCT -- deeply committed to furthering postsecondary opportunities and improving the quality of education in America -- would like to highlight briefly some of these federal programs which we believe are in particular need for adequate funding in the fiscal year 1980 budget.

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM: Last year the Congress undertook a major expansion of the BEOG program -- the cornerstone of our nation's commitment to bring postsecondary opportunity to the students of our nation. Our primary concern is that the program be fully funded with a maximum grant of $1,800 and that the Congress confirm this commitment through the appropriations process to students and institutions as soon as possible to insure that eligible needy students and their families know in advance the amount of federal resources available to enable them to make realistic plans for financing their education.

COLLEGE WORK-STUDY: An appropriation of $630 million would provide jobs to 1,175,000 students -- a substantial increase over those provided by the fiscal year 1979 appropriation.

EDUCATIONAL INFORMATION CENTERS: The provision of information on opportunities for postsecondary education, financial assistance, job placement, and remedial/tutorial services is extremely important to achieve the goal of equal educational opportunity. Low income individuals need to have available to them information regarding the range of opportunities. This program -- which

provides for the federal government to finance two-thirds of the costs of Educational Information Centers -- is a necessary step in that direction. We recommend an appropriation of at least $5 million to further stimulate the provision of these services.

DEVELOPING INSTITUTIONS: Title III of the Higher Education Act provides assistance to help strengthen developing institutions which serve significant numbers of minority and disadvantaged students. ACCT supports the continued full funding of this valuable program.

COMMUNITY SERVICES AND CONTINUING EDUCATION: We are deeply concerned about the need for postsecondary institutions to contribute to the solution of local and national problems and to improve the access of area residents to higher education. We believe that $35 million is necessary for this purpose in fiscal year 1980

LIFELONG LEARNING: Title IB of the Higher Education Act provides possible support for planning efforts and demonstration projects to develop and expand the use of new approaches to serving the educational needs of nontraditional, adult learners. In our view, $10 million is needed to initiate this important new program.

COMMUNITY COLLEGE EXPANSION: The Education Amendments of 1976 broadened the focus of Title X (community college expansion) to encompass a wide range of institutions in an effort to meet the needs of underserved, nontraditional student populations such as women, minorities, the handicapped, older Americans, part-time students and persons who would otherwise be unlikely to continue their education beyond the high school level.

It is our firm belief that this title provides a mechanism for greatly increasing the educational opportunities available to the people of our country and recommend that it be funded at a level of at least $75 million for fiscal year 1980.

Mr. Chairman, we recognize that this is a time of very limited resources and competing budget priorities. The aforementioned programs, however, comprise the very foundation to our nation's

efforts to bring education and vocational skills to the men and women who might otherwise be bypassed. These programs are more than just worthwhile endeavors. They are a vital element in the future health, prosperity and direction of our country.

Thank you very much.

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## STATEMENT OF THE ADULT EDUCATION ASSOCIATION OF THE UNITED STATES OF AMERICA

We appreciate the opportunity to communicate with you in behalf of the Adult Education Association of the U.S.A. We wish to speak in opposition to the recission of appropriated funds for Career Education Incentive Act, P.L. 95-207 and in behalf of funding for career education in the 1980 budget.

The Adult Education Association has contact through memberships and publications with over 6,000 people, including teachers, administrators and practitioners of adult and continuing education. The programs are offered in settings that include business and industry, libraries, YWCAs and YMCAs, adult programs at public schools, area community colleges, military institutions, religious institutions, junior colleges, four-year colleges and universities. We teach teachers of adults, we counsel adults, we are deans and directors of adult and continuing education programs, we work with the functionally illiterate, we help professional people maintain their specialized competence, we work with volunteers, we do pre-retirement planning, we help people prepare for jobs, keep jobs, change jobs and move in and out of the work force.

In short, we work with adults of every age, every race, every educational level, every economic level. We know their needs. More than that, we know the limitations of our resources to serve their needs. We know how those needs are increasing as our economy changes and as our population becomes increasingly an older population. We believe in trying to meet those needs. We think our governmental structures also believe in serving the needs of these people.

It is evident, then, that we do not disagree in our desire to provide educational services to the increasingly large adult population of this

country. You have already understood and responded favorably to career education needs of adults. Both the Senate and the House have appropriated funds for career education under the Career Education Incentive Act, P.L. 95-207. It is, therefore, not the need for career education for adults that is under fire. If it were, we would list the areas in which those needs are not being met and can be met only with the kind of assistance you have already passed. We know those needs because we work with the people and we know the limitations of our programs. We know that career education has not begun to touch the numbers of people who could benefit from it.

You must agree with that position because you have already taken the initiative to appropriate money to be used for demonstration projects for career education through P.L. 95-207. We are nearly halfway into the fiscal year in which this money will be carefully allocated to fund demonstration programs that can be used as models for other programs. These would make a significant difference in the lives of many adults, from the person leaving school before completion to the elderly person who still has a life to be lived more fully and a contribution to make.

Why, then, have you been forced into reconsidering what you have already approved? It is not, evidently, from lack of conviction that your first decision was right, but rather because of pressure from the Administration which says that certain parts of the budget must be cut. It is to the political and economic pressures that we must speak, rather than to the program which you have already approved.

The political pressure which can be exercised by any administration to achieve the ends it desires is always intense. It is particularly heavy on those members of its own party. What is essential to remember is the different functions and responsibilities involved. The Administration recommends, but the final legislative decisions rest with each of you who have been honored with a vote in this Senate. If you were right in your original decisions, political pressures from the Administration should not influence your actions now.

The economic arguments are perhaps the more difficult to state. It is obvious that inflation must be controlled. It is obvious that limited resources must be used in the best interests of the country. When has that not been so?

The final decision of how the use the resources of this country still lies with you and your colleagues. Cutting the budget in this important area can surely not be the best use of limited resources. The relatively small amount appropriated ($32.5 million) for career education for people of all ages will build the resources of the country, not diminish them.

It is our contention that in few other places will our federal tax dollar be productively spent. Here are the reasons we believe this to be true:

1. Demonstration projects funded by dollars you have already appropriated will generate other programs and activities which will extend the impact of those dollars enormously.

2. The impact of career education is community-wide. The concept of career education requires involvement of many segments of the community, both inside and outside the educational system. It is a collaborative effort, drawing upon community resources which include business, labor and industry. These resources become multipliers of the seed money, the federal dollars, which you have already appropriated.

3. A substantial number of voluntary organizations recognize the importance of career education and stand ready to participate. These resources will not be utilized to their fullest without the leadership of the federal government, as evidenced by the inclusion of career education in the federal budget.

4. Career education no longer needs research, it needs demonstration, particularly in assisting adults. This cannot happen without federal funding. This concept was written into P.L. 95-207 and responsibly funded. It should not be irresponsibly reversed.

5. Career education must continue beyond the twelfth grade level. P.L. 95-207, Section 11, addressed for the first time the needs of people who are beyond the K-12 system. You have already recognized this need; the need has not changed.

6. If the FY' 79 recission becomes an accomplished fact, there can be no funding in the immediate future because future funding is based on the previous year. The Career Education Incentive Act would be dead. Is this what you truly intend to happen? In the name of economy, are other areas being totally wiped out?

7. Career education has tremendous grass roots support. The concepts are clearly within the country's tradition of concern, both for the needs of the individual citizen of every age and the needs of the economic and social system. Career education combines two of the most important concepts of our society--education and work. Career education is the practical vehicle needed to re-establish the connection between the two.

8. The business community wants increased attention given to work-related education, not less. Employers are finding fewer qualified applications for a number of job classifications. Business and labor both want people who have the skills to qualify for entry-level positions and for promotions. Both business and labor want people with work attitudes which will lead to success, not failure, in the work place. Both business and labor desire increased productivity.

All of these needs are also concerns of career education. As Dr. Kenneth Hoyt, Director of the Office of Career Education, wrote in the monograph, A Primer for Career Education, "Career education's main thrust is on providing students with skills and attitudes necessary for changing with change in the occupational society including: (a) basic academic skills; (b) decision-making, job-seeking, job-getting, and job-holding skills; and (c) good work habits and a personally meaningful set of work values."

We respectfully state that we are convinced that these needs must be dealt with over the whole life span. They are not, and cannot be met in the first few years, although it is essential that the programs begin then. They must continue to be offered in various ways, in many settings, with widely divergent approaches, and increasing strength and availability. Our population is becoming an older one. Some groups of people are having great difficulty entering the job market, adjusting to changes in it and learning the behavior and attitudes that they must have for retention. Career education as defined by the Office of Career Education is the catalyst for bringing together the resources of education, business, labor, voluntary and professional organizations. The results will benefit both the individual and the society as a whole.

In this case, the dollars you have appropriated to supply leadership on a national level are essential. States and communities will learn from demonstration projects and will supply the grassroots involvement and application necessary. Our tax dollars will be well used and their impact will be productive and not destructive.

The Adult Education Association of the U.S.A. urges you to uphold your original level of funding, thereby resisting the recission move, and to fund career education adequately.

Thank you for your past commitment to career education and for your continuing support. Should you have any questions regarding the position of the Adult Education Association, please feel free to contact the following persons.

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## Statement of Lloyd H. Davis, Executive Director, National University Extension Association

A quiet but startling revolution is occurring in education in this nation with over 30 million adults currently involved in some form of continuing education. We strongly believe that our nation's higher education system can and should serve a broader segment of our people and that our priorities in higher education must be directed toward meeting the lifelong needs of our adult population as well as our youth. Title IA of the Higher Education Act, Community Service and Continuing Education, was expanded in the Higher Education Amendments of 1976 to help meet the educational needs of adult part-time students who have otherwise been neglected by federal programs. These people include the underemployed, the handicapped, the aging, mothers confined by family responsibility, and other special groups of Americans who need and want further education.

The National University Extension Association, an organization of 275 colleges and universities that conduct extension and continuing education programs, strongly supports an appropriation of $25,000,000 for Title IA of the Higher Education Act for FY 1980 to help meet the needs of these people and the needs of the communities in which they live and work.

Title I, Part A, Higher Education Act

Title IA, as amended in the Higher Education Amendments of 1976, has two major emphases -- Community Service and Continuing Education. NUEA believes both thrusts of the program are valuable and necessary functions for the federal government to support in partnership with the states.

Community Services and Resources Materials Sharing

Community service projects bring the knowledge resources of colleges and universities to bear on local problems and needs according to local priorities. They help provide local people with the knowledge and training they need to exercise initiative in taking positive action to solve problems and develop opportunities. The subject matter of projects is as varied as the communities they serve. Included are projects concerned with environmental issues, economic development, transportation needs, drug abuse, land use, and many other subjects that are of high local priority and with respect to which community leaders and citizens need more knowledge as a basis for action. Since 1965, community service projects supported by state grants have been a significant force in enabling more than 2000 colleges and universities to direct their resources to the solution of community problems.

The Administration request of zero funding for Title IA would completely eliminate the only source of Federal funding that enables colleges and universities to serve needs of communities for knowledge, education and training in attacking community needs. This would drastically reduce the effectiveness of our college and university resources in helping to solve the critical local problems that communities face.

Continuing Education and Resources Materials Sharing

The number of adults studying on a part-time basis at colleges and universities exceeds the number of students whose primary activity is enrollement in a full-time educational process. While many adult part-time students have very limited incomes, only a few are eligible for federal student assistance due to the policies under which the aid programs are administered. Title IA helps these students who would not otherwise be able to continue their education by providing low-cost educational programs. Regular full-time undergraduates pay one-third to one-half of the cost of programs designed to serve them. Part-time students, on the other hand, generally pay the full cost of con-

tinuing education programs. Universities, lacking public funds for continuing education programs to serve part-time students, must charge tuition and fees to pay the full cost of these programs. The result is that many needy and deserving people, unable to pay or not available in sufficient numbers to enable a course to break even, go unserved or poorly served.

If the funds we recommend are appropriated, colleges and universities will be able to conduct more programs in communities where people live, in places where they work and at times convenient to adult students.

At the FY 1979 level of funding, 610 community service and continuing education projects are being conducted, serving over 400,000 people directly and indirectly. In 1979, the number of deserving project proposals that the states were not able to finance exceeded the number they were able to finance by three to one. Appropriation of funds for community service and continuing education programs at our proposed level will help serve high priority needs of the American people which, as the above statistics show, are now going unserved.

Educational Information Centers

We recommend the appropriation of $5,000,000 to assist the states in continuing to plan and implement Educational Information Centers under Section 418 of the Higher Education Act. This important section of the Higher Education Act is intended to provide counseling services for adults to orient them to the world of adult learning, to inform them of their educational options and to guide them to the educational institution most able to meet their needs. If funded, this cost-effective brokering mechanism will serve well as a partner to Title IA in serving the needs of underserved part-time adult students.

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## STATEMENT OF THE AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS

Mr. Chairman and members of the Senate Subcommittee on Labor-HEW Appropriations, this statement is submitted on behalf of the American Association of School Administrators (AASA), an organization representing nearly 20,000 school administrators across the nation.

AASA has noted in the President's Fiscal Year 1980 Budget a recommendation of $98.3 million for the National Institute of Education -- an increase of $1.5 million over Fiscal Year 1979. Along with other education associations we support this budget request as a minimum to maintain NIE's needed research and development operations. AASA also respectfully urges that favorable consideration be given to a modest increase above the President's request -- $100 million.

We are well aware of attempts by Congress and the President to hold down federal spending. But the value of a strong national research and development program for education has always been an accepted belief of AASA and we have supported past NIE budget increases in the interest of enhancing education at the local level.

Through our Association's support of increased funding we look to NIE for available research that will enable local practitioners to ensure that this country's education system remains a sound and responsible means of teaching our children. We believe the NIE research supported by any increased funding should have a demonstrable impact on education practices at the local level. In this regard, we offer the committee the following thoughts.

First, AASA hopes that practices fostered and recommendations made by NIE remain alternatives from which the local practitioner can draw. As NIE continues to address critical problems facing education we must be mindful that NIE itself does not become the determining factor in what improves education practices. Federal control of education must be resisted through research implications as in all federal activities. NIE should supply the education knowledge from which the local educators can select options that satisfy local needs and conditions.

Second, AASA hopes that NIE will use a good portion of these funds for identifying alternatives that local school people might use to better educate children. We would like to see NIE endeavors enhance to a greater degree the efforts of the elementary and secondary practitioner. In order for NIE research

to be of value, the agency needs to make a concerted effort to gain input from this sector as to areas in which research is needed.

Third, AASA hopes that NIE will expand strategies to assure that the result of their endeavors reach the hands of the local practitioner. In the past NIE's dissemination apparatus has been a weak link in serving our mutual constituency.

AASA appreciates the opportunity it has had to work with the NIE leadership and the greater attention NIE has paid to local education concerns in recent years. We truly hope that the benefits from increased funding will reach school administrators and aid them in providing leadership for learning.

Thank you for the opportunity to place these concerns before you. We would be pleased to respond to any questions regarding these issues if the Committee should wish.

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## Statement of Scott Briar, University of Washington

This statement is presented on behalf of the Council on Social Work Education, an organization which is composed of 83 graduate schools of social work and over 200 undergraduate programs for social work training located in leading colleges and universities across the country. Over 40,000 students are enrolled in these programs, along with 4,000 faculty members. In addition to educational institutions, there are 4,800 members of the Council on Social Work Education ("Council") comprised of voluntary and public national, state and local social welfare agencies and related organizations, faculty members, and individuals concerned with social work education.

We appreciate this opportunity to testify before the Labor-HEW Subcommittee on Appropriations, and would like to commend the Subcommittee for its consistent commitment to the provision of quality services to people and to the training of qualified personnel. In particular, I would like to commend

you for your position in the FY 1978 and FY 1979 appropriations bill regarding professional training programs. The restoration of support for mental health training and social work training under the child welfare provisions of the Social Security Act were important steps toward improving the quality of services to people. Your recognition of the continuing need for trained professional personnel in the mental health and social service fields at a time when the Administration was recommending the elimination or phasing out of professional training programs was greatly appreciated by all who are involved in the delivery of services and the education of human service personnel. We believe that you correctly saw not only the importance of trained personnel, but the weakness of the argument that student assistance programs can adequately meet all professional manpower needs.

1. Child Welfare Training - Office of Human Development Budget

In FY 1978, the Office of Human Development supported child welfare training at the level of $8.1 million. For FY 1979, the original budget request of the President was for $9 million. The child welfare training program was not included in the regular Labor-HEW Appropriations bill for FY 1979 because most all of the Office of Human Development programs required a continuing resolution, although Section 426 of the Social Security Act authorizing the child welfare training did not. Thus, the program has been operating in fiscal year 1979 at the level of $8.1 million. The President's request for fiscal year 1980 is $5 million.

The child welfare training budget has supported 1000 traineeships including 462 traineeships to minority students in order to assist them attending graduate and undergraduate child welfare training programs, primarily in schools of social work. The curriculum for these programs must have a child welfare specialty and the student must have a commitment

to enter the field of child welfare. Fifty-four teaching grants were offered supporting to a limited extent faculty support in undergraduate and graduate schools of social work, primarily, to expand and improve training programs in this field. In addition, 10 grants are in the process of being made to child welfare training centers throughout the United States whose focus is upon the training of staff for the state child welfare agencies, private child welfare agencies, and the provision of assistance to universities and colleges attempting to develop and expand programs in child welfare training.

The proposed reduction from $8.1 million to $5 million will result in traineeships being reduced from 1,023 in fiscal 1979 to 585 traineeships, and this would also result in approximately 462 minority traineeships in fiscal 1979 being reduced to probably 250 to 300 traineeships. Grants to 26 colleges or universities with programs in child welfare for faculty support will be eliminated. The only program that will really be maintained is the program of support to 10 child welfare training centers. All support of national projects, particularly experimental ones, will be eliminated.

We think that the original budget request of the Administration for FY 1979 represents a sound program level: $9 million. We would recommend that the FY 1980 budget include a $9 million appropriation for child welfare training to support a continuation of and expansion of the traineeships programs with particular reference to minority students and an expansion of the child welfare training centers program so that more than 10 centers may be established since there is clearly a need for more of such centers. In addition, this budget level will allow the teaching grants to be maintained with a cost-of-living increase at least and experimental projects to be maintained. The testimony of Assistant Secretary Martinez and her colleagues before this Subcommittee on March

19 clearly indicated the need to improve the quality of training for personnel in the child welfare system. In addition, the study by Peat, Marwick & Mitchell and the Child Welfare League of some 25 state child welfare programs documents the need for expanded training in this field. This is also consistent with the Administration's initiative and that of the Congress to substantially expand the child welfare services program and to add a new initiative in the way of adoption subsidies. The field of foster care and adoptions is receiving major attention at the national level and rightly so. The numbers of children in foster care is growing quite rapidly and the inability to divert children from foster care or to place them in adoptive homes is of growing concern. The House-passed major legislation last year expanding Federal funding by approximately $209 million in the area of child welfare services to maintain children in their own homes, to improve the services in the foster care system and to reunify families or place children in adoptive settings. Similar legislation was reported favorably by the Senate Finance Committee but the pressure of time at the end of the Congressional session prevented enactment. The Administration endorses these initiatives including a new adoption subsidy program and funds for these activities have been recommended to the Budget Committees. We believe that a continuation and minor expansion of $1 million for the child welfare training program is well justified and hope that the Committee will support us in this respect.

2. Mental Health Training

The President's Commission on Mental Health made a number of major program recommendations with serious implications for professional training. First, the major problem which the Commission focused upon was the needs of people with chronic mental illness. The Commission recommended that "We must take steps to: Establish a national priority to meet the needs of

people with chronic mental illness". In addition, the Commission recommended that there be coordination of "mental health services . . . with general health and other human services and with those personal and social support systems that strengthen our neighborhoods and communities". Finally, the Commission recommended that the Nation take steps to "Assure that appropriately trained mental health personnel will be available where they are needed". As this Subcommittee knows, core disciplines in mental health are psychiatry, psychology, social work and nursing. With respect to the clinical training program, approximately $58 million was invested in training. Of this amount, psychiatry received approximately $23.6 million, psychology $10.2 million, social work $11.1 million, and nursing $8.1 million. A number of projects supported for those same disciplines were respectively 490, 208, 169, and 100. An additional $5 million was devoted to the support of paraprofessionals in multidisciplinary training. The President's budget for fiscal year 1980 proposes a cut of approximately $4.5 million for that same group of programs in the area of clinical training. Psychiatry will receive 466 grants and $21.7 million, psychology 197 grants and $9.4 million, social work 166 grants and $10.3 million, and nursing 89 grants and $7.3 million. Obviously, inflationary pressures make this cut of approximately 7% more like a cut of 14% or 15%.

We see no way that the major new directions recommended by the President's Commission on Mental Health can be obtained without expanding the training program, including the training in the core disciplines. We recognize the problem which is raised by the President's Commission on Mental Health of maldistribution in services with certain groups such as children, adolescents, the elderly and chronically mentally ill being under-served and with certain geographic areas, particularly rural areas, being under-served. We would fully support acti-

vities designed to assure that personnel receiving traineeships have a commitment to serve in these under-served program areas. Traditionally, social workers have been very responsive to the need to serve under-served areas and are generally well represented in the areas which are otherwise under-served. Together with organizations representing the other mental health disciplines and the Coalition for Health Funding, we would recommend a mental health training program level of $110 million. Of this $110 million, we would recommend that $85 million be made available for the clinical training program which is presently at the level of $74 million ($58 million in the core disciplines mentioned above and approximately $16 million invested in state manpower development programs and mental health manpower research programs). An $11 million increase allocated proportionately would provide for the core disciplines, an additional $4 million for psychiatry, about $2 million for social work, and a bit under $2 million for psychology and nursing. This would bring the program levels in those disciplines to approximately $27.6 million in psychiatry, $10 million in nursing, $14 million in social work, and $12 million in psychology. These levels are less than they were in prior years but would represent an attempt to provide some program growth.

With respect to the social work profession, the needs of the chronically mentally ill and community support systems for them, seem to us particularly the area where social work can provide a unique contribution. Clearly, those with chronic mental illness need a variety of community supports that include assistance in obtaining housing, job counseling, assistance with income support and other social care in addition to what therapeutic services, psychiatric social workers or other mental health disciplines can provide. Obviously, as the President's Commission on Mental Health noted, this kind of programming necessitates strong relationships between the men-

tal health delivery system and other human service programs in the community. Social workers are particularly equipped to deal with these matters and this fully justifies a major expansion of training in the social work field for mental health.

3. Health Care Delivery and Social Work

In the 1976 Health Professions Education Act Amendments, provisions were added to the special project training area to authorize training support for social workers practicing in primary care health settings and long-term care facilities as well as other health settings. Many social workers practice in the medical social service departments of hospitals, in nursing homes, and in primary care clinics in addition to serving as planners and administrators in health systems agencies and state health agencies. The budget item which refers to the special projects area generally under Section 787 of the Public Health Service Act is the interdisciplinary training item. That item, based on recommendations and action by this Subcommittee received $7 million of appropriations last year. This Subcommittee had recommended $10 million. We would recommend at least a $10 million appropriation for this amount and we would recommend that up to $2 million be made available for social work training in the health care field. As we attempt to move more and more patients from long-term care facilities and hospitals into the community, the services of social workers in the health system becomes more and more important and this is reflected in the rapid growth of medical social service departments and programs in hospitals and nursing homes.

Also with regard to health manpower training, we would recommend $6 million, an increase of $1 million over the FY 1979 level, for special projects in the area of health planning and health administration. The Administration requested $5 million for this program. A recent change in the law with regard to this program enacted in 1978 opens the program to competition

from a large range of institutions. Planning and management skills in the health care field are necessitated by the emphasis upon cost containment and through the implementation of the Health Planning & Resource Development Act and the regulatory activity thereunder. There is no question but what this program can utilize an additional $1 million and we would highly recommend it as an important initiative.

With regard to other human service training programs, we would endorse the recommendations of the Coalition of Rehabilitation Groups and the Coalition for Health Funding that the training program in rehabilitation be funded at $35 million. Schools of social work receive some support under this program and the addition of an independent living program to the Federal-state vocational rehabilitation program places more reliance on those kinds of social service skills which trained social workers have.

We would recommend some expansion of the training program of the Administration on Aging. It is being recommended to be retained at its current level. Of the $17 million in FY 1979 for aging training, $3 million is for training grants to schools of medicine, social work and a few other disciplines. $7.5 million is earmarked to specifically establish gerontology centers and the remaining $6.5 million is for in-service training needs of state agencies and local agencies. We certainly think that the program could use added support.

4. Alcoholism Programs

The alcoholism program of the Alcoholism, Drug Abuse & Mental Health Administration is being recommended for a major cut by the Administration. That cut is to be borne totally by the clinical training program and schools of social work receive a major piece of support from that program. In fiscal year 1979, the clinical training program received $6 million and the research training program received $1 million. The President's

budget for fiscal 1980 would reduce the clinical training program from $6 million to $4 million while keeping the research training program level. The number of grants supported would drop therefore from 101 grants to 77. In fiscal year 1979, training was provided to 4000 individuals in a number of different disciplines. Together with the National Council on Aocoholism and the other mental health disciplines as well as the Coalition for Health Funding, we would recommend that the training program in alcoholism be supported at a $10 million level. The $3 million increase would enable both the clinical training and research training programs to expand.

We are also very concerned about possible reductions in the maternal and child health training program. In fiscal year 1979, that program was supported at a level of $26.8 million. The Administration's budget for fiscal year 1980 would reduce the maternal and child health training progra m to $13.8 million, a 50% reduction. This reduction would severely affect university-affiliated centers and other programs in medical schools, schools of social work, and schools of nursing that have developed specialties in maternal and child health services. The Administration has recommended some major initiatives in the service area with regard to maternal and child health, particularly in the area of adolescent pregnancies. We certainly think that the training program in public health for those devoting themselves to this important field of practice should not be cut. At a minimum, we would recommend that the training program be maintained at the current $26.8 million level plus a cost-of-living increase.

We thank you for listening to our testimony and we are available to answer your questions.

(CHART IN MILLIONS OF DOLLARS)

COUNCIL ON SOCIAL WORK EDUCATION -- SUMMARY OF TRAINING BUDGET REQUESTS

| | FY '78 | FY '79 | FY '80 Pres. Budget | FY 1980 Recommendation by CSWE |
|---|---|---|---|---|
| 1. Child Welfare Training | $ 8.1 | $ 8.1 | $ 5 | $ 9 |
| 2. Mental Health Training | $85 | $93(Total)<br>$74(Clinical)<br>$11(Soc. Wk.) | $89 (Total)<br>$70(Clinical)<br>$10(Soc. Wk.) | $110 (Total)<br>$85(Clinical)<br>$13(Soc. Wk.) |
| 3. Alcoholism | $ 7.2 | $ 7.2<br>$ 6(Clinical) | $ 5<br>$ 4(Clinical) | $10<br>$ 9(Clinical) |
| 4. Health Care Services-HRA Interdisciplinary Training | $ 4 | $ 7 | $ 0 | $10<br>$ 2(Soc. Wk.) |
| 5. Health Pplanning Project Grants | $ 5 | $ 5 | $ 5 | $ 6 |
| 6. Rehabilitation | $30.5 | $30.5 | $25.5 | $35 |
| 7. Aging | $17 | $17 | $17 | $20 |
| 8. Maternal and Child Health | $26 | $26.8 | $13 | $26.8 |



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STATEMENT OF A. LEE FRITSCHLER, CO-CHAIRPERSON, GOVERNMENTAL RELATIONS COMMITTEE, NATIONAL ASSOCIATION OF SCHOOLS OF PUBLIC AFFAIRS AND ADMINISTRATION

Mr. Chairman, we submit the following statement on behalf of our Association in connection with your committee's hearing on funding for public service education, under the Provisions of Parts "A" and "C" of Title IX, Higher Education Act (HEA) of 1968, as amended. We appreciate the opportunity to submit our views on the necessity for federal funding assistance for public service education. At the very beginning, we would like to express our deep appreciation for your past support. The Congress has been our main source of support for this modest investment in public management education.

NASPAA is a professional education association representing public service education programs in 210 colleges and universities in 46 states and the District of Columbia. Our Association fosters goals and standards of excellence in education for the public service and cooperates with government and professional organizations, and national public interest groups to improve the quality of public management.

We believe the quality of life depends upon effective delivery of public services.

We believe the quality of public managers and of public management systems determine how effectively public services are delivered.

We believe effective public service delivery is critical because popular government can survive only if it retains a high level of confidence and acceptability.

We believe popular confidence and acceptability will be retained only if government is effective.

Citizens everywhere are demanding that government "deliver". Proposition 13 touched a sensitive nerve. Inflation, a weakened dollar, and unresolved energy issues contribute to a general sense of unease. The role of government, either as culprit or potential savior, is widely debated. In one sense, the debate over appropriate public policies is irrelevant: Whether loved or unloved, appreciated or castigated, the public sector is going to

be called upon to provide many of the answers to the unresolved questions, local, state, national and international, confronting us. Thus, we believe deeply that the education and training of those going into public service must be more innovative and rigorous than ever before. As one observer recently put it, "The people are saying. . .give us our money's worth. . .offer us competence."

Since effective and equitable government can be a strong force for good in our society, it is incumbent upon us to make every reasonable effort to improve the quality of government management. Improvement in the practice of government will not come about by chance or by half-hearted efforts. Such competence does not come about by accident. It is not a commodity to be bought ready-made. It must be sought out, nurtured, and developed.

Since substantially all governmental management problems involve a partnership of federal, state, and local governments, it is only reasonable to expect some federal support for public service education if we are to develop programs to meet our critical management needs. The only source of federal encouragement and support for public service education is Parts "A" and "C" of Title IX, of the Higher Education Act (HEA). (See Appendix 1)

FELLOWSHIP SUPPORT

Part "C" of this Act is designed to finance graduate fellowships for students who specifically plan and commit themselves to public management careers.

We believe that adequate and specific - categorical - federal fellowship support is crucial if we are to attract top students into the public management and provide them innovative and rigorous educational opportunities. Part "C" enables us to do this.

Students who consider careers in public management also consider careers in private management or other fields where long term financial returns can be much greater. If schools of public administration and management are to gain a share of the very best students, they need to offer as much financial aid as is available in alternative programs. Few of our public administration programs can compete with the private sources of scholarship aid available to schools that train managers for the private sector. The federal government can make an important contribution by making this modest effort under Part "C"

to attract the most accomplished students of all backgrounds into the public service.

While we are pleased that the Administration has developed a new Graduate and Professional Opportunities Program under Part "B" of Title IX of the HEA with funding of $3.25 million in 1978, $8.0 million in 1979, and $15.0 million in the proposed 1980 budget, we do not believe that program is substitutable for Parts "A" and "C". That program, the Graduate and Professional Opportunities Program, is designed for all professions with special emphasis on education for the doctoral degree, while Parts "A" and "C" are specifically designed to meet a specific national need - better public management education.

If we are correct in our assumption that popular government will survive only so long as it retains a high level of confidence and acceptability, it would be a tragic mistake to limit career opportunities in public service management only to those who can personally afford it or to those who lose out in the competition in other professional fields. We believe that our public management needs are so critical that public service management education needs to be specifically and categorically available to highly qualified persons who are willing to make a commitment to a professional career in the public service. We believe there is need to provide specific developmental and fellowship assistance at the master's degree level for outstanding students aspiring to careers in public management. Part "B" does not do this. This is the reason we believe so strongly that Parts "A" and "C" must be specifically funded.

Improving educational opportunities for minorities and women. We certainly recognize the necessity of making this categorical public administration education support available to all qualified and committed students and we believe that our record on that score is outstanding. Many of our member institutions have used these funds to conduct recruiting and educational efforts which have brought minorities and women into the mainstream of public management. We have succeeded in these efforts. Our record in this regard is good.

For example, reports from our member instituions accounting for a total of 675 fellowships awarded under this program indicate that these fellowships were distributed in the following proportions for the school years 1975-77: Caucasians - 75.0%; Blacks - 18.0%; Hispanics - 4.0%; Others - 3.0%.

Census data show that for 1977, enrollments in all graduate programs was distributed as follows: Caucasians - 90.0%; Blacks - 6.0%; Others - 4.0%.

Our own data for 1977 disclose the following distribution of enrollments in the public affairs and public administration programs of our member institutions: Caucasians - 81.0%; Blacks - 11.0%; Hispanics - 3.0%; Others - 5.0%.

Census estimates for 1977 report the following distribution of these groups in the population for that year; Caucasians - 86.6%; Blacks - 11.6%; Others - 1.8%.

These data indicate that the number of Blacks, Hispanics and other minorities awarded public service fellowships through this program exceeds the percentage of Blacks, Hispanics, and other minorities in

- the general population by 87%
- graduate school enrollment generally by 150%
- our own NASPAA enrollments by 20%

With regard to women, the record is as follows:

| | |
|---|---|
| Women in U.S. population (1977) | 51.4% |
| Women enrolled in graduate schools (1977) | 45.0% |
| Women enrolled in NASPAA program (1977) | 22.0% |
| Women enrolled as Title IX Fellows | 48.0% |

Thus, we contend that our member institutions have done very well in emphasizing affirmative action in their recruitment, particularly since the fellowship awards have historically been announced so late in the year by the Department of Health, Education and Welfare that effective recruitment has been difficult.

STRENGTHENING PUBLIC MANAGEMENT EDUCATION PROGRAMS

Under Part "A" of this Act, a number of university-based programs are seeking to strengthen the nation's system of public management. The results are encouraging and the promise of continued improvement real. These programs are mainly supported by state and private funds. But a modest investment of federal funds has forged a federal partnership in education for improved public management and has allowed these programs to press some initiatives they would otherwise have been unable to take.

The educational initiatives being taken by those programs, as a result of this federal contribution, are directed toward four main goals:

1. Strengthening program development and evaluation in areas of critical national need.
2. Improving service delivery.
3. Strengthening financial management.
4. Improving intergovernmental relations.

These goals run through a series of changes in programs for the training of able people who are attracted to careers in government, for the training of those who are already engaged in governmental careers, and for the development of improved practices of program management that can be used by government.

Strengthening the development and evaluation of programs in areas of critical national need. Other innovations in university-based programs induced by the Education for Public Service Program grants have centered on the management of programs in critical policy or problem areas. These are typified by examples from energy and the environment. The Public Administration Divsion of the University of New Mexico used its institutional grants to establish a program in Energy Management to respond to a rising demand from state and federal agencies for professionals trained in the management of energy programs. Rich in uranium, coal, and natural gas, New Mexico was keenly aware of the need for public managers with a background in energy technology. Federal funding catalyzed the efforts of faculty from several fields to develop an energy management track in the master's program in public administration. Those who have earned the new Certificate in Energy Management have taken significant state and federal positions in the management of energy-related programs.

The public administration program of the University of West Florida extended its educational emphasis on Coastal Zone Management. This effort has a significance reaching well beyond Florida, since a substantial fraction of the nation lives in fragile coastal zones presenting common management problems. The Education for Public Service Program grants permitted the program to forge an effective, interdisciplinary track in Coastal Zone Management which was recognized by the higher education authorities of the state

as the "program of national distinction" on the University campus. The demand for its graduates has led the public administration program to join a new track in Energy Management and one in Soil and Water Management to the original emphasis on Coastal Zone Management.

Improving service delivery. No aspect of the public's business is in more need of improved management than the human and social service delivery programs that have vastly expanded in recent years. These inherently require a partnership of several levels of government, and are the target of so much criticism about government expenditure and performance. A number of innovations introduced with funding from the Education for Public Service Program have sought to improve the management of service delivery by government.

The Graduate School of Administration at the Riverside campus of the University of California has used its grants to develop a program in the measurement and improvement of productivity in local governments. Students in the program have combined intensive course work on the background of the problem (including some units developed with federal funding) with field experience in San Diego, San Bernardino, or Riverside Counties or the City of Long Beach. Three, for example, helped to implement a Total Performance Measurement System as a first step toward a continuing and institutionalized means of improving the productivity of local government programs in Long Beach. The experience has profoundly influenced career goals, as well as directly assisted the efforts of selected governments to enhance the management of service delivery.

Efforts supported by the Education for Public Service Program to focus training on the management of service delivery have in some cases helped to shape the training goals of related fields. For example, the Human/Social Service Administration Project mounted by the Institute of Government at the University of Georgia has heightened the interest at Georgia in developing a joint master's program in public administration and social work to expose a somewhat different set of professionals to the means of improving the management of government service delivery programs.

Strengthening financial management. In an era of tightened resources at all levels of government and of fiscal crisis for many of our cities, a number of the developments made possible by the Education for Public Service grants

have sought to give those who are entering or pursuing careers in government a stronger grasp of the tools of financial management. For example, the public administration faculty at the University of Georgia have used their institutional grants to create a budget simulation laboratory to increase the skill of students in developing and analyzing local government budgets. People with broad experience in public budgeting prepared the laboratory manuals and conducted the simulation exercises that closely paralleled many of the decision situations students would face in a government setting. Student and faculty response to this innovation has been outstanding. Far more effective financial managers are going on to careers in government, and other educational institutions have shown a keen interest in this approach.

Princeton's Center for New Jersey Affairs, established by the Woodrow Wilson School with its grants under the Education for Public Service Programs, has made an intensive effort to equip those who are entering a career in state and local government with the tools of financial management and to help to alleviate the severe fiscal problems of the state. The Treasurer of the State of New Jersey, himself a graduate of the School, who was appointed at the start of the administration of the current governor, has assisted this effort by teaching state and local finance in the School. He has undertaken an analysis of "fiscal federalism" as a Senior Fellow in the Center after completing a fundamental reform of the state tax system and the fiscal relationship of state and local government in New Jersey. Fiscal problems are at the core of a public management workshop taught in the Center by a former governor of the state. In addition, the Center has established a clearinghouse for the sharing of financial information among the budget officers of the principal cities of the state, and it has launched a basic study of the capital market for housing in the declining urban areas of New Jersey and a number of other states.

Improving intergovernmental relations. Coordinating the efforts of government at the different levels of the federal system has guided the changes in several programs. For example, the University of Southern California's School of Public Administration is using its Education for Public Service funds to pioneer an internship program that gives those who are entering or pursuing careers in government a deeper understanding of the

problems of service delivery programs at all three levels of government -- federal, state, and local. For this purpose, the School has established an intergovernmental network of campuses for education in public management, including its home campus in the City of Los Angeles and a Sacramento Center oriented toward the federal government. This revolving structure provides the base for a master's program in Intergovernmental Management, in which students take a semester of course-work and internship at each of the three campuses. With service delivery programs increasingly involving a partnership of the federal government with state and local government, this experience gives a remarkable comparative view of the problems of mounting and managing such programs from the perspective of all three of these levels of government.

The school's grants under Part "A" of Title IX HEA have allowed the faculty and administration to undertake the significant added effort of curriculum development, intern placement, and intercampus coordination that the Intergovernmental Management Master's Program requires. The comparative experience offered by the program has had a strong influence on its students, with a marked carryover to their career experience.

## CONCLUSION

Strengthening the educational basis for the nation's public management is a task that must involve a partnership of the federal government with the states and localities. The federal government has a clear stake in attracting into its own departments and agencies gifted individuals who are specifically trained for and committed to public management. The federal government has an equally strong stake in the development of high quality young managers at the state and local level because state and local agencies administer so many of the federally funded programs. The case for a federal partnership in strengthening this educational base is enhanced by the fact that many of those who are trained for careers in public management will move geographically between states and "intergovernmentally" between the several levels of the federal system.

Members of Congress have recognized the need for this partnership since 1975, when they appropriated a modest $4.0 million to finance this program in the face of Administration opposition. You have shown your commitment by

continued funding at that level, generally in the face of Adminstration neglect or opposition.

Once again, no funding has been recommended for either of these programs in the FY 1980 budget. This omission strikes us as highly inconsistent in view of the President's continual pledges to improve government management and public service delivery, and of the public's deep concern about the state of government management and service delivery.

The record on all counts justifies support - the program has improved public management education and all the evidence indicates that it has been administered in an effective and prudent manner.

So once again we are here asking you to continue funding for Parts "A" and "C" of Title IX of the HEA at the same level in FY 1980 as in 1979 - $4.0 million. Admittedly, this is an inadequate amount, but we also recognize that you are faced with particularly stringent budget problems this year. We sincerely believe, however, that this is a long term investment you cannot afford to neglect.

Appendix 1

Background Statement on Parts "A" and "C"
of the Higher Education Act (HEA) of 1965 as Amended

The need for better public sector management was emphasized in "Governmental Manpower for Tomorrow's Cities", the 1967 report of the Municipal Manpower Commission. Numerous other studies, including "Modernizing Local Government to Secure a Balanced Federalism (1966)" and "Modernizing State Government (1967)", by the Committee for Economic Development (CED), and "Manpower in State and Local Governments (1965 and 1967)" by the Bureau of Labor Statistics, have reiterated the point time and time again. The need was emphasized as recently as 1976 in "Improving Productivity in State and Local Government" by the CED which stated that "The greatest opportunity for improved government productivity lies in strengthened management."

President Johnson took a beginning step toward meeting these needs when, in his March 17, 1967, special message to Congress on "The Quality of American Government", he recommended two companion legislative programs--the Education for Public Service Act, and the Intergovernmental Manpower Act. These two proposals provided a much needed impetus toward increasing the number and quality of trained personnel in local, state, and federal service by supporting education prior to entry into service and training following entry into state and local government service. In President Johnson's words, "This legislation has a single clear goal: to increase the number of qualified students who choose careers in government." This led to the addition of Parts "A" and "C" of Title IX of the Higher Education Act (HEA) in 1968.

These are the parts of the HEA which authorize grants for educational institutions to finance the establishment and improvement of graduate

public service education programs (Part A) and to finance graduate fellowships for students who plan public service careers (Part C).

Funding for this act has been very "spotty". The Executive Branch has tended to ignore these parts of the Act nearly completely. President Johnson did include $4.0 million to finance these parts in his budget, which was submitted in January, 1969. This item was eliminated in the revisions President Nixon made to that budget.

Here is the subsequent funding history of these parts:

Administration Funding Recommendations for Parts "A" and "C"
Title IX (HEA) Fiscal Years 1970-81

| | Legislative Authorization (Parts "A" and "C" Combined) | Administration Recommendation to Congress |
|---|---|---|
| FY 1969-70 | $ 5 million | $4 million (Johnson) (eliminated - Nixon) |
| FY 1970-71 | 13 " | 0 |
| FY 1971-72 | 13 " | 0 |

The 1972 and 1976 amendments to the HEA of 1965 provided the following authorizations for these programs:

| | Institutional Grants (Part "A") | Fellowships (Part "C") | Administration Recommendation to Congress |
|---|---|---|---|
| FY 1972-73 | $30 million | 500 | 0 |
| FY 1973-74 | 40 " | " | 0 |
| FY 1974-75 | 50 " | " | 0 |
| FY 1975-76 | 50 " | " | 0 |
| FY 1976-77 | 50 " | " | 0 |
| FY 1977-78 | 50 " | " | Ford - 0 |
| FY 1978-79 | 50 " | " | Carter - $4 million |
| FY 1979-80 | 50 " | " | " 0 |
| FY 1980-81 | 50 " | " | " 0 |

In spite of the failure of the Executive Branch to recommend financing for these Parts of the HEA, Congress took the initiative and appropriated $4 million in Fiscal Years 1975, 1976, and 1977. As the data above indicate, President Carter revised the 1978 budget of President Ford, submitted in January, 1977, to include $4 million for Parts "A" and "C". President Carter did not include funding for these programs in the administration's 1979 or 1980 budgets, but Congress continued the Programs at the $4.0 million level for 1979.

## Letter From Frederic T. Giles, Dean, College of Education, University of Washington

March 23, 1979

Dear Senator Magnuson:

I am writing in behalf of the American Association of Colleges for Teacher Education, the Teacher Education Council of State Colleges and Universities, and the Association of Colleges and Schools of Education in State Universities and Land Grant Colleges and Affiliated Private Universities. These three organizations represent the viewpoints of 41,000 professionals responsible for the preparation and development of the nation's 2.9 million teachers, counselors, and administrators. These professionals, based in the nation's 1350 colleges and schools of education, are working to facilitate desired changes in our schools.

We are submitting written testimony in support of increased fiscal year 1980 appropriations for the National Institute of Education, the Teacher Corps Program, and the Education of the Handicapped. In addition, we endorse the funding levels requested by the Administration for Bilingual Education.

First, we recommend that the National Institute of Education be appropriated an additional $6.7 million above the Administration's $98.3 million request, to allow NIE to enter new areas of inquiry while expanding needed work in the Congressionally-designated areas for Research and Development concentration. This modest increase will allow the Institute to continue its missions of educational equity and improvement of practice at the local level. In addition, it will provide for new initiatives, including examination of teaching and learning in the basic skills at the junior high level, assessment of learning for bilingual students, identification and dissemination of effective teaching practices, and consideration of the role family and community play in the achievement of literacy.

We recommend that the Teacher Corps Program be funded at an additional $7.5 million above the Administration's $37.5 million request. The maintenance of existing projects will consume approximately $36 million of the $37.5 in fiscal year 1980. Continuing the implementation of the five-year funding cycle with new starts in FY 1980, the $7.5 million increase will maintain the level of support for existing projects and start 40 new projects. This will continue the effort to reach 75% of all institutions of higher education with graduate education which train approximately 90% of all educational personnel in the United States.

We request that the Special Education Manpower Development programs of the Bureau of Education for the Handicapped be funded at $4.625 million above the Administration's requested $55.375 million. The additional appropriations would go further toward training the necessary new special education teachers for severely handicapped, for preschool handicapped children, and for handicapped children heretofore excluded from education. The BEH Interim Report to Congress on the implementation of PL 94-142 projects 1979 teacher shortages ranging from 1,000 for visually impaired to 13,000 for emotionally disturbed. Training must also involve inservice education both for special education teachers and for regular classroom teachers who must be prepared to work with handicapped children. Adequate numbers of qualified educational personnel are essential to achieving the goals of PL 94-142.

As a representative of AACTE, TECSCU, and ACSESULGC/APU, I appreciate this opportunity to present our views regarding fiscal 1980 education appropriations. We will be glad to answer any questions or address concerns raised by this testimony, toward the end of achieving an appropriation responsive to the needs of teachers and children. For further information, please contact Dr. David G. Imig, Director of Federal and State Relations, AACTE, at (202) 293-2450.

Sincerely yours,

Frederic T. Giles

## Statement of the National Advisory Council on Women's Educational Programs

The National Advisory Council on Women's Educational Programs is pleased to respond to the request for our views concerning the appropriation for Fiscal Year 1980 for the Women's Educational Equity Act as amended in the Elementary and Secondary Education Amendments of 1978.

As you know, the Women's Educational Equity Act was initially passed in 1974 with an authorization of $30 million, designed "to provide educational equity for women in the United States" through grants and contracts to generate model strategies and replicable tools. Wisely, Congress expanded the mission of WEEA when it reauthorized the program in 1978. Congress recognized that the mammoth job of overcoming sex bias, discrimination, and stereotyping requires more than models and development of tools and strategies. It requires that these models and tools be used and adapted to the specific needs of local school districts and individual educational institutions. Therefore, the authorization was increased to $80 million and a second part (or "tier two") was established to be triggered when appropriations rise beyond $15 million. Tier two will provide money to assist local school districts and other institutions in overcoming the barriers to equity and compliance with Title IX as they see them.

Unfortunately, the Administration has requested only $10 million for WEEA in FY 1980, hardly enough to provide for inflationary increases in the FY 1979 level of $9 million. In other words, the entire new program enacted recently by Congress has been ignored.

If the women who will be growing up in the coming decade are to escape the handicaps and limitations of sex discrimination and sex role stereotyping suffered by the current generation, we must use multiple approaches and strategies to effect change. Fortunately, the products of the earlier grants under WEEA are now coming on the market. Training modules for teachers and counsellors, career counselling materials, films and audio-visual materials for classroom use, projects to meet special needs of minorities and by-passed groups of women, model programs to help women into non-traditional vocational education programs and careers are now available and ready for use. To derive maximum benefit from the money invested to date in WEEA, we must channel these materials and many more into local schools, community groups, parent organizations, community colleges, and special interest groups who want help in their efforts to comply with non-discrimination laws and policies.

Therefore, many women's organizations, as well as the National Advisory Council on Women's Educational Programs, are urgently recommending that $30 million be appropriated for WEEA in FY 1980. This level, which was recommended to the Budget Committee by vote of the House Education and Labor Committee, would provide full funding for the first tier so that the essential development of new models and programs could continue and would allow $15 million for direct assistance to local education agencies and other eligible applicants throughout the country.

The modest sum requested for WEEA might be contrasted with the appropriation over the years for the Emergency School Assistance Act which has provided help for school districts coping with racial desegregation. The comparative figures on ESAA and WEEA appropriations are:

| | ESAA (millions) | WEEA |
|---|---|---|
| FY 1976 | 215 | 6.3 |
| FY 1977 | 257.5 | 7.2 |
| FY 1978 | 300.5 | 8.2 |
| FY 1979 | 300 | 9.0 |

Unlike minorities, women are enrolled in every school district and virtually every educational institution throughout the country. We owe the girls and

young women who comprise approximately half of our school population the benefit of this modest program which can open many doors and provide new options for their future lives.

The recent hearings held by the Senate Labor and Human Resources Committee on American Women and the Coming Decade illuminate a wide variety of problems facing women and girls today. Continuing occupational segregation, with 80% of women still employed in female-dominated, low-paying service, clerical and factory jobs, keeps women's full-time, year-round earnings below 60% of men's. The token women employed in leadership positions and truly non-traditional occupations are yet to be followed by significant numbers. The public and private sectors both show "pyramid profiles" with the proportion of women decreasing sharply as the rank and pay of positions increase.

It is long past time for reciting dreary statistics. It is time for positive action in the world of education, from earliest childhood, where attitudes and self-perceptions are first formed, through adult and continuing education, where mature women entering the labor force can be counselled and trained for economic opportunities. The WEEA represents a Federal helping hand to communities and institutions as they undertake this vital effort. We urge the appropriation of sufficient money to take significant steps along the path already approved by Congress.

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## STATEMENT OF THE COLLEGE PLACEMENT COUNCIL, INC.

The College Placement Council, Inc. (CPC) welcomes the invitation of the Senate to offer these comments on the Fiscal Year 1980 budget now under consideration. These comments are submitted on behalf of the nation's colleges and universities, representing some one million graduates annually, and the nation's employers, both public and private, to emphasize the need for funding of the postsecondary demonstration portion of the Career Education Incentive Act -- Public Law 95-207.

### THE COLLEGE PLACEMENT COUNCIL, INC.

The College Placement Council, Inc. (CPC), headquartered in Bethlehem, Pennsylvania, is a non-profit organization which represents career planning and placement offices at four-year and two-year colleges and universities throughout the United States and Canada. 1/

1/ CPC is a national confederation of seven regional placement associations in the United States with charter associate representation in Canada. The seven constituent associations include: Eastern College Personnel Officers (ECPO), Middle Atlantic Placement Association (MAPA). Midwest College Placement Association (MCPA), Rocky Mountain College Placement Association (RMCPA), Southern College Placement Association (SCPA), Southwest College Placement Association (SWPA), and the Western College Placement Association (WCPA). The Canadian charter associate member is the University and College Placement Association (UCPA) -- a national organization. In addition, the Council membership also includes two affiliated organizations: the National Association of Law Placement (NALP) and the California Community College Placement Association (CCCPA) -- a regional organization.

These offices provide students with career counseling and guidance. Employers who hire the graduates of institutions of higher learning are also members of CPC. Accordingly, CPC serves as an interface between graduating college students and prospective employers.

Among CPC's principal activities are the preparation and publication of periodicals, texts, surveys and other materials fundamental to the work of 2,300 career planning and placement offices and 2,500 key employers in business, industry, and government. CPC publishes such widely recognized resource materials as the College Placement Annual which placement offices provide to students. CPC also conducts and publishes the CPC Salary Survey which provides employers and career planning and placement offices with information on the beginning salary offers made to graduating students at four-year institutions. These publications, and many other media relatel to career development, are designed to acquaint career counselors and hence students, with knowledge of career options and the workings of the placement/recruitment function.

CPC's research efforts are augumented by the CPC Foundation which, in addition to promoting research in the field generally, sponsors studies in such areas as career plans of college students, initial and long-range employment, job satisfaction, mobility and turnover. These studies are reported in various monographs and bibliographies.

Another outgrowth of CPC's activities has been the establishment of College Placement Services, Inc. (CPS). Supported by public and foundation contributions, CPS is administering a program aimed at improving the counseling and placement operations at historically black colleges and universities, and has developed programs to aid career counseling and placement programs for minority students.

LEGISLATIVE HISTORY

Prior to 1976, no direct, specific federal monies were made available for the purpose of promoting the concept of "Career Education" at the higher education level. In the 1976 Educational

Amendments, the Congress of the United States recognized the severe need for federal assistance to career planning and placement at the college and university level.

The legislation called for administration of the program by the various states. Strong opposition was, however, encountered by the state colleges and universities from state authorities responsible for formulating the plans by which funding is to be administered.

Virtually every state has been reluctant to include these offices in their state plans and to accept applications from these offices for the purposes of funding. As of this date, only five of the fifty states have distributed any of the monies to college career planning and placement offices. Only approximately one-half of 1% of the nation's colleges and universities have received funds under the Education Amendments of 1976. To date, the actual amount of funding that has been awarded to college career planning and placement services totals approximately one quarter of one million dollars. This figure represents only a small fraction of 1% of the estimated actual appropriations for the Vocational Education Act for Fiscal Year 1979. The result is that despite Congress' providing a mechanism by which the acknowledged need of postsecondary career planning and placement could be met, Congressional intent as reflected in Title II, Section 134 (a)(3) of the Education Amendments of 1976 has been frustrated.

In 1977 the Congress of the United States attempted to again satisfy the growing need for career planning and placement on the college level. The result was the Career Education Incentive Act (P.L. 95-207). The overwhelming support exhibited by the members of Congress in passing this legislation reaffirmed Congressional intent to deal with a serious national problem. Subsequent events have, however, left colleges and universities unassisted in their attempts to deal with this problem.

Congress appropriated $32.5 million for the Career Education Incentive Act for Fiscal Year 1979, of which $8.75 was to be expended under Section 11 for postsecondary demonstration projects. In early

1979, President Carter sent to Congress a special message requesting a rescission of $22.365 million of these funds and redistribution of the remaining $10.135 million. Both Houses rejected the requested redistribution while voting to accept certain rescissions. The House voted to rescind $12.5 million and directed that the remaining $20 million be expended only for career education at the elementary and secondary levels. The Senate also voted to rescind $12.5 million but directed that $5 million of the remaining $20 million be expended on postsecondary demonstration projects. The Conference Committee voted to adopt the House version. Career education at the post-secondary level was the victim and the serious national problem is now left only to intensify.

THE NATIONAL PROBLEM

Large numbers of college graduates are having and most likely will continue to have great difficulty in finding jobs which meet their needs and expectations. This fact has been documented by the members of Congress and has been reported widely in the mass media. Until recent years, it was assumed a college degree would guarantee that the holder would find a job where such training would be used. It was assumed that a particular kind of job awaited the college graduate. The assumption that business, industry, and government wanted and needed graduates in the same numbers that were being produced was taken for granted.

Recent downturns in the nation's economy have exploded such myths. Expected uncertainties in the economy in the next several years, coupled with the pressures to hire the handicapped, minorities, and women, have placed in sharper focus the reality of an imbalance in supply and demand for college graduates. Higher education, especially the liberal arts, has had to defend its very existence. At the same time, educational institutions are pressured in terms of accountability. There is a new realization in education that the relationship between education and work must be reviewed.

More and more the concept of career education as a continuum from kindergarten through college has gained acceptance among edu-

cators in particular and society in general. CPC supports such a concept.

By representing virtually all of the career planning and placement offices of the nation's colleges and universities, as well as the employers of their graduates, CPC is in the mainstream of career education. CPC recognized career education to be a developmental process in which the individual progresses through an education continuum while maturing in terms of career aspirations. Whether the student terminates his or her formal education at the high school or postsecondary level, drops in or out, resumes education, or returns to employment in adult years, CPC's position is that the elements of career education should be so interrelated that the individual advances from objective to greater objective until his or her capabilities are maximized in the attainment of optimum career goals.

Congress, recognizing that career education has implications for those of all ages, has said, in effect, by passing the Career Education Incentive Act, that the customary view of career education at the high school level must be expanded to include the postsecondary level. While funds through various sources have been made available to guidance counselors on the pre-college level, virtually no such monies have been provided to career counselors on the college level. Thus, while funding of the Act is important to elementary and secondary educational institutions, it is crucial to institutions of higher education. If there is no appropriation to colleges under the Career Education Incentive Act this year, there will be essentially no substantial funding to the college career planning and placement function in the foreseeable future.

THE NEED FOR CAREER EDUCATION

Up until this time, the problem has been discussed in its general nature. It is appropriate now to look at the facts and figures themselves. Total college and university enrollment continues to reach record highs almost every year. Well over 11 million individuals are currently enrolled, with some one million graduating annually.

In the 1970's one finds that approximately 5% of the American population is enrolled in college at any given time. Some may feel that the recent declines in enrollment in the elementary levels will eventually reduce total college enrollment. While the analysis may hold true for secondary schools it does not hold true for the college level. The percentage of individuals attending college has grown each year.

The real rise in numbers of individuals attending college suggests an increased demand upon the career planning and placement functions of the colleges. Adding to this demand is the dramatic increase in college enrollment by specific subgroups of the population. Women now account for nearly 50% of all college students. The percentage of blacks and other minorities enrolled in college continues to increase dramatically. Over 50% of the black students now enrolled in higher education are attending predominantly white institutions, and as a group would be affected heavily by career education efforts. Service to such groups will require additional and concerted efforts by career planning and placement offices.

Noted researcher James O'Toole highlighted several important factors in his series of articles "The Reserve Army of the Underemployed," published in Change Magazine. */ "The current crop of high school students will constitute the bulk of our work force for 1985-1995... We will be depending upon them to supply goods and services in the next decade.

"First, it is rather certain that by 1990 something like 30% of these young people will have earned a B.A. or higher degree. Another 20% will have one or more years of college. Looked at another way, by as early as 1980 half of the workers in America with four or more years of college will be under the age of 35.

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*/ James O'Toole; Change Magazine; May, 1975; Vol. 7, No. 4; page 26; and June, 1975; Vol. 7, No. 5; page 26. Mr. O'Toole has served on the Staff for the Center of Futures Research and as Dean of the MBA Program at the University of Southern California. He has also chaired the Department of Health, Education and Welfare's Task Force on Work in America.

"The picture developing is of a society with a young well-educated work force that is rather rapidly replacing an older and much less educated work force. By 1980, one in four American workers will have a college degree and college enrollments may zoom to 20 million by the year 2000."

He continues, "Concomitant with the rise in educational attainment among young people is their increasing desire for even more education in their increasing aspirations for better jobs... What is known is that there is a strong and persistent positive correlation between educational attainment and rising expectations.... Equally measurable and conspicuous is the increasing desire of young people for good high status jobs. A recent Office of Education survey found that over 54% of high school seniors desire professional or managerial level jobs. Not surprisingly, in higher levels of educational attainment, there are found even higher levels of job expectation. In California's community colleges 64% of the students aspire for professional or managerial jobs.

"In summary, the educational attainment of the work force will increase exponentially over the next several decades. The current crop of high school students desires not only good jobs in terms of status but also interesting and meaningful jobs that lead to self-fulfillment; in these young workers are the most disaffected part of the work force if they cannot find jobs that will satisfy their requirements of challenge, growth, and self-fulfillment.

"Thus the problems of underemployment are not likely to disappear as the current generation matures. Job dissatisfaction is not going to be just a youth problem in future decades. Moreover, this problem may be exacerbated by the kinds of jobs that are likely to be available to a post-industrial society." Mr. O'Toole notes "What is clear from almost every study of job dissatisfaction is that the placing of intelligent and/or highly qualified workers in dull and unchallenging jobs is a prescription for pathology--for the worker, the employer, and the society."

While the sheer numbers may be alarming, detailed analysis can be terrifying. A study of freshmen entering college in 1976 revealed that 71.7% of those questioned listed ability "to get a better job" as a very important reason for their decision to go to college. Yet college students are not receiving the kind of career education necessary for their education to be structured toward that goal. Approximately sixty-five percent (65%) of college freshmen list their majors as undecided. Statistics, however, show that students are choosing majors in areas which do not correlate with those sought by employers. A study of 1974, 1975, and 1976 graduates of colleges in the Western states revealed that while liberal arts majors comprised 55% of the college graduates, they constituted only 26% of the graduates hired. By contrast, only 16% of the college graduates majored in business but these students constituted 32% of the graduates hired. In some areas such as engineering, there are shortages of college-trained personnel. In 1978, only approximately 6% of college graduates majored in engineering. A CPC survey of 161 colleges and universities published in March, 1979, found, however, that 61% of the reported job offers to college graduates went to engineering students. Areas such as humanities, the social sciences, and education are flooded with students who unfortunately will find few jobs in those areas upon graduation.

A further look into these figures shows that only approximately 8% of all engineering seniors last year were women and only about 3% were black. For every senior engineering student, there were ten seniors in the non-technical and non-business areas. A closer look, however, reveals that for every male engineering senior, there were five males in non-technical and non-business areas. Yet for every woman senior engineering student last year, there were 72 other women in non-technical and non-business majors. Even among blacks, for every senior engineering student, there were 27 seniors majoring in fields other than technical or business areas.

Although business and industry are attempting to hire additional women, they are faced with the problems of distribution of enrollment. Although slightly less than half of all college students are female,

over 55% of last year's seniors in non-technical and non-business areas--the least likely areas to be hired--were female.

Approximately 40% of all full-time seniors last year were majoring in technical or business areas, yet the rates for most sub-groups fell short of this figure. Only one of every three Hispanics majored in the technical/business areas

Again, the problems faced by sub-groups of the American population are underscored. "Most conspicuously, among the ranks of the underemployed are women," reports Mr. O'Toole. "...It is not surprising that a survey of working conditions (by the Survey Research Center, University of Michigan) found that women hold jobs below what they deserve based on their credentials, and are one of the most dissatisfied segments of the work force (along with young blacks). The job market has clearly failed to meet the underemployment problems of women, the disadvantaged, and subprofessionals....A potential source of societal hostility and tension derives from the fact that women and blacks are asking for good jobs just at the time these jobs are becoming scarce."

Mr. O'Toole returns to the philosophy espoused by CPC and others. "A career is more than a job or a series of jobs; it is the course of events that constitute a life. (Indeed career comes from the Latin word meaning course or road.) It is now widely accepted by psychologists that most people find life rewarding and satisfying when it is experienced as a continuous course toward fulfilling one's individual potential--both on and off the job."

Career planning and placement officials on the college level have always felt that college graduates should not just be placed in jobs but should be taught decision-making skills that could be used throughout their careers. Career education should be for life, not just for work. The need is now for a curriculum and pedagogy that will deal with the important and terrible problems of underemployment by imparting to students the tools that they will need to grow throughout life.

Further study of actual enrollment data would produce the same conclusion. Students are preparing for jobs which will not exist when they graduate and, they are not developing the skills to adjust to the jobs which will actually exist.

THE IMPACT OF FUNDING OF THE CAREER EDUCATION INCENTIVE ACT

The career planning and placement field is relatively new. Its growth has taken place primarily in the post-World War II period. Originally, the career planning and placement offices were simply placement offices. They performed the task of seeking jobs for students. But over the past three decades, career planning and placement officials have recognized the complexities involved in self-appraisal, exploration of career options, assessment of these options, and learning the skills needed in obtaining a job. All of these factors have become central parts of the career planning and placement function.

Already, many career planning and placement officers have launched innovative programs including such elements as the development of group career counseling, the applications of computer programs and techniques to refine the job-seeking process and expand the market in the evolution of minority oriented guidance programs. This has been done within existing institutional resources, in spite of limited budgets and increased student requests for assistance accompanied by decreased employment opportunities. The career planning and placement office originally created to deal only with seniors is now faced with the concern of serving freshmen, sophomores, juniors, and seniors.

Indeed, to be effective, career education must reach students at the earliest possible point in their college education. Career planning and placement offices must continue to conduct research to improve their career counseling programs and at the same time, the career planning and placement offices must continue to secure full-time, part-time, and summer jobs for its full-time students, and ever increasing numbers of part-time students. These endeavors obviously require funding. The very purpose of P.L. 95-207 clearly supports

the need for increased funding of career education. But one could quickly raise the question of why can't the needs of postsecondary education hasn't been and can't be satisfied under existing law and funding sources?

Prior to the passage of the Career Education Incentive Act, the primary authorization legislation which was funded was P.L. 93-380, the elementary and secondary portion of the Educational Amendments of 1974. This legislation emphasized primarily demonstration projects for the Kindergarten through 12th grade level. Some monies were, however, made available to postsecondary institutions. Of appropriations in excess of $40 million for P.L. 93-380 for Fiscal Years 1975, 1976, 1977, and 1978, only approximately one million was expended to fund eleven grants to postsecondary institutions. Although additional funds were directed to the adult education-community college level and to training and retraining programs during this time period, these funds did not directly benefit the 11 million students now attending our nation's colleges and universities.

The second most likely place for career education funding at the postsecondary level is the Fund for the Improvement of Postsecondary Education (FIPSE). For the fiscal years 1976, 1977, and 1978, approximately 500 projects were funded with a combined budget of approximately $34 million. A review of the summaries of these projects illustrates the need for funding of the Career Education Incentive Act, P.L. 95-207.

A majority of those projects funded at the postsecondary level by FIPSE were at the Junior or Community College level. The types of projects funded basically fit three separate models:

1. Projects directed at disadvantaged groups where traditional education programs are not directly beneficial.

2. Projects aimed at upgrading training of individuals currently employed, to allow for increased job knowledge and potential upward mobility or retraining individuals to enter new career areas; or

3. Combining vocational education and liberal education programs so students can achieve a BA degree, and an AA degree within the normal four year time span.

None of the projects reviewed had as their primary emphasis, the provision of increased career planning and placement for the mass of college students. Even in those projects where vocational and liberal education was combined, the purpose was to teach a specific work skill, separate from the BA degree, to enter a limited career area, rather than to create within the individual an expanded self-awareness, understanding of the major area studies, and translation of both to alternative career paths, for long term job satisfaction. This is the need.

CPC does not believe that funding of P.L. 95-207 would duplicate those activities addressed by FIPSE. The Career Education Incentive Act would have broad-based impact on the masses of college bound individuals, where FIPSE tends to direct its efforts at small special target groups. The analysis done of the FIPSE projects was rather brief in nature, and could vary based on the definition(s) one wishes to place on "career education".

The Federal Government has traditionally been the innovator in education programs and the states follow its lead. By denying funding for career education at the postsecondary level, Congress will send out a signal to the states that it does not view such funding as necessary. Such a signal would sound the death knell for career education at the higher education level. Millions of college students across the nation would be the victims.

The Career Education Incentive Act offers, for the first time, a planned, systematic source of funding for career education programs at the postsecondary level. The problems of unemployment and under-employment of our college-trained human resources are reaching crisis proportions. The time to address these problems is now. The maximization of human potential and self-satisfaction is the essence of our nation's continued growth and prosperity. To delay further in addressing this problem would injure not only millions of college students, but also our nation as a whole.

CONCLUSION

The College Placement Council, Inc. respectfully urges each and every member of the Subcommittee to carefully study the information presented herein and to vote to appropriate monies for postsecondary demonstration programs under the Career Education Incentive Act in Fiscal Year 1980. The unemployment and underemployment of our college-trained human resources is a vital problem requiring action now.

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## LETTER FROM MARSHALL L. LIND, COMMISSIONER, DEPARTMENT OF EDUCATION, ALASKA

March 27, 1979

APR 6 1979

The Honorable Warren G. Magnuson
Room 127
United States Senate
Washington, D.C. 20510

Dear Senator Magnuson:

As the Commissioner of Education for the State of Alaska, I wish to make Alaska's support for the National Institute of Education a matter of record.

In the past three years, NIE support has been critical to the development of major changes in public education in Alaska. With the support and encouragement of the NIE, we have developed several outstanding and promising programs designed to improve basic skills, diffusion of sound educational practices, and educational equity. What is important about the preceding is that we simply could not have initiated these efforts without the support of the National Institute of Education.

We encourage efforts to reduce federal spending as part of the strategy to control inflation. However, we also recognize that the problem of greater efficiency and effectiveness become critical to operations based upon declining or fixed revenues. The National Institute of Education can be of significant value to the nation in this matter, and we encourage your active support of their budget request.

Sincerely,

Marshall L. Lind
Commissioner

## Letter From P. T. Brimer, Director of Finance, School Board of Brevard County, Florida

March 13, 1979

The Honorable Warren G. Magnuson
United States Senate
127 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Magnuson:

The President's proposed budget recommends the elimination of Category B payments (students whose parents work on but live off federal property) from the FY-80 Impact Aid Budget. Category B payments comprise the major part of the Brevard County School District's impact funding. This action, together with the elimination of the hold-harmless, would result in a loss of $2,425,000.

This reduction in funds would necessitate drastic cuts in personnel, instructional materials and would increase pupil-teacher ratios in a district of 50,000 school students. There are 1.5 million students in the State of Florida and we ask that you give careful consideration to supporting the following measures:

1. Include Category B and hold-harmless payments in the FY-80 appropriations in the Impact Aid Bill, P. L. 874.

2. Continue to fund low-rent housing payments with the removal of the provision that the funds must be expended for Title I type programs.

3. Encourage an appropriation of at least $856 million in FY-80. This amount will provide only funding at the FY-79 level.

If at any time you require specific information, please do not hesitate to call upon me.

Respectfully yours,

P. T. Brimer
Director of Finance

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## Letter From Dr. Robert W. Iller, Superintendent, Richland Public Schools, Washington

March 13, 1979

Honorable Warren Magnuson
United States Senate
Washington, D. C. 20510

Dear Senator Magnuson:

It's 6:30 p.m. in Richland and I am nervously awaiting the telephone returns announcing the fate of our current special levy. You know from your experience the quality of education in schools of our State hinges on the success or failure of these annual levies. Despite the fact that the State is assuming

a larger share of the obligation of funding schools, there is still a major deficit in every budget that needs to be filled through local effort.

While waiting for the returns of this year's version of "levy roulette" I was looking at the difference 874 monies make to our District. Without the money coming from this Federal Act, our School Board would be required to increase the local levy by more than 32%. Because our community has no sizable industry, other than that on the neighboring Federal Reservation, these increased taxes would have to be levied against homes and small businesses. Because of the limited assessed valuation in our community, taxpayers would need to exert a super effort in order to adequately fund local schools.

Clearly, 874 is the major element allowing our community to assess themselves a reasonable amount in order to provide the local share of school funding. As you well know, the quality of our School District is one of the greatest magnets in attracting high caliber workers and their families to the Hanford Project. I seriously doubt that we would be able to maintain the reputation of the District without the infusion of 874 dollars.

Through earlier contacts with our District, you know our situation very well. Approximately half our pupils come from families that work on the Reservation. All of these are "B" students. We voluntarily removed ourselves from full Federal support years ago, agreeing instead to move ahead with a combination of State funds, 874 money and local levies. When these things are in balance, everything goes well; the removal of 874 funds would throw us into a critical state.

We have had an excellent record of successes in annual special levies. Since 1972 we have not failed in our request for District operating money. The feeling of confidence regarding this levy is high because we have been able to request an amount the community seems to feel is reasonable. In the absence of 874 funds, our chances of a double loss -- losing 874 funds plus also losing the necessarily expanded levy -- could prove a real setback for education in this community.

We are counting on people with your experience and insight to help us weather the current attack on "B" students. We are counseling our community leaders to have faith in Senator Magnuson. I am sure that faith is properly placed.

Yours truly,

Robert W. Iller
Superintendent

## LETTER FROM HOWARD STORM, SUPERINTENDENT, BANGOR SCHOOL DEPARTMENT, MAINE

March 22, 1979

Honorable William G. Magnuson
Chairman, Senate Labor/HEW Appropriations Subcommittee
127 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Magnuson:

We are very concerned in the City of Bangor, Maine that impact aid for P.L. 874 "B" students may be eliminated. The effect in Bangor would be a loss in funding of $96,689 for FY1980. A loss of this magnitude is the equivalent of losing one-half of our junior high reading program or one-half of our industrial arts program or one-fourth of our special education staff. Districts that lose money have no choice but to cut programs or raise property taxes.

Perhaps some background information about our school district may be pertinent to this issue:
Bangor is located in the East/Central area of Maine in the Second Congressional District. We have twelve schools: one high school, three junior high schools and eight elementary schools; we have approximately 5,100 students with a gross budget of 9.6 million dollars. Our revenue sources are 44% state aid, 2% federal grants, property taxes, 44% and other revenues, 10%. Our cost per student is $1,276.90; we have 179 "A" students and 1,112 "B" students. Total impact aid is $220,910. The assessed valuation of federal property in Bangor is $10,426,240 which is the equivalent of a $218,921 property tax loss or 54¢ on the property tax rate.

In Bangor, we receive funding for public housing children which funds Title I programs for educationally deprived children. This funding is part of the impact aid program. Therefore, a complete Title I program is at stake, in addition to regular impact aid.

In addition, we face a large school budget cut in Bangor and in 1980, we face a expenditure increase for a vocational education school plus inflation. Obviously a decrease in revenue of almost one hundred thousand dollars will have an impact on educational program.

We urge defeat of the proposed amendments to eliminate "B" students from P.L. 874 impact aid.

Respectfully,

Howard Storm,
Superintendent of Schools

## Letter From Everett L. Waters, Superintendent, Onslow County Schools, North Carolina

Onslow County, North Carolina is located in eastern North Carolina. Its eastern boundaries border the Atlantic Ocean. It is also the home of Camp Lejeune, the "world's largest amphibious training base".

In 1940, the federal government purchased over 115,000 square acres of land to establish a U.S. Marine Corps base in the heart of this coastal county. The Marine Corps Base comprises approximately ⅛ of the entire county. Included in that property is over 50% of the Atlantic Ocean coastline and almost all of the beautiful and scenic New River.

Today, there are approximately 15,000 students attending the Onslow County Schools. Of those 15,000, 5,164 or 34.4% are federally connected "B" students, most of whom are military dependents.

Our primary source of local revenue is the property tax. The loss of 115,000 square acres of valuable property leaves a very small tax base to support all of the functions of local government, including the operation of the public schools. During the 1978-'79 fiscal year, our school system received $2,060,000.00 from local property taxes and $1,066,732.00 from impact aid funds for current expenses. This illustrates the importance of PL874 to our budget.

If the "B" student is eliminated, as proposed, it would have a disastrous effect upon Onslow County Schools. We would be unable to provide most of the support services to schools. Among the effects would be: reduction in instructional supplies and program materials, reduction in professional salaries, the dismissal of over 100 para-professionals, reduction in maintenance services, accreditation of schools would be affected, as well as many other aspects of the current operation and maintenance of the school system. The end result, of course, is the adverse effect upon the quality of education received by our children.

If the loss of the funds had to be made-up through local taxation, it would require a 23% increase in the local tax rate. This would be an unbearable and unrealistic burden upon the relatively small number of full taxpayers.

In summary, Onslow County is a true impact area--where the installation is located within the school district, and where the giant employer is a non-taxpayer. To expect Onslow County Schools to provide the quality education to which our children have a right, without impact aid is unrealistic and impossible.

Respectfully submitted,

Everett L. Waters

Everett L. Waters, Superintendent
Onslow County Schools, North Carolina

## STATEMENT OF CHARLIE AKINS, SUPERINTENDENT, HARDIN COUNTY PUBLIC SCHOOLS, KENTUCKY

Mr. Chairman and members of the committee, I am Charlie Akins, Superintendent of the Hardin County Schools, Elizabethtown Kentucky. I wish to thank the committee for allowing me the opportunity to present this statement concerning the effects of federal legislation and appropriations on the Hardin County School System. I also would like to thank you for your past support of our needs in public education.

I have served the Hardin County Schools as superintendent for the past nine (9) years and have also served another eighteen (18) years in various capacities within the system. During the years I have had the opportunity to observe the effects of the federal government at Fort Knox on all facets of our area.

The Impact Aid Program is a vital factor in the future stability of our educational program. The FY 1980 budget will have a disastrous effect on the Hardin County Schools with its proposed deletion of Impact Aid for B category students and the Hold Harmless Fund. We are presently educating over 3300 category B students with 1523 of these being children of uniform personnel.

In FY 1978 the Hardin County Schools received $540,000 thru Impact Aid. If this aid were to be deleted it could be translated into such items as the loss of forty-one (41) certified teachers, sixty-five percent (65%) of the current transportation budget, sixty-seven percent (67%) of the utilities budget, seven and thirty hundreds percent (7.3%) of the Instructional budget and five (5) times the maintenance budget of the Hardin County School System. Under existing state law, there is little alternative for the local board of education to supplant these funds on such a short notice.

The Hardin County Board of Education has been able to provide a good and reasonable program of educational services by levying maximum tax rates, using all permissible taxes and using its bonding ability to the

fullest. In addition, Impact Aid has provided reasonable help in providing this program, but without continued federal assistance we cannot continue to operate an adequate program.

In my opinion, justification for Impact Aid remains basically the same today as it did in 1952. We believe that the activities of the federal government and its select population continue to have a direct and observable effect on our schools and our community; and because of this direct effect the federal government has an obligation to this school system. The nature of the select population tends to have a detrimental effect on the per pupil revenue in our school system. Most of the inhabitants of the area close to the military base have children of school age. Many hold lesser paying jobs, and those in the military are predominantly in the lower ranks. They are very mobile in nature, and because of their mobility, these students have problems all out of proportion to their numbers. The type of housing that many of these people occupy contributes very little to the tax base. Last year Hardin County had over forty-one hundred (4100) mobile homes, of which the biggest majority were located adjacent to the Fort Knox reservation. Only half of these are listed on the tax rolls of Hardin County. These mobile homes are exempt from taxation if they belong to a member of the armed services.

As a result, the increased select population and the low value of housing probably is the major reason that Hardin County's tax assessment per pupil is $37,700 while other counties adjacent to us has assessments of 40,000 to 50,000 per pupil. The other major detrimental effect experienced by our school system is that the value connected with the point of employment of these people is non-taxable. In a normal community, approximately forty-five percent (45%) of the local revenue for school purposes comes from taxes collected on property at the point of their employment. Points of employment at Fort Knox are exempt from taxation.

The Hardin County Schools continue to suffer shifts in their student population from year to year, and as a result, facilities and staff

adjustments to accomodate the changes are continous. We are currently attempting to plan building facilities to accomodate today's population that could exceed $6,000,000 in the next two and one half years. If the military operations at Fort Knox were to drastically change the nature of its population, the population that presently justifies the construction of these facilities may no longer be present to use them. A private business would not and could not be expected to make this type of investment in facilities without better assurances than impact districts have in these situations. P.L. 874 payments can be justified in great part to cover the cost to the local district of facing these and other uncertainties imposed upon us by the nature of the local federal activity.

Hardin County is considered by Kentucky's standards to be operating a good educational program for all its students. Our average expenditure per pupil is $1151.00. The national average is $1716.00 per pupil. It is likely that many of our students some from other school districts whose expenditures reach or exceed the national average. A loss or reduction in Hardin County's 874 allotment would make the difference of the expenditure per pupil even greater than at present.

It would be impossible to show totally what conditions would be in Hardin County if neither impact conditions nor Impact Aid existed. However, it is possible to figure non-impact population and non-impact revenue for the district. We feel that the results of this calculation tend to prove a definite obligation of the federal government. By dividing the pupil population and also our revenue, it is possible to make a valid evaluation of financial conditions had we not been affected by any federal activity. In making this calculation, we did the following things:

1. We subtracted the Impact Aid pupils from our total population.
2. We subtracted the Impact Aid funds for FY-78.
3. We subtracted local property tax assessments associated with impact families.

4. We divided the results of these calculations by the number of remaining non-impact students.

This calculation gave us a per pupil revenue figure for non-impact students of $1495.00. Our per pupil revenue, with impact funds presently included, is $1151.00. It is reasonable to assume that we would have an advantage of $344.00 per pupil if neither impact conditions nor Impact Aid existed.

We do admit that these federal activities have had a positive effect on the economy of the area. However, it has not been in a form that could be tapped by a local board of education and has had negligible effect on school finances.

We conclude that the activities of the federal government continue to result in conditions that reduce our tax revenue per child. It is our contention that these conditions are a direct result of the activities of the federal government and that this constitutes a just obligation on the part of the federal government to the local district. We further conclude that, with our present revenue per pupil of $1151.00, a reduction or loss of Impact Aid at this time would make it impossible for us to maintain an adequate program of education for local students of Hardin County and for those students who are in Hardin County because of the activities of the federal government. If monies from Impact Aid were deleted from Hardin County's funding, the county would have to increase its property tax rate by approximately thirteen cents per one-hundred dollars ($100.00) value. This would require a levy almost double the present tax rate and could be done under existing law only by a vote of the people. A local tax referendum was overwhelmingly defeated by the voters some three (3) years ago.

It is my hope that Congress will again, as it has in the past, provide its children with reasonable educational opportunities in areas of federal activity such as Fort Knox.

Again, I thank you for your interest in education, and I appreciate the opportunity of preparing this statement.

# Resolution of Gore, Okla., Board of Education

WHEREAS, the Gore Public Schools is a small independent district bounded on two sides by Tenkiller Ferry Reservoir and the McClellan-Kerr Waterway, resulting in the removal of many acres of property from the tax rolls; and

WHEREAS, the impact aid program is one of the least costly to administer because of its relative simplicity and minimum need for paperwork; and

WHEREAS, the program is much less costly to the federal government than a program to make payments "in lieu of" taxes and is a "fair" program because the funds follow the child being educated; and

WHEREAS, the Gore Public Schools are dedicated to providing the children of our district with the best possible educational program; and

WHEREAS, the Gore Public Schools stand to lose $8,210.00 if the "B" students are removed from the provisions of P. L. 874, resulting in the curtailment of programs and services to our students due to inflation, rising energy costs, and various mandates without funds; and

WHEREAS, the "gap" caused by the removal of the value of federal installations from local tax rolls must be made up by local taxpayers unless some other kind of federal support is obtained; and

WHEREAS, the patrons of Gore Public Schools are currently voting the maximum local support.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF EDUCATION OF THE GORE PUBLIC SCHOOLS URGES CONSIDERATION BY THE 96TH CONGRESS OF THE UNITED STATES, THE RESTORATION OF "B" STUDENTS TO THE PROVISIONS OF THE IMPACT AID PROGRAM OF P. L. 874.

APPROVED, this 12th day of March 1979, by the Board of Education of the Gore Public Schools.

ATTEST:

President, Board of Education

Vice-president, Board of Education

Clerk, Board of Education

Member, Board of Education

Member, Board of Education

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## STATEMENT OF AUTAUGA COUNTY, ALABAMA

Autauga County, Alabama, is situated approximately thirteen miles north of the City of Montgomery where there is located a number of federal facilities: namely, Maxwell Air Force Base, Gunter Air Force Station, Veterans Administration Hospital, U. S. Courthouse, Maxwell Storage Annex, and an Air National Guard facility. In addition, there are two low rent housing projects in Autauga County.

Due to its close proximity to these facilities, the Autauga County School System enrolled, in the school year 1977-78, 774 pupils whose parents are assigned to these facilities. The students enrolled from these sources constituted 10.75% of the total pupil population of the school system.

All of these pupils were eligible under Category B of Public Law 874; i.e. they reside with a parent who works on federal property but who lives on property other than federal. 704 (90.95%) live with a parent who is employed on federal property outside of Autauga County. 70 ( 9.05%) reside on a federally funded low rent housing project within the county.

In 1977-78, the last year for which payment under Public Law 874 has been received, the Autauga County School System received a total of $154,933.53 in return for providing an educational program for these pupils. This amounts to an actual per pupil reimbursement of $200.17. The per pupil expenditure for all pupils in attendance during 1977-78 was $713.84; so the school system was reimbursed for 28.04% of actual expenditures.

If Category B of PL 874 should be eliminated, it would mean that the Autauga County Schools would receive nothing in return for providing education experience for these pupils and the total expense would be shifted to the local population, which would necessitate either an increase in local taxes or a reduction in program offering.

In the current school year, 1978-79, the Autauga County Schools have enrolled 773 pupils who are eligible under Category B of PL 874. No payment has as yet been received.

# Resolution of Rapides Parish School Board

WHEREAS, the Rapides Parish School Board has the responsibility of providing the best public educational system for all children in our parish, and,

WHEREAS, federal installations and land holdings within our parish have added more than 1,700 children to the school rolls of Rapides Parish, and,

WHEREAS, these federal installations are tax exempt and therefore do not contribute to the cost of educating those children, nor provide facilities, and,

WHEREAS, the Impact Aid Program, PL 81-874, provides a means to financially assist affected areas in the cost of educating the children of federally connected parents, and,

WHEREAS, the funds have, and will continue to be, absolutely essential for the Rapides Parish School Board to continue to operate our schools, now,

THEREFORE, BE IT RESOLVED that the Rapides Parish School Board, on behalf of the citizens of this Parish, oppose any and all efforts to cut funds from or any effort to weaken the Impact Aid Program, and,

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Representatives Leach and Long, and to Senators Johnston and Long, along with the attached Fact Sheet and other enclosures, requesting their votes and support to restore funding for B category students, which the administration has requested to be deleted.

_____, Douglas Jenkins

_____, Terry L. Farrar

_____, George C. Duncan

_____, D. A. Anderson

_____, Jo Ann W. Kellogg

_____, Euell Williams

_____, Louis V. Crenshaw

Charlie D. Holloway

Harold J. Gamburg

E. A. Nichols
Superintendent

3-5-79
Date

RAPIDES PARISH SCHOOL BOARD

FACT SHEET FOR PL 81-874
(Impact Aid)

1. Enclosed with this Resolution and Fact Sheet you will find a booklet giving a brief description of Rapides Parish.

2. From information obtained from the Assessor of Rapides Parish, based on 1978 assessments, the loss from property taxes on England Air Force Base alone is estimated at between $950,000.00 and $1,000,000.00. Rapides Parish now has the maximum millage on property for general operation purposes and therefore would have no means to offset any loss through a reduction of funds received from Public Law 81-874.

3. The percentages of General Operation Receipts for 1977-78 are as follows:

| | |
|---|---|
| Local Funds | 18% |
| State Funds | 77% |
| Federal Funds | 5% |

4. Funds received through this program in 1977-78 are:

| Category of Child | 100% Entitlement | Actual Receipts |
|---|---|---|
| A (255) | $ 184,003.74 | $ 158,312.74 |
| B (1,486) | $ 504,602.64 | $ 250,270.99 |

5. As the above chart indicates, the proposed cutback in B category would almost eliminate our system from the funding.

6. With the Rapides Parish School Board's General Operating Budget, already with a near $1,000,000.00 deficit, the loss of Revenue Receipts through Public Law 81-874 would severely cripple our school system.

7. There are fifty-two schools within Rapides Parish, with a total school enrollment of just over 28,000 students. The cost per pupil is approximately $1,000.00

8. The current operating budget is $28,458,436.00.

## STATEMENT OF DAVID M. JACKSON, RESTON, VA.

Writing in the New York Times on November 19, 1978, Seymour Melman cites American productivity as growing at the average rate of 3% per year from 1865 to 1965, at 2.1% from 1965 to 1970 and at 1.8% from 1970 to 1975. (1) Among the results of this disastrous decline Melman points to the increasing success of foreign competitors in American markets, and the alarming deficits in our balance of payments.

According to a Harris poll, released January 16, 1978, Americans believe the combination of factors that will make this country great in the future is somewhat different than the one that made it great in the past. (2) As they look ahead, people are convinced that the United States will depend more on scientific research, industrial know-how, and technological genius.

Creativity and other intellectual factors are basic to all three factors. The contributions of many gifted persons are required to reverse the downward trend in productivity and to meet our country's scientific, industrial and technological needs.

A 1977 survey of the states asked the question, how many gifted students are being identified and served in special programs that challenge their abilities? (3) Eight states indicated that they provide for over 50% of their potential gifted and talented. Seventeen states provide for about 20%, and the rest were at lower levels. In the United States as a whole, the number of children and youth being identified and served is fewer than one-fourth of the top 3% in ability.

To help the states with the tasks of identifying the gifted and providing programs that are different from the regular school program in that they offer greater independence to the student, more advanced content, and a faster pace, the federal government in the FY79 budget provided about $10 million - $3.78 million for the gifted under the Special Projects Act, about $6 million under Title IV-C of ESEA, and less than a million under Career Education and Handicapped funds.

The need for the full authorized $30 million for the gifted in FY 80 is evident. Some of the support mechanisms required for effective program expansion are already in place. For example, a teacher who is suddenly asked to teach a class of gifted students, and who has no prior specific preparation, will find that he or she has a choice of at least 13 summer institutes in 11 states, according to a training bulletin published in March, 1979. (4)

With increased funds we can find and help many more gifted among our disadvantaged populations, and among women. We have every reason to believe that the benefits to American society, not only in technological fields, but also in the arts and humanities, will be great.

References

1. Seymour Melman, " Beating Swords into Plowshares," New York Times Magazine, 19 November 1978, pp. 43, 48.

2. Louis Harris, The Harris Survey, "Factors in Making America Great," 16 January 1978.

3. The Nation's Commitment to the Education of Gifted and Talented Children and Youth: Summary of Findings from a 1977 Survey of States and Territories,(Reston, Virginia: Council for Exceptional Children, 1978), p. 32.

4. Barbara Johnson, " A Calendar of Teacher Training Programs on Gifted and Talented Education," Bulletin of the National State Leadership Training Institute on the Gifted and Talented, 6, Number 3 (March, 1979), p. 6.

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## Statement of Peru Central School District, New York

Peru Central School District located in upstate New York is one of the largest recipicants of PL874 monies in the state. Within the School District boundries are two elementary schools on Federal properties at Plattsburgh Air Force Base. Secondary students are bussed into schools located in the village of Peru, a distance of approximately ten (10) miles.

The number of students affiliated with the two base schools and children of civilians employed by the Federal Government accounts for more than 20% of the school district's enrollment. Based on a survey conducted in October of 1978, there are approximately 988 "A" and 272 "B" students at the elementary and secondary levels.

The School Districts annual budget for the current school year is $7,886,039 and for real property tax purposes carries a tax rate of $10.91 per $1,000 of true evaluation. In determining the tax rate, it was estimated the district would receive PL874 monies in the amount of $1,209,006 on or before June 30, 1979. If PL874 monies were not available, the tax rate would be $21.72 per thousand, an increase of 199%. To an average tax payer in the Peru School District possessing property valued at $20,000 for tax purposes, the rate increase would mean additional real property tax in the amount of $216.20. As can readily be seen, the impact on the school district from a financial point of view would be devastating.

We strongly urge the Congressional Body to fully analyze the importance of PL874 funding and the tremendous impact there would be on sound educational programs and financial conditions if the Federal Impact Aide Program was curtailed.

SUBCOMMITTEE RECESS

Senator MATHIAS. I want to say a special word of thanks to all of you here in this last panel who have waited so long and so patiently.

I think I have learned two things in particular in addition to the objective testimony you gave.

One is that a special responsibility the Government has not to overpromote, not to create expectations that are not going to be able to be satisfied for whatever reason.

Secondly, the real dedication that each of you has to the causes that you are here to plead tonight as, if you really hadn't cared, you could have found a plane or a train or some other excuse to leave earlier.

So I think your testimony will have the special weight that your presence at this hour indicates.

Finally, I want to thank our reporter, who has done a marathon job today.

Thank you all very much.

The subcommittee will stand in recess until 10:30 tomorrow morning when we will receive testimony from several Members of the Senate.

[Whereupon, at 7:25 p.m., Wednesday, March 28, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, March 28.]

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