

Public Law 565

CHAPTER 655

AN ACT

August 3, 1954
[S. 2759]

To amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that Act, and for other purposes.

Vocational Re-
habilitation
Amendments of
1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vocational Rehabilitation Amendments of 1954".

AMENDMENTS TO THE VOCATIONAL REHABILITATION ACT

41 Stat. 735.

SEC. 2. The Vocational Rehabilitation Act (29 U. S. C. ch. 4) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR GRANTS; PURPOSES FOR WHICH AVAILABLE

Types of grants.

"SECTION 1. For the purpose of assisting the States in rehabilitating physically handicapped individuals so that they may prepare for and engage in remunerative employment to the extent of their capabilities, thereby increasing not only their social and economic well-being but also the productive capacity of the Nation, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1955, the sum of \$30,000,000, for the fiscal year ending June 30, 1956, the sum of \$45,000,000, for the fiscal year ending June 30, 1957, the sum of \$55,000,000, for the fiscal year ending June 30, 1958, the sum of \$65,000,000, and for each fiscal year thereafter such sums as Congress may determine, for grants to carry out the purposes of this Act. The sums so appropriated for any fiscal year shall be available for—

"(1) grants to States under section 2 to assist them in meeting the costs of vocational rehabilitation services;

"(2) grants to States under section 3 to assist them in initiating projects for the extension and improvement of their vocational rehabilitation services; and

"(3) grants to States and to public and other nonprofit organizations and agencies under section 4 to assist in meeting the costs of projects for research, demonstrations, training, and traineeships, and special projects, which hold promise of making a substantial contribution to the solution of vocational rehabilitation problems common to a number of States, including temporary assistance in initiating a substantial nationwide expansion of vocational rehabilitation programs in the States.

Availability.

The portion of such sums which shall be available for each of such three types of grants shall be specified in the Act appropriating such sums, except that the first \$23,000,000 of the aggregate sums so appropriated for any fiscal year shall be available for grants to States under section 2 to assist them in meeting the costs of vocational rehabilitation services.

"GRANTS TO STATES FOR VOCATIONAL REHABILITATION SERVICES

"SEC. 2. (a) (1) From the sums available for any fiscal year for grants to States to assist them in meeting the costs of vocational rehabilitation services, each State shall be entitled to an allotment of an amount which bears the same ratio to such sums as the product of (A) the population of the State and (B) the square of its allotment percentage (as defined in section 11 (h)) bears to the sum of the corresponding products for all the States.

"(2) The allotment to any State for any fiscal year, as computed under the provisions of paragraph (1), which is less than such State's base allotment, shall, notwithstanding such provisions, be increased to the amount of such base allotment.

"(3) For the purposes of this section, a State's base allotment is an amount equal to the amount allotted to such State for expenditures, under its State plan approved under this Act, for the fiscal year ending June 30, 1954 (which, in the case of the District of Columbia, shall be the amount appropriated to the Secretary for such fiscal year for providing rehabilitation services in the District of Columbia), increased by a uniform percentage which, if applied to the amounts so allotted to all the States, would increase the total of such allotments to \$23,000,000.

Base allotment.

"(4) The allotment to any State, as computed under the provisions of paragraph (1) for any fiscal year, which is greater than such State's base allotment by a percentage in excess of one and one-half times the percentage by which the sums available for allotments under this section for such year exceed \$23,000,000, shall be reduced by the amount of such excess.

"(5) Sums equal to the reductions effected under paragraph (4) for any fiscal year shall be added to the allotments of other States as computed under paragraph (1) for such year as follows:

"(A) The allotment of any State as so computed which is less than such State's base allotment, shall be increased to the amount of such base allotment.

"(B) The remainder of such sums shall be used to increase by a uniform percentage the allotment of each of the States whose allotments were not subject to reduction under paragraph (4), but with such adjustments as may be necessary to prevent the allotment of any of such States from being so increased as to require reduction under paragraph (4).

"(b) (1) From each State's allotment under this section for any fiscal year ending after June 30, 1962, the Secretary shall pay to such State an amount equal to the Federal share (determined as provided in section 11 (i)) of the cost of vocational rehabilitation services under the plan for such State approved under section 5, including expenditures for the administration of the State plan.

"(2) From each State's allotment under this section for any fiscal year ending prior to July 1, 1962, the Secretary shall make payments to such State, with respect to the cost of vocational rehabilitation services under the plan of such State approved under section 5, including expenditures for the administration of the State plan, determined as follows:

"(A) A portion of such allotment equal to the State's base allotment shall be available for payment to such State of its adjusted Federal share of such cost of vocational rehabilitation services.

"(B) After such portion has been paid in full, any remaining portions of a State's allotment shall be available for payment to such State of an amount equal to its Federal share (determined as provided in section 11 (i)) of such cost for which payments have not been made under subparagraph (A).

"(3) For the purposes of this subsection—

"(A) a State's adjusted Federal share for any fiscal year means—

Adjusted Federal share.

"(i) in the case of any fiscal year ending prior to July 1, 1959, the 1954 Federal share for such State; and

"(ii) in the case of the fiscal year ending June 30, 1960, June 30, 1961, or June 30, 1962, the Federal share for such

State for such year increased (if it is less than such State's 1954 Federal share) or decreased (if it is greater than such State's 1954 Federal share) by 75 per centum, 50 per centum, and 25 per centum, respectively, of the difference between such Federal share for the year involved and the 1954 Federal share.

1954 Federal share.

"(B) A State's 1954 Federal share means the percentage which (i) the base allotment of such State is of (ii) the sum of such allotment and the amount of 1954 State funds.

1954 State funds.

"(C) The 1954 State funds for any State shall be the amount of State and other non-Federal funds available for expenditures, under such State's plan approved under this Act, for the fiscal year ending June 30, 1954, as estimated by the Secretary for purposes of determining such State's allotment for such year for such expenditures, except that the 1954 State funds for the District of Columbia shall be the amount appropriated for such fiscal year out of the general fund of the District of Columbia for vocational rehabilitation.

Services for the blind.

"(c) If in any State there is, during the fiscal year ending June 30, 1954, a State agency administering or supervising the administration of the part of the State plan under which vocational rehabilitation services are provided for the blind, separate from the State agency administering or supervising the administration of the remainder of the State plan—

Division of allotment.

"(1) for each consecutive fiscal year during which there are such separate agencies, the portion of such State's allotment which is equal to such State's base allotment shall be divided between the two agencies in the same proportion as the amount allotted to the State under this Act for expenditures during the fiscal year ending June 30, 1954, was divided between such agencies;

Separate Federal shares.

"(2) for each such consecutive fiscal year ending prior to July 1, 1962, separate Federal shares shall be established for such agencies for purposes of subsection (b) (2), and for such purposes—

"(A) the 1954 Federal share for each shall be the percentage which (i) the portion of the State's allotment for the fiscal year ending June 30, 1954, which was made available to each, is of (ii) the portion of the sum of such allotment and the amount of 1954 State funds available to each for expenditures, under the State plan approved under this Act, during such year; and

"(B) the portion of the allotment referred to in subsection (b) (2) (A) for each shall be the portion of the State's allotment allocated to each pursuant to paragraph (1) of this subsection.

"GRANTS TO STATES FOR EXTENSION AND IMPROVEMENT PROJECTS

Basis of allotments.

"SEC. 3. (a) (1) From the sums available for any fiscal year for grants to States to assist them in initiating projects for the extension and improvement of vocational rehabilitation services, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of such State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$5,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to

prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

"(2) From each State's allotment under this section for any fiscal year, the Secretary shall pay to such State a portion of the cost of approved projects for the extension and improvement of vocational rehabilitation services (including their administration) under the State plan. The Secretary shall approve any project for purposes of this section only if the plan of such State approved under section 5 includes such project or is modified to include it and only if he finds the project constitutes an extension or improvement of vocational rehabilitation services under the State plan or will contribute materially to such an extension or improvement.

"(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the first fiscal year for which any payment is made with respect to such project from an allotment under this section. To the extent permitted by the State's allotment under this section, such payments with respect to any project shall be equal to 75 per centum of the cost of such project, except that, at the request of the State, such payments may be less than such percentage of the cost of such project.

"(c) No payment may be made from an allotment under this section with respect to any cost with respect to which any payment is made under section 2.

"GRANTS FOR SPECIAL PROJECTS

"SEC. 4. (a) From the sums available therefor for any fiscal year, the Secretary shall make grants to States and public and other non-profit organizations and agencies (1) for paying part of the cost of projects for research, demonstrations, training, and traineeships, and projects for the establishment of special facilities and services, which, in the judgment of the Secretary, hold promise of making a substantial contribution to the solution of vocational rehabilitation problems common to all or several States, and (2) for planning, preparing for, and initiating, during the fiscal year ending June 30, 1955, and the fiscal year ending June 30, 1956, a substantial nationwide expansion of vocational rehabilitation programs in the States. No grant shall be made under clause (1) or clause (2) of this subsection for furnishing to an individual any one course of study extending for a period in excess of two years. Any grant of funds under this subsection which will be used for direct services to physically handicapped individuals or for establishing facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency.

"(b) The Secretary shall be authorized to cooperate in assisting with the financing of a pilot demonstration rehabilitation center in the metropolitan Washington area to be used as a guide for rehabilitation centers which may be set up later in other parts of the country. Sums made available for such a pilot demonstration center in the Washington area may be used during such initial period as the Secretary may determine for such services as hospitalization, domiciliary care, and rehabilitation training, including costs of board and room of trainees and other services essential to the program, as in the discretion of the Secretary deems desirable. The services of such a pilot demonstration rehabilitation center in the metropolitan Washington area shall be made available to area civil service employees as well as to other patients.

"(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may

HEW payment.

Project approval.

Duration.

Restriction.

Research, training, etc.

Program expansion.

Limitations.

Direct services. Approval.

Demonstration rehabilitation center, Washington, D. C., area.

Payments.

National Advisory Council on Vocational Rehabilitation.
Members.

Term of office.

Duties.

Per diem payments.

Report to Congress.

Requirements.

be determined by the Secretary; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

“(d) (1) There is hereby established in the Department of Health, Education, and Welfare a National Advisory Council on Vocational Rehabilitation, consisting of the Secretary, or his designee, who shall be Chairman, and twelve members appointed without regard to civil-service laws by the Secretary. The twelve appointed members shall be leaders in fields concerned with vocational rehabilitation or in public affairs, and six of such twelve shall be selected from leading medical, educational, or scientific authorities who are outstanding for their work in the vocational rehabilitation of physically handicapped individuals. Three of the twelve appointed members shall be persons who are themselves physically handicapped. Each appointed member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of three years, three shall hold office for a term of two years, and three shall hold office for a term of one year, as designated by the Secretary at the time of appointment. None of such twelve members shall be eligible for reappointment until a year has elapsed after the end of his preceding term.

“(2) The Council is authorized to review applications for special projects submitted to the Secretary under this section and recommend to the Secretary for grants under this section any such projects or any projects initiated by it which it believes show promise of making valuable contributions to the vocational rehabilitation of physically handicapped individuals. The Secretary is authorized to utilize the services of any member or members of the Council in connection with matters relating to the administration of this section, for such periods, in addition to conference periods, as he may determine.

“(3) Appointed members of the Council, while attending meetings of the Council or while otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding \$50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence.

“(4) The Secretary shall transmit to the Congress annually a report concerning the special projects initiated under this section, the recommendations of the National Advisory Council on Vocational Rehabilitation, and any action taken with respect to such recommendations.

“STATE PLANS

“SEC. 5. (a) To be approvable under this Act, a State plan for vocational rehabilitation services shall—

“(1) designate the State agency administering or supervising the administration of vocational education in the State, or a State rehabilitation agency (primarily concerned with vocational rehabilitation), as the sole State agency to administer the plan, or to supervise its administration in a political subdivision of the State by a sole local agency of such political subdivision, except that where under the State's law the State blind commission, or other agency which provides assistance or services to the adult blind, is authorized to provide them vocational rehabilitation services, such State blind commission or other State agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for the blind (or to supervises the administration of such

part in a political subdivision of the State by a sole local agency of such political subdivision) and the State vocational education agency or the State rehabilitation agency shall be designated as the sole State agency with respect to the rest of the State plan;

"(2) provide that the head of the vocational rehabilitation bureau, division, or other unit of a State vocational education agency designated pursuant to paragraph (1), shall be subject only to the supervision and direction of such agency or its executive officer;

"(3) provide for financial participation by the State, and provide that the plan shall be in effect in all political subdivisions of the State;

"(4) show the plan, policies, and methods to be followed in carrying out the work under the State plan and in its administration and supervision, and in case vocational rehabilitation services cannot be provided all eligible physically handicapped individuals who apply for such services, show the order to be followed in selecting those to whom vocational rehabilitation services will be provided;

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

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

"(7) provide that, in addition to training, maintenance, placement, and guidance, physical restoration services will be provided under the plan;

"(8) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time reasonably require to carry out his functions under this Act, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

"(9) provide for cooperation by the State agency with, and the utilization of the services of, the State agency administering the State's public assistance program, and the Bureau of Old-Age and Survivors Insurance (Department of Health, Education, and Welfare) and of other Federal, State, and local public agencies providing services relating to vocational rehabilitation services;

"(10) provide for entering into cooperative arrangements with the system of public employment offices in the State and the maximum utilization of the job placement and employment counseling services and other services and facilities of such offices; and

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

"(b) The Secretary shall approve any plan which the Secretary finds fulfills the conditions specified in subsection (a) of this section.

Approval.

Withholding of
payments.

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

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

“(2) in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that no further payments will be made to the State under section 2 or 3 (or, in his discretion, that further payments will not be made to the State for projects under or parts of the State plan affected by such failure), until he is satisfied that there is no longer any such failure. Until he is so satisfied the Secretary shall make no further payments to such State under section 2 or 3 (or shall limit payments to projects under or parts of the State plan in which there is no such failure).

Appeal.

“(d) If any State is dissatisfied with the Secretary's action under subsection (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of the Administrative Procedure Act.

60 Stat. 237.
5 USC 1001 note.

“METHOD OF COMPUTING AND MAKING PAYMENTS

“SEC. 6. The method of computing and paying amounts pursuant to section 2 or 3 shall be as follows:

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

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

“ADMINISTRATION

“SEC. 7. (a) In carrying out his duties under this Act, the Secretary shall—

Studies, etc.

“(1) make studies, investigations, demonstrations, and reports with respect to abilities, aptitudes, and capacities of physically handicapped individuals, development of their potentialities, and their utilization in gainful and suitable employment;

Technical assistance, etc.

“(2) cooperate with and render technical assistance to States in matters relating to the vocational rehabilitation of physically handicapped individuals;

Training.

“(3) provide short-term training and instruction in technical matters relating to vocational rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall

be provided any individual for any one course of study for a period in excess of two years; and

"(4) disseminate information as to the studies, investigations, demonstrations, and reports referred to in paragraph (1) and other matters relating to vocational rehabilitation services, and otherwise promote the cause of rehabilitation of physically handicapped individuals and their greater utilization in gainful and suitable employment.

Information, etc.

"(b) The Secretary is authorized to make rules and regulations governing the administration of this Act, and to delegate to any officer or employee of the United States such of his powers and duties, except the making of rules and regulations, as he finds necessary in carrying out the purposes of this Act.

Rules and regulations.

"PROMOTION OF EMPLOYMENT OPPORTUNITIES

"SEC. 8. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall cooperate in developing, and in recommending to the appropriate State agencies, policies and procedures which will facilitate the placement in employment of handicapped individuals who have received rehabilitation services under State vocational rehabilitation programs, and, together with the chairman of the President's Committee on Employment of the Physically Handicapped, shall develop and recommend methods which will assure maximum utilization of services which that committee, and cooperating State and local organizations, are able to render in promoting job opportunities for such individuals.

"REPORTS

"SEC. 9. Annual reports shall be made to the Congress by the Secretary as to the administration of this Act.

"AUTHORIZATION OF APPROPRIATION FOR ADMINISTRATION

"SEC. 10. There are hereby authorized to be included for each fiscal year in the appropriations for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

"DEFINITIONS

"SEC. 11. For the purposes of this Act—

"(a) The term 'vocational rehabilitation services' means diagnostic and related services (including transportation) incidental to the determination of eligibility for and the nature and scope of services to be provided; training, guidance and placement services for physically handicapped individuals; and, in the case of any such individual found to require financial assistance with respect thereto, after full consideration of his eligibility for any similar benefit by way of pension, compensation, and insurance, any other goods and services necessary to render such individual fit to engage in a remunerative occupation (including remunerative homebound work), including the following physical restoration and other goods and services—

"Vocational rehabilitation services".

"(1) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such a nature that such cor-

rection or modification may reasonably be expected to eliminate or substantially reduce such handicap within a reasonable length of time;

"(2) necessary hospitalization in connection with surgery or treatment specified in paragraph (1);

"(3) such prosthetic devices as are essential to obtaining or retaining employment;

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

"(5) tools, equipment, initial stocks and supplies (including equipment and initial stocks and supplies for vending stands), books, and training materials, to any or all of which the State may retain legal title; and

"(6) transportation (except where necessary in connection with determination of eligibility or nature and scope of services) and occupational licenses.

Such term also includes—

"(7) the acquisition of vending stands or other equipment and initial stocks and supplies for use by severely handicapped individuals in any type of small business the operation of which will be improved through management and supervision by the State agency; and

"(8) the establishment of public and other nonprofit rehabilitation facilities to provide services for physically handicapped individuals and the establishment of public and other nonprofit workshops for the severely handicapped.

"Physically handicapped individuals."

"(b) The term 'physically handicapped individual' means any individual who is under a physical or mental disability which constitutes a substantial handicap to employment, but which is of such a nature that vocational rehabilitation services may reasonably be expected to render him fit to engage in a remunerative occupation.

"Rehabilitation facility."

"(c) The term 'rehabilitation facility' means a facility operated for the primary purpose of assisting in the rehabilitation of physically handicapped individuals—

"(1) which provides one or more of the following types of services:

"(A) testing, fitting, or training in the use of prosthetic devices;

"(B) prevocational or conditioning therapy;

"(C) physical or occupational therapy;

"(D) adjustment training; or

"(E) evaluation or control of special disabilities; or

"(2) through which is provided an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision: *Provided*, That the major portion of such evaluation and services is furnished within the facility and that all medical and related health services are prescribed by, or are under the formal supervision of, persons licensed to practice medicine or surgery in the State.

"Workshop."

"(d) The term 'workshop' means a place where any manufacture or handiwork is carried on and which is operated for the primary purpose of providing remunerative employment to severely handicapped individuals who cannot be readily absorbed in the competitive labor market.

"Nonprofit."

"(e) The term 'nonprofit', when used with respect to a rehabilitation facility or a workshop, means a rehabilitation facility and a workshop, respectively, owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the

income of which is exempt from taxation under section 101 (6) of the Internal Revenue Code.

“(f) Establishment of a workshop or rehabilitation facility means—

“(1) in the case of a workshop, the expansion, remodeling, or alteration of existing buildings, necessary to adapt such buildings to workshop purposes or to increase the employment opportunities in workshops, and the acquisition of initial equipment necessary for new workshops or to increase the employment opportunities in workshops; and

“(2) in the case of a rehabilitation facility, the expansion, remodeling, or alteration of existing buildings, and initial equipment of such buildings, necessary to adapt such buildings to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may by regulations prescribe in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance to States in the construction of such facilities) and initial staffing thereof (for a period not exceeding one year).

“(g) The term ‘State’ includes Alaska, the District of Columbia, Hawaii, the Virgin Islands, and Puerto Rico, and for purposes of section 4, includes also Guam.

“(h) (1) The ‘allotment percentage’ for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (A) the allotment percentage shall in no case be more than 75 per centum or less than $33\frac{1}{3}$ per centum, and (B) the allotment percentage for Hawaii shall be 50 per centum, and the allotment percentage for Alaska, Puerto Rico, and the Virgin Islands shall be 75 per centum.

“(2) The allotment percentages shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the continental United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Secretary shall promulgate such percentages as soon as possible after the enactment of the Vocational Rehabilitation Amendments of 1954, which promulgation shall be conclusive for the three fiscal years in the period ending June 30, 1957.

“(i) The ‘Federal share’ for any State for any fiscal year (other than the fiscal year ending June 30, 1954) shall be 100 per centum less that percentage which bears the same ratio to 40 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that (A) the Federal share shall in no case be more than 70 per centum or less than 50 per centum, and (B) the Federal share for Hawaii and Alaska shall be 60 per centum, and the Federal share for Puerto Rico and the Virgin Islands shall be 70 per centum. In computing the Federal share of a State for a year, the Secretary shall use the same figures for per capita incomes of the States and of the United States as he used in computing the allotment percentage of such State for such year.

“(j) The population of the several States shall be determined on the basis of the latest figures furnished by the Department of Commerce.

“(k) The term ‘Secretary’, except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

Establishment.

Workshop.

Rehabilitation facility.

“State.”

“Allotment percentage.”

“Federal share.”

State population.

“Secretary.”

"TRANSITION PROVISIONS"

"SEC. 12. (a) In the case of any State which, immediately prior to July 1, 1954, was carrying on a vocational rehabilitation program under a State plan approved under this Act, such State plan shall be deemed to be a State plan approved under section 5 of this Act until (1) the Secretary finds, after reasonable notice and opportunity for a hearing to the State agency, that such plan has been so changed that it no longer complies with any provision required to be included in such plan under this Act as in effect prior to the enactment of the Vocational Rehabilitation Amendments of 1954, or in the administration of such plan there is a failure to comply substantially with any such provision, or (2) the plan is superseded by a plan approved under section 5 of this Act, or (3) July 1, 1955, whichever occurs first.

"(b) Sums appropriated for grants to States for the fiscal year ending June 30, 1955, pursuant to the Vocational Rehabilitation Act in effect prior to the enactment of the Vocational Rehabilitation Amendments of 1954 (including the portion of sums made available to the Secretary for rehabilitation services in the District of Columbia) shall be deemed to have been made available for grants to States under section 2 of this Act. Payments made from such sums to a State prior to the enactment of the Vocational Rehabilitation Amendments of 1954 (including payments made from such sums before or after such enactment for vocational rehabilitation services in the District of Columbia) shall be deemed to have been paid under this Act from the State's allotment under such section 2.

"SHORT TITLE"

"SEC. 13. This Act may be cited as the 'Vocational Rehabilitation Act'."

VOCATIONAL REHABILITATION PROGRAM IN THE DISTRICT OF COLUMBIA

Transfer to D. C.
government.

SEC. 3. (a) The personnel, property, and records which the Director of the Bureau of the Budget determines relate primarily to the provision of vocational rehabilitation services in the District of Columbia or the performance of functions of a State licensing agency under the Act of June 20, 1936 (20 U. S. C., ch. 6A), shall be transferred, within ninety days after the enactment of this Act, from the Department of Health, Education, and Welfare to the municipal government of the District of Columbia for use in providing such services and performing such functions in the District of Columbia.

49 Stat. 1559.

(b) The Board of Commissioners of the District of Columbia is hereby authorized, within available appropriations and allotted funds, to take such action as may be necessary to secure for the District of Columbia the benefits of the Vocational Rehabilitation Act, as amended by this Act, and the Act of June 20, 1936 (20 U. S. C., ch. 6A).

41 Stat. 735.
29 USC 41.

(c) Notwithstanding anything to the contrary in section 2 or any other provision of this Act, the Secretary of Health, Education, and Welfare is authorized to continue the performance of functions relating to the provision of vocational rehabilitation services in the District of Columbia and to use appropriations available therefor until completion of the transfer provided in subsection (a) in like manner as such functions were being performed and appropriations used by such Secretary immediately prior to the enactment of this Act.

AMENDMENTS TO THE RANDOLPH-SHEPPARD VENDING STAND ACT

SEC. 4. (a) The first section of the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936, as amended (20 U. S. C., sec. 107), is amended to read as follows: "That for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this Act shall be authorized to operate vending stands on any Federal property where such vending stands may be properly and satisfactorily operated by blind persons. In authorizing the operation of vending stands on Federal property, preference shall be given, so far as feasible, to blind persons licensed by a State agency as provided in this Act; and the head of each department or agency in control of the maintenance, operation, and protection of Federal property shall, after consultation with the Secretary, and with the approval of the President, prescribe regulations designed to assure such preference (including assignment of vending machine income to achieve and protect such preference) for such licensed blind persons without unduly inconveniencing such departments and agencies or adversely affecting the interests of the United States."

(b) (1) Section 2 (a) of such Act of June 20, 1936, as amended (20 U. S. C., sec. 107a), is amended by striking out "in Federal and other buildings" where it appears in paragraph (1) and inserting in lieu thereof "on Federal and other property", and by amending paragraph (4) to read as follows:

"(4) Designate as provided in section 3 of this Act the State commission for the blind in each State, or, in any State in which there is no such commission, some other public agency to issue licenses to blind persons who are citizens of the United States and at least twenty-one years of age for the operating of vending stands on Federal and other property in such State for the vending of newspapers, periodicals, confections, tobacco products, articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles as may be approved for each property by the department or agency in control of the maintenance, operation, and protection thereof and the State licensing agency in accordance with the regulations prescribed pursuant to the first section: *Provided*, That (A) effective four years after the enactment of the Vocational Rehabilitation Amendments of 1954, in any State having an approved plan for vocational rehabilitation pursuant to the Vocational Rehabilitation Act, the licensing agency to be designated hereunder shall be the State agency designated pursuant to section 5 (a) (1) of such Act as the sole State agency with respect to vocational rehabilitation of the blind; and (B) prior to such time, no license shall be granted except upon certification by a vocational rehabilitation agency that the individual is qualified to operate a vending stand."

(2) Paragraph (5) of such subsection is amended by inserting "including the issuance of rules and regulations," after "steps".

(c) Section 2 (b) of such Act of June 20, 1936, as amended, is amended by striking out the third sentence thereof.

(d) Section 2 (c) of such Act of June 20, 1936, as amended, is amended to read as follows:

"(c) The State licensing agency designated by the Secretary is authorized, with the approval of the head of the department or agency in control of the maintenance, operation, and protection of the Federal property on which the stand is to be located but subject to regulations

Blind persons.
Vending stand
operation.

Concession-
stand opportuni-
ties.

State licensing
agencies.

Restrictions.

29 USC 41.

29 USC 35.

HEW regulations.

20 USC 107a(b).

20 USC 107a(c).

Location and
type of stand.

prescribed pursuant to the first section, to select a location for such stand and the type of stand to be provided."

(e) Section 3 of such Act of June 20, 1936, as amended (20 U. S. C., sec. 107b), is amended to read as follows:

State licensing
agency.
Application for
designation.

"SEC. 3. A State commission for the blind or other State agency desiring to be designated as the licensing agency shall, with the approval of the chief executive of the State, make application to the Secretary and agree—

"(1) to cooperate with the Secretary in carrying out the purpose of this Act;

"(2) to provide for each licensed blind person such vending stand equipment, and adequate initial stock of suitable articles to be vended therefrom, as may be necessary: *Provided, however,* That such equipment and stock may be owned by the licensing agency for use of the blind, or by the blind individual to whom the license is issued: *And provided further,* That if ownership of such equipment is vested in the blind licensee, (A) the State licensing agency shall retain a first option to repurchase such equipment and (B) in the event such individual dies or for any other reason ceases to be a licensee or transfers to another vending stand, ownership of such equipment shall become vested in the State licensing agency (for transfer to a successor licensee) subject to an obligation on the part of the State licensing agency to pay to such individual (or to his estate) the fair value of his interest therein as later determined in accordance with regulations of the State licensing agency and after opportunity for a fair hearing.

"(3) that if any funds are set aside, or caused to be set aside, from the proceeds of the operation of the vending stands such funds shall be set aside, or caused to be set aside, only to the extent necessary for and may be used only for the purposes of (A) maintenance and replacement of equipment; (B) the purchase of new equipment; (C) management services; and (D) assuring a fair minimum return to operators of vending stands: *Provided, however,* That in no event shall the amount of such funds to be set aside from the proceeds of any vending stand exceed a reasonable amount which shall be determined by the Secretary;

"(4) to make such reports in such form and containing such information as the Secretary may from time to time require and to comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

"(5) to issue such regulations, consistent with the provisions of this Act, as may be necessary for the operation of this program;

"(6) to provide to any blind licensee dissatisfied with any action arising from the operation or administration of the vending stand program an opportunity for a fair hearing."

(f) Section 6 of such Act of June 20, 1936, as amended (20 U. S. C., sec. 107e), is amended by adding at the end thereof the following new subsections:

"Federal prop-
erty."

"(d) The term 'Federal property' means any building, land, or other real property owned, leased, or occupied by any department or agency of the United States or any instrumentality wholly owned by the United States, or by any department or agency of the District of Columbia or any Territory or possession of the United States.

"Secretary."

"(e) The term 'Secretary' means the Secretary of Health, Education, and Welfare."

20 USC 107f.

(g) Such Act of June 20, 1936, as amended, is amended by renumbering section 7 as section 8, and by inserting immediately after section 6 the following new section:

"SEC. 7. In the case of any State which, immediately prior to July 1, 1954, was performing the functions of a State licensing agency pursuant to an application for designation approved under this Act, such application shall be deemed to be an application approved under section 3 of this Act, as amended by the Vocational Rehabilitation Amendments of 1954, until (1) the Secretary finds, after reasonable notice and opportunity for a hearing to the State licensing agency, that the provisions contained in such application have been changed so that it no longer complies with any provisions required to be included in such application under this Act, as in effect prior to July 1, 1954, or that in the administration of the program there is a failure to comply substantially with any such provision, or (2) the application is superseded by an application approved under section 3 of this Act after July 1, 1954, or (3) July 1, 1955, whichever first occurs."

State acting as
licensing agency
before July 1, 1954.
Status.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

SEC. 5. The joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409), is amended by striking out "\$75,000" and inserting in lieu thereof "\$225,000".

Appropriation.

UNITED STATES EMPLOYMENT SERVICES

SEC. 6. (a) The first sentence of subsection (a) of section 3 of the Act of June 6, 1933, as amended (29 U. S. C., sec. 49b), is hereby amended by inserting after "gainful occupations," the following: "including employment counseling and placement services for handicapped persons."

48 Stat. 114.

(b) Section 8 of such Act, as amended (29 U. S. C., sec. 49g), is further amended by inserting after the first sentence thereof a new sentence to read as follows: "Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes."

HOMEBOUND PHYSICALLY HANDICAPPED INDIVIDUALS

SEC. 7. The Secretary of Health, Education, and Welfare shall make a thorough study of existing programs for teaching and training handicapped persons, commonly known as shut-ins, whose disabilities confine them to their homes or beds, for the purpose of ascertaining whether additional or supplementary programs or services are necessary, particularly in rural areas, in order to provide adequate general ameliorative and vocational training for such handicapped persons. The Secretary shall report to the Congress not later than six months after the date of enactment of this Act the results of such study, together with such recommendations as may be desirable.

Study of existing
programs.

Report to Con-
gress.

EFFECTIVE DATE

SEC. 8. The amendments made by this Act shall become effective July 1, 1954.

Approved August 3, 1954.