

DR. SELVIN SONKEN

1965

● Year
of
Legislative
Achievements

HISTORY
KF
3775
N56
1966



U. S. DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
Office of the Secretary





HEALTH, EDUCATION, AND WELFARE INDICATORS

Wilbur J. Cohen, Under Secretary

Irvin E. Walker, Special Assistant and
Director, Office of Program Analysis

Pearl Peerboom, Associate Editor
and Program Analysis Officer

Alma Dowdy, Reports Assistant

Dr. Earl E. Huyck, Editor and
Program Analysis Officer

Eugenia Sullivan, Associate Editor
and Program Analysis Officer

In 1965 President Lyndon B. Johnson signed into law 25 major pieces of legislation to be administered by the U.S. Department of Health, Education, and Welfare, and four related pieces of legislation pertaining to health, education, and welfare. All these in one way or another will vitally affect the individual, his family, and his community.

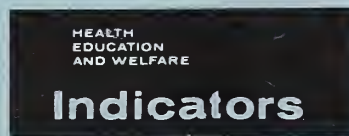
Photos introducing major sections were taken for the U.S. Department of Health, Education, and Welfare--by Janet Ochs for the Education section and by Burgess Howard for the Health and the Social and Economic Opportunity sections.

The monthly *Health, Education, and Welfare Indicators* is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402, at \$5.00 per year (\$6.25 if mailed to a foreign address).

KF3775
.NS6
1966

1965: YEAR OF LEGISLATIVE ACHIEVEMENTS IN
HEALTH, EDUCATION, AND WELFARE

REPRINT



April 1965-February 1966

UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

John W. Gardner, Secretary
Wilbur J. Cohen, Under Secretary
Ralph K. Huitt, Assistant Secretary for Legislation

For sale by the Superintendent of Documents, U.S. Government
Printing Office, Washington, D.C., 20402, Price \$1.25

89th Congress, 1st Session



Public Law 89-239
89th Congress, S. 596
October 6, 1965

An Act

79 STAT. 926

To amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and related diseases.

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 "Heart Disease, Cancer, and Stroke Amendments of 1965".

Sec. 2. The Public Health Service Act (42 U.S.C. ch. 6A) is amended by adding at the end thereof the following:

TITLE IX—EDUCATIONAL DEMONSTRATIONS IN HEART DISEASE, CANCER, STROKE,

"Sec. 900. The purposes of this title are—
(a) Through grants, to support regional cooperative arrangements, institutions, and hospitals for continuing education) and for the fields of heart disease, cancer, and stroke;
(b) To afford to the citizens of the Nation, through the demonstration of the availability of making available to the diagnosis and treatment of the disease;
(c) By these means, to support and facilities available to the patient care of professional hospitals, and in cooperation with officials, hospital administrators, voluntary health agencies, and other interested parties.

"AUTHORITY"
"Sec. 901. (a) There are authorized to be appropriated for the fiscal year ending June 30, 1967, and for each fiscal year thereafter, \$2,381,000, for grants to assist in the operation of pilot projects, private institutions and agencies, studies, and in operating pilot projects, and in carrying out activities for carrying out the program of medical assistance provided under this section for making such grants until the fiscal year for which the appropriation is made.
(b) A grant under this title for the planning or other activity is made, except that any such provision of built-in (and other) equipment for, any of the cost of such construction.
(c) Funds appropriated under this title are available to pay the cost of hospitalization and medical assistance.



Public Law 89-10
89th Congress, H. R. 2362
April 11, 1965

An Act

79 STAT. 27

To strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools.

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 "Elementary and Secondary Education Act of 1965".

TITLE I—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF LOW-INCOME FAMILIES AND CHILDREN OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

Sec. 2. The Act of September 30, 1950, Public Law 874, Congress, as amended (20 U.S.C. 236-244), is amended by adding at the end thereof the following:

"TITLE I—FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES IN AREAS AFFECTED BY DISASTER"

immediately above the heading of section 1, by striking out wherever it appears in sections 1 through 6, inclusive where it appears in clause (B) of section 4(a), and in section 5 thereof "this title", and by adding immediately after the following new title:

"TITLE II—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF LOW-INCOME FAMILIES"

"DECLARATION OF POLICY"

"Sec. 201. In recognition of the special educational needs of children of low-income families and the impact that concentration of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies with concentrations of children from low-income families and to improve their educational programs by various means (as set forth in this title) which contribute particularly to the special educational needs of educationally deprived children.

"KINDS AND DURATION OF GRANTS"

"Sec. 202. The Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for the period July 1, 1965, and ending June 30, 1968, and he shall make State educational agencies for special incentive grants to local educational agencies for the period beginning July 1, 1966, and ending June 30, 1968.

Social and Economic Opportunity

Health

Education



Public Law 89-97
89th Congress, H. R. 6675
July 30, 1965

An Act

79 STAT. 286

To provide a hospital insurance program for the aged under the Social Security Act with a supplementary medical benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, to improve the Federal-State public assistance programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Social Security Amendments of 1965".

TABLE OF CONTENTS

TITLE I—HEALTH INSURANCE FOR THE AGED AND MEDICAL ASSISTANCE
Sec. 100. Short title.
PART I—HEALTH INSURANCE BENEFITS FOR THE AGED
Sec. 101. Entitlement to hospital insurance benefits.
Sec. 102. Hospital insurance benefits and supplementary medical insurance benefits.
TITLE XVIII—HEALTH INSURANCE FOR THE AGED
Sec. 1801. Prohibition against any Federal interference.
Sec. 1802. Free choice by patient guaranteed.
Sec. 1803. Option to individuals to obtain other health insurance protection.
PART A—HOSPITAL INSURANCE BENEFITS FOR THE AGED
Sec. 1811. Description of program.
Sec. 1812. Scope of benefits.
Sec. 1813. Deductibles and coinsurance.
Sec. 1814. Conditions of and limitations on payment for services.
(a) Requirement of requests and certification.
(b) Reasonable cost of services.
(c) No payment to Federal providers of services.
(d) Payments for emergency hospital services.
(e) Payment for inpatient hospital services prior to notification of noneligibility.
(f) Payment for certain emergency hospital services furnished outside the United States.
Sec. 1815. Payment to providers of services.
Sec. 1816. Use of public agencies or private organizations to facilitate payment to providers of services.
Sec. 1817. Federal hospital insurance trust fund.
PART B—SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED
Sec. 1831. Establishment of supplementary medical insurance program for the aged.
Sec. 1832. Scope of benefits.
Sec. 1833. Payment of benefits.
Sec. 1834. Limitation on home health services.
Sec. 1835. Procedure for payment of claims of providers of services.
Sec. 1836. Eligible individuals.
Sec. 1837. Enrollment periods.
Sec. 1838. Coverage period.
Sec. 1839. Amount of premium.
Sec. 1840. Payment of premium.
Sec. 1841. Federal supplementary medical insurance trust fund.
Sec. 1842. Use of carriers for administration of benefits.
Sec. 1843. State agreements for coverage of eligible individuals who are receiving money payments under public assistance programs.
Sec. 1844. Appropriations to cover Government contributions and contingency reserve.

FOREWORD

The legislation enacted in the first session of the 89th Congress places vast new responsibilities on the Department of Health, Education, and Welfare. All of the Department's constituent agencies face a new set of challenges. Two new agencies--for Water Pollution Control and Aging--have been added to the Department's structure. The Department clearly is entering into a new phase of its history, as is our society as a whole.

The Nation is going through an intensely creative period. It is a period marked by rapid social and technological change, by widespread recognition of the need for innovation, and by extraordinarily vigorous national leadership.

It may be some time before we will be able to grasp the true magnitude of the legislative achievements recorded in these pages. It is a task that will occupy historians for many years to come.

The laws reveal much that is characteristic of our time. First, they reveal a rebirth of our deepest national conviction--the belief in equality of opportunity. This applies not only to the Civil Rights Act, but to every major education and health measure.

Second, the new legislation reveals the way in which our major social problems interweave. Civil Rights and education are inextricably related. Problems such as poverty, juvenile delinquency, aging, and mental retardation defy bureaucratic lines. More and more we see that our major social programs involve a mix of health, employment, housing, education, and income security.

The Department of Health, Education, and Welfare is seeing the dramatic consequences of such interrelationships. Medicare is administered by the Social Security Administration, but both the Public Health Service and Welfare Administration are heavily involved in the professional aspects of the program. The new legislation, therefore, pulls the Department together instead of dividing it. Cooperation among the constituent agencies is not a distant goal of management, but a day-to-day necessity in order to get the job done.

The third characteristic of the new legislation is that every major social program includes a "manpower" component--a provision for education of the specialists who will be needed to carry out the programs. This is uniquely a concern of our time--the result of massive technological progress.

Fourth, the new legislation gives frequent emphasis to research and development. It recognizes explicitly that we cannot hope to solve our problems by doing the same old things in the same old ways. We must learn more about the nature of our problems. We must learn to apply modern technology to many of them.

Fifth, the new legislation makes varied and effective use of cooperative arrangements with non-Federal and non-governmental agencies. The Department works with all the States and with many of their political subdivisions, with the Nation's 24,000 school districts, with almost all the institutions of higher learning, with most of the hospitals and nursing homes, and with numerous professional and voluntary agencies. We reinforce and stimulate the work of these institutions and agencies. We put within their reach the tools they can use and the resources they can draw upon.

About 90 percent of our funds are spent by agencies outside the Federal Government. We are not just giving out money. We are trying to strengthen all the Nation's social institutions so that they can continue to play a creative and independent role. That may be the most revolutionary single thing that we are doing today. It means that the Federal Government, far from trying to dominate, is trying increasingly to preserve the pluralism of our society. We are heading toward a new kind of creative federalism, toward the establishment of new relationships that will see us through not only the complexity of today but the increasing complexity of the decades to come.



John W. Gardner
Secretary of Health, Education, and Welfare

Never before has there been achieved in one session of Congress the volume and scope of legislation of such farreaching implications for the health, education, and social economic welfare of the American people. Much of this legislation in 1965 represents the fruition of many years of debate, deliberation, and study. All of it responds to pressing and vital National and community needs.

Passage of this legislation does not represent the end of a journey, but the beginning. More promise than fulfillment, these legislative achievements must--and will--be translated into meaningful reality at the community level, by our schools, our hospitals, our public and voluntary agencies and organizations.



Wilbur J. Cohen
Under Secretary

If history is as much concerned with the good that men do as with the evil that they visit upon each other, the year 1965 will be remembered for the creative social legislation of the 89th Congress.

Twenty-five major pieces of legislation to improve the life of the American people were enacted--any one of which would have made memorable an ordinary session of Congress.

A long step toward providing equal opportunity to all our children was taken in the Elementary and Secondary Education Act, which provides enriched programs of education for the children of the poor. A few months later a Higher Education Act was passed which greatly strengthens our colleges and universities.

A bold and imaginative attack was made on the three great killers--heart disease, cancer, and stroke. With Federal assistance, the medical and health care agencies will cooperate in regional centers designed to bring the latest discoveries of science to the bed of the patient.

Amendments to the Social Security Act provided older people with health insurance and an Older Americans Act created a new agency to help find ways to make their lives more interesting and productive.

A good beginning was made on the long hard task of cleaning up our rivers and the air we breathe.

These are selected examples; the list is too long to recount, but each item on it would be regarded by some American citizens as the principal achievement of this remarkable Congress.

But last year is history--even for us. Now we face today and tomorrow and the next steps we must take. We must remember that the Great Society is and must always be an unfinished society. We celebrate the achievements of yesterday because they give us heart to try what must be done next.



Ralph K. Huitt
Assistant Secretary for Legislation

Health



TITLE AND SUMMARY OF PUBLIC LAW

	<u>Page</u>
FOREWORD	
<i>Drug Abuse Control Amendments of 1965 (P.L. 89-74)</i>	3
Impose Federal controls designed to prevent widespread nonmedical abuse and illegal traffic in depressant, stimulant, and hallucinogenic and counterfeit drugs. Unauthorized manufacture, shipment, or possession of these drugs is made illegal; shipment in interstate commerce need not be proved. Manufacturers are required to register with the Department and to keep detailed records; inspection of records and facilities is authorized. Federal control over the counterfeiting of drugs is also strengthened; and FDA inspectors are for the first time given the authority to serve search warrants, make arrests and seizures, and carry firearms.	
<i>Federal Cigarette Labeling and Advertising Act (P.L. 89-92)</i>	9
Requires that after January 1, 1966, all cigarette packages bear the notice: "Caution: cigarette smoking may be hazardous to your health." The act prohibits requirement of a warning statement in advertising earlier than July 1, 1969.	
<i>Mental Retardation Facilities and Community Mental Health Centers Construction Act Amendments of 1965 (P.L. 89-105)</i>	11
Amend P.L. 88-164 to authorize financial assistance toward meeting the cost of technical and professional personnel serving in community mental health centers; and extend for three years and expand existing programs of training teachers of handicapped children and for research and demonstrations to improve methods and techniques for educating handicapped children.	
<i>Community Health Services Extension Amendments of 1965 (P.L. 89-109)</i>	17
Extend for three years the current immunization grant program and add measles immunization to the program; extend for three years the migratory workers' health service program and authorize necessary hospital care; extend for one additional year the \$50 million annual authorization for health service formula grants under section 314(c) of the Public Health Service Act and raise the subceiling for schools of public health to \$5 million; and extend for one additional year the \$10 million project grant program for community health services for the chronically ill and aged.	

<i>Health Research Facilities Amendments of 1965 (P.L. 89-115)</i>	20
Extend the present program of grants for construction of health research facilities for an additional three years; increase the authorization of appropriations to \$280 million over the three year period; provide a three-year authorization for the Public Health Service to negotiate research contracts; and authorize three additional Assistant Secretaries in the Department of Health, Education, and Welfare.	
<i>Water Quality Act of 1965 (P.L. 89-234)</i>	22
Amends the Federal Water Pollution Control Act and creates within the Department a Federal Water Pollution Control Administration under the supervision of a Commissioner and an Assistant Secretary. It establishes a new four-year, \$80 million program of grants and contract authority for the exploration of new and better methods of coping with the difficult pollution problem of overflow from combined storm and sanitary sewers, which is most difficult for the Nation's older cities. It doubles present dollar limitations on Federal grants for waste treatment works construction to provide more realistic financial help to the Nation's urban areas.	
The legislation provides financial incentive for the development of comprehensive metropolitan and regional approaches to water pollution problems. It increases from \$100 million to \$150 million the annual appropriation authorization for waste treatment works construction grants for 1966 and 1967. It authorizes the establishment of water quality standards for interstate waters in the absence of satisfactory State action with respect to the interstate waters within that State.	
<i>Heart Disease, Cancer, and Stroke Amendments of 1965 (P.L. 89-239)</i>	31
Provide a new program for the establishment of regional cooperative arrangements among medical schools, research institutions, and hospitals for research and training, including continuing education, and for related demonstrations of patient care to enable the medical profession and medical institutions to make available to their patients the latest advances in the diagnosis and treatment of these diseases; to improve generally the health, manpower, and facilities available to the Nation. The Amendments authorize a three-year program of Federal grants totaling \$340 million over this period.	
<i>The Clean Air Act Amendments and Solid Waste Disposal Act of 1965 (P.L. 89-272)</i>	39
Amends the Clean Air Act of 1963 (P.L. 88-206). It gives the Secretary of Health, Education, and Welfare authority to control air pollution from new motor vehicles; take action to abate air pollution which originates in the United States and endangers the health or welfare of persons in neighboring countries; investigate and seek to prevent new sources of air pollution from coming into being; and, construct, staff, and equip facilities needed by the Department to carry out its increased responsibilities under the amended Clean Air Act.	
The Solid Waste Disposal provisions authorize the Department of Health, Education, and Welfare and the Department of the Interior to invest \$60 million and \$32 million respectively over the next four years in research and development activities, demonstration projects, surveys, and technical and financial aid to State, regional, and local agencies to assist in the planning, development, and conduct of solid waste disposal programs--including construction of demonstration projects. Programs will include the development of methods for recovering potential resources from solid wastes.	
<i>Medical Library Assistance Act of 1965 (P.L. 89-291)</i>	52
Authorizes a five year program of grants to aid in the construction of health science libraries; to train biomedical librarians and information specialists; to assist in special scientific projects; support research and development in medical library science; for the establishment and operation of regional medical libraries and regional branches of the National Library of Medicine and for the financial support of biomedical publications.	

Education



	<u>Page</u>
<i>The Elementary and Secondary Education Act of 1965</i> (P.L. 89-10)	63
<p>Authorizes a total expenditure of \$1.33 billion for fiscal 1966, representing the greatest legislative commitment ever made by the Federal government to the improvement of elementary and secondary education. Aid totaling \$1 billion is authorized for local school agencies, to be provided through the States, for use in programs to meet the special needs of educationally deprived children. Also authorized are major programs: to assist the States in the acquisition of library resources and textbooks; to create supplemental educational centers providing special scientific, cultural, and other educational resources; to increase educational research and to establish a series of national and regional educational research laboratories; and to strengthen State educational agencies.</p>	
<i>Manpower Act of 1965</i> (P.L. 89-15)	85
<p>Strengthens the manpower program and extends the Manpower Development and Training Act through June 30, 1969. Expands the program to include professional employees whose specialized work requires continuing education for continued employability in their field. Responsibility for institutional training components of experimental, demonstration, and pilot projects is vested in the Secretary of Health, Education, and Welfare. Expands financial benefits to trainees, and extends for one year the period during which Federal contributions are 100 percent. Expands participation in training programs to include private institutions which provide resources not available through public institutions.</p>	
<i>National Technical Institute for the Deaf Act</i> (P.L. 89-36)	87
<p>Provides for the establishment, construction, equipping, and operation of a National Technical Institute for the Deaf which will be a residential school for postsecondary education and technical training. Creates a National Advisory Board to review proposals for the Institute and to make recommendations regarding its establishment and operation.</p>	
<i>National Foundation on the Arts and Humanities Act of 1965</i> (P.L. 89-209)	91
<p>Establishes a Federal Council on the Arts and Humanities; a National Endowment for the Arts to make grants to individuals and groups for projects in the creative and performing arts; and a National Endowment for the Humanities to make grants and loans to support research, training, and scholarly publications in the humanities.</p>	
<i>Captioned Films for the Deaf Act</i> (P.L. 89-258)	99
<p>Expands the captioned films for the deaf program; provides for increased acquisition and distribution of materials and equipment; and for research in the use of educational media for the deaf.</p>	

<i>National Vocational Student Loan Insurance Act of 1965 (P.L. 89-287)</i>	103
Establishes a system of loan insurance to assist students desiring vocational training by advancing Federal funds for reserve funds to State and nonprofit private organizations agreeing to set up loan insurance programs; by insuring commercial loans to eligible students who do not have other access; and by permitting the Commissioner of Education, in exceptional cases, to make direct loans to vocational students.	
<i>Health Professions Educational Assistance Amendments of 1965 (P.L. 89-290)</i>	105
Extends and expands the Health Professions Educational Assistance Act of 1963 (P.L. 88-129) by continuing for three years the program of matching grants for the construction of teaching facilities for the health professions, and the program of loans to students in the health professions, with new provisions to make loans available to students in schools of podiatry and pharmacy. The amendments also authorize two new four-year programs: a program of basic and special improvement grants to improve the quality of the teaching program in schools of medicine, dentistry, osteopathy, optometry, and podiatry; and a program of scholarships to aid needy students in schools of medicine, osteopathy, dentistry, optometry, pharmacy, and podiatry.	
<i>Assistance to Public Schools Affected by Major Disasters and Base Closings (P.L. 89-313)</i>	113
Provides immediate financial assistance for the construction and operation of elementary and secondary schools in areas affected by a major disaster, and amends Public Laws 815 and 874 to eliminate certain inequities.	
<i>The Higher Education Act of 1965 (P.L. 89-329)</i>	114
Aimed at strengthening the educational resources of colleges and universities and providing financial assistance for students in postsecondary and higher education, the Higher Education Act of 1965 provides:	
1. Grants to strengthen resources of colleges and universities to aid them in providing community service programs, such as continuing education, consultations, seminars and research, designed to assist in the solution of community problems.	
2. Aid to college and university libraries through grants for books and supplies, training of personnel, and research and demonstration projects.	
3. Grants to upgrade academic standards of developing colleges through faculty and student exchanges, visiting scholars, joint use of facilities, as well as a National Teaching fellowship program.	
4. Student assistance programs, including scholarships, a subsidized low-interest insured loan program, expanding of the work-study program, and improvements in the NDEA loan program.	
5. Improved teacher preparation programs: a National Teacher Corps, graduate fellowships to train elementary and secondary teachers, and grants to improve college undergraduate and graduate teacher training programs.	
6. Funds for teaching equipment, including close circuit television, and for minor remodeling of facilities to improve undergraduate instruction.	
7. Expansion of the Higher Education Facilities Act of 1963, with a doubling of funds authorized for 1966 for construction grants.	

Social and Economic Opportunity



	<u>Page</u>
<p><i>The Appalachian Regional Development Act of 1965 (P.L. 89-4)</i></p> <p>Authorizes funds for a system of local access roads and highways (\$840 million for the period ending June 30, 1971) and for other Appalachian development programs (\$252.4 million). Several of the special Appalachian programs provided by the Act are based upon existing authorities for highway construction, health facilities construction (Hill-Burton Act), vocational education construction (Vocational Education Act), sewage treatment construction (Federal Water Pollution Control Act), and other operating authorities of Federal agencies. The Act contains new authority for operation of health facilities to demonstrate the value of adequate health and medical facilities to economic development of an area. It also creates the Appalachian Regional Commission, an intergovernmental organization to plan and coordinate development in Appalachia.</p>	129
<p><i>Juvenile Delinquency and Youth Offenses Control Act Amendments of 1965 (P.L. 89-69)</i></p> <p>Further extend through FY 1967, without substantive change, the Juvenile Delinquency and Youth Offenses Control Act of 1961, previously extended for two years by the 1964 amendments.</p>	139
<p><i>The Older Americans Act (P.L. 89-73)</i></p> <p>Authorizes a five-year program of grants to the States for community planning services and training in the field of aging, and creates an operating agency, the Administration on Aging, within the Department of Health, Education, and Welfare, under the direction of a Commissioner. This new agency will serve as a clearing house of information on problems of the aged and aging; will assist the Secretary in all matters pertaining to the aging; will administer grants provided by the act; will develop, conduct, and arrange for research and demonstration programs in the field of aging; will provide technical assistance and consultation to State and local governments; will prepare and publish educational materials dealing with welfare of older persons; will gather statistics in the field of aging; and will stimulate more effective use of existing resources and available services.</p>	141
<p><i>The Social Security Amendments of 1965 (P.L. 89-97)</i></p> <p>Establish comprehensive health care programs for the aged; effect a substantial benefit increase and make important changes in retirement and disability provisions; and provide major changes and expansions in child health and other welfare programs. Two related national health insurance programs for the aged are established--a basic plan affording protection against the costs of hospital and related care, and a voluntary supplementary plan covering payments for physicians' services and other medical and health services.</p> <p>Other provisions are: a new Title XIX, expanded Kerr-Mills program, to provide medical assistance for needy or medically aged, blind, or disabled persons and dependent children;</p>	157

a 7 percent increase in OASDI cash benefits; liberalization of benefits; eligibility requirement for disability retirement test liberalization; payment of benefits to eligible children aged 18-21 who are attending school; payment of reduced benefits to widows at age 60; coverage of self-employed physicians; coverage of tips as wages; liberalization of insured status requirements for aged persons 72 or over; increases in the contribution rate schedule, and in the benefit and contribution base to \$6,600.

Provides for a new program of grants for comprehensive health projects for children of school and pre-school age in areas with concentrations of low-income families; grants for training of professional personnel to work with crippled children, particularly the mentally retarded and those with physical handicaps; expansion of maternal and child health and crippled children's services, and child welfare services; follow-up allotments to the States for implementation of mental retardation planning; increased Federal participation in public assistance payments; Federal participation in payments to or on behalf of aged patients in institutions for tuberculosis or mental diseases; exemption of earnings for dependent children and permanently and totally disabled recipients.

Correctional Rehabilitation Study Act of 1965 (P.L. 89-178) 198

Provides for nationwide analysis and evaluation of the extent and methods for relieving the critical shortage of qualified correctional manpower. Authorizes grants to non-government agencies, organizations or commissions to help finance research projects concerned with personnel practices, methods of recruiting, effectiveness of deploying available personnel to attain optimum use of their skills, current and projected needs in the field of correctional rehabilitation, the availability and quality of educational and training resources for correctional staff.

The Economic Opportunity Amendments of 1965 (P.L. 89-253) 200

Extend, with substantially increased appropriations, the programs authorized by the Economic Opportunity Act of 1964. Contain provisions: to make the community action concept more flexible; to authorize special programs for the chronically unemployed poor; to make poor farm workers eligible for work experience programs; to repeal the disclaimer affidavit provisions; and to limit the veto power of State governors; and to permit transfer of funds between programs authorized by the various Titles.

Vocational Rehabilitation Act Amendments of 1965 (P.L. 89-333) 207

Improve and expand the present vocational rehabilitation legislation by making possible more flexible financing and administration of State vocational rehabilitation programs, including provisions to allow Federal matching of local public funds made available to the States; provide a new formula for the allotment of Federal funds among the States; encourage the development and extension of rehabilitation services by providing a program of innovation grants to States for the introduction of new techniques and the expansion of services, particularly for the severely disabled; establish a new five-year program of grants for the construction of rehabilitation facilities and workshops, including assistance for planning, expansion, remodeling, renovation and initial equipment; authorize a five-year program of grants for the staffing of rehabilitation facilities.

Authorize a new five-year program of project grants for workshop improvement, including training projects (with allowances for trainees), operational improvement projects; authorize the Vocational Rehabilitation Administration to provide technical assistance to workshops; establish a National Policy and Performance Council on workshop improvement. Also creates a National Commission on Architectural Barriers to Rehabilitation of the Handicapped. Authorizes project grants to public and other nonprofit agencies for the expansion of vocational rehabilitation services, as well as a new two-year program of grants to States for comprehensive planning. Vocational Rehabilitation Administration is given specific authority for intramural research. States are given wider latitude in determining rehabilitation potential of individuals.

RELATED LEGISLATION

The Water Resources Planning Act (P.L. 89-80)

Authorizes creation of river basin planning commissions for the coordination of Federal, State, and local water resources development programs financed by Federal matching grants. Also establishes a Water Resources Council, of which the Secretary of Health, Education, and Welfare is a member, to maintain a continuing study of the adequacy of water supplies and to set standards for Federal participation in comprehensive regional plans.

The Housing and Urban Development Act of 1965 (P.L. 89-117)

Establishes a program of rent supplements for families across a wide range of lower and moderate income brackets; extends programs for low-rent public housing, urban renewal, FHA insurance programs, college housing, and community facilities.

The Public Works and Economic Development Act (P.L. 89-136)

Provides a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people living in economically depressed and low income areas.

The Law Enforcement Assistance Act of 1965 (P.L. 89-197)

Authorizes grants by the Attorney General to any public or nonprofit private agency for the purpose of improving the quality of State and local law enforcement and correctional personnel and strengthening crime control programs.

LEGISLATIVE HISTORY, 89th Congress, First Session, 1965

Public Law No.	TITLE	House Report	Senate Report	ACTION (as reported in <i>Congressional Record</i> , Vol. III, 1965)	
89-4	Appalachian Regional Development Act of 1965	51	13	Jan. 29 Feb. 1 Mar. 1,2,3	Considered and passed Senate. Considered and passed House.
89-10	Elementary and Secondary Education Act of 1965	143	146	Mar. 24,25,26 Apr. 6-8,9	Considered and passed House. Considered and passed Senate.
89-15	Manpower Act of 1965	170 231	123	Mar. 16 Apr. 1 Apr. 9 Apr. 13	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 4257. Senate agreed to Conference Report. House agreed to Conference Report.
89-36	National Technical Institute for the Deaf Act	307	245	May 17 May 26	Considered and passed House. Considered and passed Senate.
89-69	Juvenile Delinquency Act Amendments	363	318	June 24 June 29	Considered and passed House. Considered and passed Senate.
89-73	Older Americans Act of 1965	145	247	Mar. 31 May 27 July 6	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendments.
89-74	Drug Abuse Control Amendments of 1965	130	337	Mar. 9,10 June 23 July 8	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendment.
89-77	Amendments to Public Laws 815 and 874	164	311	Mar. 15 June 11 July 6	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendments.
89-80	Water Resources Planning Act	169 603	68	Feb. 25 Mar. 31 July 13 July 14	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 1111. House agreed to Conference Report. Senate agreed to Conference Report.
89-92	Federal Cigarette Labeling and Advertising Act	449 586	195	June 15 June 22 July 6 July 13	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 3014. Senate agreed to Conference Report. House agreed to Conference Report.
89-97	Social Security Amendments of 1965	213 682	404 Parts 1&2	Apr. 7,8 July 6-8,9 July 27 July 28	Considered and passed House. Considered and passed Senate, amended. House agreed to Conference Report; Senate considered Conference Report. Senate agreed to Conference Report.

Public Law No.	TITLE	House Report	Senate Report	ACTION (as reported in <i>Congressional Record</i> , Vol. III, 1965)	
89-105	Mental Retardation Facilities and Community Mental Health Centers Construction Act Amendments of 1965	248 678	366	May 4 June 28 July 26 July 27	Considered and passed House. Considered and passed Senate, amended. Senate agreed to Conference Report. House agreed to Conference Report.
89-109	Community Health Services Extension Amendments of 1965	249 676	117	Mar. 11 May 3 July 26 July 27	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 2986. Senate agreed to Conference Report. House agreed to Conference Report.
89-115	Health Research Facilities Amendments of 1965	247 677	367	May 10 June 28 July 26 July 27	Considered and passed House. Considered and passed Senate, amended. Senate agreed to Conference Report. House agreed to Conference Report.
89-117	Housing and Urban Development Act of 1965	365 679	378	June 28,29,30 July 14,15 July 26 July 27	Considered and passed House. S. 2213 considered and passed Senate, amended. Senate agreed to Conference Report. House agreed to Conference Report.
89-136	Public Works and Economic Development Act of 1965	539	193	May 26,27 June 1 Aug. 11,12 Aug. 16	Considered and passed Senate. Considered and passed House, amended. Senate concurred in House amendment.
89-174	Department of Housing and Urban Development Act	337 884	536	June 15,16 Aug. 10,11 Aug. 30 Aug. 31	Considered and passed House. Considered and passed Senate, amended, in lieu of S. 1599. Senate agreed to Conference Report. House agreed to Conference Report.
89-178	Correctional Rehabilitation Study Act of 1965	381	543	June 21 Aug. 11 Aug. 26	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendments.
89-197	Law Enforcement Assistance Act of 1965	695	672	Aug. 2 Sept. 8	Considered and passed House. Considered and passed Senate.
89-209	National Foundation on the Arts and Humanities Act of 1965	618	300	June 10 Sept. 15 Sept. 16	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 9460. Senate concurred in House amendment.
89-234	Water Quality Act of 1965	215 1022	10	Jan. 28 Apr. 28 Sept. 21	Considered and passed Senate. Considered and passed House, amended. House and Senate agreed to Conference Report.

Public Law No.	TITLE	House Report	Senate Report	ACTION (as reported in <i>Congressional Record</i> , Vol. III, 1965)	
89-239	Heart Disease, Cancer, and Stroke Amendments of 1965	963	368	June 25, 28 Sept. 23 Sept. 24 Sept. 29	Considered and passed Senate. H.R. 3140 considered in House. Considered and passed House, amended, in lieu of H.R. 3140. Senate concurred in House amendments.
89-253	Economic Opportunity Amendments of 1965	428 1061	599	July 20,21,22 Aug. 16-18,19 Sept. 15 Sept. 23 Sept. 24	Considered and passed House. Considered and passed Senate, amended. Considered in House. House agreed to Conference Report. Senate agreed to Conference Report.
89-258	Captioned Films for the Deaf	1034	649	Aug. 31 Oct. 5	Considered and passed Senate. Considered and passed House.
89-272	Clean Air Act Amendment	899	192	May 18 Sept. 23,24 Oct. 1	Considered and passed Senate. Considered and passed House, amended. Senate concurred in House amendments.
89-287	National Vocational Student Loan Insurance Act of 1965	308	758	June 21 Sept. 28 Oct. 8	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendment.
89-290	Health Professions Educational Assistance Amendments of 1965	781	789	Sept. 1 Sept. 30 Oct. 11	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendments.
89-291	Medical Library Assistance Act of 1965	1026	756	Sept. 22 Oct. 1 Oct. 12	Considered and passed Senate. Considered and passed House, amended, in lieu of H.R. 3142. Senate concurred in House amendments.
89-313	School Construction in Disaster Areas	587	783	Aug. 30 Oct. 1 Oct. 13 Oct. 15	Considered and passed House. Considered and passed Senate, amended. House concurred in Senate amendments with an amendment. Senate concurred in House amendment.
89-329	Higher Education Act of 1965	621 1178	673	Aug. 26 Sept. 1,2 Oct. 20	Considered and passed House. Considered and passed Senate, amended. House and Senate agreed to Conference Report.
89-333	Vocational Rehabilitation Act Amendments of 1965	432 1204	806	July 29 Oct. 1 Oct. 21 Oct. 22	Considered and passed House. Considered and passed Senate, amended. Senate agreed to Conference Report. House agreed to Conference Report.



H E A L T H

Our first concern must be to assure that the advance of medical knowledge leaves none behind. We can--and we must--strive now to assure the availability of, and accessibility to, the best health care of all Americans, regardless of age or geography or economic status.

Advancing The Nation's Health--
President Johnson's Message to
Congress, January 7, 1965

DRUG ABUSE CONTROL AMENDMENTS OF 1965

The Drug Abuse Control Amendments of 1965 became Public Law No. 74 (89th Congress) on July 15, 1965, when President Johnson signed H.R. 2 in a ceremony in the Cabinet Room of the White House. The amendments--which add far greater Federal controls over the manufacture, distribution, delivery, and possession of depressant and stimulant drugs, including barbiturates, amphetamines, and other psychotoxic drugs having a potential for abuse because of their depressant or stimulant effect on the central nervous system or because of their hallucinogenic effect--becomes effective on February 1, 1966.

The new law also gives the Department of Health, Education, and Welfare stronger enforcement powers to prevent the counterfeiting of drugs. The amendments do not apply to narcotic drugs (opium, morphine, heroin, marijuana, etc.) which are regulated by the Treasury Department under a separate statute.

In response to the strong recommendation of the President's Advisory Commission on Narcotic and Drug Abuse, and to the endorsement by President Johnson in his Health Message to the Congress (January 7, 1965) and in his Crime Message (March 8, 1965), the bill to restrict illicit traffic in stimulant and depressant pills was passed unanimously by both Houses of the 89th Congress. The President's Commission, in its final report of November 1963, made the broad request that,

"...all non-narcotic drugs capable of producing serious psychotoxic effects when abused be brought under strict control of Federal statute."

President Johnson laid out the guideline for the required legislation in his Health Message:

"I recommend legislation to bring the production and distribution of barbiturates, amphetamines, and other psychotoxic drugs under more effective control....authority to seize counterfeit drugs at their source."

Later, in the Crime Message, he stressed the urgent need for such legislation:

This legislative summary was prepared by Robert N. Hills, Special Assistant to the Assistant Secretary (for Legislation), U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Sept. 1965

"Increasing illegal sales of psychotoxic drugs, such as barbiturates and amphetamines, must be controlled. These sedatives and stimulants, taken so easily in pill form, have been termed the 'dangerous drugs'-- and with good reason. Senseless killings, robberies and auto accidents have resulted from the radical personality changes induced by the indiscriminate use of these drugs. Because they are less expensive and more available than narcotics, these drugs appeal to a much broader cross-section of our population, particularly the young.

"Our existing legal weapons are inadequate. I therefore urge the Congress to enact legislation to control the abuse of these dangerous drugs without constricting their legitimate medical uses."

THE DRUG ABUSE PROBLEM

The major thrust of the legislation is aimed at barbiturates and amphetamines. Barbiturates (commonly known in the illegal market as "goof balls") are depressants of the central nervous system, amphetamines (known popularly as "pep pills") are central nervous system stimulants. Both drugs are widely manufactured and distributed for legitimate use. A number of barbiturates are the drug of choice for many physicians in cases of insomnia, nervousness, hypertension and various other conditions of pain or tension. Amphetamines, in various forms, are prescribed for a wide spectrum of uses ranging from weight control to the stimulation of an extra-alert state in astronauts during reentry into the earth's atmosphere.

The non-medical illicit distribution of these drugs, however, equals or surpasses their legitimate consumption. From a recent reliable survey of reputable drug manufacturers, the Department of Health, Education, and Welfare estimated that $4\frac{1}{2}$ billion pills per year are diverted into illicit channels. The results of this drug diversion are reflected in accident, crime and delinquency reports from communities across the Nation.

In 1964, the then Attorney General of California, Stanley Mosk, stated that in his State,

"Dangerous drugs are a bigger problem for youths than heroin or marijuana."

In metropolitan New York the problem has reached such proportions that plans for a new mental hygiene clinic for adolescents make special provisions for those using dangerous drugs. Increased use of dangerous drugs was estimated at over 25 percent from 1962 to 1963.

Drugs which are a blessing to the sick when properly used are a curse to the person who becomes habituated to them, and a menace to society. The traffic in heroin and other narcotics is being overshadowed by the peddling of barbiturates, amphetamines, and other depressant and stimulant drugs, such as LSD-25 and some tranquilizers. There is evidence that such traffic has become an even more serious problem than the narcotics evil.

Organized rings bootleg barbiturate and amphetamine drugs on a large scale. Some of these rings cover many States and deal in millions of tablets and capsules. Amphetamines, for example, can be purchased at wholesale for less than \$1 per thousand, sold in the illegal market at \$30 to \$50 per thousand, and at retail for as much as 10 to 25 cents each. Such profits have attracted the attention of organized criminals.

Somewhere along the line of distribution, depressant and stimulant drugs are being diverted from legal channels. These diversions may occur at any point in the chain of distribution. Inspectors of the Department of Health, Education, and Welfare have found diversion of basic chemicals used to make the drugs, diversion at the manufacturing, wholesale, and retail levels, and through physicians and pharmacists. There is no way to find these points of diversion except through a system which requires clear identification of manufacturers and close record keeping to make it possible to check on the distribution and to account for every bottle that is manufactured, down to the ultimate consumer. The new law provides for such control.

PROVISIONS OF THE NEW LAW

The new law, written as an amendment to the basic Federal Food, Drug, and Cosmetic Act, is--like other provisions of that Act--based upon the power to control commerce under the interstate clause of the Constitution. It is, however, unusual in that the Congress has expressly stated that intrastate drug traffic should also be controlled, since it affects interstate commerce and constitutes a threat to the public health and safety; moreover, the interstate transport of dangerous and counterfeit drugs is often not provable, due to the clandestine channels in which they move.

Drugs Covered--The law applies to barbiturates, amphetamines, and to any other depressant and stimulant drugs which have been officially determined after an opportunity for a public hearing to have a "potential for abuse" (but, as previously noted, not to narcotics). Almost immediately, certain tranquilizers and similar drugs can be included by regulation if they are habit-forming because of their stimulant effect on the central nervous system, or if they have been found to have a potential for abuse because of depressant, stimulant, or hallucinogenic effect on man.

The Department of Health, Education, and Welfare is charged with determining which drugs or combinations of drugs shall be considered psychotoxic. The amendments provide for scientific medical advisory committees to aid in determining which drugs, in addition to amphetamines and barbiturates, should be included under the new controls. But dosage forms that may be sold over the counter or which contain a depressant or stimulant drug in combination with another drug in such amounts as to make the combination drug non-habit-forming or to eliminate its potential for abuse are to be exempted by regulations.

The law also applies to counterfeit drugs, with provisions designed to strengthen the law against this evil.

Who Is Affected--Once having been designated as psychotoxic, a drug product falls within the scope of the Act, which means that its manufacturer must register with the Department of Health, Education, and Welfare, and that accurate and complete records must be maintained for all production and distribution channels down to the ultimate consumer.

Under the law the only persons who can legally handle the drugs are registered manufacturers and processors and their suppliers, wholesale druggists, licensed pharmacists, hospitals, clinics, public health agencies, physicians, and research laboratories or educational institutions for use in research, teaching or clinical analysis.

New Requirements--The amendments require all who deal in the drugs covered by the Act to prepare a complete and accurate inventory of their stocks on hand as of February 1, 1966. Aside from this opening inventory, no other special record-keeping is required. The normal records on production, shipments and sales kept by manufacturers, wholesalers, pharmacists, and physicians who dispense the drugs will provide check-ups on diversions of drugs from legitimate channels. All such records must be kept for a period of three years and made available for inspection. Possession of such drugs, except for individual personal use or by the persons just mentioned, is prohibited.

Because refilling of prescriptions has long been one of the main avenues for drug diversion and abuse, the new law provides that prescription orders for stimulant or depressant drugs cannot be renewed more than five times, and no prescription order can be dispensed or renewed more than six months after the date of issue. But after the five renewals or six months, the prescribing physician could give additional authorization to the pharmacist for refilling any prescription.

Penalties--Growing abuse of drugs by teenagers is one of the most tragic and disturbing aspects of the entire drug abuse problem. Accordingly, the 1965 amendments provide special penalties for peddlers and pushers over 18 years of age who sell or give the drugs to anyone under age 21. For a first offense, the maximum punishment may be a \$5,000 fine and/or 2 years in prison. A second offense and subsequent violations would be punishable by a \$15,000 fine and/or 6 years in prison. Otherwise, the maximum penalties for illegal possession of drugs or failure to keep adequate records are the same as for violations of other sections of the Federal Food, Drug, and Cosmetic Act--a \$1,000 fine and/or one year in jail for the first offense, \$10,000 and/or three years for a willful violation or second offense.

The special provisions against pushers who seek the teenage market came about largely because of interest in the bill by Senator Thomas Dodd (D-Conn.), Chairman of the Subcommittee to Investigate Juvenile Delinquency. Over the past several years, the Subcommittee has compiled a staggering number of case histories of drug-connected juvenile crimes.

Enforcement Powers--The reduction in the diversion of such drugs from regular commercial channels and the risk now involved in illegal sales are expected to raise black-market dangerous drug prices and to remove the amateur pill peddler from the market. The Department of Health, Education, and Welfare field inspectors who enforce the law will be dealing to an even greater extent with hardened criminals.

Congress recognized the criminal nature of illegal drug traffic and provided new enforcement powers in the new law. Inspectors assigned to this area of enforcement may now carry firearms when working on dangerous drug and drug counterfeiting cases, and now have authority to seize drugs and drug counterfeiting equipment, to serve warrants and arrest people who are apprehended while violating provisions of the law.

These changes providing for the creation of a new specially trained force to work specifically on dangerous drugs will allow the elimination of Durham-Humphrey investigations (illegal sales of prescription drugs) concerning "pep pills" and "goof balls" from the workload of inspectors assigned to regular compliance work.

The following table shows the 10-year total of convictions involving illegal sales of amphetamines and/or barbiturates, 1953 through 1962:

	Drug store firms	Pharmacists	Drug store employees ^{1/}	MD's	DO's	Others ^{2/}	Non-drug ^{3/} outlets	Total
Amphetamines.....	77	354	29	6	-	2	314	782
Barbiturates.....	54	264	18	-	1	1	9	347
Both Amphetamines and Barbiturates	79	390	33	6	6	4	14	529
Total.....								1,658

^{1/} Includes store managers, clerks, and other store personnel. ^{2/} Includes chiropractors, naturopaths, and other medical practitioners. ^{3/} Includes peddlers, truck stops, bars, grocery stores, and similar businesses.

Prior to enactment of this legislation, the Department of Health, Education, and Welfare was faced with the impossible task of dealing with the drug abuse problem, not at its source, but at thousands of illegal drug outlets. The Department will now be able to "dry up" many basic suppliers.

The creation of new enforcement powers to combat drug counterfeiting is a logical and necessary addition to the dangerous drug legislation.

While drug counterfeiting is not conducted on as large a scale as dangerous drug diversion, it is a fraudulent practice of grave danger to the public health and safety. Most serious is the danger to health and safety arising from the fact that counterfeit drugs are not manufactured under the controls or with the care that is taken with legitimate drugs. There is no guarantee that the false product contains the same amounts, quality, and kinds of ingredients as the legitimate drug.

The hazard of counterfeit drugs is further increased by the fact that the most profitable counterfeits are drugs which treat chronic and often serious conditions. This situation substantially increases the chances of a chronically ill person's receiving a counterfeit drug which has little resemblance to the drug prescribed by his physician, except for its appearance. In addition, variations in the quality and strength of such drugs and the consequent different response of the patient may mislead a physician in his management of the case, with catastrophic results.

Until now, the Department of Health, Education, and Welfare has been stymied in many cases by its inability to prove intent of interstate shipment by the possessor of a counterfeit drug cache. Further frustration resulted from the need to obtain a court order before seizing counterfeiting equipment. The law now provides authority for inspectors to seize both drugs and counterfeiting equipment. The rationale supporting this provision is apparent when one realizes that counterfeiting amphetamines, barbiturates, and other dangerous drugs is an obvious alternative to the criminal who is now thwarted in his efforts to divert such drugs from the legitimate stream of commerce.

When the new legislation goes into effect on February 1, 1966, it will culminate more than a decade of diverse, often frustrating, legislative activity. More importantly, it will mark the beginning of an era in which the United States seeks to achieve effective control of non-narcotic, psychotoxic drugs with control measures less stringent than those employed for narcotic drugs. The success of the effort may well depend upon the extent to which all interested elements of our society cooperate in a massive research, educational, and voluntary compliance program.



President Johnson signs H.R. 2. Representative Harris, Senator Dodd, Senator Robert F. Kennedy, former Secretary Celebrezze, and Commissioner Larrick are among those watching the historic event.

FEDERAL CIGARETTE LABELING AND ADVERTISING ACT (P.L. 89-92)

On July 27 the Federal Cigarette Labeling and Advertising Act was signed into law as P.L. 89-92. The principal purpose of the legislation is to provide adequate warning to the public of the potential hazards of cigarette smoking by requiring the cautionary labeling of cigarette packages.

MAJOR PROVISIONS

Effective January 1, 1966, all cigarette packages--pack, box, carton, or container of any kind--offered for sale, sold, or distributed to consumers in the United States must bear the following statement: "Caution: Cigarette Smoking May Be Hazardous to Your Health." The statement must appear in a conspicuous place in legible and conspicuous type in contrast by typography, layout, or color with other printed matter on the package. Violation of the provisions of the Act is a misdemeanor subject to a fine of up to \$10,000.

The new law preempts the field of cigarette labeling, thus precluding any Federal, State, or local authority from requiring any other statement relating to smoking and health on cigarette packages.

With respect to advertising of cigarettes, P.L. 89-92 precludes requiring any statement relating to smoking and health for a four-year period, ending on July 1, 1969. However, the Federal Trade Commission retains its full authority, under Section 5 of the Federal Trade Commission Act, to regulate unfair or deceptive acts or practices with respect to cigarette advertising, except that the Commission cannot, for four years, impose the affirmative requirement that cigarette advertising contain a health warning.

The law requires the Secretary of Health, Education, and Welfare to transmit a report to Congress before July 1, 1967, and annually thereafter, concerning (1) current information on the health consequences of smoking and (2) such recommendations for legislation as he may deem appropriate.

Similarly, the Federal Trade Commission is to submit annual reports to Congress effective July 1, 1967, concerning (1) the effectiveness of cigarette labeling, (2) current practices and methods of cigarette advertising and promotion, and (3) such recommendations for legislation as it may deem appropriate.

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Sept. 1965

BACKGROUND

On January 11, 1964, the Surgeon General's Advisory Committee on Smoking and Health delivered its report to the American people. (See "Smoking and Health" in February 1964 issue of *Indicators*.) Its principal finding was: "Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action." The Committee found that cigarette smoking contributes substantially to mortality from certain specific diseases--lung cancer, chronic bronchitis and emphysema, and cardiovascular diseases--and to the overall death rate.

On June 22, 1964, the Federal Trade Commission issued a "Trade regulation rule for the prevention of unfair or deceptive advertising and labeling of cigarettes in relation to the health hazards of smoking." The rule would have required warning labels on cigarette packages by January 1, 1965, and affirmative disclosure of smoking health hazards in all cigarette advertising by July 1, 1965 unless voluntary reforms took place in the meantime. On September 3, 1964, at the request of the House Committee on Interstate and Foreign Commerce, the Commission postponed the effective date of the packaging and advertising warnings to July 1, 1965 and again offered to postpone or otherwise modify the proposed rule as to advertising upon a showing of "change in circumstance."

Resolution of the labeling issue and a four-year suspension of the issue of cigarette advertising occurred with the passage of the Federal Cigarette Labeling and Advertising Act.

MENTAL RETARDATION FACILITIES AND COMMUNITY MENTAL HEALTH CENTERS CONSTRUCTION ACT AMENDMENTS OF 1965 (P.L. 89-105)

On August 4, President Johnson signed into law the Mental Retardation Facilities and Community Mental Health Centers Construction Act Amendments of 1965 (P.L. 89-105). The new law amends Title II of the 1963 legislation (P.L. 88-164) to authorize Federal grants for staffing of community health centers with technical and professional personnel, amends the Act of September 6, 1958 (P.L. 85-926) to extend and expand the existing program of financial assistance for training teachers of mentally retarded and other handicapped children, and amends Title III of P.L. 88-164 to extend and expand the program of research and demonstration projects in education of handicapped children.

STAFFING OF COMMUNITY MENTAL HEALTH CENTERS

Summary of Major Provisions

Title II of the 1963 community mental health centers legislation authorized a three-year, \$150 million program of formula grants for the construction of comprehensive community mental health centers. As passed by the Senate, the bill included authorization for initial staffing grants for technical and professional personnel at mental health centers. The staffing provision was omitted from the legislation as finally enacted in 1963.

Enactment of the 1965 amendments constitutes Congressional recognition of the need for Federal financial assistance for initial staffing and operational expenses of community mental health centers. The new law authorizes a program of project grants to public or other nonprofit private agencies for such costs. Financial participation by the Federal Government in these expenses will be for a transitional period while a mental health center is becoming established in a community, with Federal assistance phased out completely after 51 months. Assistance will be furnished on a declining basis--75 percent of the costs of professional and technical personnel covered for 15 months, 60 percent of the costs for the next 12 months, 45 percent for the next 12 months, and 30 percent for the next 12 months.

Authorized appropriations for initial grants to public or other nonprofit private agencies are \$19.5 million for FY 1966, \$24 million for

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, September 1965

FY 1967 and \$30 million for FY 1968. For fiscal years 1967 through 1972, such additional sums as may be needed are authorized to be appropriated to make continuation grants to centers that received initial grants. Continuation grants will provide support for the full 51 months provided for in the legislation. The table below summarizes the estimated costs of the mental health staffing provisions of P.L. 89-105.

[In thousands]

Year	Initial staffing grants			
	1966	1967	1968	Total
1966	\$19,500			\$19,500
1967	* 16,575	\$24,000		40,575
1968	* 12,675	* 20,400	\$30,000	63,075
1969	* 8,775	* 15,600	* 25,500	49,875
1970	* 1,950	* 10,800	* 19,500	32,250
1971		* 2,400	* 13,500	15,900
1972			* 3,000	3,000
Total	59,475	73,200	91,500	224,175

* Continuation grants.

Staffing grants will be made by the Secretary of Health, Education, and Welfare on a project basis, but in order to provide a fair distribution of funds among the States, the law requires the Secretary to take into account the relative needs of the several States for community mental health programs, their relative financial needs and their populations. Grants will be made only if the following criteria are met:

- (1) the applicant is a public or nonprofit private agency or organization which owns or operates a community mental health center;
- (2) the services to be provided by the center will be part of a program providing (principally for persons residing in a community or communities in or near which such center is situated) at least those essential elements of comprehensive mental health services which are prescribed by the Secretary of Health, Education, and Welfare;
- (3) the community mental health center has received a construction grant under the provisions of P.L. 88-164 or is adding new services not previously provided;
- (4) there is satisfactory assurance that the grant will be used to supplement, and to the extent practical, increase the level of non-Federal funds available for mental health center services and will in no event supplant such non-Federal funds;
- (5) the State authority has included a description of the services to be provided by the center in the State mental health plan submitted to the Public Health Services under Title III of the Public Health Service Act.

The Nature of a Community Mental Health Center

A comprehensive community mental health center is a multi-service community facility serving a local population and designed to provide immediately accessible services for the early diagnosis and treatment of mental disorders, both on an inpatient and an outpatient basis, and to serve as a continued treatment resource for individuals returning to their home communities following periods of longer term hospitalization.

The community mental health center will serve not only as the major alternative to the existing massive public mental hospitals but also as a central focus of mental health services for all people. As these centers grow in number they will be capable of serving all but that small proportion of patients requiring prolonged hospital treatment.

The services and programs of the mental health center include these essential elements of community mental health services: inpatient services, outpatient services, emergency services, and consultation and education services.

To reach the goal of comprehensive care, five additional services will be needed: diagnostic services, rehabilitative services, pre-care and after-care services, training programs, and a research and evaluation program.

Some centers may be planned on a regional basis to serve a designated patient-care area, which may comprise all or part of a metropolitan area. Community based and coordinated with all other community resources, the center offers the greatest hope for the care, treatment, and rehabilitation of the mentally ill.

The purpose of a mental health center is to help restore the patient and family members to their fullest mental, physical, social, and vocational abilities. The center serves the community as a means of reducing the necessity for prolonged or repeated hospitalization. Further, the center can facilitate an extension of the hospital program and staff into the community and thus provide a means of lessening the barriers between the community and the hospital. The hospital staff can join with the community groups in planning and providing services in the community mental health center. For those communities with no aftercare program, the center could serve as a nucleus for continuing home-based treatment service.

It is expected that the programs carried out by the community mental health centers under P.L. 89-105 will be thoroughly coordinated with all relevant Federal programs in the localities in which they are carried out. First, the community mental health centers should take full cognizance of other Federal efforts; for example, by not duplicating programs of school guidance and counseling carried out under the Elementary and Secondary Education Act of 1965. Second, the community mental health centers should take steps to assure that other Federal or federally assisted programs do not conflict with the mental health programs. In areas where a community mental health center operates, its counsel would be available to officials of housing, antipoverty, education, and welfare programs. If the center is

working on the mental health of elderly persons, for example, it should have some voice in the planning of a federally assisted project for rental housing for the elderly.

This coordination is especially important because the role of the centers is limited in certain respects. All evidence indicates that it is impossible for any foreseeable number of psychiatric workers to treat individually each person with mental problems in the Nation. For the centers to be effective in meeting the mental health needs of their communities, they must focus primarily on those conditions in the community which affect the mental health of large numbers of people. The knowledge acquired by the centers should be of great help to other government and private efforts to improve living conditions in the community.

TRAINING TEACHERS OF THE HANDICAPPED

Summary of Major Provisions

P.L. 89-105 also extends and expands the program for training teachers of mentally retarded and other handicapped children and the program of grants for research and demonstration projects in education of handicapped children. Both of these programs would have expired June 30, 1966.

The program for training teachers of mentally retarded and other handicapped children is extended for three years, through June 30, 1969. The appropriation authorization of \$10.5 million for fiscal year 1966 was not changed, and the following appropriations are authorized for the subsequent years:

<u>Fiscal Year</u>	<u>Amount authorized</u>
1967	\$29,500,000
1968	34,000,000
1969	37,500,000

The research and demonstration program is also extended through June 30, 1969, with increased appropriation authorizations. In addition, as part of the research and demonstration authority, the Commissioner of Education is authorized to make grants to institutions of higher learning for the construction, equipping and operation of facilities for research and demonstration in the field of education of handicapped children. The appropriation authorized for fiscal year 1966 was increased from \$2 million to \$6 million, and the following appropriations authorized for the subsequent years:

<u>Fiscal Year</u>	<u>Amount authorized</u>
1967	\$ 9,000,000
1968	12,000,000
1969	14,000,000

Background of the Legislation

A major deterrent to the needed expansion of special education programs for our Nation's handicapped children has been the critical shortage of well-trained teachers and other related professional personnel. It is estimated that we have only one-fourth of the number of special education teachers that are currently needed. That is, we have approximately 60,000 - 70,000 teachers of handicapped children--many of whom have minimal special training--when we really have a need for about 300,000 such trained teachers.

From 1958 through 1963 the Office of Education administered, under the provisions of P.L. 85-926, a graduate fellowship program in the education of the mentally retarded. In October 1963, this law was expanded by P.L. 88-164 to include not only retardation, but also serious emotional disturbances, hearing deficiencies, crippleness and other health impairments, speech and visual handicaps. In addition, the \$1 million authorization was increased to \$11.5 million for fiscal year 1964, \$14.5 million for fiscal year 1965, and \$19.5 million for fiscal year 1966.

In addition to its provisions for training teachers, P.L. 88-164 also authorizes the appropriation of \$2 million each fiscal year for a three-year research and demonstration program in the education of handicapped children. In fiscal year 1964, \$1 million of the \$2 million was appropriated. During this year, the Office of Education received requests for almost \$6 million. Twenty-two percent of the proposals were funded.

In fiscal year 1965, the full authorization was appropriated. Approximately \$850,000 was used for continuation costs and \$1,150,000 for new research. It is estimated that project applications requesting approximately \$7 million were processed this year.

The extension and expansion of the two programs are of tremendous importance to those concerned with the educational opportunities that are available to the mentally retarded. The increased funds for training will make it possible more adequately to meet the need for qualified teachers of the mentally retarded and to close the gap a little more between number of teachers needed and those available.

At the present time there is little objective evidence concerning the most effective methods for meeting the needs of handicapped children. Research is necessary to describe and define their intellectual, emotional, social, and physical needs. If their educational needs are to be met, it is also necessary to develop effective remedial techniques, classroom procedures, new methods of instruction, special materials, appropriate curriculum, and to translate research findings into practical application. The expanded research program should make a significant contribution toward meeting these needs.

The new research center construction program in P.L. 89-105 will further strengthen this effort. These centers will have the major objectives of research, demonstration, and dissemination of information;

concentrating human and financial resources on the critical and difficult problems involved in the education of handicapped children; and bringing together the best researchers and the best teachers. Each facility will include: (1) experimental classrooms, constructed specifically for the children who would occupy them, and incorporating the most modern technological advances with provisions for varied research activities; (2) research equipment centers and laboratories for the development of electronic and other research devices; (3) an instructional materials center for the accumulation and production of modern instructional materials for the teaching of the handicapped; and (4) a component to insure effective dissemination of the products of the center and to encourage the utilization of such products.



On August 9, before signing into law the Health Research Facilities Amendments of 1965 in outdoor ceremonies at the Clinical Center of the National Institutes of Health in Bethesda, Maryland, President Johnson declared that we are attacking successfully and winning in the war on disease.

COMMUNITY HEALTH SERVICES EXTENSION AMENDMENTS OF 1965 (P.L. 89-109)

On August 5, 1965, President Johnson signed into law the Community Health Services Extension Amendments of 1965 (P.L. 89-109). The amendments extend four current programs of the Public Health Service relating to health services: immunization, migratory worker health services, general health services, and special project grants for community health services.

Immunization Programs

P.L. 89-109 extends the provisions of the Vaccination Assistance Act of 1962 for three years, through fiscal year 1968, with no change in the authorized annual appropriations of \$11 million. The amendments also expand the coverage of the program to include assistance in immunization programs against measles and other diseases presenting a major public health problem. Eligible beneficiaries are changed from children "under the age of five years" to children "of preschool age."

During its three-year history, the Vaccination Assistance Act has contributed greatly to the reduction of the incidence of polio. At the time of the Law's enactment, the Public Health Service estimated that only one-third of the children under five years of age had been immunized. Since its enactment in 1962, an estimated 58 million people have received three doses of oral polio vaccine and seven million children have been immunized against diphtheria, tetanus, and whooping cough. By September 1964, some two-thirds of all children under five years of age had been immunized against polio.

Since the enactment of the 1962 legislation, two measles vaccines have been developed. As other communicable diseases of childhood have increasingly come under control, there has been growing recognition of measles as a major health problem. An estimated four million cases occur each year, resulting in at least 500 deaths and in extensive complications and serious disabilities such as mental retardation, pneumonia, hearing disorders, and measles encephalitis (inflammation of the brain). Despite the availability, since March 1963, of effective vaccines against measles, there has been no decline in the incidence of the disease. During 1964 the number of reported cases rose by more than 100,000. The major barriers to the greater use of the vaccine are considered to be (1) the high cost of the vaccine and (2) lack of public awareness of the seriousness of measles and the need to immunize against the disease. It is estimated that 20 million preschool children will be immunized against measles under the program provided in

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, September 1965

P.L. 89-109--8 million of the estimated 15 million currently susceptible preschoolers and 12 million newborn infants.

The immunization program envisaged under the new legislation will include:

- (1) Planned programs to achieve immunization against measles of all susceptible preschool children through increased clinic activity, programs in special problem areas, close cooperation with private physicians, and stepped-up public information and health education efforts.
- (2) Simultaneous across-the-board activities to increase the immunization levels against diphtheria, whooping cough, tetanus, and polio.
- (3) Improved immunization maintenance programs with emphasis on protecting children during the first year of life but not ignoring booster programs for school-age children and adults.

Funds will be used to purchase measles vaccine for distribution at the State and local level and for such items as salaries and related expenses of additional State and local health personnel needed to organize and promote comprehensive immunization programs.

This law also authorizes the Surgeon General to make grants for immunization programs against any infectious disease which can be practically eliminated through immunization with preventive agents which may become available in the future, and which he finds to represent a major public health problem. Under this authority, new immunization programs can be established without further legislative action by the Congress.

Migratory Workers Health Services

The amendments extend for three years, through fiscal year 1968, the project grant program which provides community health services for domestic migratory agricultural workers and their families. A total of \$24 million is authorized for the three-year period. Under the Migrant Health Act of 1962, the Public Health Service has assisted 60 county or multicounty projects in 29 States and the Commonwealth of Puerto Rico. Project grants have paid part of the costs in 100 counties of such public health services as immunizations, pre- and post-natal clinics, dental services, and case finding and treatment for communicable diseases. The amendments also explicitly provide that the services that may be financed with Federal assistance include hospitalization in short-term hospitals.

General Health Services

P.L. 89-109 extends for one year, through fiscal year 1967, the program of formula grants for general health services authorized by section 314 (c) of the Public Health Service Act. Funds authorized for general health grants are used largely for establishing and maintaining basic health services in

State and local public health organizations, such as mental health services, radiological health services, dental health services, and services for the chronically ill and aged. Under this authority, grants also are made to schools of public health for the provision of public health training. No change was made in the overall annual appropriation ceiling of \$50 million, but the subceiling of \$2.5 million earmarked for schools of public health is raised to \$5 million.

In his Health Message, President Johnson directed the Secretary of the Department of Health, Education, and Welfare to review this program and the special project grant program of section 316 of the Public Health Service Act (mentioned below) and to recommend legislation that would increase the effectiveness of both programs. In accordance with his recommendation, the Congress extended both programs for one year to allow time for their thorough review.

Project Grants for Community Health Services

The Community Health Services and Facilities Act of 1961 added section 316 to the Public Health Service Act, establishing a program of project grants to State or local public agencies or nonprofit private agencies to finance studies, experiments, and demonstrations for the development of improved methods of providing health services, particularly for the chronically ill or aged. This authority, which would have expired June 30, 1966, was extended for one year, with no change in the annual appropriation authorization of \$10 million.

HEALTH RESEARCH FACILITIES AMENDMENTS OF 1965 (P.L. 89-115)

P.L. 89-115, which amends the provisions of the Public Health Service Act relating to grants for the construction of health research facilities and which authorizes three additional Assistant Secretaries in the Department of Health, Education, and Welfare, was signed by President Johnson on August 9, 1965.

The original program of matching grants for the construction of health research facilities was authorized by the Health Research Facilities Act of 1956 and was extended by subsequent amendments through fiscal year 1966, with an increase in the annual appropriations authorized from \$30 million initially to \$50 million beginning in 1963. The 1965 amendments extend the program for construction of health research facilities for three additional years, with an authorization of \$280 million in the aggregate for such facilities, in lieu of the previous \$50 million annual appropriation authorization. Federal matching will continue to be up to 50 percent of necessary construction costs.

Since the program was begun in 1956, expenditures for medical and health-related research have risen from slightly over \$300 million to \$1.7 billion in 1964. Demands for new research facilities continue to rise, as rapid changes occur in the nature of medical research. Continuation of the Federal grant program is a minimal and essential step to help insure the continued progress of medical research.

Research Contract Authority

P.L. 89-115 also gives the Public Health Service authority to enter into contracts for research and development during fiscal years 1966 through 1968, including two authorities available to the Department of Defense: (1) payment of the cost of construction necessary for the performance of a research contract (test facilities and equipment, for example), and (2) indemnification of contractors against certain third-party liability claims which arise out of direct performance of the research contract and for loss of, or damage to, property of the contractor. Heretofore, these contract authorities have been available to the Public Health Service only through the annual appropriation acts for the Department of Health, Education, and Welfare. The program of research contracts based on this authority, which has had to be renewed year by year, has increased steadily in size and importance.

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, September 1965

The research contract is the mechanism used for financing research and development undertaken by public and other nonprofit organizations at the request of the Public Health Service, and directed toward accomplishing specific research objectives for the Public Health Service. Research contracts are also used by the Public Health Service for financing research by profitmaking organizations. In contrast, the research grant is used for the support of research initiated by a non-Federal public or other nonprofit institution, or by an individual, which is directed toward the accomplishment of the research purposes of that institution or individual.

Additional Assistant Secretaries

In the 12 years since it was created, the Department of Health, Education, and Welfare has been the fastest growing department of the government. Its programs continue to increase in number and scope, creating a need for additional executive direction and supervision beyond that provided by the top level staffing authorized in 1953. P.L. 89-115 authorizes three additional Assistant Secretaries to assist the Secretary in carrying out his responsibilities.

The legislative history of the amendments reflects Congressional intent that the organization of the Office of the Secretary of Health, Education, and Welfare remain flexible to meet new challenges and assume new responsibilities that may be assigned to it.



President Johnson presents a pen he used in signing the health research facilities bill to Wilbur J. Cohen, Under Secretary of Health, Education, and Welfare. Looking on are Senators Prouty and Javits.

THE WATER QUALITY ACT OF 1965 (P.L. 89-234)

John T. Barnhill and Samuel Levenson

Perhaps the greatest problem man has today is to comprehend that he lives in a world that bears little resemblance to that of the past. He lives in a world that has changed and is changing--rapidly.

The gap between the facts of modern life and our comprehension of them may be the greatest gap we face. Happily, several significant developments indicate that we have begun to understand the threats to health and welfare posed by our changed environment. So far as water pollution is concerned, this "comprehension" gap is being closed.

One of these recent developments was passage by Congress, with overwhelming majorities, of the Water Quality Act of 1965. It was signed into law by President Johnson on October 2, 1965, culminating years of hearings, floor debates, committee action, and mounting public sentiment.

During these years, public sentiment was manifested in:

. The amount of interest in hearings, held both in Washington and elsewhere, of the Congressional committees.

. Public support in many communities of proposals to finance construction of water supply and waste treatment facilities.



President Johnson signed the Water Quality Act of 1965 (P.L. 89-234) in the presence of Congressional leaders including Senator Muskie (directly behind the President); Secretary Gardner (right, rear) of Health, Education, and Welfare; and other leaders.

Mr. Barnhill is Deputy Chief and Mr. Levenson is a writer in the Information Branch of the Division of Water Supply and Pollution Control, Public Health Service, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Nov. 1965

REMARKS BY PRESIDENT JOHNSON
UPON SIGNING THE WATER QUALITY ACT OF 1965

October 2, 1965

This moment marks a very proud beginning for the United States of America. Today, we proclaim our refusal to be strangled by the wastes of civilization. Today, we begin to be master of our environment.

But we must act, and act swiftly. The hour is late, the damage is large.

The clear, fresh waters that were our national heritage have become dumping grounds for garbage and filth. They poison our fish, they breed disease, they despoil our landscapes.

No one has a right to use America's rivers and America's waterways that belong to all the people as a sewer. The banks of a river may belong to one man or one industry or one State, but the waters which flow between those banks should belong to all the people.

There is no excuse for a river flowing red with blood from slaughterhouses. There is no excuse for paper mills pouring tons of sulphuric acid into the lakes and the streams of the people of this country. There is no excuse -- and we should call a spade a spade -- for chemical companies and oil refineries using our major rivers as pipelines for toxic wastes. There is no excuse for communities to use other peoples' rivers as a dump for their raw sewage.

This sort of carelessness and selfishness simply ought to be stopped; and more, it just must be reversed. And we are going to reverse it.

We are going to begin right here in Washington with the Potomac River. Two hundred years ago, George Washington used to stand on his lawn down here at Mount Vernon and look on a river that was clean and sweet and pure. In our own century, President Theodore Roosevelt used to go swimming in the Potomac. But today, the Potomac is a river of decaying sewage and rotten algae. Today, all the swimmers are gone. They have been driven from its banks.

With the signing of the Water Quality Act of 1965 this morning, I pledge you that we are going to reopen the Potomac for swimming by 1975. And within the next 25 years, we are going to repeat this effort in lakes and streams and other rivers across this country.

I believe that with your help and your continued cooperation, water pollution is doomed in this century.

This bill that you have passed, that will become law as a result of a responsive Congress, will not completely assure us of absolute success. Additional bolder legislation will be needed in the years ahead. But we have begun. And we have begun in the best American tradition -- with a program of joint Federal, State and local action.

The ultimate victory of reclaiming this portion of our national heritage really rests in the hands of all the people of America, not just the government here in Washington. Much of the money, and some of the imagination, much of the effort, must be generated at the local level. Then, and really only then, will this blueprint for victory become victory in fact.

. An astonishing number of books, articles, and newspaper feature stories and newspaper editorials dealing with the crisis in our water resources. During 1965, "in-depth" articles appeared in *Fortune*, *The Wall Street Journal*, *The Washington Post*, *The New York Times*, the *Saturday Review*, *Time*, *Newsweek*, and many other periodicals.

. Broadening of organizational support, with the Junior Chamber of Commerce, American League of Women Voters, Clay Pipe Institute, General Federation of Women's Clubs, and many others joining conservationist groups in campaigning for a clean-up of America's waterways.

. The receipt of 3,000 letters each month by the Federal water pollution control agency.

It was in this climate that Congress wrote the Water Quality Act of 1965. The new provisions are described below, following a brief history of the legislation.

HISTORY

The precursor of the Water Quality Act of 1965 was S. 649, on which hearings were held by the Senate Committee on Public Works during June 1963.

As originally introduced by Senator Muskie and others, S. 649 amended the Federal Water Pollution Control Act of 1956 (amended in 1961) in:

- . establishing a Federal Water Pollution Administration and the position of an additional Assistant Secretary of Health, Education, and Welfare;
- . increasing individual dollar ceiling limitations on construction grants from \$600,000 to \$1 million for a single project, and from \$2.4 million to \$4 million for a joint project;
- . authorizing an additional 10 percent of Federal aid for grants conforming to comprehensive metropolitan plans;
- . authorizing research and development grants for controlling wastes from combined storm and sanitary water systems.
- . authorizing the development of water quality standards in interstate waters, and enforcement procedures to control wastes that violated these standards.

As reported out by the Senate Committee on October 4, 1963, the Act had two additional provisions:

1. discharges of matter into the waters of the United States from Federal installations shall be controlled under permits to

be administered by the Secretary of Health, Education, and Welfare, and

2. establishing a mechanism for developing standards of decomposability for synthetic detergents and for preventing the sale in interstate commerce of detergents that did not meet these standards as eventually developed.

The Senate passed S. 649 on October 16, 1963 by a vote of 69 to 11.

The House Committee on Public Works reported an amended version of the bill on September 4, 1964, but the 88th Congress adjourned before enactment.

S.4, introduced in the Senate on January 6, 1965, contained substantially the same provisions as S. 649 as reported out of Committee. By a roll call vote of 68 to 8, S. 4 was passed by the Senate on January 28, but with two provisions of S. 649 deleted. The section pertaining to waste discharges from Federal installations was dropped because it was considered best to combine proposals relating to water and air pollution from Federal installations and to treat them as separate legislation. (S. 560, a bill for these and other purposes, passed the Senate this year, but was not acted upon by the House Committee.) The provision relating to hard detergents was dropped when the soap and detergent industry pledged to change over to soft detergents by the end of 1965. (In fact, the change-over took place six months earlier.)

After hearings on S. 4 and related House bills, the House Committee on Public Works reported the bill with amendments, and it passed the House on April 28 by a unanimous roll call vote of 396 yeas. The significant changes were: (1) to increase appropriations authorized for waste treatment works construction grants, with a revised allocation formula; and (2) to substitute for the water quality standards provision a requirement that the States signify their intent to set water quality criteria for their interstate waterways under penalty of a cut-off of funds if such a letter of intent were not filed. The issue on water standards held up final action on the bill for several months. The conferees agreed on a compromise provision and reported the bill out on September 17. It was adopted on September 21--in the House by a unanimous roll call vote of 379 yeas, and in the Senate by voice vote.

FEDERAL CONSTRUCTION GRANTS

The value of Federal incentive grants as an instrument for encouraging municipalities to construct, enlarge, or modernize their waste treatment plants became apparent soon after Congress authorized such grants in 1956.

During the next five years, these grants stimulated a 62 percent increase in such construction, with contract awards rising from an annual average of \$266 million to \$432 million.

The Federal Water Pollution Control Act was amended in 1961 to increase the total amount of Federal funds available, to increase maximum grants for individual projects, and to encourage communities to construct joint rather than separate projects.

As a result, construction expanded again, reaching \$539 million in 1961, \$654 million in 1962, and \$815 million in 1963, but dropping to \$600 million in 1964. (The 1963 figure of \$815 million reflects the additional \$108 million granted under the Accelerated Public Works Program.)

From the beginning of the program to September 30, 1965, a total of 6,351 projects were approved for Federal grants of \$678 million. Local communities contributed an additional \$2.5 billion to meet the total project cost of \$3.2 billion. Approved projects will serve 53 million people and will improve the quality of water in 55,000 miles of streams.

Nevertheless, construction did not reach the level necessary to bring the municipal waste pollution problem under control during the present decade. According to a recent survey, 1,342 communities are presently discharging raw sewage from a combined population of 11 million. An additional 1,337 cities and towns require new or enlarged facilities for their population of 17 million. And 2,598 unsewered communities require sewer systems and sewage treatment plants for a population of 5.1 million. Many municipal waste treatment works currently in operation must be replaced because of obsolescence.

Elimination of the backlog, replacement of obsolete treatment works, and provision for continuing population growth will require an average annual expenditure of over \$800 million for municipal waste treatment works for the rest of this decade. With allowance for rising construction costs, the figure increases to \$865 million.

The Water Quality Act of 1965 took these circumstances into consideration by increasing from \$100 million to \$150 million the annual authorization for appropriations for fiscal years 1966 and 1967, the remaining two years for which Federal waste treatment works construction grants are authorized.

During the hearings, spirited pleas were made by Governor Rockefeller of New York and representatives from other populous areas for giving larger cities a greater share of the construction grants. The committee was told that the assistance received by the larger cities from Federal construction grants was not proving an effective incentive in view of their larger expenses. About 45 percent of the people whose needs for waste treatment facilities are still unmet are found in these large communities. Congress responded in several ways by:

- . doubling the maximum amount for a single project from \$600,000 to \$1.2 million;
- . doubling the maximum amount for a multi-municipal project from \$2.4 million to \$4.8 million.

making an additional \$50 million available to States on a straight population basis, rather than a population-per capita income basis; and with these additional funds the Federal grant may amount to the full 30 percent of the project cost if the State matches equally all Federal grants from its allocation.

Two other actions were taken to meet primarily metropolitan needs. The Congress voted that grants may be increased by 10 percent if a project is certified by a metropolitan or regional planning agency as conforming with a comprehensive metropolitan area plan. The thinking of the Senate Committee (Senate Report No. 556, 88th Congress, 1st Session) was that such planning "had become no less than essential in view of our rapid urbanization...Orderly development of municipal areas must be planned and followed to eliminate factors which lead to the breeding of slum and blight-impacted areas and to effect those sizable economies and efficiencies ordinarily made possible through the coordination of common interests and needs."

The Congressional committees were impressed by the necessity for reducing pollution caused by the existence of combined storm and sanitary sewers in many of the Nation's older municipalities. During periods of storm runoff, even in small amounts, the sewers discharge flows of storm water and sanitary sewage in excess of the capacity of treatment plants. As a result, much untreated waste is bypassed into receiving waters, creating a situation that is worse than if all storm water runoff were discharged into receiving waters in an untreated state.

Congress acted on information that there were more than 1,100 communities whose entire waste collection systems were of the combined sewer type. These sewers were serving a population of almost 21 million people. Another 810 cities of 37.8 million population had systems which consisted in part of combined sewers.

Complete separation of combined systems would entail expenditures of up to \$30 billion. Many witnesses suggested that research and development grants be authorized to demonstrate new or improved methods to eradicate this problem. Congress agreed and established a four-year program of grants and contract authority, with annual appropriations of \$20 million for fiscal years 1966 through 1969.

The grants and contracts may be made with public and private agencies, with institutions and with individuals, but the total amount appropriated for the contracts may not exceed 25 percent of the funds appropriated for these purposes in any fiscal year. Furthermore, the Federal Government may not pay more than half of the cost of any single project, and no single grant may be more than 5 percent of the funds authorized to be appropriated in any one fiscal year.

Research in other aspects of water pollution control, which is conducted directly in Federal water laboratories, and, by means of grants, in universities and other institutions, will continue as provided in the

Federal Water Pollution Control Act of 1956 (as amended in 1961) and in other legislation.

WATER QUALITY STANDARDS

In drafting the new bill, the provisions concerning water quality standards created the most controversy. There was broad agreement that constant effort to improve the quality of the water supply was necessary to make water available for more uses; that water quality standards provided reliable and sound guidelines, and provided a basis for preventive action; and that such standards enabled municipalities and industries to develop realistic plans for new plants or expanded facilities without uncertainties about waste disposal requirements on interstate waters. The issue was: who would establish the standards and enforce them?

As worked out, the new law provides authority for the Secretary of Health, Education, and Welfare to establish standards of water quality to be applicable to interstate waters or portions thereof, in the absence of effective State action. The standards are to be formulated in accordance with accepted administrative procedures calling for notice, public hearing, and consultation with affected public and private interests. The standards would be subject to revision either by the Secretary on his own or when petitioned to do so by the Governor of any affected State.

Once the standards have been established, any discharge of matter which reduces the quality of the waters below the established standards is subject to existing provisions which authorize the Secretary to request the Attorney General to bring suit on behalf of the United States to obtain abatement of interstate pollution, and, with the written consent of the Governor, to bring suit to abate intrastate pollution.

The conference committee stressed voluntary compliance and the avoidance of court action. It is the purpose of water quality standards to provide agencies with additional tools for making objective and clear public policy statements on the use or uses to which specific segments of interstate waters may be put. The principal objective is the orderly development and improvement of the Nation's water resources. The standards are not designed to "lock in" present uses of water or to exclude other uses not now possible. Nor are they a device to insure the lowest common denominator of water quality; rather their purpose is to enhance the quality and productivity of our water resources.

The Secretary's authority is not arbitrary. The States have ample authority to act, and there must be a conference of affected interests before Federal standards are set. There is provision for a Hearing Board, on which each affected State is represented, and on which there is to be a balance of interests. The Board has authority to make findings as to whether standards set by the Secretary shall be approved or modified. Finally, the Secretary is mindful that his standards must eliminate pollution and meet the tests of "practicability" and "physical and economic feasibility" in the courts, should the violation of such standards trigger

an enforcement action. The court has the authority to make a complete review of the standards.

Where Congress has established multi-State compacts, such as the Delaware River Basin compact, with authority to establish water quality standards, the Secretary's authority does not supplant that of the commission. Rather his authority is held in reserve, for use only if the commission fails to meet its responsibilities.

The standards provision of the new Act has manifold significance. For one, it encourages compliance with pollution control requirements by letting conscientious water users know in advance what is expected of them. For another, it gives the Federal Government authority to prevent pollution instead of instituting enforcement action after proving that pollution is endangering health or welfare. It should be of substantial help in preserving the quality of relatively clean waters, and in progressively restoring polluted waters to a degree of reasonable purity.

In another provision, Congress extended the enforcement authority of the Secretary of Health, Education, and Welfare to abate pollution of interstate or navigable waters affecting shellfish under certain circumstances.

The Public Health Service and State governments have developed effective barriers to the transportation and sale in interstate commerce of shellfish, such as clams, oysters, and mussels, which do not meet approved sanitary standards. But enforcement of these regulations has often worked economic hardship on persons involved in gathering and harvesting operations. They have no direct recourse against polluters, and measures to clean up the waters were often ineffective.

Congress decided, therefore, to make Federal enforcement powers available to abate pollution in these waters and to allow restorative measures to proceed more promptly and effectively.

Previous legislation specifically directs the application of enforcement measures on Federal initiative when pollution that originates in one State and endangers the health and welfare of persons in another State or States is occurring. Now this authority is extended in cases involving substantial economic injury because of official action, preventing the marketing of shellfish or shellfish products in interstate commerce.

ADMINISTRATION

All provisions of the Act will be administered by the Secretary of Health, Education, and Welfare, through a new Federal Water Pollution Control Administration, to be established within 90 days of the enactment of the law on October 2, 1965.

The Senate committee recognized that "the Public Health Service has made a major contribution to our understanding of the nature of water pollution, its effect on individuals, and appropriate measures of pollution control."

It maintained, however, that its basic orientation was "toward cooperative health programs with the States" and that it was "not oriented toward the broader problems associated with the conservation of waters for public water supplies, propagation of fish and aquatic life and wildlife, recreational purposes, agricultural, industrial and other uses." (Senate Report No. 556, 88th Congress, 1st Session)

The Water Quality Act also establishes an additional position of Assistant Secretary to assist the Secretary in carrying out his responsibilities under the new law. This action was in recognition of the fact that the Department of Health, Education, and Welfare is second only to the Department of Defense in the complexity of its program responsibilities, and fifth in size in number of personnel. The Assistant Secretary designated to oversee the water pollution control program will have the assistance of an Administration head, to be appointed by the Secretary of the Department. Among other provisions, the Act directs that the Surgeon General shall be consulted by the Administration head on public health aspects of water pollution.

The stated purpose of the Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control, and abatement of water pollution. But this bill alone will not, as President Johnson said in signing it, "assure us of absolute success. Additional bolder legislation will be needed in the years ahead. But we have begun. And we have begun in the best American tradition--with a program of joint Federal, State, and local action...Much of the money, and some of the imagination, much of the effort, must be generated at the local level. Then, and really only then, will this blueprint for victory become victory in fact."

Water pollution is in a very real sense a matter of national concern. The problem is of such magnitude that it can be dealt with effectively only if there is cooperative and coordinated effort at all three levels of government--Federal, State and local. This concept was given recognition in the Federal Water Pollution Control Act of 1961. The Water Quality Act of 1965 now provides the means to launch a national program to prevent water pollution at its source, as well as to halt the spread of pollution and clean up the Nation's rivers and waters.

Wilbur J. Cohen
Under Secretary

THE HEART DISEASE, CANCER, AND STROKE AMENDMENTS OF 1965 (P.L. 89-239)

Karl D. Yordy and Jane E. Fullarton

Passage of the Heart Disease, Cancer, and Stroke Amendments of 1965 (P.L. 89-239) marks the launching of a major assault on the Nation's three major killing diseases: heart disease, cancer, and stroke. The Amendments, signed into law by President Johnson on October 6, 1965, implement the major recommendations of the 1964 Presidential Commission to study the problems and recommend means to achieve significant advances in the prevention, diagnosis, and treatment of these three disease groups which today exact such a staggering toll of human life and suffering. In 1963, heart disease, cancer, and stroke accounted for 71 percent of all deaths in the United States, causing nearly 1 $\frac{1}{4}$ million deaths in that year alone.

The principal purpose of the new program is to provide the medical profession and medical institutions of the Nation greater opportunity to make available to their patients the latest advances in the diagnosis and treatment of heart disease, cancer, stroke, and related diseases. This is to be accomplished through the establishment of regional programs of cooperation in research, training, continuing education, and demonstration activities in patient care among medical schools, clinical research institutions, and hospitals.

Provisions of the Bill

To accomplish these goals, P.L. 89-239 authorizes a three-year, \$340 million program of grants for the planning and establishment of regional medical programs. These grants would provide support for cooperative arrangements which would link major medical centers--usually consisting of a medical school and affiliated teaching hospitals--with clinical research centers, local community hospitals, and practicing physicians of the Nation. Grants will be made for planning and for feasibility studies, as well as for pilot projects to demonstrate the value of these cooperative regional arrangements and to provide a base of experience for further development of the program.

The objectives of the legislation are to be carried out in cooperation with practicing physicians, medical center officials, hospital administrators, and representatives from appropriate voluntary health agencies, and without interference with patterns or the methods of financing of patient care, or

Mr. Yordy is a Branch Chief and Miss Fullarton is a Legislative Analyst on his Staff, Office of Program Planning, National Institutes of Health, Public Health Service, U.S. Department of Health, Education, and Welfare.

REMARKS BY PRESIDENT JOHNSON
UPON SIGNING THE
HEART DISEASE, CANCER, AND STROKE AMENDMENTS OF 1965

October 6, 1965

Before this year is gone, over a million productive citizens will have been killed by three murderous diseases. Seven out of ten Americans who lose their lives this year will be the victims of heart disease or cancer or stroke.

Now these are not dry statistics; these are deadly facts whose anguish touches every single family in this land of ours.

This year, in this Nation at least twenty-five million people are going to be crippled by heart ailment.

More than two million citizens are survivors of stroke.

The economic cost of this death and disease is staggering beyond one's imagination; an estimated 45 billion dollars last year alone; more than \$4 billion annually just in direct medical expenses.

And the cost in human agony is far too great to ever tell.

With these grim facts in mind . . . I appointed a commission to recommend national action to reduce the toll of these killer diseases. . . .

One of the world's great surgeons and teachers, Dr. Michael DeBakey of Houston, Texas, headed this commission. Their report last December set forth a series of extremely bold and daring proposals -- the seeds which will grow and flower into a much healthier America. . . .

And then the careful deliberation of both committees of both Houses produced this measure -- the Heart Disease, Cancer and Stroke Measure of 1965.

Its goal is simple: to speed the miracles of medical research from the laboratory to the bedside.

Our method of reaching that goal is simple, too. Through grants to establish regional programs among our medical schools, clinical research institutes, we will unite our Nation's health resources. We will speed communication between the researcher and the student and the practicing physician.

Our Nation desperately now needs more medical personnel. Under this Act, we will make the best use of existing medical personnel in these critical diseases, and then we will start improving the training of these specialists.

Our Nation desperately needs better medical facilities and better equipment, and under this program we will get them -- and we will use them to help the victims of these killer diseases.

Our Nation desperately needs to help physicians and health personnel continue their education, and this Act will make that help possible.

We cannot close the dark corridor of pain through which sufferers must pass. But we can do all that is humanly possible to increase the knowledge about these diseases -- to lessen the suffering and to reduce the waste of human lives.

It has been written: "Men who are occupied in the restoration of health to other men are above all the great of the earth. They even partake of divinity, since to preserve and renew is almost as noble as to create."

professional practice, or with the administration of hospitals. To insure this cooperation, the grant applicant must designate an advisory group to advise the applicant together with the participating institutions, in formulating and carrying out the plan for the establishment and operation of that regional medical program.

The legislation authorizes appropriations for \$50 million for FY 1966, \$90 million for FY 1967, and \$200 million for FY 1968, the funds for each fiscal year to remain available until the end of the following fiscal year as well. Grants may be made to pay all or part of the cost of the planning and other activities related to establishment of the regional medical programs. Funds for renovations and built-in equipment, however, may not exceed 90 percent of the cost.

The National Advisory Council on Regional Medical Programs will be appointed to advise and assist the Surgeon General in the formulation of policy and regulations regarding the regional medical programs, and to make recommendations to him concerning approval of applications and amounts of grant awards. The Council will consist of the Surgeon General as Chairman, and twelve leaders in the fundamental sciences, the medical sciences, or public affairs. In particular, one of the twelve council members must be outstanding in the field of heart disease, one in cancer, and another in stroke, and two must be practicing physicians.

To assist physicians and other interested persons, the Surgeon General must establish and maintain a current list of facilities in the United States equipped and staffed to provide the most advanced methods and techniques in the diagnosis and treatment of heart disease, cancer, and stroke. The Surgeon General may also maintain a record of the advanced specialty training available in these institutions, along with other information he deems necessary. In order to make this information as useful as possible, the legislation requires the Surgeon General to consult with interested national professional organizations.

The Surgeon General is also required to make a report to the President and the Congress by June 30, 1967. In addition to recounting the activities carried out as a result of this legislation, the report must analyze the effectiveness of the activities in meeting the stated objective of the regional medical programs, as well as recommendations for extension and modification of this important program.

Background

In his Special Health Message to the Congress in February 1964, the President stated, "I am establishing a Commission on Heart Disease, Cancer, and Stroke to recommend steps to reduce the incidence of these diseases through new knowledge and more complete utilization of the medical knowledge we already have." When the Commission was convened at the White House in April, the President said, "Unless we do better, two-thirds of all Americans now living will suffer or die from cancer, heart disease, or stroke. I expect you to do something about it."

With this mandate, the Commission set about to determine what could be done. The Commission heard testimony from scores of leaders in medicine and public affairs. Its overwhelming conclusion was that something could and must be done to reduce the deaths and disability caused by heart disease, cancer, and stroke. The Commission cited the many advances in diagnostic and therapeutic techniques made possible by the rapid progress of medical science. Further progress can be expected through exploitation of the results of the greatly expanded medical research effort. The testimony of leading medical experts convinced the Commission that the toll of these diseases could be reduced significantly if the latest medical advances already developed or developed in the future through extended research opportunities could be made more widely available to our citizens. They believed that there was danger of an increasing gap between the diagnostic and therapeutic capabilities found in the major medical centers--where an effective interplay between research, teaching, and patient care can bring rapid and effective application of new medical knowledge--and the medical capabilities available more widely in the communities. The Commission recognized that the complexities of modern techniques in the fields of heart disease, cancer, and stroke make more difficult the task of making these techniques available to more disease victims. Believing that the medical resources of this Nation were equal to this challenge if given the necessary assistance and encouragement, the Commission presented a series of recommendations aimed at reducing the toll of these diseases through the development of more effective means of bringing the latest medical advances to the benefit of more people and through the provision of additional opportunities for research. The major recommendations of the Commission are the basis for the proposed regional medical programs authorized by P.L. 89-239.

Legislative History

President Johnson's first legislative message to the 89th Congress sent on January 7, 1965, called for a broad health-care program, including regional medical complexes to combat heart disease, cancer, stroke, and other major illnesses. On January 19, companion administration bills--S. 596 and H.R. 3140--were introduced in the Senate by Senator Lester Hill and in the House by Representative Oren Harris, giving concrete, legislative form to the President's proposals.

The bills were submitted to the Committee on Labor and Public Welfare in the Senate and the Committee on Interstate and Foreign Commerce in the House. After being reported with amendments by the respective committees, and further floor amendments in the House, the Senate passed the bill on June 28, 1965, and the House passed it on September 24, 1965.

The Senate-passed bill stayed closer to the original Administration bill than did the House-passed bill. The House-passed version provided for appropriation of specific amounts for fiscal years 1966, 1967, and 1968. The Senate bill included funds for fiscal 1969.

The House bill provided for planning, conducting feasibility studies, and operation of pilot projects for establishment of regional medical programs. A regional medical program was defined as a cooperative arrangement

Regional Medical Programs Aim at Effective Interrelationship of Research, Teaching, and Patient Care



RESEARCH



TEACHING



PATIENT CARE

Photos courtesy of
National Institutes of Health

among a group of institutions or agencies engaged in research, training, diagnosis, and treatment related to heart disease, cancer, and stroke and related diseases. The group was to be constituted similarly to the regional medical complex group under the Senate-passed bill, except that the term "categorical research center" was changed to "clinical research center," and the term "diagnostic and treatment station" was changed to "hospital." A "hospital" was defined as a health facility in which local capability for diagnosis and treatment is supported and augmented by the program undertaken under the bill. Thus, further emphasis was put on supplying assistance through physicians, rather than directly to patients.

The House-passed version of the bill was more acceptable to the medical community than the Senate-passed bill. On September 29, 1965 the Senate agreed to the House amendments, clearing the bill for the President. On October 6, 1965, President Johnson signed it into law at the White House.

Nature of the Program

Basically, the new legislation provides support for cooperative arrangements among medical institutions and practitioners which are planned and established on a regional basis. The legislation was purposely written broadly to provide essential flexibility for the regions of the Nation to exercise initiative in mobilizing their existing resources to meet their needs as they perceive them.

There are certain elements, however, which will be essential components of a planning or pilot project application. The applicant for a grant may be any public or nonprofit private university, medical school, research institution, or other public or nonprofit private institution and agency interested in planning, conducting feasibility studies, and in operating regional medical programs of research, training, and demonstration activities in their own region of the Nation. Under the provisions of the law, a "regional medical program" is a cooperative arrangement among a group of institutions engaged in research, training, diagnosis, and treatment related to heart disease, cancer, and stroke. The region to be served will be a geographic area composed of part or parts of one or more States which the Surgeon General determines to be appropriate for the purposes of the program. The plan for the development of a regional medical program must include the participation of one or more medical centers (defined as a medical school or other medical institution involved in post-graduate medical training and the hospitals affiliated for teaching, research, and demonstration purposes), one or more clinical research centers, and one or more hospitals, involved in cooperative arrangements which the Surgeon General finds to be adequate to carry out the purposes of the program.

The emphasis of the program is clearly on local initiative and local planning involving relevant health institutions, organizations, and agencies of the region. The local advisory group, which is to advise the applicant and the participating institutions, must be designated before the application can be approved by the Public Health Service. This advisory group should include interested health groups: representatives of the practicing physicians of the region, medical centers, hospitals, medical societies, voluntary health

agencies, and other groups concerned with the program such as public health officials and members of the public. The participation of a representative advisory group should help to insure the wholehearted cooperation of the many components so vital to the success of the regional medical programs.

A great opportunity has been presented to the medical institutions and personnel of this Nation by the recent enactment of the legislation authorizing the planning and establishment of regional medical programs for heart disease, cancer, and stroke. Grants made available under this authority will enable medical centers, hospitals, other medical institutions and medical practitioners to work together in developing means to make more widely available the latest advances in the diagnosis and treatment of these diseases. In keeping with our American traditions, effective implementation of these programs will be largely dependent on initiative and imaginative approaches developed at the regional level. As Surgeon General, I take particular pleasure in this new program for the opportunities which it presents are, to a significant extent, a measure of the success of other programs of the Public Health Service in the support of medical research, the construction of facilities, and the training of manpower. The regional medical program will build on our previous accomplishments and will create a new resource on which new activities may go forward.

William H. Stewart
Surgeon General

Within these general guidelines, the projects to be undertaken under this program will be quite varied, depending on the particular problems, resources, and relationships within the various regions of the country. It is evident that a program that will meet the needs in a sparsely settled rural area with small and widely separated hospitals will be very different from the program appropriate for a congested urban area.

Examples of programs which provide some elements of a regional medical program already exist. The Bingham Associates Program, established in the early 1930's to connect rural Maine with the medical resources of Boston, grew into a cooperative network of many small Maine hospitals affiliated with the New England Medical Center in Boston.

More recently, a variety of attempts have been made in other areas of the country to meet some of the objectives of the regional medical programs. In improved continuing education, the Ohio Medical Education Network of the Center for Continuing Education, Ohio State University, since 1962 has presented a series of radio-telephone conferences with more than 40 participating hospitals (including one in West Virginia), with physician attendance exceeding 10,000 during the 1962-64 academic year. Another significant post-graduate education program is conducted by the Department of Postgraduate Medicine of the Albany Medical College, connecting 72 hospitals in eight States with participating faculty from 20 medical schools. Physician participation has exceeded 90,000 in the ten years of the program's existence. The Albany Medical College also conducts a regional hospital program linking a number of community hospitals in that region with the medical college for purposes of improving the quality of medical care in the hospitals.

These examples indicate that some regions of the Nation have existing foundations for development of a regional medical program. Other regions

can benefit from this existing experience in the development of their own program. The pilot projects will also provide cumulative experience for the development of new regional programs. The specific context of regional plans and programs will depend on the facilities and resources available and the relationships which are established among these resources. Coordinated patient referral, interchange of personnel, continuing education for physicians, the provision of equipment, training in the use of this advanced equipment, and the development and support of medical teams trained in the latest techniques for diagnosis and treatment may all be aspects of the regional cooperative efforts which can be carried out.

This program provides a key opportunity for the medical resources of the Nation to engage in long-range, coordinated planning and development beyond the scope of existing programs and facilities. Such a comprehensive opportunity should make possible the most effective provision of quality medical care for all citizens, realized through the efficient utilization and further development of the unique resources of an area in meeting its own needs and goals for coping with these major disease problems.

SELECTED REFERENCES

CONGRESS OF THE UNITED STATES, 89th Congress, 1st Session

- Senate, Committee on Labor and Public Welfare *Heart Disease, Cancer, and Stroke Amendments of 1965*. Report No. 368 to accompany S. 596. June 24, 1965. 25 p.
- House of Representatives, Committee on Interstate and Foreign Commerce *Heart Disease, Cancer, and Stroke Amendments of 1965*. Report No. 963 on H.R. 3140. September 8, 1965. 44 p.

THE PRESIDENT'S COMMISSION ON HEART DISEASE, CANCER AND STROKE

- A National Program to Conquer Heart Disease, Cancer and Stroke*. Volume I, December 1964, 114 p., \$1.25. Volume II, February 1965, 644 p., \$3.00.

THE CLEAN AIR ACT AMENDMENTS AND SOLID WASTE DISPOSAL ACT OF 1965 (P.L. 89-272)

Vernon G. MacKenzie and Kenneth Fliieger

MAJOR NEW AUTHORITY

With the signing by President Johnson on October 20, 1965, of P.L. 89-272, the Federal Government assumed major new responsibilities for the prevention and control of air pollution. This legislation amends the Clean Air Act of 1963 (P.L. 88-206) by giving the Secretary of Health, Education, and Welfare authority to:

- . control air pollution from new motor vehicles;
- . take action to abate air pollution which originates in the United States and endangers the health or welfare of persons in neighboring countries;
- . investigate and seek to prevent new sources of air pollution from coming into being; and,
- . construct, staff, and equip facilities needed by the Department to carry out its increased responsibilities under the amended Clean Air Act.

The President's signature also brought into being the Solid Waste Disposal Act, which authorizes the Department of Health, Education, and Welfare and the Department of the Interior to invest more than \$92 million over the next four years in research and development activities, demonstration projects, surveys, and technical and financial aid to State, regional, and local agencies to assist in the planning, development, and conduct of solid waste disposal programs. The two Departments will initiate and accelerate a national program to develop and apply new methods of solid waste disposal that will not only minimize the environmental spoliation resulting from present inadequate waste disposal practices, but will also permit the recovery of potential resources in solid wastes.

The Clean Air Act Amendments and Solid Waste Disposal Act provide important new tools to help forge a comprehensive attack on the growing national problem of community air pollution. Under the Clean Air Act of 1963, the Department of Health, Education, and Welfare has undertaken the formation of a national program for the prevention and control of air pollution. The Amendments to the Clean Air Act and the Solid Waste Disposal Act will enable the Department to carry its efforts further in several of the most critical areas of the complex problem of air pollution.

Mr. McKenzie is an Assistant Surgeon General and Chief of the Division of Air Pollution, Public Health Service, U.S. Department of Health, Education, and Welfare, and Mr. Fliieger is Head of the Editorial Section in the Division's Office of Information and Education.

Health, Education, and Welfare Indicators, Nov. 1965

THE AIR ABOVE US



The Rockies, the crowning glory of Denver, Colorado, became less visible through the downtown smog in October 1963.

U.S. Public Health Service Photo

“. . . Oh beautiful for spacious skies. . .”
Chicago under smog, December 1959.

Photo by *The Chicago Tribune*



Boiler plant of an apartment house in Albany discharges black smoke into the atmosphere.

Photo by New York State Health Department

HISTORY OF THE LEGISLATION

The development of P.L. 89-272 dates almost from the adoption of the Clean Air Act of 1963. In December 1963, the Special Senate Subcommittee on Air and Water Pollution, under the chairmanship of Senator Muskie of Maine, announced plans to conduct a series of field hearings in order to gather first-hand information on air pollution problems. During 1964, hearings were conducted in Los Angeles, Denver, Chicago, Boston, New York, and Tampa. Further hearings were held in Washington on several specific aspects of the total air pollution problem, including automotive air pollution and solid waste disposal.

The Subcommittee report to the full Committee on Public Works in October 1964 recommended enactment of legislation regulating emissions from gasoline-powered motor vehicles (and subsequently from diesel-powered vehicles), the initiation of a program of Federal grants-in-aid to assist cities in the handling of solid wastes, and the creation of a new Federal air pollution control laboratory. Legislation based on these recommendations was introduced by Senator Muskie in January 1965, and the Subcommittee held hearings on the bill in Washington and in Detroit during April.

Representatives of the Department of Health, Education, and Welfare testified in support of the Muskie Bill, but suggested a number of changes to improve and strengthen it. The bill, incorporating certain of the recommended changes, passed the Senate in May and was referred to the Subcommittee on Public Health and Welfare of the House Committee on Interstate and Foreign Commerce, under the chairmanship of Representative Oren Harris of Arkansas. During the public hearings on the bill, held in June, Department spokesmen reiterated their strong support for the Senate bill (S. 306), again suggesting modifications.

On August 31, the Committee on Interstate and Foreign Commerce reported to the House a bill which closely paralleled S. 306. This bill was approved overwhelmingly by the House on September 24, and on October 1 the Senate, on Senator Muskie's recommendation, accepted the version of the bill approved by the House.

One of the most significant points brought out in both House and Senate hearings on S.306 was made in testimony presented by officials of the automotive industry. These witnesses announced that, if required by Federal law, they would be able to equip all automobiles with exhaust pollution control systems beginning with the 1968 model year. Although the Clean Air Act Amendments do not set a specific date by which time Federal standards on motor vehicle emissions are to become effective, the Department of Health, Education, and Welfare has notified Senator Muskie that emission standards will be made applicable to gasoline-powered vehicles and engines by the 1968 model year (Fall of 1967).

The Department indicated that standards for diesel-powered engines and vehicles will not be promulgated until specialized control technology is sufficiently developed. Within the next two years, the Nation will begin to reap the benefit of control over the hazardous emissions from automobiles which more than twenty years ago began to create today's smog problem.

Control of Air Pollution from Motor Vehicles

The provisions of the Clean Air Act Amendments dealing with the motor vehicle are designed to achieve uniform national control by limiting the emission from all new motor vehicles introduced into interstate commerce, whether manufactured in the United States or imported from abroad. Because motor vehicles are a ubiquitous source of air pollution, moving freely from city to city and from coast to coast, anything less than nationally uniform control would fall short of the need.

The Secretary of Health, Education, and Welfare is authorized to establish standards for the emission of any substance which in his judgment is, or may be, injurious to the public health or welfare. Once the Secretary has promulgated such standards, it will be unlawful to introduce a new motor vehicle or new motor vehicle engine into interstate commerce which fails to comply with the standards announced by the Secretary or to render inoperative a control device on a new motor vehicle or engine before delivery to the ultimate purchaser. Such acts are punishable by a fine of not more than \$1,000 for each offense. Vehicle and engine manufacturers are required under the legislation to maintain and make available to the Secretary records sufficient to enable him to determine that the manufacturer is complying with the law. Failure to keep such records or to make them available on request is also prohibited and punishable by up to a \$1,000 fine.

The new law authorizes the Secretary to revise motor vehicle emission standards from time to time in response to new knowledge of the vehicular air pollution problem and improvements in technological capability for controlling vehicle emissions. The standards initially promulgated by the Secretary, as well as subsequent amendments, will become effective at a date designated by the Secretary and chosen in full recognition of the automotive industry's needs to "tool up" to meet the required standards. The standards will be applicable to all motor vehicles and engines, whether fueled by gasoline or diesel oil, but the Secretary is empowered to set standards by classes of vehicles or engines and to exempt certain classes for research or training purposes or for reasons of national security.

The Secretary is required, when requested by a manufacturer, to test any prototype motor vehicle or motor vehicle engine to determine whether it conforms to established control standards. If he finds the tested equipment to be in compliance with the standards, he must issue a certificate of conformity to the manufacturer, and all vehicles and engines of the same design and construction as the equipment tested will be considered to be similarly in conformity. The certificate will be valid for not less than one year as prescribed by the Secretary.

This new legislation provides the basis for uniform national control of automotive smog, a problem which individual cities and States cannot adequately deal with. Moreover, it gives the Department of Health, Education, and Welfare the legal means of securing control of any and all types of pollutants discharged by motor vehicles--those involved in the formation of photochemical

smog as well as any others judged to present a hazard to human health or welfare. In this way, the benefits of present and future understanding and developments in the field of automotive air pollution and its control will be made available to people throughout the country, regardless of where they live.

Prevention of Air Pollution

As a means of preventing significant new sources of air pollution from being added to present contaminants, P.L. 89-272 authorizes the Secretary of Health, Education, and Welfare to investigate and hold public conferences on potential air pollution problems, to be held in places where a potential air pollution discharge may be expected to affect adversely the public health or welfare. If the Secretary finds evidence that a polluttional discharge would likely contribute to an air pollution problem subject to abatement under the Clean Air Act, he is authorized to send his findings and recommendations both to the persons responsible for the potential air pollution source and to all control agencies in the affected area.

These findings and recommendations would become a part of any formal abatement action taken under the Clean Air Act. The Secretary's recommendations, while only advisory, could exert a strong influence on those planning to undertake potential air polluting activities subject to control under Federal law.

Abatement of International Air Pollution

P.L. 89-272 extends the abatement authority of the Clean Air Act of 1963 to cover air pollution problems arising in the United States alleged to pose a health or welfare hazard for persons in neighboring countries. Whenever he is advised by a duly constituted international organization or by the Secretary of State that air pollution arising in the United States is adversely affecting persons in foreign countries, the Secretary of Health, Education, and Welfare may invoke the abatement authority granted in the Clean Air Act.

Action may lead to a suit in United States courts to secure abatement if steps short of this, as provided in the Clean Air Act, fail to achieve satisfactory results. The new legislation stipulates, however, that any foreign country which claims the right to seek abatement of an air pollution source in the United States must accord this country a reciprocal right to seek abatement of sources within the foreign country's borders.

Expansion of Federal Facilities

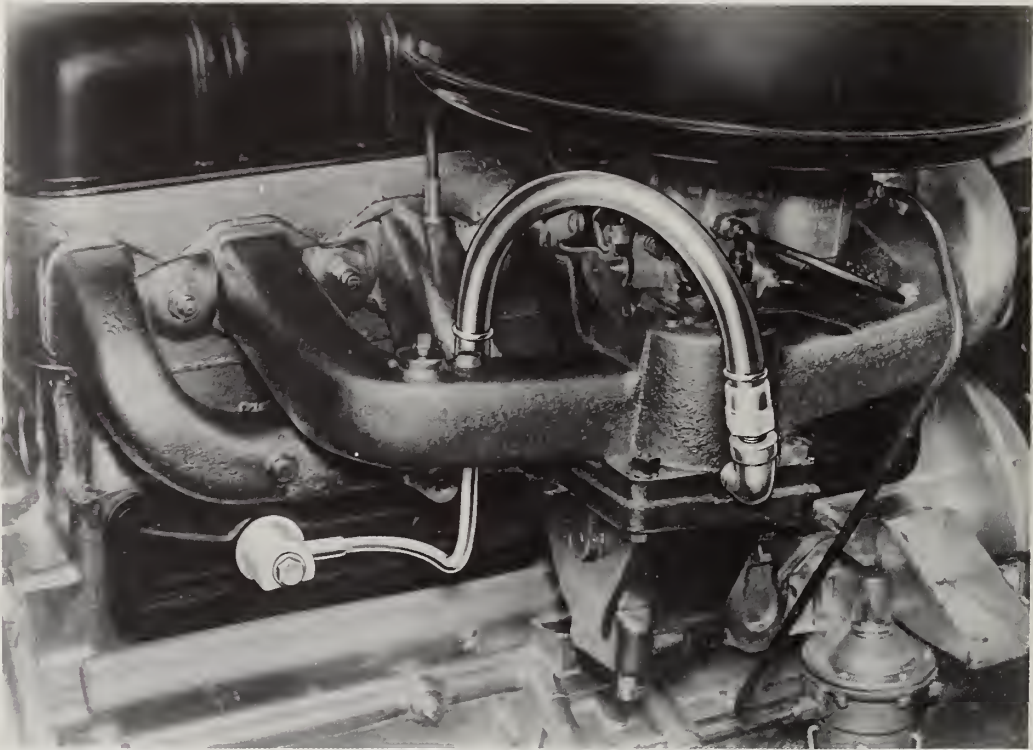
The Secretary of Health, Education, and Welfare is authorized to acquire, staff, and equip such facilities as are necessary to pursue the Department's responsibilities under P.L. 89-272. There will need to be expansion of the research and development facilities available to the Department's Division of Air Pollution, as the testing of new motor vehicles and engines will undoubtedly become a major activity requiring extensive new facilities, equipment, and skilled technical personnel.

Moreover, the steady increase in research and development activities relating to other air pollution sources, the development of air quality criteria based on knowledge of polluttional effects, and the need to provide training for

persons involved in air pollution control activities at State and local levels of government will continue to place a severe strain on available staff and facilities.

Historical Background of the Automotive Air Pollution Problem

The motor vehicle has emerged as a major source of air pollution throughout the Nation. Today cars, trucks, and buses are responsible for about half of the total air pollution problem--a situation that was unforeseen 25 years ago. The explanation lies partly in the phenomenal rate of growth of the motor vehicle population. In 1940 there were about 32.5 million cars, trucks, and buses registered in the entire country. The number had climbed to 49.1 million by 1950 and by 1960 stood at just under 74 million. Today, as our way of life makes us more dependent on the automobile than any previous generation has ever been, there are 88 million motor vehicles in use; by 1985 there will be an estimated 110 million cars, trucks, and buses operating in urban areas alone.



This device on a six-cylinder engine is typical of those being used by automobile manufacturers to check emission "blowby" vapors from the engine crankcase. The vapors from the crankcase venting system (left) are carried through the tubing into the intake manifold below the carburetor.

Photo by the Studebaker Corporation

With three-fourths of the net population increase occurring in urban areas, both the number and density of vehicles in metropolitan areas are rising sharply. Thus, the air pollution problem caused by motor vehicles is most severely felt in the same congested urban areas which now harbor most of our population and most other air pollution sources as well. The Public Health Service has estimated that any community which has 50,000 or more residents is faced today with an air pollution problem, at least in part because such communities have enough automobiles, trucks, and buses to produce photochemical smog.

The form of air pollution for which motor vehicles are primarily responsible, photochemical smog, was first detected in Los Angeles in the mid-1940's. Although neither residents nor officials of the city realized that automobile exhaust was the cause, they were unmistakably aware that something in the air irritated people's eyes and throats, sharply reduced visibility, and apparently caused damage to vegetation and certain kinds of materials, such as rubber. As Los Angeles' smog began to strike with increasing frequency, the community in 1947 mounted a vigorous air pollution control program unequalled in the history of the world.

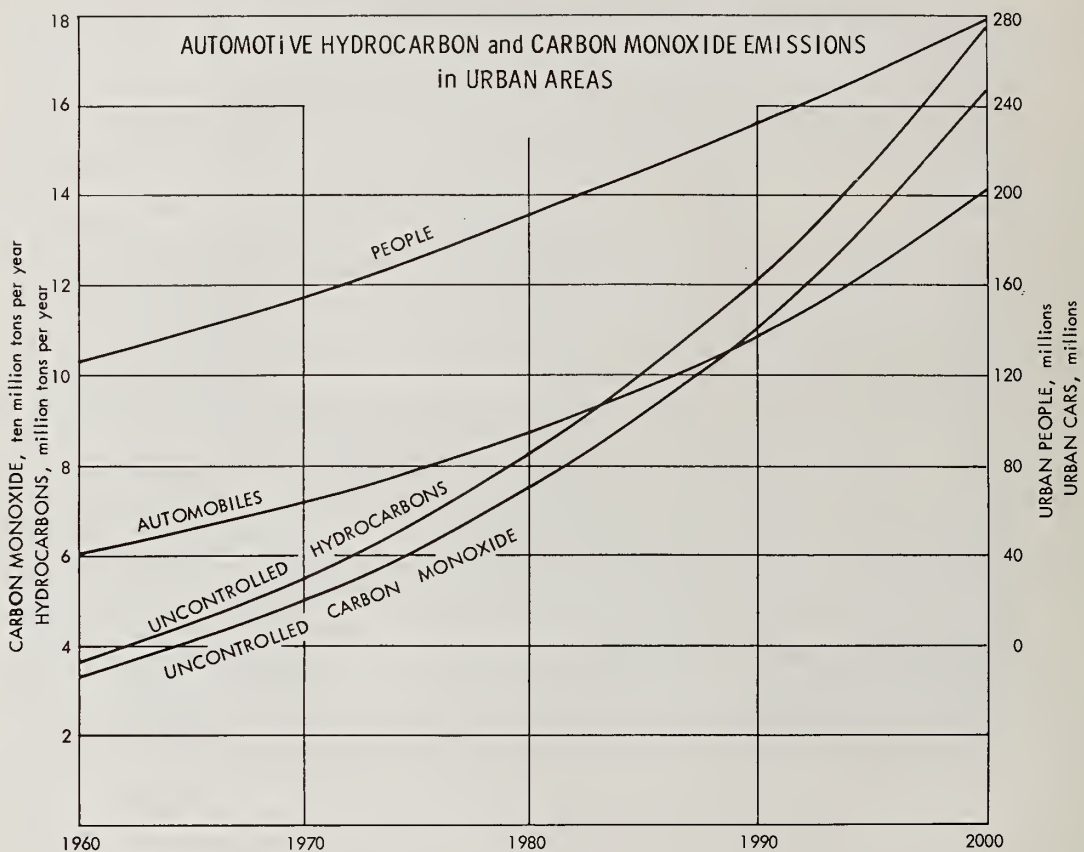
Through the adoption and strict enforcement of stringent regulations, Los Angeles achieved highly effective control of air pollution sources ranging from giant refineries to backyard trash fires. The fact that petroleum refineries in Los Angeles today discharge only a tenth as much polluting gases and particles as they did before they were brought under control indicates the measure of effectiveness of the Los Angeles program. Nevertheless, the smog problem steadily worsened because the millions of motor vehicles on Los Angeles' streets and freeways had been brought under no measure of air pollution control whatsoever.

By the mid-1950's, ignorance of the role of the motor vehicle in causing smog had been replaced by a degree of scientific understanding that made clear the need to bring cars, trucks, and buses under control. Research had demonstrated that ingredients in automotive exhaust, primarily gaseous hydrocarbons, are capable of reacting in the atmosphere with oxides of nitrogen (produced by virtually any combustion source, including the internal combustion engine) to form the brand of air pollution for which Los Angeles was infamous. Ironically, the process is triggered by the strong and abundant sunlight that had made Los Angeles a mecca from the early days of the motion picture industry. Investigations in the laboratory and in the open air had demonstrated that sunlight produces a photochemical reaction among hydrocarbons and oxides of nitrogen yielding, among other things, oxidants such as ozone, which are highly irritating to delicate membranes of the human body as well as to vegetation and certain materials. The process also results in the formation of fine liquid droplets, or aerosols, which remain suspended in the air and account for the reduced visibility associated with photochemical smog.

This knowledge provided the basis for action to control smog by controlling automotive exhaust. Since about 25 percent of an automobile's hydrocarbon emissions are discharged from the crankcase and 65 percent from the exhaust pipe itself, these were the chief targets of efforts to develop effective control systems. Devices to control crankcase "blowby"--in use on some European cars since the 1930's--were first to be perfected. Thereafter, California law required "blowby" control devices on all new cars beginning in April 1963. Abraham A. Ribicoff, former Secretary of Health, Education, and Welfare, in a meeting with representatives of the automotive industry, indicated that he would seek Federal legislation requiring the installation of "blowby" devices on all new cars, if the industry did not act voluntarily. In the fall of 1962, the industry began installing the devices on all new cars.

Although control of crankcase "blowby" emissions signaled a beginning toward smog abatement, the major source of hydrocarbons from motor vehicles, the

exhaust system itself, remained uncontrolled. Development of exhaust controls posed a considerably more difficult technical problem. Nevertheless, a number of chemical and automotive parts firms succeeded in producing exhaust control systems capable of meeting the limitations on hydrocarbons and carbon monoxide imposed by California law. By mid-1964 four exhaust control devices (specially designed replacement mufflers) had been approved by California authorities, and their use automatically became mandatory beginning with 1966 model cars registered in the State. With the California requirement for control of tailpipe emissions about to go into effect, the automotive industry announced that it would make factory modifications on 1966 model cars for shipment to California to satisfy State law without the need for any of the control devices approved by California authorities. Most cars now on sale in California (1966 models) are equipped with exhaust control systems that reduce hydrocarbon emissions by approximately 65 percent and carbon monoxide emissions by approximately 50 percent as compared with the emissions of a representative sample of uncontrolled California cars of 1965 and earlier model years.

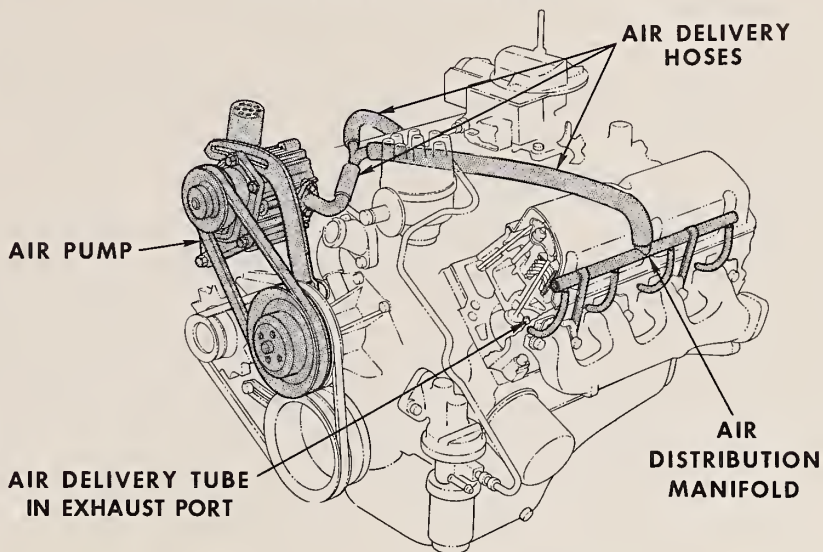


But the problem of vehicle-derived air pollution is not confined to California. The air pollution program of the Public Health Service began work on automotive air pollution in 1957, two years after the program was initiated. Federal activity was expanded substantially in 1960, when the Congress adopted legislation (P.L. 86-493) directing the Surgeon General of the Public Health Service to conduct a two-year study of the automotive air pollution problem with special emphasis on its health implications. In his report on the study,

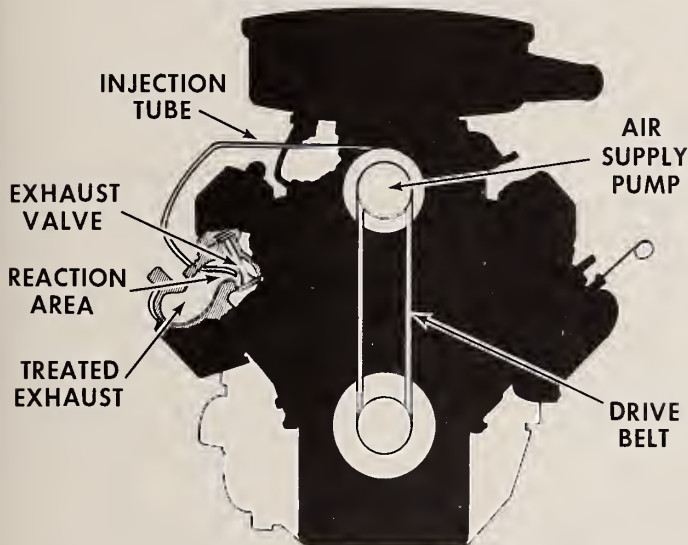
FORD THERMACTOR EXHAUST EMISSION CONTROL SYSTEM

CONTROLLING EXHAUST EMISSIONS:

Three Approaches of U.S. Automobile Manufacturers

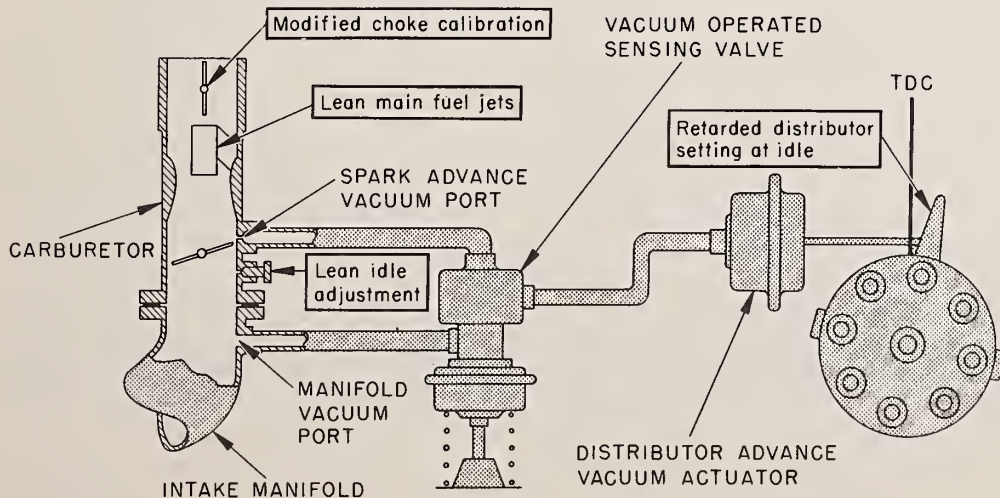


GM AIR INJECTION



In the General Motors Air Injection Reactor system, an air supply pump, belt-driven by the automobile engine, sends air through injection tube to point near the engine's exhaust valves. In reaction area this injected air mixes with exhaust gases from cylinders and oxidizes hydrocarbons and carbon monoxide to a level below California exhaust emission standard; "treated exhaust" must contain less than 275 parts per million by volume hydrocarbons and 1.5 percent by volume carbon monoxide.

CHRYSLER CLEANER AIR PACKAGE - SCHEMATIC



published in June 1962, the Surgeon General concluded that, although the extent of the problem is not fully understood, automobile emissions constitute a threat to health which will intensify unless preventive steps are taken.

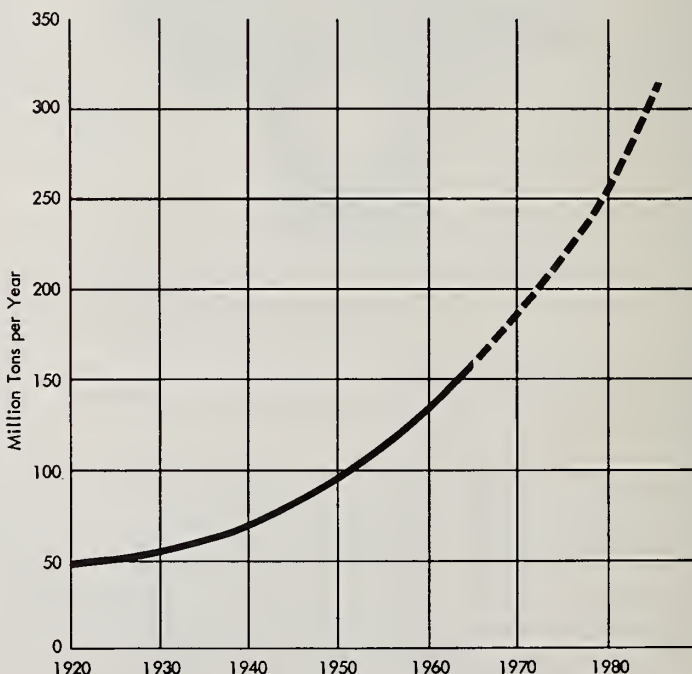
The early 1960's saw a tremendous expansion in both scientific and public understanding of the nature and extent of the automotive air pollution problem. Studies conducted and supported by the Division of Air Pollution in the Public Health Service established beyond doubt that the smog problem, first recognized in Los Angeles, was not confined to that city. Atmospheric sampling revealed that photochemical smog formation was occurring in major metropolitan areas from coast to coast, and the peculiar type of damage to vegetation caused by smog was detected in at least 27 States and the District of Columbia. That adverse health effects were also occurring throughout the country seemed inescapable and focused attention on the need to bring automotive air pollution under control nationally through Federal action. Passage of the Clean Air Act in 1963 laid the groundwork for the development of a comprehensive national program of prevention and control of air pollution.

THE SOLID WASTE DISPOSAL ACT

The fantastically high rates of production and consumption made possible by advancing technology coupled with a sharply rising urban population have created a refuse disposal problem that far outstrips the waste handling resources and facilities of virtually every community in the Nation. The results are obvious and appalling--billowing clouds of smoke drifting from hundreds of thousands of antiquated and overburdened incinerators, open fires at city dumps, wholesale on-site burning of demolition refuse as old structures are destroyed to make room for new construction, acres of abandoned automobiles that blight the outskirts of our greatest cities, and veritable mountains of smoldering wastes abandoned at mining sites.

Inadequate action on the part of both public and private agencies has contributed to a solid waste disposal problem which contributes significantly not only to community air pollution, but also to pollution of streams and lakes, to serious rodent and insect problems, to safety hazards, and to urban and exurban blight. The direct threat to the public health and welfare is coupled with affronts to the senses of sight and smell. Unless remedial and preventive action is taken promptly, there can only be worsening of these problems.

TOTAL REFUSE PRODUCTION IN THE U. S.



The Solid Waste Disposal Act, like the Clean Air Act and other legislation in the area of environmental pollution control, recognizes that the primary responsibility for dealing with these problems rests with State, regional, and local agencies. Nevertheless, these levels of government must inevitably look for guidance and aid to the Federal Government. The Solid Waste Disposal Act is intended to enable the Federal Government to help create a coordinated national solid waste disposal program by bolstering the efforts of State and local governments.

The Act authorizes two basic kinds of activity for the Federal Government-- research and training, and grant support for demonstrations and planning of local and State programs. The research need is chiefly to find and perfect methods that effectively dispose of solid wastes while avoiding environmental contamination and, hopefully, permitting the recovery of the vast amounts of salvagable materials now being lost through primitive disposal practices. This is an economic as well as an engineering challenge, for new methods of handling solid wastes must be capable of reducing the present high cost of refuse collection and disposal, a cost which is among the major drains on municipal resources.

Obviously, the development of promising new techniques will be of little real benefit so long as there is a critical shortage of trained personnel to apply them to the solid waste disposal problem. Therefore, it is imperative that additional skilled manpower be available to direct municipal and State solid waste disposal programs.

Balancing the research and training efforts which the Federal Government will undertake, the Solid Waste Disposal Act provides a means of stimulating State, regional, and local agencies toward developing and operating more sanitary, efficient, and economical waste disposal programs. The Secretary of Health, Education, and Welfare is authorized to provide financial and technical assistance to public agencies--and to institutions and individuals engaged in research--to promote research, demonstrations, surveys, and training concerned with the operation of solid waste disposal programs. Grant funds are available to pay up to two-thirds of the cost of construction associated with a grant-supported demonstration project.

The Secretary is also authorized to make grants to State and interstate agencies of up to 50 percent of the cost of conducting surveys of solid waste disposal practices and problems within the jurisdiction of the applying agency and of developing solid waste disposal plans for the area under jurisdiction of the applicant. To be eligible for grant assistance, the applicant must show that responsibility for the conduct of a solid waste disposal program is vested in an appropriate State or interstate agency and must indicate that a comprehensive program will be developed which takes into account the need for efficient waste handling, protection of the public health from such hazards as air and water pollution, and adequate planning for future increased demands on waste disposal programs.

To carry out these new activities, the Solid Waste Disposal Act authorizes the appropriation of more than \$92 million over the four fiscal years of 1966-1969--\$60 million for the Department of Health, Education, and Welfare, and \$32 million for the Department of the Interior to carry out a related program

THE AUTOS AND JUNKYARDS AROUND US



Automobiles figure prominently in both air pollution and solid waste disposal problems.

Rush-hour traffic in the Nation's capital, April 1963.

Photo by *The Washington Post*

Auto burning in New York City

Photo by New York State Health Department



Solid waste disposal--for the castoffs of America's affluence.

concerned with the disposal of wastes resulting from the mining and associated processing of minerals and fossil fuels.

The Solid Waste Disposal Act gives the cities and States an unparalleled opportunity to reverse the relentless trend toward permitting the discards of abundance to jeopardize health and safety and erode the natural beauty of this country. The productive cooperation of Federal, State, regional, and local governments, coupled with the responsible action of those portions of the private sector who are responsible for a major share of the solid waste problem, should make it possible to inaugurate and accelerate a national program to begin to rid the country of the squalid conditions created by towering mountains of refuse, by acrid fumes in the air and floating garbage in streams and lakes. Moreover, it will be possible to harvest from our refuse heaps precious raw materials that will enrich rather than contaminate the Nation and benefit rather than threaten the lives of its people. This is the goal of the Solid Waste Disposal Act.

REMARKS BY PRESIDENT JOHNSON UPON SIGNING THE CLEAN AIR ACT
AMENDMENTS AND THE SOLID WASTE DISPOSAL ACT
October 20, 1965

When future historians write of this era, I believe they will note that ours was the generation that finally faced up to the accumulated problems of American life.

To us has been given the task of checking the slow but relentless erosion of our civilization.

To us has been given the responsibility not only of stimulating our progress, but also of making that progress acceptable to our children and grandchildren.

Today, we are taking another large and forward step in this direction.

Since the beginning of the industrial revolution we have been systematically polluting our air.

Each year the pollution grows worse.

We have now reached the point where our factories, our automobiles, our furnaces and our municipal dumps are spewing more than 150 million tons of pollutants annually into the air we breathe--almost one-half million tons a day.

From our automobiles alone, enough carbon monoxide is discharged daily to adversely pollute the combined areas of Massachusetts, Connecticut and New Jersey.

The air that is the very essence of life has become a carrier for disease and early death. Between 1930 and 1960, the number of deaths from one respiratory disease alone increased by 800 per cent.

We can no longer allow this problem to go unchecked.

But air pollution is also a drain on our resources. In the United States alone it accounts for more than \$11 billion in economic damages. This amounts to nearly \$30 a year for every man, woman and child in the nation. And yet our expenditure on air pollution control is less than 20 cents a year per citizen.

We made a hopeful beginning toward solving this problem with the Clean Air Act of 1963.

Today, with the signing of the Clean Air Act Amendments and Solid Wastes Disposal Act, we are redoubling our efforts.

This bill will require all 1968 model automobiles--including foreign models sold here--to meet Federal control standards for exhaust.

This bill creates a Federal research and technical assistance program to seek ways of disposing of the millions of tons of solid wastes that we generate each year.

This bill gives us the tools to halt pollution before it starts in new industries.

Rachel Carson once wrote: "In biological history, no organism has survived long if its environment became in some way unfit for it, but no organism before man has deliberately polluted its own environment."

We intend to rewrite that chapter of history.

Today we begin.

MEDICAL LIBRARY ASSISTANCE ACT OF 1965 (P.L. 89-291)

The Medical Library Assistance Act of 1965, signed by President Johnson on October 22, became Public Law 89-291. The new law amends the Public Health Service Act to provide for a program of grants to help meet the need for adequate medical library services and facilities for the health sciences, including medicine, dentistry, and public health, as well as for the related applied and fundamental sciences.

HIGHLIGHTS OF THE LEGISLATION

Public Law 89-291 authorizes a program of grants and contracts to encourage:

- . construction of new medical library facilities and the renovation, expansion, or rehabilitation of existing libraries;
- . training of medical librarians and other information specialists in the health sciences;
- . compilation of existing written matter and the creation of additional written matter to facilitate the distribution and use of accumulated knowledge and information on scientific, social, and cultural advancements in health-related sciences, through the awarding of special fellowships to physicians and other practitioners in the health sciences;
- . research and investigations in the field of medical library science and related activities and the development of new techniques, systems, and equipment for processing, storing, retrieving, and distributing information in the health sciences;
- . improvement and expansion of the basic resources of medical libraries and related facilities;
- . development of a national system of regional medical libraries, each with facilities of sufficient depth and scope to supplement the services of other medical libraries within the region; and
- . publication of biomedical scientific information.

This legislative summary was prepared by Robert M. Wilson, Public Information Officer of the National Library of Medicine, Public Health Service, and Earl E. Huyck, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Dec. 1965

**STATEMENT BY PRESIDENT JOHNSON
ON SIGNING
THE MEDICAL LIBRARY ASSISTANCE ACT, P.L. 89-291, October 22, 1965**

The volume of published research in the field of medicine doubles every ten years. Such a tremendous expansion of knowledge is cumulative; it feeds upon itself--no one can predict when a key discovery will be made which will unlock a whole new chain of knowledge.

This creative process cannot go on unless the results of scientific work are available to practicing physicians and to health workers across the country. The nation's medical libraries are a vital link between medical education, practice, and research.

Yet in past years we have given too little attention to the problems of collecting and sharing scientific knowledge.

This measure provides long-needed support for our medical libraries.

- It will furnish space and facilities for dealing with the massive body of published information.
- It will advance the processing, storage and retrieval of material vitally needed by health professionals.
- It will help us to overcome the shortage of personnel trained in science information technology.

Its result, ultimately, will be not only an increase in the growth and spread of scientific knowledge, but a gain in health and well-being of the American people.

HISTORY OF THE LEGISLATION

In recognition of the increasingly heavy demands for library materials and services made by expanding health programs upon already overtaxed resources of the libraries serving the health professions of the Nation, the National Advisory Health Council in April and again in December 1964, passed resolutions calling for the development of legislation to provide authority for the Public Health Service through the National Library of Medicine to mount a broad program of assistance to health science libraries.

In December 1964, the President's Commission on Heart Disease, Cancer and Stroke recommended broadly conceived legislation to authorize the National Library of Medicine to assist libraries through a program of grants and contracts to improve medical library services in the United States--including facilities, resources, training of personnel, secondary publications, and library and communications research.

In response to the seriousness of the situation, the Medical Library Assistance Act (S. 597, H.R. 3142) was introduced in Congress on January 19, 1965 by Senator Lister Hill and Representative Oren Harris. On March 19, 1965, Representative John E. Fogarty introduced an identical bill (H. R. 6001). This Administration-backed legislation received the strong support of the Board of Regents of the National Library of Medicine.

The Subcommittee on Health of the Senate Committee on Labor and Public Welfare, under the Chairmanship of Senator Hill, conducted hearings on the bill on June 14, 1965. Hearings were held before the Committee on Interstate and Foreign Commerce of the House on September 14, 1965, under the Chairmanship of Representative Harris.

On September 22, 1965, the Senate considered and passed the bill by a voice vote; an amended version was passed by the House on October 1, 1965.

PROVISIONS OF THE ACT

National Medical Libraries Assistance Board

The Board of Regents of the National Library of Medicine is designated to constitute a National Medical Libraries Assistance Board to advise and assist the Surgeon General in the preparation of regulations and with respect to policy matters relating to the administration of the programs which the Act authorizes. The Board is also required to review all construction applications. In its capacity as Board of Regents of the National Library of Medicine, the Board will also advise the Surgeon General on the establishment of branches of the National Library of Medicine to serve as regional medical libraries.

Duration of Programs and Continuing Availability of Funds

With the exception of the authorized four-year construction grant program to begin in FY 1967, all other programs are to commence in FY 1966 and to extend for five years. With the single exception of funds for the establishment of branches of the National Library of Medicine-- for which appropriated funds will remain available until expended--funds appropriated to carry out the purposes of the Act in any fiscal year will remain available for such purposes through the following fiscal year.

Construction

The Surgeon General is authorized to make grants of up to 75 percent of the costs of constructing, renovating, expanding, or remodeling medical library facilities. In acting upon applications for grants, consideration is to be given to the relative effectiveness of the proposed facilities in meeting demonstrated needs for additional or improved medical library services and priority, given to most-needed projects. For these purposes, the Act authorizes appropriations not to exceed \$10 million a year.

Training

The law also provides for a program of grants (limited to \$1 million a year) to assist in the training of medical librarians and other information specialists in the health sciences.

Grants may be awarded:

- . for traineeships and fellowships leading to post-baccalaureate academic degrees in medical library science and related fields;
- . to librarians or information specialists on health sciences for intensive training or retraining to increase their professional competence (including competence in the fields of automatic data processing and retrieval);
- . to public and private nonprofit institutions to help develop, expand, and improve training programs in medical library science and informational activities concerned with health sciences; and
- . to medical libraries to help establish intern programs.

Resources

The law also authorizes a program of grants to public or private nonprofit institutions for expansion and improvement of basic medical library resources. A maximum of \$3 million a year is authorized for these purposes. Each individual grant is limited in any one year to \$200,000, or if less, to 60 percent of the annual operating expense of the library for the first year; these limits will be reduced annually to a level of 20 percent for the fifth year. Funds available under this program may be used for (but are not limited to) acquisition of books, journals, films, and other materials; cataloging, binding, and other services to prepare resource materials for users of the library; acquisition of duplicating, recording, and other equipment to make resources of the library more available to users; and introduction of new methods and technology in medical library management.

Regional Medical Libraries

Grants are authorized to existing public or private nonprofit institutions to enable them to serve as regional medical libraries. No more than \$2.5 million a year may be appropriated for this purpose. In determining priorities, such factors as the following will be considered: (1) the need for a regional medical library, assessed in terms of the levels of research, teaching, and medical activities in the region and the library services available; (2) the adequacy of the resources of the library for use as a regional medical library, measured in terms of collections, staffing, equipment, and other facilities; and (3) the size and nature of the population to be served in the region. Grant funds expended for basic resource materials may not exceed 50 percent of the library's annual operating expense for the preceding year (exclusive of Federal financial assistance under other provisions of this Act). Construction, renovation, or expansion of an existing library to enable it to serve as a regional library is authorized under the same terms as other construc-

tion grants authorized in the Act. Grants may also be used for equipment, staff, and services necessary for the functions of a regional medical library.

Branches of the National Library of Medicine

For regions lacking a medical library adequate for use as a regional medical library, the Act provides for the establishment of branches of the National Library of Medicine. Maximum appropriations of \$2 million annually are authorized.

Special Scientific Projects

Up to \$500,000 a year is authorized for assistance through awards to physicians and scientists in the compilation of existing materials, or the writing of original contributions, relating to scientific, social, and cultural advancements in the health sciences. Such awards are intended to facilitate the distribution and use of the information. The Act also provides for appropriate arrangements for making the facilities of the National Library of Medicine and of other institutions available to recipients of grants for approved projects.

Research and Development in Medical Library Science and Related Fields

Appropriations up to \$3 million a year are authorized for grants or contracts for research or investigations in the field of medical library science and related activities, and for the development of new techniques, systems, and equipment for processing, storing, retrieving, and distributing information pertaining to health sciences.

Support of Biomedical Publications

The Act establishes a program of grants or contracts with nonprofit institutions of higher education or individual scientists for support of nonprofit biomedical scientific publications and to procure the compilation, writing, editing, and publication of reviews, abstracts, indices, handbooks, bibliographies, and related matter pertaining to scientific works and scientific developments. Annual appropriations of \$1 million are authorized. A grant for support of a periodical publication may be made for a maximum of three years.

THE PLIGHT OF THE NATION'S MEDICAL LIBRARIES

The serious inadequacies of the libraries serving the health professions of the Nation have been recognized for a number of years. Several surveys of health science libraries dramatically documented their needs. During a period when vast expansion and improvement in Federal programs of health research, professional education, and medical care occurred, little effort was made to obtain similar expansion of health science library resources. Already in a depressed state and faced with heavy additional demands for materials and services generated by the expanding health pro-

grams, the libraries have lost further ground in attempting to respond adequately to the needs of the health science community.

The Medical Library Community

The more than 6,000 specialized health-related libraries, governmental and private, in the United States represent a great variety of specialization, function, size, and condition (Table 1). In general, libraries associated with educational institutions serve a triple purpose: the advancement of health knowledge, the advancement of health education, and the improvement of health practice. No distinction is made as to the size of these libraries--their collections range from a few hundred volumes to several hundred thousand. The "proposed new schools" were already in the planning stages when P.L. 89-291 was enacted.

Table 1

Type of institution	Number with separate library	Proposed new schools
Hospital.....	3,192	-----
Nursing school.....	857	10
Medical school.....	87	12
Medical society.....	50	-----
Pharmacy college.....	27	-----
Dental school.....	21	5
Veterinary medicine school.....	18	-----
Osteopathic college.....	5	1
Public Health School.....	3	1
Subtotal.....	4,200	29
Research and industrial institutions.....	1,100	-----
Government, Federal (estimate).....	1,000	-----
Subtotal.....	6,360	-----
New.....	29	-----
Total.....	6,389	-----

Medical Library Space Requirements

Table 2 reflects the square footage available, and the additional footage needed, for library facilities by the 113 established schools of medicine, dentistry, and osteopathy, and the 12 new medical schools and five new dental schools under development. Information from public health schools was not available.

Data on medical school libraries were derived in part from a survey conducted early in 1964 by the Association of American Medical Colleges and by the National Library of Medicine. Information on the dental school libraries was provided by the Public Health Service, Division of Dental Public Health and Resources. Data on the libraries of osteopathic schools were obtained directly from those libraries or schools.

Costs for additional library space needs were estimated by applying an average building construction cost figure (\$40 per square foot) developed by the General Services Administration to projected space requirements.

Table 2

	Present average size (square feet)	Average additional square footage needed	Estimated cost	
			Average per school	Total cost
Medical schools:				
87 established.....	18, 115	32, 921	\$1, 316, 840	¹ \$106, 664, 040
12 new.....		37, 736	1, 509, 440	18, 113, 280
Dental schools:				
21 separate.....	1, 430	9, 797	391, 880	8, 229, 480
5 new.....		9, 000	360, 000	1, 800, 000
Osteopathic colleges, 5 colleges.....	2, 637	11, 803	472, 120	2, 360, 600
Total.....				137, 167, 400

¹ 6 of the established medical schools state they do not need additional space. Therefore, the estimated total cost is for 81 schools.

Medical Library Collection Needs

Table 3 shows the number of volumes in 2,723 medical libraries, with estimates of additional acquisitions needed to meet standards set for specific types of institutions. The table excludes those types of schools for which accepted standards of collection size have not been set.

Table 3

	Present average size	Suggested standard	Average deficit	Total cost
Medical schools:	<i>Volumes</i>	<i>Volumes</i>	<i>Volumes</i>	
87 established.....	77, 000	¹ 100, 000	23, 000	\$26, 013, 000
12 new.....		100, 000	100, 000	15, 600, 000
Dental schools:				
21 separate.....	13, 000	² 25, 000	12, 000	3, 276, 000
5 new.....		25, 000	25, 000	1, 625, 000
Nursing schools:				
857 separate.....	1, 140	³ 3, 750	2, 610	29, 078, 010
10 new.....		3, 750	3, 750	487, 500
Hospitals:				
206 (over 400 beds).....	2, 657	⁴ 10, 000	7, 343	19, 664, 554
1,555 (100-399 beds).....	654	⁵ 1, 000	346	6, 998, 888
Total.....				102, 742, 952

¹ "Medical Education in the United States." *Journal of the American Medical Association* 190: 597-676, 1964. Medical school libraries, pp. 614-615.

² U.S. Public Health Service, Division of Dental Public Health and Resources. "Dental School Planning." Washington, 1962. 113 p. (PHS publication No. 940).

³ United Hospital Fund of New York. Committee on Hospital Library Architecture. "Planning the Hospital Library"; a report. New York, 1958. 11 p.

⁴ Ibid.

⁵ Joint Committee on Standards for Hospital Libraries. "Hospital Libraries"; objectives and standards. Chicago, Hospital Libraries Division, American Library Association 1953. 19 p.

Data shown relate only to collection needs and do not include additional funds needed for cataloging, binding, equipment, etc. On the average, 80 percent of the volumes in a medical library are bound copies of journals; only 20 percent are monographs or other material. A cost of \$13 per volume was cited by the National Library of Medicine as the average annual cost of journals in 1964.

Medical Library Personnel

Standards set forth by the using professions indicate a minimum need immediately for an additional 3,200 medical librarians (Table 4), for an estimated total of 6,200. Some of these positions (such as small hospital libraries) might be adequately filled with persons trained at the sub-professional level. Such technicians are now being used widely and successfully.

In the face of the existing shortage of over 3,000 professional librarians, plus an annual attrition of about 150, the Nation's library schools are currently training only about 100 persons a year in medical librarianship. And of these, about 60 are already employed in medical libraries; therefore, only about 40 additional qualified medical librarians enter the profession each year. Hence the gap between present and projected needs for professionally trained medical librarians and the numbers of people entering library training continues to widen. An immediate six-or-seven fold increase in present training activities is necessary if needs for additional professional librarians are to be met within the next 10 years.

Table 4

	Total librarians	Accredited library schools	Annual graduates	Existing vacancies
General.....	¹ 69,700	³²	¹ 2,019	^{7,500}
Medical.....	² 3,000	³ 10	⁴ 40	³ 3,200

Present annual attrition (5 percent)..... 150

¹ Schick, Frank L. "Professional Library Manpower." ALA Bull. 58: 315-317, April 1964.

² National Library of Medicine, unpublished data.

³ Accredited library schools offering annually a course in medical librarianship. In 1962 there were 7 schools giving such a course.

⁴ Each class averages about 10 students per year; however, of the total of about 100, approximately 60 of the students are not newly graduated librarians but already have been employed as librarians in medical libraries for some time and hence do not represent an additional increment of manpower.

SELECTED REFERENCES

89th CONGRESS, 1st Session

SENATE

Committee on Labor and Public Welfare

Senate Report No. 756 on S. 597, *Health Science Library Assistance Act of 1965*.
September 20, 1965. 26 p.

HOUSE OF REPRESENTATIVES

Committee on Interstate and Foreign Commerce

House Report No. 1026 on H.R. 3142, *Medical Library Assistance Act of 1965*.
September 20, 1965. 38 p.

THE PRESIDENT'S COMMISSION ON HEART DISEASE, CANCER AND STROKE

A National Program to Conquer Heart Disease, Cancer and Stroke. Volume I, December 1964,
114 p., \$1.25. Volume II, February 1965, 644 p., \$3.00. (Sup't of Documents, Washington, D.C. 20402).





E D U C A T I O N

Once again we must start where men who would improve their society have always known they must begin--with an educational system restudied, reinforced, and revitalized.

Education Program--
President Johnson's Message to
Congress, January 12, 1965

THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Philip H. Des Marais

The Elementary and Secondary Education Act of 1965 (P.L. 89-10) was signed into law by President Johnson on April 11, 1965.

Authorizing a total expenditure of \$1.33 billion the first year of operation, the Act represents the greatest legislative commitment to the improvement of elementary and secondary education ever made by the Federal Government.

HIGHLIGHTS OF THE LEGISLATION

Education of Children in Low-Income Families (Title I)

The heart of the bill is a three-year program of Federal grants to the States for allocation to school districts to improve the education of some five million children in families with incomes below \$2,000 and other children in families receiving Aid to Families with Dependent Children. The grants are to be used to encourage and support the establishment of special programs, including the construction of school facilities where needed, to meet the special needs of educationally deprived children of low income families. Under this title, \$1.06 billion is authorized for fiscal year 1966. Title I also extends for two years the provisions of P.L. 874, as now in effect, which were due to expire on June 30, 1966.

School Library Resources, Textbooks, and Other Instructional Materials (Title II)

A five-year program of grants is authorized, with \$100 million provided for the first year, to provide school library resources and other instructional materials, including textbooks. Each State must submit a plan for making these materials available to all school children in the State. Ownership and control of such materials will be vested in a public agency, and when made available to students in nonpublic schools, the materials must be those approved for use in the public schools of the State.

This legislative summary and background paper was prepared by Philip H. Des Marais, Deputy Assistant Secretary (for Legislation), U.S. Department of Health, Education, and Welfare. Selected references are given at the end of this summary.

Health, Education, and Welfare Indicators, May 1965



President Johnson had his first school teacher, Mrs. Katie Dadrach Loney, sitting beside him as he signed the Elementary and Secondary Education Act of 1965 at the old "Junction" school near Johnson City, Texas on April 11, 1965.

Supplementary Educational Centers and Services (Title III)

A five-year program of grants, with \$100 million authorized for the first year, will enable local educational agencies to establish supplementary educational centers and provide vitally needed educational services not now available in sufficient quantity or quality in the schools and to develop high standard educational programs to serve as models for regular school programs.

Programs could be provided for specific groups, including special courses, equipment, and teachers for highly gifted students or for the handicapped, the mentally retarded, deprived children, and others isolated from normal education opportunities.

REMARKS BY PRESIDENT JOHNSON UPON SIGNING THE EDUCATION BILL
Johnson City, Texas, April 11, 1965

I have chosen this time and this place for two reasons.

First, I do not wish to delay by a single day the program to strengthen this Nation's elementary and secondary schools. I devoutly hope that my sense of urgency will be communicated to Secretary Celebrezze, Commissioner Keppel and the other education officers throughout the country who will be responsible for carrying out this program.

Second, I felt a very strong desire to go back to the beginnings of my own education--to be reminded and to remind others of that magic time when the world of learning began to open before our eyes. In this one-room school house Miss Katie Deadrich taught eight grades at one and the same time. . . .

From the very beginnings as a Nation, we have felt a fierce commitment to the ideal of education for everyone. It fixed itself into our democratic creed. . . . Yet for too long children suffered while jarring interests caused stalemate in the efforts to improve our schools. Since 1946, Congress tried repeatedly, and failed repeatedly, to enact measures for elementary and secondary education.

Now, within the past three weeks, the House of Representatives, by a vote of 263 to 153, and the Senate, by vote of 73 to 18, have passed the most sweeping educational bill ever to come before Congress. It represents a major new commitment of the Federal government to quality and equality in the schooling that we offer our young people. . . .

By passing this bill, we bridge the gap between helplessness and hope for more than five million educationally deprived children in America.

We put into the hands of our youth more than thirty million new books, and into many of our schools their first libraries.

We reduce the terrible time lag in bringing new teaching techniques into the Nation's classrooms.

We strengthen state and local agencies which bear the burden and the challenge of better education.

And we rekindle the revolution--the revolution of the spirit against the tyranny of ignorance.

As a son of a tenant farmer, I know that education is the only valid passport from poverty.

As a former teacher--and, I hope, a future one--I have great expectations of what this law will mean for all of our young people.

As President of the United States, I believe deeply no law I have signed or will ever sign means more to the future of America.

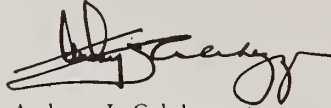
To each and everyone who contributed to this day, the Nation is indebted.

Let me urge, as Thomas Jefferson urged his fellow countrymen one time to... "Preach, my dear sir, a crusade against ignorance; establish and improve the law for educating the common people..."

We have established the law. Let us not delay in putting it to work.

Passage of President Johnson's education program has brought our Nation to the threshold of a new era--an era in which the light of learning will shine more brightly than ever before, giving new inspiration to all of our young people and reaching into thousands upon thousands of American homes now darkened by poverty.

I am grateful to the many individuals and organizations that played an important part in the enactment of this landmark legislation.



Anthony J. Celebrezze
Secretary of Health, Education, and Welfare

Educational Research and Training (Title IV)

Under this title, the Cooperative Research Act (P.L. 83-531) has been expanded to broaden support of research and development programs aimed at improving the quality of education. Eligibility for these research funds has been extended to private nonuniversity research organizations and professional associations. For the first time funds will be made available under the program for construction of research facilities and for purchase of research equipment, and the establishment of a series of national and regional educational laboratories is authorized. A total of \$100 million over a five-year period has been budgeted for construction grants, and \$22.5 million for expanded research activities in the first year of operation.

Grants to Strengthen the State Departments of Education (Title V)

A five-year grant program, with \$25 million earmarked for the first year, will stimulate and assist States in strengthening State educational agencies for their leadership role in identifying and meeting educational needs.

General Provisions (Title VI)

Under this title, Federal control over educational programs, curriculum, administration, personnel, or selection of textbooks or other teaching tools is prohibited. In addition, Title VI specifies that no payments under the Act may be used for religious worship or instruction.

LEGISLATIVE HISTORY OF THE BILL

In his State of the Union Message sent to the Congress on January 4, 1965, President Johnson said that "Every child must have the best education our Nation can provide." He stated that he would "recommend a new program for schools and students, with a first year authorization of \$1,500 million" (\$1,250 million for elementary and secondary education; \$250 million for higher education).

The President's Education Message followed, on January 12, emphasizing four major educational tasks confronting us --

- . "to bring better education to millions of disadvantaged youth who need it most;
- . "to put the best educational equipment and ideas and innovations within reach of all students;
- . "to advance the technology of teaching and the training of teachers; and
- . "to provide incentives for those who wish to learn at every stage along the road to learning."

On the same day, January 12, companion bills--H.R. 2362 and S. 370--providing for sweeping new educational programs were introduced in the Congress.

Congressman Carl D. Perkins of Kentucky, Chairman of the General Education Subcommittee of the House Education and Labor Committee, introduced the House bill. The Subcommittee opened hearings with testimony by Secretary Celebrezze, Assistant Secretary Cohen, and Commissioner Keppel (U.S. Office of Education). After ten full days of hearings, the Subcommittee reported out the bill March 2. The Education and Labor Committee, under Chairman Adam Clayton Powell of New York, reported the bill on March 8. The Rules Committee granted a rule for full House debate on the bill to begin on March 24. The House passed the bill on March 26 by a vote of 263-153.

Senator Wayne Morse of Oregon, Chairman of the Education Subcommittee of the Senate Labor and Public Welfare Committee, joined by 37 additional Senators, introduced the companion bill in the Senate. The Subcommittee reported the bill on April 1, after seven days of extensive hearings. The Labor and Public Welfare Committee, under Chairman Lister Hill of Alabama, reported the bill by unanimous vote on April 6. After three days of debate, the bill passed the Senate on April 9 by vote of 73-18. It was signed by the President, becoming Public Law 89-10, on April 11, 1965.

MAJOR PROVISIONS OF THE LAW

Broadening and Strengthening Elementary and Secondary School Programs (Title I)

As a matter of first priority, the new legislation focuses on improving elementary and secondary education of children from low-income families. Title I, which is specifically directed toward this goal, accounts for four-fifths of the \$1.3 billion authorized for the first year's operation under the Act (Table 1).

Table 1

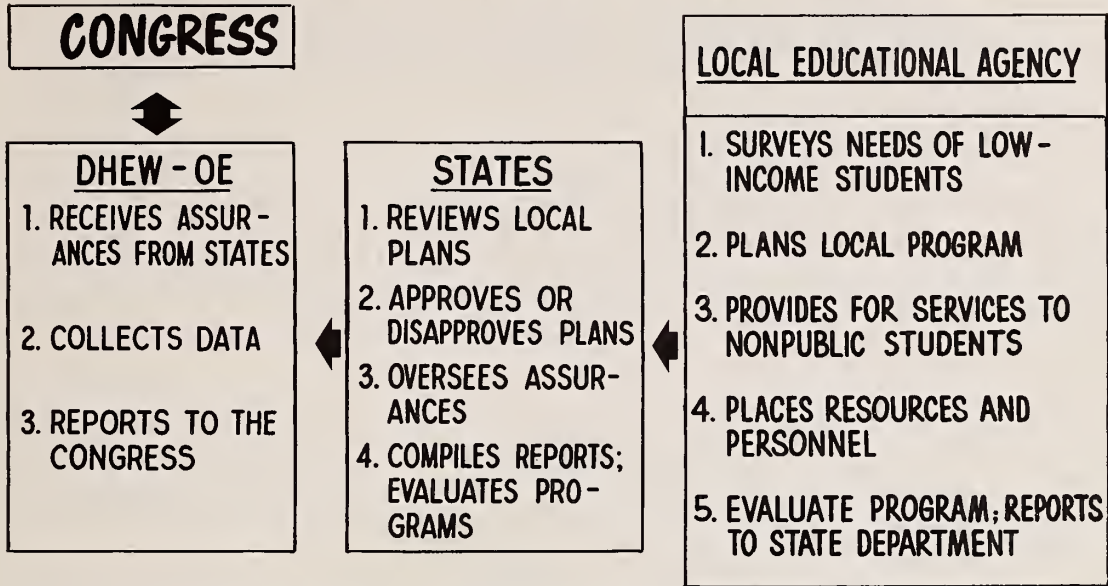
THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Authorized Federal Allotments for Fiscal Year 1966
(in thousands)

State	Total	Education of children in low-income families (Title I) ^{1/}	School library resources and instructional materials (Title II) ^{2/}	Supplementary educational centers and services (Title III) ^{3/}	Strengthening State departments of education (Title V) ^{4/}
TOTAL	\$1,281,333	\$1,060,083	\$ 100,000	\$ 100,000	\$ 21,250 ^{5/}
UNITED STATES (50 States and D.C.)	1,255,706	1,038,881	98,000	98,000	20,825
Alabama.....	35,727	31,738	1,734	1,844	412
Alaska.....	1,989	1,431	119	318	121
Arizona.....	11,747	9,758	815	935	239
Arkansas.....	23,401	21,095	938	1,098	270
California.....	92,366	73,145	9,309	8,240	1,672
Colorado.....	10,908	8,454	1,066	1,107	281
Connecticut.....	10,314	7,175	1,393	1,433	313
Delaware.....	2,789	1,967	257	425	140
District of Columbia	5,667	4,633	346	534	154
Florida.....	33,753	27,896	2,604	2,703	550
Georgia.....	39,418	34,518	2,174	2,229	496
Hawaii.....	3,209	2,128	391	530	160
Idaho.....	3,384	2,311	371	536	165
Illinois.....	54,528	43,361	5,362	4,929	876
Indiana.....	24,271	18,773	2,528	2,452	518
Iowa.....	20,632	17,325	1,484	1,488	336
Kansas.....	12,423	9,753	1,147	1,231	292
Kentucky.....	31,804	28,215	1,550	1,688	352
Louisiana.....	42,104	37,904	1,923	1,878	399
Maine.....	5,275	3,907	526	659	183
Maryland.....	18,325	14,356	1,810	1,779	379
Massachusetts.....	19,669	13,989	2,622	2,581	477
Michigan.....	42,281	32,729	4,672	4,052	828
Minnesota.....	25,127	20,877	1,988	1,863	399
Mississippi.....	30,905	28,029	1,218	1,338	320
Missouri.....	31,825	26,867	2,309	2,189	460
Montana.....	4,834	3,750	383	538	163
Nebraska.....	8,668	6,793	775	879	220
Nevada.....	1,385	658	212	377	138
New Hampshire.....	2,589	1,610	336	495	148
New Jersey.....	27,157	20,196	3,234	3,150	577
New Mexico.....	10,419	8,932	591	698	199
New York.....	109,486	91,893	8,294	8,010	1,288
North Carolina.....	54,046	48,556	2,435	2,508	547
North Dakota.....	6,086	5,070	347	513	156
Ohio.....	47,975	36,709	5,407	4,912	947
Oklahoma.....	18,513	15,596	1,267	1,322	328
Oregon.....	10,204	7,894	976	1,067	267
Pennsylvania.....	61,760	49,520	5,908	5,392	940
Rhode Island.....	4,932	3,747	428	601	157
South Carolina.....	28,629	25,519	1,320	1,449	340
South Dakota.....	7,340	6,249	387	541	162
Tennessee.....	35,313	31,093	1,826	1,966	429
Texas.....	86,045	74,580	5,346	5,083	1,036
Utah.....	4,113	2,628	588	690	207
Vermont.....	2,286	1,556	208	390	131
Virginia.....	34,212	29,434	2,095	2,215	468
Washington.....	14,829	11,275	1,592	1,589	373
West Virginia.....	18,002	15,742	925	1,070	266
Wisconsin.....	20,891	16,078	2,279	2,118	416
Wyoming.....	2,155	1,471	188	363	133
Outlying Areas ^{5/}	25,627	21,201	2,000	2,000	425

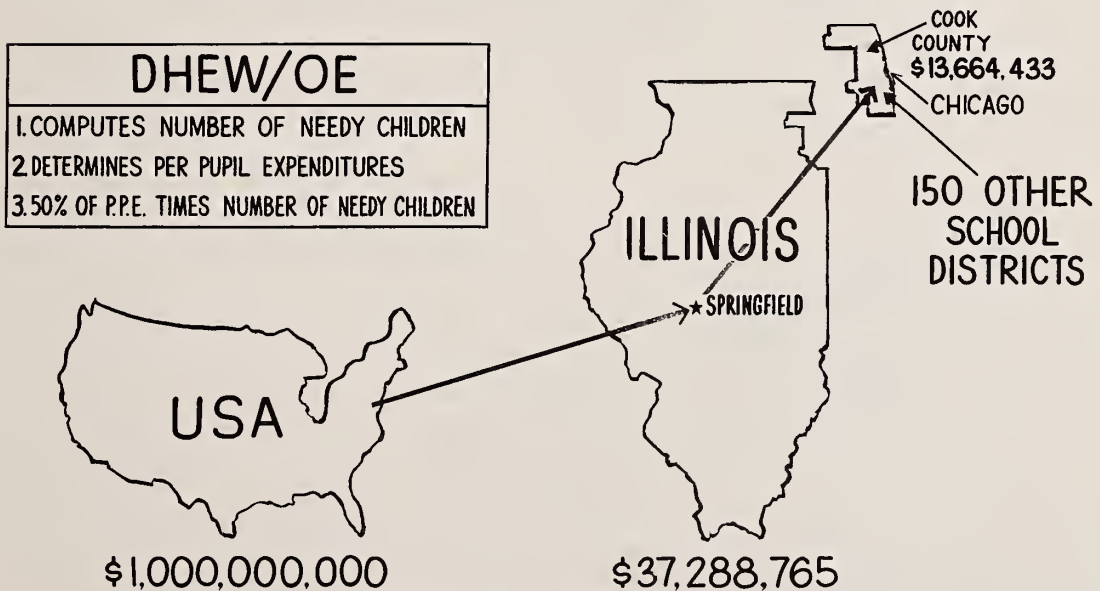
^{1/} Distribution based on estimates of current expenditures by State per pupil in average daily attendance (1963-64), and the child population (age 5-17) in families with annual incomes of less than \$2,000 (1959) including children in families receiving \$2,000 or more per year in payments under the program of Aid to Families with Dependent Children. ^{2/} Allotment for the 50 States and the District of Columbia on the basis of public and private elementary and secondary enrollment, fall 1964. ^{3/} Basic allotment of \$200,000 for the 50 States and the District of Columbia, with the balance distributed on the basis of estimated July 1, 1963, populations, one-half (\$43.9 million) each, of the 5-17 population, and of the total resident population. ^{4/} Basic allotment of \$100,000 for the 50 States and the District of Columbia; balance distributed on the basis of public elementary and secondary school enrollment, fall 1964. ^{5/} Two percent of the authorized allotment is reserved for distribution to the outlying areas, which are American Samoa, Guam, Puerto Rico, Virgin Islands, and Trust Territories of the Pacific. ^{6/} Eighty-five percent of the authorized amount (\$25 million) distributed; 15 percent reserved for distribution by the Commissioner of Education to individual State agencies to pay part of the cost of experimental projects for the benefit of some or all States.

THE FLOW OF TITLE I INFORMATION



Source: U. S. Department of Health, Education, and Welfare; Office of Education

HOW MONEY REACHES CHILDREN UNDER TITLE I



Source: U. S. Department of Health, Education, and Welfare; Office of Education

The Need

The interrelationships between poverty and lack of educational development have been apparent for some time. Two-thirds of the families in the United States with incomes below \$2,000 are headed by a person who did not go beyond eighth grade. High school seniors from families with \$12,000 or more annual income have a 74 percent chance of graduating in the top half of their classes; those from families with less than \$3,000 annual income, only a 45 percent chance. School dropouts are usually from low-income groups, and the education of their parents is generally below the eighth-grade level. Yet evidence shows that environmental conditions and inadequate educational programs rather than lack of basic mental aptitude are the major reasons for failure of these children to perform adequately in the school system.

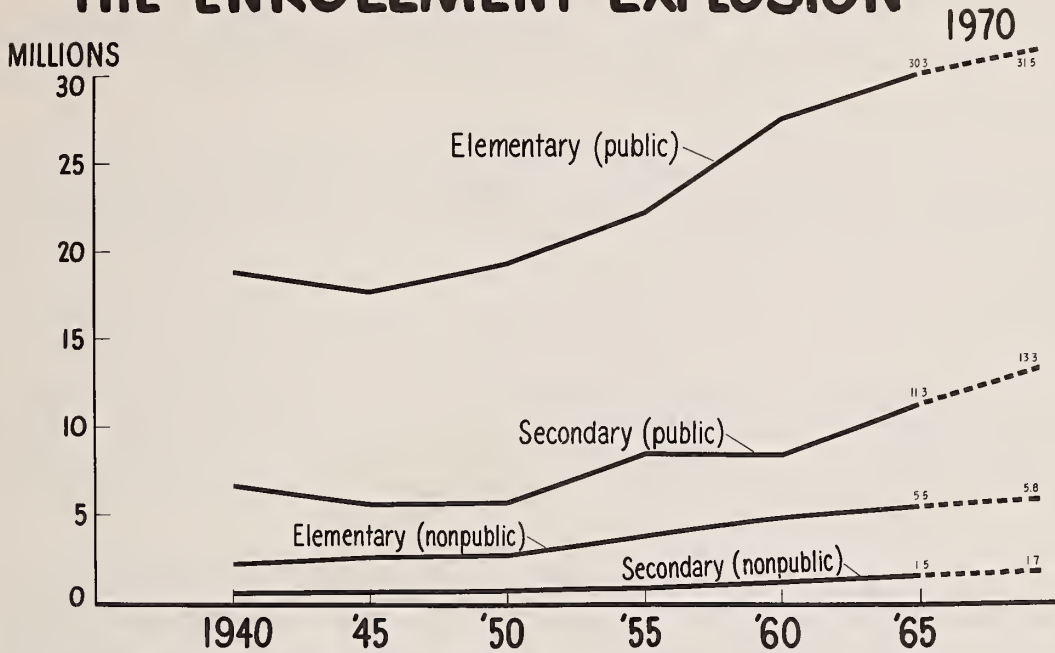
Schools serving children of the poor--whether in slum areas of great cities or in rural areas--are far more likely to be inadequate than those in more affluent neighborhoods. Concentration of low-income families reduces the tax base, thus lowering the financial ability of the school district to provide the quantity and quality of education needed.

The legislative history of P.L. 89-10 makes clear Congressional intent that aid to the educationally deprived child should be the basic approach to widespread educational improvement in this country. Title I adds a three-year program to Public Law 874 (School Assistance for Local Educational Agencies in Areas Affected by Federal Activity) which is designed to encourage and support the establishment, expansion, and improvement of special programs, including the construction of minimum school facilities where needed, to meet the special needs of educationally deprived children of low-income families. To support these programs, \$1.06 billion has been authorized for FY 1966. These funds will be allocated to school districts under a basic grant formula reflecting the concentration in the school district of children from low-income families and the current per pupil expenditures in the State (Table 1).

Basic Grant Formula

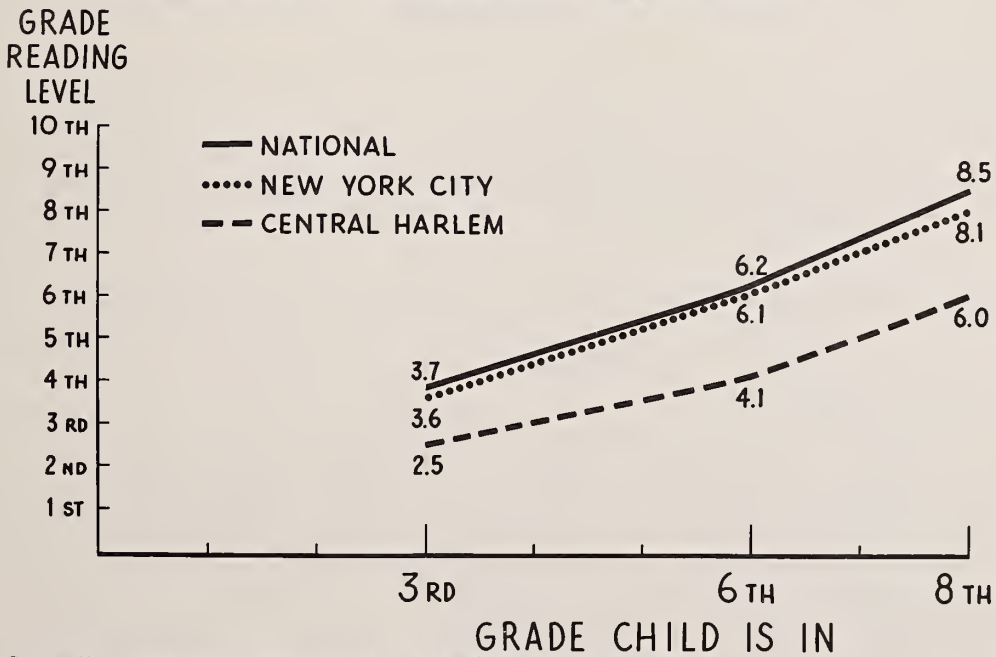
Because the chief aim of the new legislation is to provide for education of disadvantaged children, the basic grant formula was devised to direct Federal funds to specific localities where problems of poverty and deprivation are concentrated. Thus for FY 1966, payments to local public school districts will equal one-half the average State expenditure per pupil multiplied by the number of poor children, aged 5-17, in the county. These are children in families having an annual income of less than \$2,000 and children in families receiving payments of \$2,000 or more under the program of Aid to Families With Dependent Children (AFDC). The second category of poor children was added to the bill during Congressional consideration to take account of the fact that tax-supported welfare payments to these families place an extra fiscal burden upon the community, thereby diminishing its ability to support educational programs.

THE ENROLLMENT EXPLOSION



Source: U. S. Department of Health, Education, and Welfare; Office of Education

READING COMPREHENSION



Source: U. S. Department of Health, Education, and Welfare; Office of Education

Data from the 1960 Census of Population--the latest available figures--will be used to determine the number of children from low-income families. If available, later special census data will be substituted. Figures on AFDC children will be supplied by the Department of Health, Education, and Welfare. State educational agencies will furnish the Commissioner of Education with 1964 data on current expenditures per pupil as a basis for determining FY 1966 allowances.

This is the first time that a Federal grant formula for education will permit allocation of funds to the county level or lower on the basis of data uniformly obtained throughout the United States by the Bureau of the Census.

There is sufficient flexibility in the formula to take account of situations where the school district's boundaries do not coincide with those of other governmental jurisdictions. In these cases, where lack of Census data prevents the Commissioner of Education from making an allocation to the school district, the allocation will be made to the county level, and the State educational agency will make school district allocations on the basis of locally available data.

In general, there must be at least 100 children from low-income families in a school district to qualify it for aid. A smaller district may qualify if at least three percent of the children aged 5-17 are from low-income families, provided there is a minimum of at least ten.

For FY 1967 and 1968, Congress will establish the factors to be used in the basic grant formula. In addition, for these two years, special incentive grants will be made to those school districts eligible for the basic grants which have tried to increase the quality of education they provide, as measured by per pupil expenditures.

Use of Funds

Title I funds will be funneled to the school districts through the State educational agencies, which must approve projects and programs of the districts following guidelines of the legislation. Criteria to be used include:

- . chief focus on needs of educationally deprived children;
- . programs of sufficient size, scope, and quality;
- . provision for special educational services, such as dual enrollment, educational radio and television, and mobile educational services and equipment, in which educationally deprived children in nonpublic schools can participate;
- . vesting of control of funds and title to all property acquired with these funds in a public agency;

- . annual reporting to evaluate the effectiveness of the program; and
- . cooperation with a community action program under the Economic Opportunity Act where one is in operation in the community.

Under these guidelines, broad latitude is reserved to the local public school district to use funds granted to it for programs or projects suited to local educational needs, recognizing that these needs will vary from State to State and district to district. To the maximum extent possible, the legislation gives encouragement to local school districts to employ imaginative thinking and new approaches to the problems of educational disadvantage.

In the words of Commissioner of Education Keppel, "Our educational system must shine as a bright spot in the life of the disadvantaged child. It cannot be permitted to exist as simply another version of the cultural and economic blight they find at home."

Dual Enrollment and Broadened Public School Programs

Although Title I does not authorize grants to provide any service to private schools, the intent of the Act is that there will be some broadening of public educational programs and services in which nonpublic school pupils may participate. The extent that this is done will, of course, depend on the numbers of educationally deprived children who attend nonpublic schools. Where there is such participation of pupils enrolled in nonpublic schools--including dual enrollment--the Congressional intent is that classes should not be segregated by religious affiliation.

Several opportunities are afforded local public educational agencies to meet the special educational needs of elementary and secondary school pupils, whether enrolled in public or nonpublic schools, through supplementary services authorized under Title I. These could include broadened health services, school breakfasts for poor children, and guidance and counseling services, as well as special educational services, per se. Public school teachers who are made available to private schools will provide only specialized services which contribute particularly to meeting the special educational needs of deprived children, and only where such services are not normally provided by the nonpublic school.

Coordination between Office of Education and Office of Economic Opportunity

During Congressional consideration of the legislation, it was noted that many local community action programs under the Economic Opportunity Act already focus on the educational needs of economically disadvantaged children. To avoid any overlap or duplication in programs, provision was made under Title I for consultation between the local public educational agency and the agency conducting a community action program. There was general agreement, however, that the needs of educationally disadvantaged children are so great that assistance is required under both Acts.

National Advisory Council

Title I also creates a National Advisory Council on the Education of Disadvantaged Children, to be composed of 12 persons appointed by the President. The Council will review the administration and operation of Title I to evaluate its effectiveness in improving educational attainment of educationally deprived children and report annually to the President no later than March 31.

Payment of Funds

Certain limitations are placed on the payment of Title I funds. During FY 1966, payments to a local public educational agency may not exceed 30 percent of its regular budgeted expenditure for that year. Moreover, to assure that Title I funds will not be used to replace State money, the combined fiscal effort of the State and the local educational agencies--based on FY 1964 expenditures--must be maintained.

If a State fails to comply with any of the assurances required under Title I, the Commissioner of Education may withhold all Title I funds from the State, or, if the violation involves specified local agencies, from the local school districts involved.

States may appeal the Commissioner's final decision as to withholding of funds or approval of its assurances to the United States Court of Appeals within 60 days of notice of the decision.

School Library Resources and Instructional Materials (Title II)

Title II of the bill provides \$100 million in Federal funds for allotment to States to buy textbooks, library books and other resources, and various instructional materials for the benefit of all children no matter whether they attend public or private schools. Allotments would be made on the basis of the number of children enrolled in elementary and secondary schools within the State. In addition to buying textbooks and library books, the Federal funds could be used for phonograph records, magnetic tapes and other teaching materials which would be used by nonpublic as well as public schools. The new measure provides that all funds, textbooks, library materials, instructional equipment and facilities provided through Federal aid will remain under control of the public authorities. The textbooks and library materials, with ownership remaining with a public agency, will be made available to nonpublic schools on a loan basis.

During consideration of the proposed elementary and secondary education legislation, Congress directed its attention to the lack of libraries in both public and private schools. Despite the belief of educational leaders and the findings of research that effective teaching and academic achievement have become increasingly dependent on well-stocked libraries, up-to-date textbooks, and modern instructional materials, 53.7 percent (55,000) of the Nation's nearly 103,000 public elementary and secondary schools do not have libraries (Table 2). Of the more than 14,000 nonpublic elementary and secondary schools, more than 6,000 are without libraries (Table 3).

Table 2
Public Schools Without School Libraries

Educational level	Total number of schools	Without libraries		Total number of school pupils	Without school libraries	
		Number	Percent		Number	Percent
U.S. total.....	102,487	54,941	53.7	35,952,711	10,652,468	29.6
Elementary only.....	75,773	52,094	68.8	21,063,893	2,856,981	46.8
Junior high only.....	5,705	771	13.6	3,829,992	206,117	5.4
High school, or senior high, only.....	9,017	515	5.8	5,577,572	140,381	2.5
Junior-senior high, only.....	3,765	117	3.1	2,192,884	34,373	1.6
Combined elementary and secondary school plant.....	8,197	1,444	17.7	3,288,370	414,616	12.6

Source: Statistics of Public School Libraries, 1960-61. Pt. 1. Basic Tables. Mary Helen Mahar and Doris C. Holladay. Washington, D.C., U.S. Department of Health, Education, and Welfare, Office of Education, 1964.

Table 3
Nonpublic Schools Without School Libraries

Educational level.	Total number of schools	Without libraries		Total number of school pupils	Without school libraries	
		Number	Percent		Number	Percent
U.S. total.....	14,020	6,256	44.6	5,116,411	1,902,834	37.2
Elementary.....	10,105	5,691	56.3	3,465,712	1,744,661	50.3
Secondary.....	1,860	112	6.0	776,007	32,329	4.2
Combined elementary-secondary.....	2,023	435	21.5	874,553	125,832	14.4

Source: National Inventory of School Facilities and Personnel, Spring 1962. George J. Collins, and others. Washington, D.C., U.S. Department of Health, Education, and Welfare, Office of Education, 1964.

Nearly ten million pupils in public elementary, junior and senior high schools--nearly 30 percent of all pupils over the Nation--do not have school library services. In addition, almost two million nonpublic school pupils lack access to a school library. Even when school libraries exist, many are far below the accepted standards developed by 20 national library and educational organizations. These standards include minimum numbers of books per pupil and recommended annual expenditures for books, periodicals, and audio-visuals materials.

A 1964 study shows that one-fourth of the school systems in 128 of our largest cities do not provide free textbooks at the high school level. Nonpublic schools rarely furnish free textbooks. A poor family with children in high school may need to spend \$15 to \$20 or more per child for up-to-date textbooks--a prohibitive sum when there is barely money for the essentials of living. For many families the purchase of a child's textbook is a luxury they can ill afford.

One newly developed method of instruction is the increased use of programmed learning materials. From 1962 to 1963, programmed texts for elementary and secondary subjects increased from 122 to 352, over half of them in science and mathematics. But these new materials are expensive, averaging \$10 to \$15 each. Such expenditures represent a formidable barrier to the use of programmed texts for all but the wealthier school districts.

Title II would correct these inadequacies, by providing Federal money to buy the library resources and instructional materials required by modern schools and good teaching. These include recordings, microfilms, slide films, videotapes, magnetic tapes, charts, maps, and pictures. But the

most important resource offered will be books in abundance--the bill would put 30 million new books into the hands of young Americans.

Administration of the program will be under State authority. Each State will submit a plan on how it intends to use its allotment and will designate a State agency to administer the approved plans. State and local educators will make all decisions regarding the selection of books and other instructional materials best suited for the needs of the particular schools and student bodies.

Local public education agencies will receive the Federal grants to the States and will make arrangements to use a proportionate share for private school children. Distribution of FY 1966 funds to the States is shown in Table 1. To insure that the funds expended will not accrue to the benefit of any private institutions, the following conditions were made:

- . Title to the materials and textbooks will be retained by a public agency.
- . The materials are to be made available to children and teachers and not to institutions.
- . The library materials and books are to be made available for students in private schools in the designated area on a loan basis; when used by nonpublic school pupils, such materials must be those approved for use in the public schools of the State.
- . The books and materials purchased under Title II must supplement, and not supplant, those already being provided to children.

During the first year of operation, up to five percent of the State allotment could be used for administering the program; in the following years, three percent could be spent for administrative costs. As already noted, the agency named in the State's plan will, in most cases, be the sole administrative agency for the State; however, to safeguard the benefits of children in any State legally unable to serve its nonpublic school children, the Commissioner of Education could arrange for students and teachers in private schools to receive available materials, which must, however, be the same as those used in the public schools.

Supplementary Educational Centers and Services (Title III)

In allocating \$100 million for a new program of supplementary educational centers and services, Title III has three main purposes:

- . first, to raise the quality of educational services offered by supplementing educational programs and facilities which are already available to the local community;

- . second, to stimulate progress toward the achievement of higher education by enabling local communities to provide services not presently available; and
- . third, to improve the quality of education by linking existing schools to sound educational research, thus insuring that flexibility, innovation, and experimentation become an integral part of the educational system.

The new legislation would meet these three vital needs of the educational system through a program that preserves and enhances the valuable traditions of local autonomy and responsibility for education. Title III authorizes Federal funds to start a five-year program for establishment and development of community educational and cultural centers (and similar supplementary services). The centers and services would be open and available to both public and private school students and to out-of-school youths and adults as well. Each center or service would be planned jointly by public and private school officials to serve all children in an area, tailored to the specific needs of the community and designed to make optimum use of the community's present resources.

Elementary and secondary schools throughout the country, regardless of the economic level of the community, find it increasingly difficult to furnish the full range of services required by parents, teachers, and divergent student interests and capabilities. Even among relatively prosperous communities, there are gaps and inequalities in the distribution and quality of available educational, scientific, and cultural resources.

Although noteworthy progress has been made in recent years in teaching language, mathematics and science subjects, there are still major deficiencies in such instruction. Only ten States, for example, have science laboratory facilities for all secondary schools; less than 30 percent of secondary schools operate language laboratories for their students. Scarcity or crowding of laboratories results in rigid and overcontrolled use of them, thus hampering experimentation, exploration, and freedom of inquiry for students.

The present inadequate situation will be considerably worse in four or five years. By 1968, at least 25,000 new science laboratories in elementary schools alone will be needed to meet increases in enrollments; 40,000 additional will be required in high schools--an increase of almost 100 percent. Without improving the present unfavorable ratio, 8,000 additional language laboratories will be needed for elementary and 20,000 for high schools to keep pace with current growth.

Recent evidence also shows that much more could be done in the schools for children who are academically gifted and who are not developing their talents fully. New and challenging methods and materials are needed for these highly gifted students. The typical school cannot provide the supplementary resources that are required.

Another need being met, in part, by activities now carried on by the Office of Economic Opportunity is for concerted efforts to provide pre-school education for culturally deprived children. But new wide-spread programs are urgently needed in this area.

The many diverse and varying problems and needs among different communities reflect the wide geographical dispersion and the innumerable different local situations and conditions that exist throughout America. Development of community centers and specialized programs that individual schools cannot afford--a major educational innovation--therefore requires a good deal of new thinking on the local level and encourages cooperative efforts among many institutions and groups.

A State's total population--not just poor children--will determine the amount of money allocated to the State for the new Federally-supported educational centers. With the funds, both nonpublic (estimated at 15 percent of the total) and public school pupils will benefit from services not now provided, or inadequately provided, in the schools and from exemplary educational programs developed to serve as models for regular school programs.

Section 303(b) of the Act indicates the kinds of special programs and services that the educational center, working in cooperation with representatives of the community's cultural and educational resources--colleges, museums, libraries, public and private agencies and groups--could provide. They are:

- . Pupil personnel services including comprehensive guidance, counseling, testing, tutoring, remedial instruction, broadened health, psychological, and social work services designed to enable and encourage people to remain in, enter, or reenter educational programs. This may include special educational programs and study areas during periods when schools are not regularly in session--after-school or Saturday classes, summer or night schools.
- . Vocational guidance and counseling for continuing adult education.
- . Developing and conducting model educational programs--including dual-enrollment programs, shared-time facilities or classes and visiting teachers' programs for both public and private school students--for the purpose of stimulating the adoption of improved or new educational programs in the schools of the State.
- . Enrichment classes and special instructional equipment and teachers for subjects such as advanced sciences, foreign languages, and other academic subjects which are not taught in the local schools.

- . Assistance and programs for the gifted, making available modern educational equipment and specially qualified personnel--including artists and musicians--on a temporary or part-time basis to public and other nonprofit schools, orgnaizations, and institutions.
- . Preschool training for culturally deprived children and special courses, equipment, and teachers for the handi-capped and for the retarded.
- . Educational radio and television programs.
- . Special educational and related services for people in or from rural areas--or for those otherwise isolated from normal educational opportunities. These services may include mobile educational services and equipment, special home-study courses, radio or television instruction, and visiting teachers' programs.

The legislative intent is that nonpublic students would go to the public schools or centers for these special programs and services. However, the Act does not preclude public school personnel from going into private schools to provide specialized services--but not to teach general subjects.

Title III requires the Commissioner of Education to consult with a new eight-member advisory committee on Supplementary Educational Centers and Services in taking action on community proposals and applications for grants under the program, in establishing policy, and in preparing regulations dealing with the development of community centers.

The administrative structure of the new program places primary responsibility on the State educational agencies for insuring that Federal funds are used by the local school districts only to meet the objectives of the program, not to ease generally the school districts' financing problems. The local educational agencies (affiliated with other public or private health, education, or welfare agencies or cultural organizations) would determine the kinds of centers and services they would establish. Community proposals would be reviewed by the State educational agency and, along with its recommendations, sent to the Commissioner of Education. In consultation with the advisory committee, the Commissioner will approve or deny the community request for funds.

For FY 1966, funds are allocated to the States under a formula which provides a flat grant of \$200,000 to each State plus a share of the remainder, half based on the school-age population in the State and half on the total population (Table 1).

THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965
(P.L. 89-10), April 11, 1965



The quality of education depends largely on the quality of instruction. Title I of P.L. 89-10 provides grants to meet the special needs of educationally deprived children of low-income families, and Title III, grants for special groups of children including the highly gifted, the handicapped, and the mentally retarded. *National Education Association*

Stir the imaginations of the young through the story hour--and let them speak for themselves in "show-and-tell." *National Education Association*



The new Act is designed to open a vista of opportunity to all children through books.

“ . . . A NATIONAL GOAL OF FULL EDUCATIONAL OPPORTUNITY ” FOR EVERY CHILD
-- President Johnson’s “ Education Program ” Message to Congress, January 12, 1965

“ Testing, testing . . . ” These children were tested at the Santa Monica (California) Hearing Center. Title III provides for supplementary services.

Photo by permission of the Alexander Graham Bell Association for the Deaf.



P.L. 89-10 permits the purchase of globes to put India, the Soviet Union, Bolivia. . . and other countries at the finger tips of all our children.

National Education Association

Shaker Heights (Ohio) pupils tune in to a world of books. Federal funds under Title II totaling \$100 million are now available through the States for purchasing textbooks and library books, phonograph records, magnetic tapes, and other audio-visual materials for use by non-public as well as public schools.



Educational Research and Training (Title IV)

With the goal of stimulating sound research for improvement of educational opportunities in all schools and establishing a national network of Federally-supported, but State and university-operated cooperative research centers, Title IV would expand existing programs of educational research and would permit the establishment and full development of regional educational laboratories.

Over the last decade there have been dramatic developments in educational research; recent progress in the psychology of thinking, learning, and motivation has contributed much to the knowledge of how pupils move to higher levels of understanding. Based on the results of this research, new theories of instruction have been tried out in some schools.

These experimental programs with their limited applications of basic research point to the potential for improving education in this new age of learning. The Title IV provisions for an inter-disciplinary attack on problems of educational research gives America a new strategy for meeting the challenges imposed by social and economic changes, compounded by the vast increase of knowledge.

Education, in terms of size, impact, and investment, is this Nation's most basic enterprise. Expenditures for this purpose total about \$34 billion a year. Yet, of every \$1,000 spent in Federal funds for research and development in 1964, only \$3.50 went to education. A total of \$16 million is being spent in FY 1965 on cooperative research. Only \$72 million--less than two-fifths of one percent of the Nation's total educational outlay--is now spent on all educational research and development. In contrast, about \$8 billion a year is spent for research and development on the Nation's defenses. And many progressive private industries invest as much as ten percent of their total annual expenditures for research and development.

The new legislation would reduce this gap. Over a five-year period, \$100 million is authorized for educational research, including construction and operation of large-scale National and regional research laboratories in which the most advanced educational techniques and curricula could be tested, training of research personnel, improving dissemination of developments in educational research for application to classroom situations, and training teachers in the use of technological innovations in education. Private research organizations and professional associations may also be employed in these efforts.

For FY 1966, \$45 million would be allocated to construction and equipment of some 10 to 15 regional educational laboratories and to research, development, dissemination of research results, and training. An additional \$25 million would be available for research and related purposes under the Cooperative Research Act (P.L. 83-531), providing essential links between research laboratories and the classroom.

Strengthening State Departments of Education (Title V)

To meet expanding national needs in education, while assuring that education remains a matter of State and local responsibility, Congress has provided grants to strengthen State departments of education and to stimulate them in the development of programs for identifying and meeting educational needs.

Title V provides funds for programs and activities that are basic to the implementation of the other provisions of the Act. With the costs of education already a big and growing item in State budgets, many States would not be able to carry out the programs provided under other titles of the Act without some provision for improving the administrative ability and strengthening the educational leadership, planning, and coordination capacities of the State agencies.

State departments of education occupy a strategic position in the structure of American education. Not only does a State department serve as the instrument of the State to improve education throughout the State, but also it assists and cooperates with the Federal Government in meeting the national interest in the State. It is, thus, a prime factor in developing both the policies which are based upon internal needs and the nationwide policies which need to be implemented within the State. Together, Federal, State, and local governments can attack and solve problems that none can solve alone.

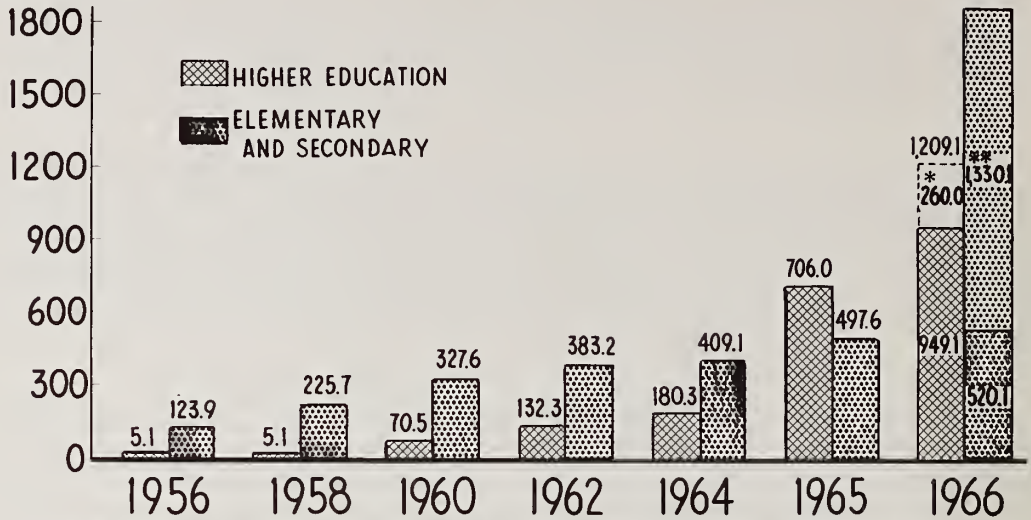
For FY 1966, Title V authorizes an appropriation of \$25 million; 85 percent of the funds would be distributed to the States. Allotments would be made on the basis of a flat grant of \$100,000 to each State and an additional amount based on the number of public school pupils within the State. To obtain grants, States would submit applications through their State departments of education for endorsement and forwarding for approval to the Commissioner of Education. Table 1 shows tentative allocations to States for FY 1966.

The remaining 15 percent of the funds would be reserved for distribution by the Commissioner of Education for special grants to individual State educational agencies to pay part of the cost of experimental projects for developing State leadership and for providing special services which would help solve problems common to all or several States.

Another provision of Title V deals with the interchange of personnel between the U.S. Office of Education and the States. This new concept of cooperation and effective communication will help State officials become more acutely aware of the national significance and importance of the educational programs they are conducting. It will also provide the Office of Education greater insight into the specific types of problems existing within the States and the appropriate means for their solution. Title V provides also for the appointment of a 12-member advisory council on State departments of education, with responsibility for reviewing the administrations of programs under this title and recommending improvements. The report and recommendations of the Council are to be made to the Secretary by March 31, 1969, for subsequent transmission to the President and to the Congress.

FINANCIAL ASSISTANCE TO EDUCATION

IN MILLIONS



* Amount in the President's budget for proposed legislation to expand assistance to colleges and to college students.

** Expenditures authorized under P. L. 89-10.

Source: U. S. Department of Health, Education, and Welfare, Office of Education

SELECTED REFERENCES

89th CONGRESS, 1st Session

HOUSE OF REPRESENTATIVES

Committee on Education and Labor

Hearings on H. R. 2361 and H. R. 2362, *Aid to Elementary and Secondary Education*, Part 1 (January 22-27, 1965) and Part 2 (January 28-February 2, 1965). 2128 p.

House Report No. 143 on H. R. 2362. March 8, 1965. 80 p.

U.S. SENATE

Committee on Labor and Public Welfare - Subcommittee on Education. *Elementary and Secondary Education Act of 1965--Background Material with Related Presidential Recommendations*. Committee Print. January 26, 1965. 212 p.

Hearings on S. 370, *Elementary and Secondary Education Act of 1965*, Parts 1-6. January 26-February 1, 1965. 3,298 p.

Senate Report No. 146 on H. R. 2362. April 6, 1965. 88 p.

Public Law 89-10, the *Elementary and Secondary Education Act of 1965*. April 11, 1965. 32 p.

MANPOWER ACT OF 1965

In his April 26 signing of the Manpower Act of 1965 (P.L. 89-15), amending the Manpower Development and Training Act of 1962, President Johnson emphasized that the MDTA program "has already proved itself decisively with a most impressive record." In three years, training has been authorized for 340,000 individuals, and another 67,000 have been made employable through special projects to help them overcome handicaps. The principal provisions of the amendments are as follows:

1. *The Act* is extended from June 30, 1966 to June 30, 1969.

2. *Financing.* Full Federal financing is extended to June 30, 1966. Thereafter the Federal Government will finance 90 percent of the training costs, and the States will pay 10 percent in cash or kind; allowance costs will continue to be 100 percent Federal support. The Act authorizes \$454 million for costs up to June 30, 1966, and such sums as may be necessary thereafter. (Previously, full Federal financing was to expire June 30, 1965, and the following fiscal year two-thirds-one-third Federal-State matching provision was to go into effect.)

3. *The maximum period for receiving training allowances is extended from 72 weeks to 104 weeks.* The purpose of this extension is to work more effectively at both the lower and upper ends of the skill spectrum. At the lower end, the extremely disadvantaged need longer basic education time in their training; and for the high-skill technical positions more than one year is required for training.

4. *The Department of Health, Education, and Welfare is tied specifically into Title I experimental and demonstration projects.* The Secretary of HEW is charged with responsibility for the institutional training components of these important special projects.

5. *Private Training Facilities.* More and better use of private training facilities now is assured where such institutions can provide equipment or services not available in public institutions, or where they can, at comparable cost, provide similar training.

6. *Refresher training for professionals.* Refresher or reorientation education courses for unemployed professionals is authorized to qualify them for other employment in their professions.

This legislative summary was prepared by Charles W. Phillips, Staff Assistant to the Under Secretary for Manpower Training, U.S. Department of Health, Education, and Welfare. Selected references are given at the end of the summary.

7. *Allowances for additional dependents.* In addition to the basic allowance equal to the average weekly unemployment compensation in the State, the coverage of the allowance of \$5 per dependent has been broadened from two to six dependents.

8. *ARA training is now given its statutory base in the Manpower Act of 1965.* Training projects in Area Redevelopment regions are now covered under MDTA. However, full Federal financing in ARA regions is not jeopardized.

9. *Federal bonding support is authorized.* Up to \$200,000 in the year ending June 30, 1966, and up to \$300,000 additional for the year ending June 30, 1967, may be used for experimental and demonstration projects in paying employers of institutions authorized to indemnify employers for losses due to infidelity, dishonesty, or default of trainees hired. (Previously it was not feasible to train persons with police records for jobs requiring bonding, because the trainees could not be bonded.)

10. *Transportation and subsistence expenses are liberalized.* Local transportation expenses by the most economical means are authorized, and if training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainees are provided.

11. *Mobility demonstration projects are authorized.* During the period ending June 30, 1967, up to \$5 million may be spent for pilot projects in a limited number of geographical areas to determine if unemployment may be reduced by grant or loan assistance for relocation of trainees.



Anthony J. Celebrezze, Secretary of Health, Education, and Welfare; Wilbur J. Cohen, Assistant Secretary; James Clarke, Assistant to the Under Secretary for Manpower Training (all left front in photo); and other officials looked on as President Johnson signed the Manpower Act of 1965.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

Ralph L. Hoag and Patria G. Winalski

On June 8, 1965, the National Technical Institute for the Deaf Act became Public Law 89-36. The legislation provides for a residential facility to give post secondary technical training and education for the deaf to prepare them for successful employment. A twelve-member, ad hoc Advisory Board on the Establishment of the National Technical Institute for the Deaf will be appointed by the Secretary of Health, Education, and Welfare to advise him as to the location of the Institute.

Approximately 3,000 deaf students above the age of 16 leave or graduate from State and local schools and classes for the deaf each year. Many wish to continue their education, but Gallaudet College is the only institution of higher education for the deaf in the United States. Gallaudet can accommodate less than half of those who apply for admission. Thus, a large number of deaf young adults who desire further education and training cannot obtain it. If these young people do not receive further education or training, they have little alternative to joining the ranks of the unskilled labor force. *Education of the Deaf*, a report to the Secretary of Health, Education, and Welfare, by his Advisory Committee on the Education of the Deaf, states that "five-sixths of our deaf adults work in manual jobs, as contrasted to only one-half of our hearing population." The National Technical Institute would help to prepare a higher proportion of deaf youth for more highly skilled jobs.

As a prominent educator in the field, S. Richard Silverman, has noted, there are special problems in the education of the deaf. From infancy to early school age the main method of communication for the normal hearing child is auditory. The child hears others speak and learns to talk from what he hears. He learns how and what to communicate. For a child who cannot listen to language daily, its acquisition is difficult, and for some impossible, even with instruction. The teacher has the task of communicating language to a child who lacks the sensory system considered necessary for its acquisition. The educator must manipulate information so as to transmit it over whatever other sensory systems are available--vision, touch, and residual hearing.

Dr. Hoag is Specialist, Educational Programs for the Deaf, Division of Handicapped Children and Youth, Office of Education, and Mrs. Winalski is Assistant to the Congressional Liaison Officer, Office of Assistant Secretary for Legislation, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, July 1965



President Johnson signs the National Technical Institute for the Deaf Act at a White House ceremony attended by Congressional leaders, Secretary Anthony J. Celebrezze and Under Secretary Wilbur J. Cohen of Health, Education, and Welfare, Commissioner of Education, Francis Keppel, and Commissioner of Vocational Rehabilitation, Mary E. Switzer.

A young child with a severe or total hearing loss has a serious educational handicap. Educators have made concentrated efforts to accelerate the process of acquiring reading, language, and communication skills by deaf children. The objective has been to teach the basic language communication skills well enough at the elementary level so that the children can go on to further education or vocational training in colleges, universities, and vocational training facilities for normal hearing students.

This goal is philosophically reasonable. Many educators are convinced that such preparation is the best way for a deaf child to participate fully--socially and economically--in a hearing world. Many individual success stories can be cited but adequate educational preparation has not been achieved for the general deaf population.

Most residential schools for the deaf offer programs equivalent to eighth grade level. Few of the specialized day-school programs go beyond this level. Deaf students seeking further education are expected to enroll in a regular high school or vocational school for students with normal hearing. Placement in classes with the hearing is a commendable objective and should be encouraged wherever possible. But most deaf children do not communicate well enough to achieve educational success in this situation.

The National Technical Institute for the Deaf will provide a broad, flexible curriculum suited to the individual needs of young deaf adults with potential for further education and training. Successful operation of such a technical training program for the deaf will depend upon the availability of adequately trained staff, resourceful and imaginative in meeting the challenge of the special problems involved.

MAJOR PROVISIONS OF THE LEGISLATION

Size

The Institute will enroll at least 200 students per year to a capacity of 600, with provisions for further expansion.

Program Objective

The principal objective of the Institute is the employment of the student upon his completion of a prescribed educational program.

Location

The National Technical Institute for the Deaf will be located in a large metropolitan industrial area to serve the special needs of deaf youth from any community. The area will have a wide variety of nationally representative types of industrial activities available for training experience that will prepare the student to return home for employment. The Institute will be affiliated with a major university for the administration of its program.

Administration

The Institute will be directed by a person with professional training and experience as an educator of the deaf. His staff will be proficient in dealing with deaf students from all geographical areas and with varied educational backgrounds. In formulating and carrying out the Institute's basic policies, the Director will consult with an advisory group appointed by the governing body of the institution with the approval of the Secretary.

Curriculum

The curriculum will be flexible enough to permit a variety of adaptations tailor-made for individual students, without having to conform to traditional accreditation standards.

The program will be broad enough to include a basic remedial program, a supplementary curriculum of the social sciences and humanities, and a technical science curriculum.

Admission Standards

Admission to the Institute will be based on a comprehensive evaluation of a student's potential for successfully completing one of the courses of

study offered by the Institute. The information considered will include the prospective student's medical, psychological and audiological records, his academic achievement and school progress reports, recommendations from his teachers, school principal and others well acquainted with him, and, if possible, a personal interview.

Duration of Course Study

The individualized course of study will vary in length from one to four years. Upon completion of the course each student will receive a certificate stating what he has achieved. The training will meet the standard requirements of labor, industrial, and professional associations.

Research

In addition to serving as a practice teaching center for the training of teachers, instructors, and rehabilitation counselors for the deaf, the Institute will serve as a research facility for the study of educational problems of the deaf. The Institute will be an excellent proving ground for the development of new educational techniques that can be applied to all programs where deaf children are taught.

Thus, 101 years after Abraham Lincoln signed the charter for Gallaudet College, Public Law 89-36 provides the basis for additional facilities for post-secondary education of the deaf.

SELECTED REFERENCES

89th CONGRESS, 1st Session

HOUSE OF REPRESENTATIVES

Committee on Education and Labor

House Report No. 307 on H.R. 7031, May 6, 1965.

U.S. SENATE

Committee on Labor and Public Welfare

Senate Report No. 245 on H.R. 7031, May 25, 1965.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Advisory Committee on the Education of the Deaf

Education of the Deaf, A Report to the Secretary of Health, Education, and Welfare.

Office of Assistant Secretary for Legislation

Health, Education, and Welfare Indicators: "Education of Handicapped Children," November 1963.
"Gallaudet College, 1864-1964," April 1964.

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT OF 1965 (P.L. 89-209)

Richard Grove

On September 29, President Johnson signed into law the National Foundation on the Arts and the Humanities Act of 1965. Public Law 89-209 authorizes appropriations totaling \$21 million for each of the first three fiscal years 1966 through 1968. This historically unprecedented law creates an autonomous National Foundation to "develop and promote a broadly conceived national policy of support for the humanities and the arts in the United States." In addition, the Commissioner of Education in the U.S. Department of Health, Education, and Welfare is authorized to make grants and loans to strengthen instruction in the arts and the humanities.



President Johnson distributed to leaders in arts and humanities the pens that he used in signing into law P.L. 89-209 on September 29, 1965.

EVOLVING ROLE OF THE FEDERAL GOVERNMENT WITH RESPECT TO THE ARTS

The role of the Federal government in relation to the arts has been debated since the early days of the Nation:

- . President Washington recognized the arts as central to the Nation's well-being; other Presidents over the years have also given emphasis to artistic achievement.
- . In 1891 the 51st Congress enacted Public Law 159 creating the National Conservatory of Music. Among its trustees were the leaders of the day, including William G. Choate, Chauncey M. Depew, Enoch Pratt, and John Hay, and its faculty included Victor Herbert. The academy brought to this country Anton Dvorak, who during his stay wrote the "New World Symphony."

This legislative summary was prepared by Richard Grove, Museum Education Specialist, Arts and Humanities Branch, Office of Education, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Nov. 1965

PRESIDENT JOHNSON'S REMARKS ON SIGNING THE ARTS AND HUMANITIES BILL, September 29, 1965

In the long history of man, countless empires and nations have come and gone. Those which created no lasting works of arts are reduced today to short footnotes in history's catalogue.

Art is a Nation's most precious heritage. For it is in our works of art that we reveal to ourselves, and to others, the inner vision which guides us as a Nation. And where there is no vision, the people perish.

We in America have not always been kind to the artists and the scholars who are the creators and the keepers of our vision. Somehow, the scientists always seem to get the penthouse, while the arts and the humanities get the basement.

Last year, for the first time in our history, we passed legislation to start changing that situation. We created the National Council on the Arts.

The talented and the distinguished members of that Council have worked very hard. They have worked creatively. They have dreamed dreams and they have developed ideas.

This new bill, creating the National Foundation for the Arts and the Humanities, gives us the power to turn some of those dreams and ideas into reality.

We would not have that bill but for the hard and the thorough and the dedicated work of some great legislators in both Houses of the Congress. All lovers of art are especially indebted to Congressman Adam Clayton Powell of New York, to Congressman Frank Thompson of New Jersey, to Senator Lister Hill of Alabama, to Senator Claiborne Pell of Rhode Island, to many Members of both the House and Senate who stand with me on this platform today. ...

Working together with the State and the local governments, and with many private organizations in the arts, we will:

- Create a National Theater to bring ancient and modern classics of the theater to audiences all over America.
- Support a National Opera Company and a National Ballet Company.
- Create an American Film Institute, bringing together leading artists of the film industry, outstanding educators, and young men and women who wish to pursue the 20th Century art form as their life's work.
- Commission new works of music by American composers.
- Support our symphony orchestras.
- Bring more great artists to our schools and universities by creating grants for their time in residence. ...

But these actions, and others soon to follow, cannot alone achieve our goals. To produce true and lasting results, our States and our municipalities, our schools and our great private foundations, must join forces with us.

It is in the neighborhoods of each community that a Nation's art is born. In countless American towns there live thousands of obscure and unknown talents.

What this bill really does is to bring active support to this great national asset, to make fresher the winds of art in this great land of ours.

The arts and the humanities belong to the people, for it is, after all, the people who create them.

- . In later years efforts were made to re-establish the academy. Senator Duncan V. Fletcher, of Florida, introduced bills to this effect in almost every session of Congress from 1919 through 1931. His endeavors were later taken up by Senator Wadsworth, of New York, in 1937.
- . Congressional proposals first introduced in 1897 for a National Office of the Arts were responsible for the establishment in 1909 of the National Fine Arts Commission.
- . Senator (then Congressman) Javits in the 81st and subsequent Congresses introduced legislation to encourage the arts.
- . President Eisenhower, in his 1955 State of the Union Message, advocated a Federal Advisory Commission on the Arts within the Department of Health, Education, and Welfare:

In the advancement of the various activities which would make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and other cultural activities.

- . President Kennedy, in a message dated February 6, 1962, urged approval of a measure establishing a Federal Advisory Council on the Arts:

Just as the Federal Government has not, should not, and will not undertake to control the subject matter taught in local schools, so its efforts should be confined to broad encouragement of the arts.

- . The National Arts and Cultural Development Act of 1964 (P.L. 88-579) approved September 3, 1964, established a National Council on the Arts.
- . In transmitting the administration bill to the Congress early last year, President Johnson said:

This Congress will consider many programs which will leave an enduring mark on American life. But it may well be that passage of this legislation, modest as it is, will help secure for this Congress a sure and honored place in the story of the advancement of our civilization.

Final impetus to this bill was given by recent studies of the condition of the arts and humanities in the United States by committees of Congress and by private groups. The Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate conducted exhaustive hearings. General conclusions were:

1. there is a financial crisis facing the arts in the United States which stems primarily from the inadequacy of private sources to support artistic excellence at an appropriate level and to foster and develop an environment which would fully stimulate the resources of American creative expression, and

2. there is at present a serious imbalance between Federal support for the natural or pure sciences and for humanistic research and studies.

The Bill passed the Congress by overwhelming majorities. A House motion to recommit it on September 15 was defeated by a 128-251 roll call vote.

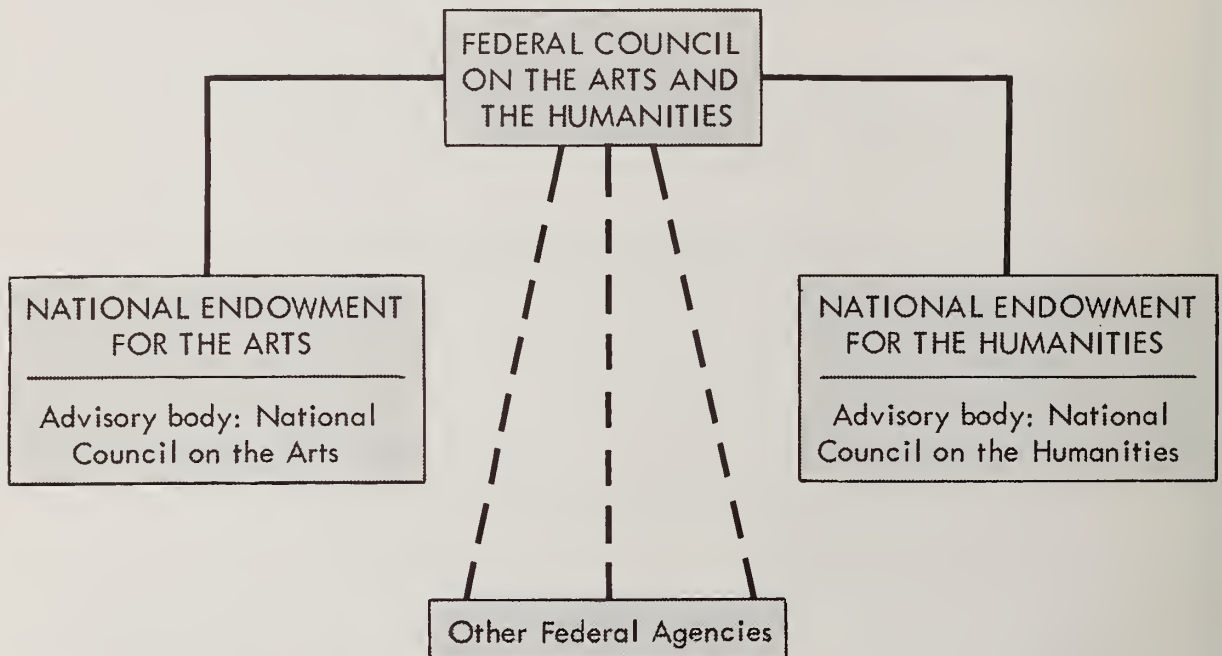
PROVISIONS OF THE...ARTS AND HUMANITIES ACT OF 1965

Public Law 89-209 establishes a National Foundation on the Arts and the Humanities.

Organizational Structure

The Foundation consists of a Federal Council on the Arts and the Humanities and twin endowments, a National Endowment for the Arts and a National Endowment for the Humanities, each having its own advisory body. The Council will coordinate the two endowments and relate their activities to other Federal programs.

Organizational Structure of the National Foundation on the Arts and the Humanities



The National Endowment for the Arts

The National Endowment for the Arts may use 20 percent of its allotted funds for nonmatching grants, but 80 percent of the funds provided are for matching grants to nonprofit organizations and State and other public organizations and to individuals engaged in the arts for activities including:

- . productions which have substantial artistic and cultural significance, giving emphasis to American creativity and the maintenance and encouragement of professional excellence;
- . productions, meeting professional standards of authenticity, irrespective of origin, which are of significant merit and which, without such assistance, would otherwise be unavailable to citizens in many areas of the country;
- . projects that will encourage and assist artists and enable them to achieve standards of professional excellence;
- . projects that will encourage and develop the appreciation and enjoyment of the arts; and
- . other relevant projects, including surveys, research, and planning in the arts.

A "project" includes "rental, purchase, renovation, or construction of facilities, purchase or rental of land, and acquisition of equipment."

The new law amends the National Arts and Cultural Development Act of 1964 in transferring the National Council on the Arts from the Executive Office of the President to the National Endowment for the Arts. The Chairman of the former National Council becomes the Chairman of the National Endowment for the Arts. The counterpart of this Council in the Endowment for the Humanities is a newly created National Council on the Humanities.



In a ceremony at the White House in February 1965, President Johnson congratulated newly appointed Chairman Roger L. Stevens of the National Council on the Arts and its distinguished members from such fields as motion pictures, the theater, choreography, music, education, writing and publishing, fine arts, architecture, and fashion. Under P.L. 89-209 the NCA becomes the advisory body to the National Endowment for the Arts.

The National Endowment for the Humanities

The National Endowment for the Humanities will provide nonmatching grants and loans to:

- . develop and encourage the pursuit of a national policy for the promotion of progress and scholarship in the humanities;
- . initiate and support research and programs to strengthen research potential in the humanities by awarding grants, loans, and other forms of assistance to individuals or groups;
- . award fellowships and grants to institutions or individuals for training in the humanities. Fellowships awarded to individuals may be for study or research at appropriate nonprofit institutions selected by the recipient, for stated periods of time;
- . foster the interchange of information in the humanities;
- . foster, through grants or other arrangements with groups, public understanding and appreciation of the humanities; and
- . support the publication of scholarly works in the humanities.

Role of the U.S. Office of Education

The Commissioner of Education in the U.S. Department of Health, Education, and Welfare is authorized to make grants and loans for strengthening instruction and for establishing teacher training institutes in the arts and humanities. Federal grants may be used, in accordance with an approved State plan, for: (1) the acquisition of special equipment, including audiovisual materials and equipment and printed and published materials other than textbooks, and (2) minor remodeling of laboratory or other space for such materials or equipment. Provision is made for the establishment at the State level of standards for special equipment. In addition, the Commissioner is authorized to make loans to nonprofit private schools in the same manner as provided in the National Defense Education Act of 1958, as amended.

The Commissioner is also authorized to arrange, through grants or contracts, with institutions of higher education for their operation within the United States of short term or regular session institutes for advanced study, including study in the use of new materials, to improve the qualification of individuals engaged in, or preparing for, teaching or supervising or training of teachers for strengthening instruction in the humanities and the arts in elementary and secondary schools. In administering this provision, the Commissioner of Education is to consult with the Chairman of the National Endowment for the Humanities. Persons attending an institute may receive a weekly stipend of \$75 plus \$15 for each dependent.

Funds Authorized

Authorized appropriations are \$5 million for each endowment for each fiscal year 1966 through 1968. Additional sums--up to \$2.25 million for the Endowment

for the Arts and up to \$5 million for the Endowment for the Humanities--will be authorized to match total amounts donated to each endowment in each fiscal year.

\$2.75 million for each fiscal year is authorized for the Endowment for the Arts to assist States in supporting existing arts programs and in developing new arts projects and agencies. Amounts not spent in this fashion may be used to match donations.

For fiscal year 1966, and for each of two succeeding fiscal years, the Office of Education is authorized to receive \$500,000 for grants to State and local educational agencies and for loans to private elementary and secondary schools for equipment and minor remodeling of facilities; and another \$500,000 for training institutes.

GOALS OF THE...ARTS AND HUMANITIES ACT

The goals of Public Law 89-209 are to:

- . develop a larger, more informed audience.
- . help meet the needs of the "new leisure."
- . decentralize the arts in the United States.
- . encourage the State arts council movement. (More than half the 50 States now have established State art agencies.)
- . alleviate the financial crisis in the arts and humanities by providing Federal grants.
- . stimulate private funding for the arts. (The successful example of the New York State Council on the Arts is often cited.)
- . help solve the problem of the scarcity of well prepared teachers in the arts and humanities.

Through the Arts and Humanities Act of 1965 we are beginning to recognize as a nation--as several European nations have long recognized--the importance of culture in everyday life and to take positive steps to support creative expression and its availability across the country.

SELECTED REFERENCES

GOVERNMENT PUBLICATIONS

89th Congress 1st Session

United States Senate

National Arts and Humanities Foundations. Hearings Before the Special Subcommittee on Arts and Humanities of the Committee on Labor and Public Welfare. Parts 1 and 2, pp. 43-737. 1965. U.S. Government Printing Office, Washington, D.C. 20402.

House of Representatives

National Arts and Humanities Foundations. Hearings Before the Special Subcommittee on Labor of the Committee on Education and Labor. Parts 1 and 2, pp 47-775. 1965. U.S. Government Printing Office, Washington, D.C. 20402.

NON-GOVERNMENT PUBLICATIONS

Report of the Commission on the Humanities. Sponsored by the American Council of Learned Societies, the Council of Graduate Schools in the United States, and the United Chapters of Phi Beta Kappa. New York: American Council of Learned Societies, 1964.

The Performing Arts: Problems and Prospects. The Rockefeller Brothers Panel Report on the Performing Arts in the United States. New York: McGraw-Hill, 1965.

CAPTIONED FILMS FOR THE DEAF ACT (P.L. 89-258)

Public Law 89-258, signed into law by President Johnson on October 19, 1965, expands the program of Captioned Films for the Deaf.

HIGHLIGHTS

P.L. 89-258 recognizes, for the first time, that a total approach to the communication problems of the deaf is necessary if adequate solutions are to be found. The need is for thorough coordination of the scattered sources of support, whether local, State, or Federal.

In addition to educational and training films, other educational media (including tapes, transparencies, programmed instruction, etc.) and all of the devices of modern instruction may now be acquired and distributed. To use media more effectively, provision is made for the training of personnel and conduct of research.

Educational media will now be available to persons directly involved in assisting the deaf (parents, rehabilitation workers, placement officers, and actual or potential employers) as well as to the deaf themselves.

The amendments authorize an increase in appropriations from a level of \$1.5 million in fiscal year 1965 to \$3 million for each fiscal years 1966 and 1967, \$5 million each for fiscal years 1968 and 1969, and \$7 million annually thereafter.

The amendments also provide for a National Advisory Committee on Education of the Deaf to advise the Secretary of Health, Education, and Welfare. The 12-member Committee appointed by the Secretary will include educators of the deaf, educators of the hearing, and deaf individuals.

BACKGROUND OF THE LEGISLATION

The Deaf

A deaf person is one whose hearing is so impaired that he cannot use it for ordinary purposes of speech and sound communication--even with a hearing aid. Consequently, the deaf person is largely visually oriented--his eyes are the key to what is going on around him.

This legislative summary was prepared by Earl E. Huyck, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare. **Health, Education, and Welfare Indicators, Dec. 1965**

Some 250,000 persons are profoundly deaf or are very severely impaired in hearing. There are about 37,000 deaf children in schools, and about 75 percent of these are in residential schools.

The great majority of the deaf are "prelingually deaf"--those who were unable to hear at birth or who lost their hearing before the age when speech normally develops. The great deprivation is the lack of language. Unable to hear voices, the deaf do not develop speech and hence have no mother tongue in which to communicate--to express their thoughts and to receive the thoughts of others. Among adult deaf the greater portion of communication is by manual means, using the hands rather than speech, but many times there is a combination of "signing" and lip reading, and there are those who can only communicate by speech and lipreading.

The communication problem and its offspring, educational retardation, have an inevitable effect on the employment of the deaf. As many as 83 percent of the deaf population, as compared with 50 percent of the hearing population, engage in manual labor, according to 1964 studies sponsored by the Vocational Rehabilitation Administration and conducted in the Northeast and Midwest.

Basic Act of 1958 and Amendments of 1962

The 1958 legislation (P.L. 85-905) permitted the U.S. Office of Education to purchase, lease, or accept films, caption and distribute them through State schools for the deaf or other appropriate agencies. That original Act focused on the provision of recreational films. The 1962 Amendments (P.L. 87-815) included the production of captioned films, the training of persons in their use, and conducting research to improve the quality and effectiveness of production and broad utilization of the film medium.

Program Developments in the Office of Education

Captioned films have become an integral part of classroom instruction of deaf children. In its programs and activities, the Office of Education in the U.S. Department of Health, Education, and Welfare:

- . has invented and developed a greatly improved captioning system;
- . has more than 60 captioned film depositories in 48 States serving nearly 1,200 groups, including 395 school groups, 375 clubs and civic organizations, 280 religious groups, teacher training centers, and other groups;
- . lists, in its film catalog, some 250 general interest and recreational films and about 200 classroom instruction films and continually adds new films;
- . produces two weekly filmstrips to help deaf second and third graders to learn to read; and

is developing both a system of programed learning for teaching English and a series of slides to illustrate idioms, which are particularly difficult for deaf persons to understand.

Development of Visual Systems for the Deaf from Elementary School to Employment

Reaching the deaf through their eyes is the primary objective of P.L. 89-258. Thus far concentration has been on motion pictures. But existing films wear out or become obsolete, and new educational films for ordinary classroom instruction are needed. General purpose films are inadequate in that their "pacing" is too fast for the deaf to absorb the point of the action; the deaf require longer scenes and prolonged captions. Film footage with less "cutting" may prove helpful. Indicative of the analysis of needs that is going forward, one film company recently conducted a national survey of teachers of the deaf to identify kinds of films and specific subjects needed but not presently available.

Filmstrips, transparencies, slides, and videotapes are also of importance for a comprehensive visually oriented program. Schools for the deaf are seriously underequipped in terms of projectors, recorders, and other essential apparatus including such items as group hearing aids and individual instructional devices. Combining these complicated and varied elements into a systematic whole capable of manipulation by the regular classroom teacher will be possible under P.L. 89-258.

Continuing experimentation in media and in the development of teaching methods, possible under the training and research provisions of the Captioned Films for the Deaf Act, are necessary to reach deaf children beyond the elementary grades and to equip them for earning an adequate living. As yet, practically nothing has been done for the hearing impaired at the high school level, and there is nothing for those in college, except for one or two experimental films. As an example of what has been done and can be done for the deaf in the world of work, captioned films have been used successfully to train deaf keypunch operators, and a complete filmed course in typing is in the planning stage.

SELECTED REFERENCES

CONGRESS OF THE UNITED STATES, 89th Congress, 1st Session

Senate

Committee on Labor and Public Welfare, *Report No. 649 to Accompany S. 2232*.
Special Subcommittee on S. 2232, *Hearing, Loan Service of Captioned Films for the Deaf*,
August 10, 1965.

House of Representatives

Committee on Education, and Labor, *Report, Captioned Films for the Deaf*, September 20, 1956.
Special Committee on Labor, *Hearing Amendments to the Captioned Films for the Deaf Act*,
September 14, 1965.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Under Secretary

Health, Education, and Welfare Indicators

"The National Technical Institute for the Deaf (P.L. 89-36)," July 1965.

"Education of Handicapped Children," November 1963.

"Gallaudet College, 1864-1964," April 1964.

OTHER

Council for Exceptional Children, National Education Association,
Washington, D.C.

Exceptional Children, Nov. 1965, special issue on recent federal legislation relating to
programs for exceptional children.

For information on the production or use of captioned films for the deaf, write to:

Captioned Films Branch
Bureau of Research
Office of Education
U.S. Department of Health
Education, and Welfare
Washington, D.C. 20202

NATIONAL VOCATIONAL STUDENT LOAN INSURANCE ACT OF 1965 (P.L. 89-287)

The National Vocational Student Loan Insurance Act of 1965 is designed to encourage the establishment of loan insurance programs for students desiring vocational training in business, trade, technical, and other vocational schools. States and private nonprofit organizations are encouraged to establish and strengthen programs for insuring loans made by lending institutions to such students.

Advances totaling \$1.875 million will be allotted among the States on the basis of population aged 18-22. In the absence of State programs meeting the statutory standards, the bill provides for advances to the reserve funds of private loan insurance programs in order that all eligible students will have reasonable access to insured loans. If vocational students do not have such access, the Federal Government is authorized to insure commercial loans.

In exceptional circumstances where students are unable to secure loans at reasonable interest rates, the legislation authorizes the Commissioner of Education to make loans directly to students in vocational schools. Appropriations of \$1 million are authorized for these direct loans.

The terms of loans made available to students in vocational schools under this legislation are similar to the student loan insurance provisions of the Higher Education Act of 1965. A student may borrow up to \$1,000 each year for a period of two years.

All of the interest will be paid by the Federal Government while the borrower is pursuing his studies and three percent thereafter, if at the time the loan is made the family income of the borrower does not exceed \$15,000.

Repayment on the loan would begin from nine months to one year after the student ceases his studies in a vocational school.

There is also established an Advisory Council on Insured Loans to Vocational Students, which will include representatives of the types of lending institutions and eligible schools covered by the legislation, to advise the Commissioner on policy matters arising under the program.

This summary was prepared in the Office of Program Analysis, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Dec. 1965

The participation of Federal Credit Unions in the program is facilitated by a provision permitting them to make insured loans up to five percent of their assets to student members in accordance with provisions of the Act.

Congress did not appropriate any funds for this program before the adjournment of the 1st Session of the 89th Congress.

**STATEMENT BY PRESIDENT JOHNSON
ON SIGNING P.L. 89-287, THE NATIONAL
VOCATIONAL STUDENT LOAN INSURANCE
ACT (October 22, 1965)**

Economists tell us that improvement of education has been responsible for one-fourth to one-half of the growth in our nation's economy over the past half-century.

As our population grows, the number of young people--the job seekers--will grow faster than any group among us, and employers will demand more of them. We must be sure that there will be no gap between the number of jobs available and the ability of our people to perform those jobs.

This Act will help young people enter business, trade and technical schools--institutions which play a vital role in providing the skills our citizens must have to compete and contribute in our society.

The \$1,875,000 allotted to the states for insured loan programs under this Act will make possible almost \$19 million in loans. We estimate that in the first year as many as 25,000 young people--receiving grants of up to \$1,000--will enjoy its benefits. The amount they return to our economy with their new skills and training is far beyond counting.

-- This Act will enable the Commissioner of Education to assist in establishing adequate State and nonprofit loan insurance programs for students in these schools;

-- It will allow the Commissioner to insure eligible lending institutions against losses on such loans;

--Finally, it will empower him to make direct loans where funds are not normally available through lending institutions.

We have already done much toward providing full educational opportunity in the Nation. The benefits of the Elementary and Secondary Education Act of 1965 have already begun to flow to the States. The Higher Education Act, which will soon be signed, will provide valuable new assistance to students in our colleges and universities.

But fewer than half our young people go to college; the quality of life in our country--and the strength of our economy--cannot depend solely upon this minority. This act will be a source of encouragement to capable young people who need training to become useful and productive citizens.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AMENDMENTS OF 1965 (P.L. 89-290)

Eugenia Sullivan

With the signing of P.L. 89-290, on October 22, 1965, the Health Professions Educational Assistance Act of 1963 (P.L. 88-129) is expanded and extended for three additional years to mid-1969. Major provisions of the amendments:

- (1) extend for three years the current program of matching grants to aid in the construction, replacement, or rehabilitation of teaching facilities for the training of physicians, dentists, professional public health personnel, optometrists, pharmacists, and podiatrists;
- (2) authorize a new four-year program of basic and special improvement grants to schools of medicine, osteopathy, dentistry, optometry, and podiatry, to provide increased support in order to aid them in increasing the scope and quality of their teaching programs;
- (3) extend for three additional years, until July 1, 1969, the current program under which funds are made available to schools of medicine, dentistry, and optometry for the operation of student loan funds and permit the extension of such loans to students at schools of pharmacy and podiatry; and
- (4) establish a new four-year program under which grants are to be made to schools of medicine, dentistry, osteopathy, optometry, podiatry, and pharmacy from which scholarships may be awarded to students in amounts up to \$2,500 per year, the same as presently authorized to be paid as fellowships to graduate students under the National Defense Education Act and the National Science Foundation Act.

TEACHING FACILITIES: CONSTRUCTION GRANTS

A total of \$160 million is authorized to be appropriated in each of the three fiscal years 1967, 1968, and 1969 for extension of the existing program of matching grants for the construction of medical, osteopathic, dental, optometric, pharmacy, podiatry, and public health schools.

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary. U.S. Department of Health, Education, and Welfare

Health, Education, and Welfare Indicators, Nov. 1965

**STATEMENT BY PRESIDENT JOHNSON
ON SIGNING THE
HEALTH PROFESSIONS EDUCATIONAL
ASSISTANCE AMENDMENTS (H.R. 3141),
October 22, 1965**

The record of the 89th Congress is . . . monumental in the field of health. This is the Congress which achieved Medicare; the Heart, Cancer and Stroke Amendments, the Community Mental Health Centers Act. This is the Congress which gave to the American people the Community Health Services Extension Act, the Health Research Facilities Amendments--and many others.

To that record, we add today the Health Professions Educational Assistance Amendments.

Two years ago, Congress acknowledged our tremendous need for more doctors by passing the Health Professions Assistance Act, which provided funds for constructing medical teaching facilities; it established loans to students preparing for the health professions--and in two years it helped create 2,000 new openings in medical and related schools.

But the need for qualified health professionals is still acute. If we are to begin to meet our health needs, we must educate 50 percent more doctors by 1975, and we must double the annual graduation rate for dentists. By 1971, we must increase by at least 3,500 the capacity of our schools to receive first-year students.

Today at least ten medical schools are too poorly financed to continue providing acceptable education without assistance; at least three dental schools are on probationary status, in danger of losing their accreditation. Two schools of optometry also face loss of accreditation.

Because of prohibitive costs, a student from a poor family, no matter how impressive his talents, stands a far smaller chance of becoming a doctor or dentist than the child of a wealthier family. . . .

More than four out of five students in science receive grants to assist their study--yet less than one-third of American medical students receive such aid. The needy student, looking toward the long years of financial hardship in obtaining a medical education, frequently turns to graduate study in science, simply because the opportunities for financial assistance are greater. Thus the medical professions lose the services of many who might become talent--and sorely needed--doctors and dentists. . . .

I take pride in signing this measure. It symbolizes our national investment in the health and active life of every citizen--an investment which pays rich dividends in our people's productivity and happiness.

The Public Health Service estimates that the \$480 million in Federal funds authorized for the construction grant program should create 6,000 additional first-year places in schools of medicine and other health professions. In addition, it is expected that modernization, remodeling, and replacement of facilities made possible by Federal financial assistance under this legislation will preclude the curtailment of enrollment or deterioration in the quality of training in other schools.

The amendments continue the matching provisions of the 1963 law under which two-thirds of the construction costs of new facilities or major expansion of training facilities of existing schools may be provided by Federal funds and not more than one-half in the case of other construction grants. However, schools of public health may receive 75 percent of necessary costs of construction.

GRANTS TO IMPROVE THE SCOPE AND QUALITY OF TEACHING

A four-year, \$200 million program of improvement grants to strengthen the quality of educational programs at medical, osteopathic, dental, optometric, and podiatric schools is a new feature added by the 1965 amendments. Two types of improvement grants are authorized: basic and special. A school meeting accreditation standards would be eligible for a basic improvement grant of \$12,500 plus an allowance of \$250 for each full-time student; in the second year and subsequent years of the program each school would be eligible to receive \$25,000 plus an allowance of \$500 for each student.

Special improvement grants may be made to those schools of medicine, dentistry, optometry, osteopathy, or podiatry whose applications for basic improvement grants have been approved and which the Surgeon General determines are in need of additional aid in order to improve the quality of their curriculums. The special improvement grants will be made from the overall funds appropriated for improvement grants and may not exceed \$100,000 per school for fiscal year 1966; for fiscal years 1967, 1968, and 1969, the grants may not exceed \$200,000, \$300,000, and \$400,000, respectively.

Costs of providing high quality training in the Nation's medical and dental schools have been steadily mounting. Many of these schools are hampered by shortages of operating funds, with tuition and fees representing only a small part of these costs. The basic improvement grants can help inadequately-supported schools improve student-faculty ratio, attract more highly qualified faculty, and strengthen and enrich the basic curriculum. For more adequately supported schools, these grants could, in addition, be used to help achieve balance in curriculum areas and to experiment with innovations in professional health education.

The special grants, to be made on the basis of need, will have an important overall effect of narrowing differences in quality of education provided by individual schools. These grants may also be used to develop

educational programs in fields such as genetics and biophysics that are now experiencing a rapid expansion of scientific knowledge.

STUDENT ASSISTANCE

The average annual expenses of senior medical students rose from \$3,000 to \$4,100 between 1959 and 1964 (Table 1). And in that five-year period the expenses of married seniors with two or more children rose from \$4,000 to \$5,200. The 1963-64 survey, conducted by the Public Health Service in cooperation with the Association of American Medical Colleges and the American Association of Osteopathic Colleges, also showed that three out of five seniors were married.

Table 1
Comparison of average annual expenses of senior medical students in 1959 and 1964, by marital status

Marital status	1959 ¹	1964
Total.....	\$3,022	² \$4,117
Single.....	2,558	2,824
Married, no children.....	2,876	4,965
Married, one child.....	3,401	4,949
Married, two or more children.	4,012	5,207

¹ Estimated ² Includes data for students who were widowed, divorced, or separated.

Few students attend medical school without substantial financial help from their families. For all medical students, gifts and/or loans from their families, their own or spouse's earnings together, accounted for 83 percent of total income (Table 2). Only 6 percent of the money came from nonrefundable grants and 10 percent, from loans outside the family.

Table 2
Source of income of medical students, by marital status

Source of income	All students ¹	Marital status			
		Single	Married		
			No children	1 child	2 or more children
Number of students ²	30,085	17,860	7,211	2,742	2,021
Total income.....	100	100	100	100	100
Own earnings and savings.....	25	30	17	28	32
Spouse's earnings.....	26	57	34	26
Gifts and/or loans from family.....	32	50	16	21	20
Loans outside family.....	10	11	5	11	16
Nonrefundable grants.....	6	8	4	4	4
All other sources.....	1	1	1	2	2

¹ Includes students who were widowed, divorced, or separated. ² Who supplied data on income.

Student Loans

Under P.L. 89-290, the student loan program, first authorized under the 1963 legislation, is extended for three additional years, through fiscal year 1969, with \$25 million authorized to be appropriated in each year. In recognition of the increasing costs of medical and dental education, the amendments increase the maximum amount which may be borrowed by a student for any academic year from \$2,000 to \$2,500, the maximum annual amount now available under the National Defense Education Act for graduate and professional students.

A new loan forgiveness feature of the 1965 legislation permits the cancellation of up to 50 percent of a student loan at the rate of 10 percent for each year that a physician, dentist, or optometrist practices in an area, as determined by the State health authority, in which there is a shortage of, and need for, physicians, dentists, or optometrists. The amendments also permit the Surgeon General to extend student loan assistance to students in pharmacy and podiatry.

The original legislation established as an interest rate for student loans three percent, or the "going Federal rate," whichever is greater. The 1965 amendments modify this to the extent that the "going rate" at the time a loan is first awarded to a student shall be used in the case of any subsequent loans to the student while pursuing a course of study. This same provision was also added to the student loan program under the Nurse Training Act.

Scholarships

Inclusion in the new law of Federal support for scholarships to needy medical and dental students represents a major breakthrough in efforts to increase the number and quality of medical and dental students and to equalize educational opportunity. The amendments authorize a four-year program of grants to schools of medicine, osteopathy, optometry, dentistry, pharmacy, and podiatry for scholarships to be awarded annually by these schools to their students.

In the first year of the program (fiscal year 1966), each school's grant would equal \$2,000 times one-tenth of the number of first-year students in the school. In the three succeeding years, the enrollment increment would be enlarged to include, successively, students in the first two years, in the first three years, until by the fourth year it included one-tenth of the total enrollment of the school. The law also authorizes appropriations of funds sufficient to enable schools to continue making payments under scholarship grants for fiscal years 1970-1972 to students who received awards out of scholarship grants made to the school for prior fiscal years.

The amount of an individual scholarship will depend upon the student's need, as determined by the school. Scholarships will be awarded to students

from low-income families who could not, without such financial assistance, pursue a course of study at the school. Scholarships may cover tuition, fees, books, and living expenses, up to \$2,500 per year.

The high costs of medical and dental education and the paucity of scholarship aid have resulted in a disproportionate number of medical and dental students being drawn from families able to pay for expensive professional education. In 1963, nearly half--49 percent--of medical students were from the 20 percent of the Nation's families having incomes of \$10,000 or more, and 29 percent came from the five percent of families with incomes of \$15,000 or more.

On the other hand, considerable aid is available for certain graduate study leading to the Ph.D. degree. More than four-fifths of graduate students in the life sciences received nonrefundable grants, averaging \$2,700 in 1962-63. In contrast, less than one-third of medical students received nonrefundable grants, and the average amount was only \$760.

The scholarship program will make it possible for able students who would otherwise be deterred by financial considerations to prepare for careers in the health professions. By enabling health professions schools to compete more adequately with other disciplines for talented applicants, the program should result in raising the caliber of students in these schools.

OTHER PROVISIONS

The new law also authorizes establishment of a National Advisory Council on Medical, Dental, Optometric, and Podiatric Education to advise the Surgeon General on the preparation of regulations and on policy matters arising in the administration of the improvement grant and scholarship programs and in the review of applications for improvement grants. Membership of the Council will include the Surgeon General, as chairman, and 12 members selected from among leading authorities in the field of medical, dental, optometric, and podiatric education, except that at least three members must be selected from the general public.

In the existing construction grant program, eligibility standards for new, nonaccredited schools were modified to provide that the Commissioner of Education may deem a school to be accredited if he finds, after consultation with the appropriate accreditation body or bodies that there is reasonable assurance that the school will meet accreditation standards prior to the beginning of the academic year following the normal graduation date of the first entering class in the school, or, if later, upon the completion of the project for which assistance is being requested and any other projects under construction or planned to be started within a reasonable time. A similar provision was added to the Nurse Training title of the Public Health Service Act by these amendments.

ACCOMPLISHMENTS UNDER THE PROGRAM TO DATE

Enactment of the Health Professions Educational Assistance Act in 1963 was the result of many years of consideration and study. The 1963 law carried out recommendations of several well-documented studies of manpower shortages in the medical field, indicating a need to increase the Nation's training capacity for physicians by 50 percent and for dentistry by 100 percent in order to maintain existing ratios of these health personnel to population in the 1970's.

Despite the relatively short period of time that the legislation has been in effect, progress has been made in increasing enrollments at medical and dental schools. In 1962, first-year enrollments in medical schools totaled 9,200; the estimated total for September 1965 is 9,925. First-year enrollments in dental schools in 1962 totaled 3,680; in September 1965, an estimated 3,850. These increases are attributed in part to increased efforts by medical and dental schools and in part to the programs of construction assistance provided under P.L. 88-129.

If existing trends continue, continuation of the programs as provided by the 1965 amendments will make it possible to maintain for the 1970's the current ratios of medical, dental, and other health professions manpower to population.

Construction grant projects approved and funded under P.L. 88-129 through the end of fiscal year 1965 were as follows:

Discipline	Number	Federal share	New 1st-year places
Medical, total.....	24	\$71,245,291	725
New schools.....	6	32,147,159	404
Existing schools.....	18	39,098,132	321
Dental, total.....	14	33,655,746	372
New schools.....	1	1,232,127	96
Existing schools.....	13	32,423,619	276
Public health, total.....	4	7,925,455	226
New schools.....	1	735,000	35
Existing schools.....	3	7,190,455	191
Nursing, total.....	16	8,875,920	783
New schools.....	2	1,381,419	134
Existing schools.....	14	7,494,501	649
Pharmacy, total (existing schools).....	3	2,259,104	137
Optometry, total (existing schools).....	2	1,156,079	36
Total, all disciplines.....	63	125,117,595	2,279
New schools.....	10	35,495,705	669
Existing schools.....	53	89,621,890	1,610

Source: Program Evaluation and Reports Branch, Division of Hospital and Medical Facilities, July 9, 1965.

The response to the student loan program, which got underway in the fall of 1964, indicated that the program was meeting a need previously unfilled.

The request for student loans was so great that the Federal funds available were sufficient to meet only 57 percent of the requests in the first year, and present indications are that Federal funds authorized for fiscal year 1966 will meet only about 75 percent of the requests.

The first year of operations of the health professions student loan program is summarized below:

Type of program	Number of schools participating	Number of students enrolled	Number of borrowers	Percent borrowers	Total amount borrowed	Average amount of loan
Medical.....	87	31,416	7,260	23	\$6,663,227	\$918
Dental.....	46	12,954	3,170	24	2,910,172	918
Osteopathic.....	5	1,651	614	37	411,357	670
Optometric.....	9	1,409	387	27	290,722	751
Total.....	147	47,430	11,431	24	10,275,478	899

LOOKING TO THE FUTURE

In his health message sent to Congress on January 7, 1965, President Johnson stated, "The advance of our Nation's health in this century has, in the final measure, been possible because of the unique quality and fortunate quantity of men and women serving in our health professions. Americans respect and are grateful for our doctors, dentists, nurses, and others who serve our Nation's health. But it is clear that the future requires our support now to increase the quantity and assure the continuing high quality of such vital personnel."

Enactment of P.L. 89-290 makes possible the continuation and expansion of a program of critical importance to achievement of the goal of the best of health for all citizens. We must, of course, expect continuing shortages for the next several years, but the 1970's will see the fruition and results of the foresighted action taken by Congress in this decade.

SELECTED REFERENCES

89TH CONGRESS, 1ST SESSION

House of Representatives, Committee on Interstate and Foreign Commerce *House Report No. 781 on H.R. 3141*, August 12, 1965. 64 p.

Senate Committee on Labor and Public Welfare, *Senate Report No. 789*. September 28, 1965. 30 p.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

"Health Professions Educational Assistance Act of 1963," *Health, Education, and Welfare Indicators*, October 1963.

"Training for Service and Leadership in the Health Professions," *Health, Education, and Welfare Indicators*, August 1964.

"The Nurse Training Act of 1964," *Health, Education, and Welfare Indicators*, October 1964.

Public Health Service

Health Manpower Source Book, No. 18, Manpower in the 1960's. PHS Pub. No. 263.

How Medical Students Finance Their Education. PHS Pub. No. 1336. June 1965.

ASSISTANCE TO PUBLIC SCHOOLS AFFECTED BY
MAJOR DISASTERS AND BASE CLOSINGS AND OTHER PROVISIONS (P.L. 89-313)

Major disasters can cripple an entire community for months or years. But education of children cannot afford to wait until new funds and facilities for schools can be raised. It is therefore necessary to provide financial assistance in the construction and operation of public elementary and secondary schools in areas affected by major disasters. P.L. 89-313 adds new sections to the Impacted Areas legislation (P.L. 815 and P.L. 874) authorizing the Commissioner of Education to provide additional financial assistance to enable local educational agencies to restore damaged school facilities and to resume normal operations promptly.

Certain school districts had made extensive preparation for the construction of new facilities in connection with military bases and had been given preliminary notice of entitlement to funds under P.L. 815. Since the districts were committed, P.L. 89-313 allows funds for continuing with that construction, notwithstanding the closing of certain military bases as announced November 19, 1964.

The amendment to P.L. 874, which provides the same eligibility requirements for large cities as for small cities, will make some \$15 million available for improvement of schools in major urban areas.

Approximately 50,000 students in State-operated schools for the handicapped will benefit from provisions of the Act entitling such schools to \$15 million for the improvement of education under Title I of the Elementary and Secondary Education Act of 1965.

The State departments of education must have sufficient funds for administering in an efficient manner the recent education legislation. Fourteen States and the District of Columbia may benefit from the provisions of this legislation, which set a minimum of \$75,000 per State in funds for strengthening State educational agencies.

This legislative summary was prepared by Michael L. Parker, Special Assistant to the Assistant Secretary for Legislation, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, February 1966

THE HIGHER EDUCATION ACT OF 1965 (P.L. 89-329)

Eugenia Sullivan

Passage of the Higher Education Act in the closing days of the first session of the 89th Congress marked the culmination of an unprecedented legislative commitment to the goal of educational opportunity for all Americans. As President Johnson noted in signing the Act into law on November 8, 1965, no less than two dozen education measures were enacted by Congress during 1965.

HIGHLIGHTS OF THE LEGISLATION

Community Service and Continuing Education Program (Title I)

A five-year grant program aimed at strengthening the resources of colleges and universities to assist them in providing community service programs such as continuing education, consultation, seminar, and research programs designed to assist in the solution of community problems, with particular emphasis on urban and suburban localities.

College Library Assistance and Library Training and Research (Title II)

Aid to college and university libraries is authorized through grants to institutions of higher learning for the acquisition of books and other library materials, for training library personnel, and for research and demonstration projects, including the development of new ways of processing, storing, and distributing information.

Strengthening Developing Institutions (Title III)

To assist in upgrading the academic standards of developing institutions, grants are authorized for cooperative arrangements between such institutions and other colleges, universities and business groups. Grants could be used for projects such as faculty and student exchanges, visiting scholars, faculty and administration improvement programs, and joint use of facilities such as libraries and laboratories. Title III also establishes a national teaching fellowship program to encourage qualified graduate students and junior faculty members of major institutions, colleges, and universities to teach at developing institutions.

Miss Sullivan is a Program Analysis Officer in the Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

REMARKS BY PRESIDENT JOHNSON UPON SIGNING THE
HIGHER EDUCATION ACT AT SOUTHWEST TEXAS STATE COLLEGE
(November 8, 1965)

My signature on the higher Education Act of 1965...will swing open a new door for the young people of America. For them--and for this entire land of ours--it is the most important door that will ever open--the door to education.

This legislation is the key which unlocks it.

To thousands of young men and women, this Act means the path of knowledge is open to all that have the determination to walk it.

It means a way to deeper personal fulfillment--greater personal productivity--and increased personal reward.

It means that a high school senior in this great land of ours can apply to any college or any university in any of the fifty States and not be turned away because his family is poor.

This bill is only one of more than two dozen education measures enacted by the first session of the 89th Congress. And history will forever record that this session--the first session of the 89th Congress -- did more for the wonderful cause of education in America than all the previous one hundred and seventy-six regular sessions of Congress did put together.

I doubt that any future Congress will ever erect a prouder monument for future generations.

In my judgment, this Nation can never make a wiser or a more profitable investment anywhere.

In the next school year alone, 140,000 young men and women will be enrolled in college who, but for the provisions of this bill, would have never gone past high school. We will reap the rewards of their wiser citizenship and their greater productivity for decades to come.

From this Act will also come a new partnership between campus and community, turning ivory towers of learning into the allies of a better life in our cities.

It ensures that college and university libraries will no longer be the anemic stepchildren of Federal assistance.

And this Act makes major new thrusts in a good many other directions: in assisting smaller, under-nourished colleges obtain better teachers; in adding first-class equipment in order to have first-class classrooms; in establishing a new National Teacher Corps to help our local communities receive extra help in the training of our neglected children, whom our teachers have been unable to reach.

I consider the Higher Education Act--with its companion, the Elementary and Secondary Education Act of 1965--to be the keystones of the great 89th Congress.

Student Assistance (Title IV)

Financial assistance to enable qualified and needy students to attend colleges and universities will be provided through:

--grants to educational institutions for scholarships called "educational opportunity grants" of from \$200 to \$1,000 a year with special emphasis placed on the recruitment of students who would otherwise not be able to go to college;

--establishment of a subsidized low-interest insured loan program, operating through State and local institutions wherever possible; and

--expansion of the size and scope of grants to institutions of higher education for work-study programs (initiated under the Office of Economic Opportunity and now to be transferred to the Office of Education).

Title IV also makes a number of amendments to the National Defense Education Act of 1958 including total forgiveness of NDEA loans made to students who go on to teach for seven years in schools with large concentrations of students from low-income families.

Teacher Programs (Title V)

To raise the level of education offered to children in the elementary and secondary schools of the Nation, there are established: (1) a National Teachers Corps consisting of experienced teachers and teacher-interns to teach in schools in areas having high concentrations of low-income families; (2) fellowships for graduate study at institutions of higher education by persons who are pursuing or who plan to pursue a career in elementary and secondary education; and (3) grants to pay part of the costs of improving teacher training programs in institutions of higher education.

Improvement of Undergraduate Instruction (Title VI)

Funds are authorized for the acquisition of special classroom materials and closed-circuit television equipment and for the operation of training institutes for educational media specialists in order to improve the quality of undergraduate classroom instruction in colleges and universities.

Amendments to the Higher Education Facilities Act of 1963 (Title VII)

A doubling of the funds for construction grants for graduate and undergraduate facilities--from \$290 million to \$580 million--is authorized for fiscal year 1966.

LEGISLATIVE HISTORY

In his special message on education transmitted to the Congress on January 12, 1965, President Johnson made a number of specific proposals

Higher Education Act of 1965 - - State Allocations of Funds Appropriated for F. Y. 1966 (in thousands)

	Total	Title I	Title IV - Student Assistance			Title VI Improvement of Undergraduate instruction	
		Community service and continuing education program	Educational Opportunity Grants	College Work-Study Program	Federal, State and private nonprofit insured loan program	Equipment and minor remodeling	Television equipment
UNITED STATES.....	189,623	\$10,000	\$58,000	\$99,123	\$7,500	\$13,500	\$1,500
50 States and D.C.	186,753	9,833	57,602	97,141	7,303	13,387	1,487
Alabama.....	3,640	185	776	2,325	143	190	21
Alaska.....	237	106	23	75	25	7	1
Arizona.....	1,873	138	637	863	57	160	18
Arkansas.....	2,333	148	521	1,451	73	126	14
California.....	16,922	547	5,919	8,107	642	1,536	171
Colorado.....	2,284	148	818	1,046	76	176	20
Connecticut.....	2,227	169	739	1,064	87	151	17
Delaware.....	481	112	114	203	25	24	3
District of Columbia	1,297	120	521	495	38	111	12
Florida.....	4,752	240	1,324	2,621	194	336	37
Georgia.....	4,242	206	947	2,655	182	227	25
Hawaii.....	718	118	192	327	34	42	5
Idaho.....	803	117	231	366	27	56	6
Illinois.....	8,750	361	2,895	4,423	382	620	69
Indiana.....	4,762	220	1,639	2,317	193	354	39
Iowa.....	3,276	168	1,103	1,637	107	235	26
Kansas.....	2,688	155	951	1,261	88	210	23
Kentucky.....	3,437	178	855	2,038	135	208	23
Louisiana.....	4,186	186	1,112	2,447	142	269	30
Maine.....	920	124	231	464	40	55	6
Maryland.....	2,801	185	837	1,442	125	191	21
Massachusetts.....	5,690	231	2,175	2,579	199	455	51
Michigan.....	7,476	302	2,508	3,715	299	587	65
Minnesota.....	4,093	187	1,391	2,042	133	306	34
Mississippi.....	3,163	157	690	2,029	100	168	19
Missouri.....	4,533	211	1,452	2,347	171	317	35
Montana.....	855	117	262	386	27	57	6
Nebraska.....	1,709	136	545	837	55	122	14
Nevada.....	329	110	63	117	25	13	1
New Hampshire.....	745	116	239	308	25	51	6
New Jersey.....	4,043	265	1,093	2,205	206	247	27
New Mexico.....	1,136	125	299	585	44	75	8
New York.....	14,271	542	4,710	7,181	601	1,113	124
North Carolina.....	5,657	220	1,418	3,421	224	337	37
North Dakota.....	958	116	285	459	26	65	7
Ohio.....	8,706	351	2,845	4,419	380	640	71
Oklahoma.....	3,006	161	955	1,531	99	234	26
Oregon.....	2,129	146	760	971	66	167	19
Pennsylvania.....	9,799	384	3,013	5,219	417	689	77
Rhode Island.....	958	122	301	416	39	72	8
South Carolina.....	2,870	162	573	1,860	122	138	15
South Dakota.....	981	117	276	491	27	63	7
Tennessee.....	4,383	194	1,167	2,547	161	283	31
Texas.....	10,534	357	3,142	5,783	420	749	83
Utah.....	1,668	124	673	658	42	154	17
Vermont.....	622	110	193	247	25	42	5
Virginia.....	3,839	208	950	2,229	192	234	26
Washington.....	3,230	173	1,157	1,500	114	257	29
West Virginia.....	2,081	145	516	1,207	75	124	14
Wisconsin.....	4,205	202	1,445	2,054	150	319	35
Wyoming.....	450	108	120	168	25	26	3
Puerto Rico.....	723	89	390		122	110	12
Virgin Islands.....	52.3	26	1		25	.3	-
Guam.....	63.3	27	8	1,982	25	3	.3
American Samoa.....	51	26	-		25	-	-

Source: Office of Education, U. S. Department of Health, Education, and Welfare

aimed at achieving "a national goal of full educational opportunity" for all Americans. Draft legislation incorporating his recommendations relating to higher education was introduced as H.R. 3220 in the House and S.600 in the Senate on January 19. Extensive public hearings were held by the House Special Subcommittee on Education, chaired by Representative Edith Green, and by the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, chaired by Senator Wayne Morse.

On May 20, the House Subcommittee reported out the bill to the full Committee on Education and Labor, under the chairmanship of Representative Adam Clayton Powell. After several weeks of consideration and agreement on a number of changes in the bill, the Committee, on July 14, reported out a clean bill, H.R. 9567, which was passed by the House with amendments by a vote of 367 to 22 on August 26.

Meanwhile, on July 16, President Johnson submitted to Congress the "Teaching Professions Act of 1965," incorporating the proposals contained in his speech of July 2 to the National Education Association for a National Teacher Corps, fellowships for elementary and secondary teachers, and grants to improve teacher preparation programs. The Administration proposals were introduced in the House by Representative Perkins (H.R. 9928) and in the Senate by Senator Morse (S. 2302). The Senate subcommittee then considering the House-approved bill, H.R. 9567, amended it to incorporate the Morse bill, and on August 27 reported the bill so amended to the full Senate Committee on Labor and Public Welfare. The bill, reported out unanimously by the Committee on August 31, passed the Senate by a vote of 79 to 3 on September 2.

After several meetings to reconcile differences between the House and Senate approved versions of the bill, the Conference Committee on October 19, reported out an amended version of H.R. 9567, which followed substantially the version passed by the Senate. Both the House and the Senate accepted the Conference Report on October 20, and the bill was signed into Public Law 89-329 by President Johnson on November 8, 1965.

Community Service and Continuing Education Programs (Title I)

The purpose of Title I is to provide financial support for institutions of higher education in their efforts to establish and maintain community service and continuing education programs. In keeping with a broad view of the university as an integral part of the community, Title I aims at enlarging university extension and continuing education programs and bringing them within the economic and geographic reach of more people.

Funds are authorized over five fiscal years, 1966-1970--\$25 million for 1966, \$50 million each for 1967 and for 1968, and such sums as may be appropriated for the next two years. For the first two years of the program, Federal funds can provide up to 75 percent of the cost of a State's plan; for the following three fiscal years, Federal matching will be at 50 percent.

The program will be administered through State plans. Each State wishing to participate in Title I programs must designate an agency qualified in the area of solving community problems and broadly representative of colleges

and universities competent to offer community service programs. The designated agency will submit to the Office of Education a plan which should be comprehensive, coordinated, and statewide. It should also assure that Federal funds will not be used to substitute for funds already in use in the State for continuing education. The legislative history of the new law indicates that Congress intended considerable latitude to be left to States, communities, and institutions in establishing programs under this title. Among the types of projects and activities envisaged as eligible for funding were:

- . Studies of employment problems and economic growth possibilities in both urban and rural areas;
- . Courses to train subprofessional personnel as aids in the health services and in social work to help alleviate shortages of professional personnel;
- . Courses for professional people, such as doctors, lawyers, educators, and high school and college administrators, to relate the findings of recent research, the significance of current events, and new techniques and information to their responsibilities to the public;
- . Seminars for community leaders to examine new health, welfare, and education laws and the significance of those laws in their communities;
- . Conferences and seminars on the problems of extending health services to isolated communities;
- . Conferences on the problems associated with intergroup relations and social unrest;
- . Professional retraining and refresher programs for persons in professions such as architecture, engineering, landscape architecture, law, law enforcement, medicine, pharmacy, public administration, public health, science, social science, social work, economics, teaching, and urban and regional planning (including environmental health planning);
- . Training and consultative services to local, State, and Federal governments;
- . Training in leadership and in program planning for nonprofit voluntary associations and civic groups;
- . Special educational programs for adults with a view to increasing their opportunities for more productive employment and making them better able to meet their adult responsibilities;
- . Training and educational services relating to aging;
- . Training services related to labor education, management education, and employment opportunities;

- . Special educational programs for culturally disadvantaged adults;
- . Educational programs for women preparing to enter or reenter the labor market; and
- . Other training, demonstration, and public service programs.

There is also established a National Advisory Council on Extension and Continuing Education to advise the Commissioner of Education on the administration of Title I and to recommend ways to improve the coordination of the various Federal programs relating to continuing and extension education.

The first session of the 89th Congress appropriated \$10 million for this title.

College Library Assistance (Title II)

A 100 percent increase in college enrollments between 1955 and 1964, coupled with the knowledge explosion--nearly a doubling of book production in the United States from 1960 to 1964--have produced unprecedented pressures on the libraries of the Nation's colleges and universities. Fifty percent of four-year colleges and 82 percent of two-year colleges fall below accepted minimum standards in the number of volumes in their libraries.

The Higher Education Act provides a three-pronged approach to upgrading college and university libraries, library training, and library research. Part A of Title II authorizes three types of grants for acquisition of library materials such as books, periodicals, documents, magnetic tapes, and phonograph records: (1) basic grants, not to exceed \$5,000 annually to each institution and to each of its branches located in a different community; (2) supplemental grants awarded on the basis of \$10 per full-time student at an institution; and (3) special purpose grants for institutions demonstrating special needs for additional library resources.

Eighty-five percent of an annual appropriation may be used for basic grants and supplemental grants, with the remaining 15 percent of appropriations reserved for special purpose grants. Institutions must match Federal funds for basic grants on a 50-50 basis, and for special purpose grants must match \$1 for each \$3 of Federal money. No matching is required for supplemental grants, for which priority will be given to needy institutions. An Advisory Council on College Library Resources will be appointed to advise the Commissioner on the awarding of supplemental and special purpose grants. Title II authorizes \$50 million to be appropriated each year for the first three years in support of Part A. However, the appropriation measure passed by the 89th Congress at the close of the first session did not provide funds for any part of Title II.

Part B of this Title authorizes grants--\$15 million per year for the first three fiscal years--to institutions of higher education for training in librarianship and for research and demonstration projects relating to the improvement of libraries or of library training. Grants for training could be used to cover the cost of courses and for establishing and maintaining fellowships. Support for research and demonstration can be through grants

to, or contracts with, colleges and public and nonprofit private organizations. The Commissioner is also authorized to establish technical advisory committees to aid him in formulating policy for these projects.

Part C of Title II authorizes funds (\$5 million in fiscal year 1966) for the Library of Congress to aid it in distributing catalog and bibliographic information. It is expected that greater development of the central cataloging facility in the Library of Congress will also improve cooperation among university libraries and all other types of libraries.

Strengthening Developing Institutions (Title III)

A number of the Nation's colleges are not offering education of an adequately high standard. Some 10 percent of the 2,300 institutions of higher education have not met minimum standards of academic quality required for accreditation. Many others constantly face the threat of losing accreditation because of borderline performance.

As Commissioner of Education Keppel reported during the hearings on the legislation, "Many students are now finishing high school with more advanced information than is taught in some of our small colleges....We must...regard developing institutions as among our greatest challenges."

Title III represents a significant forward step in helping raise academic standards for less developed institutions. A five-year program of grants is authorized to carry out cooperative programs and to set up teaching fellowships for developing institutions. Of the annual appropriation, 78 percent is to be used for four-year colleges, and the remainder is to go to two-year colleges. The Act authorizes \$55 million to be appropriated for FY 1966; Congress actually appropriated \$5 million before adjourning.

To be eligible for development grants, an institution must: (1) admit as regular students only high school graduates or their equivalent; (2) award a bachelor's degree or provide a two-year program creditable toward such a degree or a two-year technical program; (3) have met the foregoing conditions during the five academic years preceding the year for which aid is sought; (4) be accredited or be making reasonable progress toward accreditation; (5) be making reasonable effort to improve the quality of its teaching, administrative staffs, and student services; and (6) be, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

Examples of the types of cooperative programs that might be entered into between such institutions and other colleges and universities as well as with business and other organizations include:

- (1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;
- (2) faculty and administration improvement programs utilizing training, education (including fellowships, leading to

advanced degrees), internships, research participation, and other means;

- (3) introduction of new curriculums and curricular materials;
- (4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;
- (5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and
- (6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

The Act also calls for establishment of an Advisory Council on Developing Institutions to assist the Commissioner in identifying schools which would qualify for aid and in establishing priorities for use in approving applications.

Applicants for funds under this Title must give assurance that Federal funds will be used to supplement, not supplant, any funds that would otherwise be available. As a further means of raising the quality of education at developing institutions, a national teaching fellowship program is established to encourage graduate students and junior faculty members of established colleges and universities to teach at such institutions. The fellowships may not extend beyond two academic years and will carry a maximum stipend of \$6,500 per year plus \$400 for each dependent.

Student Assistance (Title IV)

The help-wanted pages of any metropolitan newspaper attest to the shortages of trained, educated persons in many areas--and this despite the creation of new programs to support training in a number of specialized professional and technical areas. Title IV is based on the premise that a broad, well-coordinated program of student financial assistance extending to virtually all areas of postsecondary educational opportunity is of fundamental importance in helping to meet current shortages and future needs. In developing such a program, Congress drew upon existing programs and experiences, and by extension and amendments fitted these into a pattern together with new programs. Wherever possible, efforts were made to maximize current efforts of States and other private nonprofit organizations now operating student assistance programs.

Federal scholarship money is available under Part A of Title IV to provide grants for students of exceptional financial need. First-year grants may range from \$200 to \$800, with an equal amount provided from an institution's scholarship or loan fund, including NDEA loans, or State or private financial aid programs (excluding work-study funds). In the case of upperclassmen, the maximum amount may be raised to \$1,000 for any

student ranking in the upper half of his class during the preceding year. Funds will be allocated among the States on the basis of college enrollment in the State. Allocations among institutions in a State will be made under equitable criteria to be established by the Commissioner.

The actual administration of the educational opportunity grant program will be done by the colleges, which will select eligible students and set the size of the individual grants. To be eligible, a student must either be accepted for enrollment or, if already enrolled, be in good standing, show evidence of academic or creative promise, and be financially unable, without the grant, to attend the college.

A unique aspect of the scholarship program is its emphasis on seeking out and encouraging talented but financially needy youths to go on to college. Institutions of higher education are required to make vigorous efforts to identify qualified youth from low-income families and encourage them to continue their education beyond secondary school. This can be done by working closely with secondary school principals and guidance and counseling personnel and by making conditional commitments for educational opportunity grants to qualified high school students, with special emphasis on those in grade 11 or lower grades. Moreover, the Office of Education is authorized to make contracts of up to \$100,000 with public and nonprofit organizations and State and local educational agencies to conduct special "academic talent searches," to publicize existing forms of student aid, and to encourage high school or college dropouts to reenter school.

Part B of Title IV, the guaranteed reduced interest loan program, is aimed at helping students from middle and upper-middle income families who have increasingly been feeling the squeeze of rising educational costs. In brief, the Federal Government will: (1) encourage States and nonprofit institutions to establish student loan insurance programs through advances for reserve funds (\$17.5 million annually is authorized); (2) provide a Federal program of student loan insurance for students who do not have reasonable access to a non-Federal student loan insurance program; and (3) pay part of the interest on student loans insured under the program.

Loans are limited to \$1,000 per year for undergraduates and \$1,500 for graduate students, with overall limits of \$5,000 and \$7,000, respectively. Repayments on loans must begin nine months after graduation, but there is a moratorium of up to three years on payments while the borrower serves as a member of the Armed Forces or of the Peace Corps. Interest would accrue during the moratorium, however, and would have to be paid.

A minimum annual repayment of \$360 is required, and the total loan must be repaid within 10 years of the beginning of the repayment period, or 15 years of the execution of the note, exclusive of the possible three-year moratorium. Annual interest on loans is generally limited to six percent on the unpaid principal. Students from families having an adjusted family income of less than \$15,000 will have all their interest paid by the Federal Government prior to the repayment period, and thereafter, three percent of the unpaid principal. Students from families with adjusted incomes of more

than \$15,000 are not entitled to interest subsidies but may get loan insurance.

As part of the effort to broaden and coordinate student financial assistance, Part C of Title IV extends and improves the college work-study program and transfers its administration from the Office of Economic Opportunity to the Office of Education. Funds authorized for the program were increased to \$129 million for FY 1966. For fiscal years 1967 and 1968, amounts of \$165 million and \$200 million, respectively, are authorized. Eligibility--previously limited to students from low-income families--is broadened to include all needy students. In addition, institutions may pay their 10 percent share of the cost of work-study programs in the form of services and equipment furnished to the students.

Improvements have also been made in the six-year old program of NDEA loans. Colleges may use stronger procedures in collecting loans, including assessment of service charges for late payments. A minimum rate for repayment of \$15 a month is established, and limited use of loan funds for administrative costs and collection costs is authorized. In addition, loan "forgiveness" is raised to 15 percent per year for each year in which a student borrower teaches in a "hardship" elementary or secondary school. Thus, a teacher could clear his whole obligation to the NDEA loan program without repayment by teaching for seven years in a school designated by the Commissioner as having a high concentration of students from poverty-stricken families.

Other minor amendments to the National Defense Education Act add economics to the subjects eligible for equipment and audiovisual materials, training institutes under Title XI of NDEA.

The 89th Congress appropriated \$110 million for Title IV for FY 1966--\$60 million for scholarship grants (including \$2 million for the talent search), \$10 million for Federal loan insurance, and \$40 million for strengthening the work-study program.

Teacher Programs (Title V)

The provisions of this Title have the dual aim of increasing the number and quality of teachers and of improving educational opportunity for the Nation's elementary and secondary school children in areas having concentration of low-income families.

Title V established a National Teacher Corps to attract and train both qualified teachers and inexperienced teacher-interns, who will then be made available, by invitation, to supplement the teaching force in impoverished school districts.

Recruitment, selection, and enrollment of corpsmen will be done by the Office of Education, but teachers or teacher teams will be assigned only at the request of a local school district. Although the corpsmen's salaries will be paid from Federal funds channeled to local school districts, the corpsmen will be employees, and on the payroll, of the local school district, which will decide such matters as where they are to be assigned or trans-

ferred and what they are to teach. Corpsmen's salaries will be comparable to those of local teachers in similar positions.

Corpsmen will be given up to three months' training before undertaking teaching duties, during which time they will receive stipends comparable to those under other federally supported training programs. The Commissioner will make grants or contracts with universities or State or local education agencies to provide pre-assignment training to the corpsmen. Wherever possible, arrangements will be made with universities for teacher-interns to work toward graduate degrees while teaching in the Corps.

Title V also establishes a fellowship program to support graduate study leading to a master's degree or equivalent for persons planning a career in elementary and secondary education. The program can support training in fields directly related to teaching, such as library science, school social work, guidance and counseling, educational media, and special education for handicapped children.

Both experienced teachers and recent college graduates are eligible for fellowships. Stipends will be at levels of comparable Federal fellowship programs. In addition, the university will receive \$2,500 a year, less any tuition and fees charged the student, for each fellowship recipient. Up to one-fifth of the fellowships are expected to be used for professional employees of local educational agencies who had lost their jobs as a result of school integration under the Civil Rights Act of 1964.

To be approved by the Commissioner of Education, a fellowship program must meet high standards of quality and should accept only students who demonstrate serious intent to make a career in elementary and secondary education.

In order to achieve equitable geographical distribution of high-quality fellowship programs, the Commissioner is also authorized to make grants to, and contracts with, universities to help strengthen graduate teacher training.

Congress appropriated \$20 million for fellowship programs in FY 1966, but no funds for the National Teacher Corps.

Financial Assistance for the Improvement of Undergraduate Instruction (Title VI)

Since the passage of the National Defense Education Act, considerable Federal financial support has gone to elementary and secondary schools to help purchase modern equipment and teaching materials. No comparable effort has gone into upgrading college teaching materials. The anomalous result is that some college freshman face a regression in instruction, instructional media, and instructional techniques from the level enjoyed in high school.

Title VI authorizes a five-year grant program to improve undergraduate instruction, with \$35 million authorized for FY 1966, \$50 million in FY 1967, and \$60 million for 1968. There is also authorized \$2.5 million in FY 1966 and \$10 million annually in 1967 and 1968 for the purchase of TV equipment and for minor remodeling.

The program will be administered at the State level by State Commissions. Federal grants will normally be available on a 50-50 matching basis, except where necessary to permit institutions of limited means to participate, a State commission may increase the Federal share up to 80 percent.

Allocation of funds among the States will be under a formula based on the relative number of students enrolled in higher education and the relative per capita incomes in the various States.

The Commissioner of Education is also authorized, by means of grants or contracts, to arrange for colleges and universities to operate workshops and institutes to train faculty personnel, educational media specialists, librarians, and others in the utilization of new educational media for the improvement of instruction. Annual appropriations of \$5 million are authorized for this purpose.

Amendments to the Higher Education Facilities Act (Title VII)

The new legislation amends and extends the Higher Education Facilities Act of 1963, which established a three-year program of grants and loans for the construction of undergraduate and graduate education facilities.

Allotments for public community colleges and technical institutes may now, at the Commissioner's discretion, be transferred to other public institutions, or allotments for four-year institutions may be transferred to community colleges where the demand for one of the categories is not sufficient to use the appropriated funds.

Interest rates on loans under the Act will be set at a maximum of three percent rather than being based on the going Federal rate.

The Federal share for construction grants to public community colleges and technical institutes, set at 40 percent by the 1963 law, will, under the amendments, be a percentage determined under the applicable State plan, but not in excess of 40 percent.

The amendments also permit graduate construction grant funds to remain available for two years after the year for which they are appropriated.

Although the 89th Congress did not appropriate additional funds for the expansion of the higher education facilities program authorized under this title, it did appropriate \$520 million for grants under the Higher Education Facilities Act.



S O C I A L A N D E C O N O M I C O P P O R T U N I T Y

Let a just nation throw open to them the city of promise.

The State of the Union--
President Johnson's Message to
Congress, January 4, 1965

THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Joseph Ventura and William J. Page, Jr.



On March 9, 1965, President Johnson signed into law the Appalachian Regional Development Act of 1965 (P.L. 89-4).

The Act authorizes the appropriation of \$840 million for the period ending June 30, 1971 for a system of local access roads and highways, and makes a two-year provision for appropriation of \$252.4 million for several other program elements. All authorities included in the Act expire on July 1, 1971.

Mr. Ventura is Special Assistant to the Secretary and Mr. Page is the Field Administration Representative in the Office of Field Administration, Office of the Secretary; U.S. Department of Health, Education, and Welfare. For background information, see "Appalachia: Realities of Deprivation," HEALTH, EDUCATION, AND WELFARE INDICATORS, June 1964 (available in reprint).

Health, Education, and Welfare Indicators, April 1965

**STATEMENT BY PRESIDENT LYNDON B. JOHNSON ON SIGNING
THE APPALACHIAN REGIONAL DEVELOPMENT ACT**

March 9, 1965

The objectives of this Appalachian Bill are important. But the origins of the measure are equally important. Originated by the Governors of the Appalachian states, formed in close cooperation with the Federal Executive, approved and enacted by the Congress of all the people, this is the truest example of creative federalism in our times.

It is fitting that such landmark legislation should be identified with the Appalachian region of our Nation. In our history no region has contributed more to the shaping of our destiny.

The Appalachian Ranges were the first challenge and the first test to the settlers of this seaboard. Through the Cumberland Gap Americans found their way to the promise and the plenty of a continent that is united.

It is not too much to suggest that today we may again find our way to new promise and new fulfillment by taking up the human challenge of modern Appalachia.

A great President, Theodore Roosevelt, once said, "It is not what we have that will make us a great Nation, it is the way that we use it."

We have much in Appalachia. The area is larger than all but one of the 48 contiguous states. ... Yet the nearly 17 million Appalachian residents, more numerous than residents of New England or the farm states or the mountain states, lag far behind in this participation in our prosperity.

Our national per capita income has reached \$2,300. In Appalachia it is estimated near \$1,400. Family poverty is half again higher than the national ratio. So also is the percentage over 25 with less than a fifth grade education. The percentage of Appalachia's population receiving some form of Federal assistance is 45 percent above the rest of the country.

The ten year cost of such assistance would amount to almost five billion dollars. These are the facts of our challenge, and also of our opportunity.

America today has many responsibilities, more diverse, more far flung, more vital to all mankind than any other nation has ever in history willingly assumed. ... We recognize realistically that our strength abroad rests upon our strength at home. And that is why we must and we do labor in unity to perform together tasks that have been too long neglected in every region east and west, north and south.

This Nation is committed not only to human freedom but also to human dignity and destiny. That is not a Federal commitment alone but a compact of our States as well. I believe it is the will of the American people that this commitment shall be fulfilled in all regions and flouted in none.

The bill that I will now sign will work no miracles overnight. Whether it works at all depends not upon the Federal Government alone but the States and the local governments as well.

... But I sign this bill in the belief that we can and that we shall add strength for all America by renewing the strength of this old and this honored region of Appalachia.

The Act climaxes more than two years of intensive inter-governmental effort toward legislation for development, conservation, and utilization of the human and physical resources of the Appalachian region. The Act is particularly significant because it might be forerunner of a series of regional approaches to economic growth and development in other areas of the United States.

BACKGROUND OF THE LEGISLATION

The chain of governmental events leading to the Appalachian Regional Development Act began in 1960, when the Governor of Maryland issued invitations to several States to attend a conference for discussion of problems affecting the southern Appalachian region. One outcome of that meeting was the formation of a continuing organization, the Conference of Appalachian Governors (CAG). In 1961, the CAG published an analysis of the region and continued to explore means of interstate action to meet the acute needs of the area. By 1963, the CAG had concluded that a regional approach to programming was desirable, and that extensive participation of the Federal Government was necessary. The Governors discussed their problems and ideas with President John F. Kennedy in March 1963.

President Kennedy's response was to establish the President's Appalachian Regional Commission on April 9, 1963. Exactly a year later, the Commission submitted its report to President Johnson, defining the major needs of Appalachia and recommending inter-governmental action to meet them.

On April 28, 1964, President Johnson sent a special message and legislative proposals concerning Appalachia to the 88th Congress. The proposals passed the Senate (S. 2782) and were reported favorably by the House Committee on Public Works (H.R. 11946), cleared the Rules Committee, but failed to come to a vote in the closing days of the 88th Congress.

In his State of the Union Message, January 4, 1965, President Johnson proposed, as one of nine items of a "National Agenda," that "we carry out a new program to develop regions of our country now suffering from distress and depression."

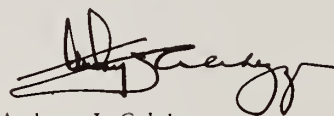
The Administration's legislative proposals were similar to those of S. 2782 and H.R. 11946 in the 88th Congress. Senator Jennings Randolph of West Virginia, with 36 other sponsors, introduced the "Appalachian Regional Development Act of 1965," S. 3, in the Senate on January 6, 1965. Congressman George Fallon of Maryland introduced the bill, H.R. 4, in the House on January 4.

Hearings were held by the Senate Committee on Public Works on January 19 and 21. An amended bill was favorably reported (Senate Report No. 13) on January 27. The bill was further amended in Senate floor proceedings and passed the Senate by a vote of 62 to 22 on February 1. Hearings before the Ad Hoc Subcommittee on Appalachia, Committee on Public Works, were held in the House on February 3, 4, and 5. The House Committee on Public Works adopted the Senate-passed bill and reported favorably on February 17. After 2 days of floor debate, the House passed the Senate bill without amendment on March 3, by a record vote of 257 to 165

President Johnson has made it clear that this Nation cannot afford to waste its human and natural resources. The Appalachian Regional Development Act of 1965 is substantial evidence of this Administration's determination to provide opportunity for every person to achieve a decent standard of living.

The people and the natural resources of Appalachia have contributed substantially to the Nation's economic leadership of the free world. Paradoxically, economic gains from Appalachia's products too often have enriched other areas of the United States, without adequate returns to the mountain communities. It is equitable that the entire Nation restore a balance of economic opportunity to a neglected region.

This legislation is commended by its origin, which is found in the determination of the Appalachian people to improve their lot. The Conference of Appalachian Governors registered that commitment with the President and the Congress of the United States. The new program provides intelligent public investments and not "hand-outs". The Department of Health, Education, and Welfare is pleased to join the Appalachian people, other agencies at all levels of Government, and the private sector in enabling Appalachia to share in the Nation's prosperity.



Anthony J. Celebrezze
Secretary of Health, Education, and Welfare

The President signed the Appalachian Regional Development Act in a ceremony at the White House on March 9, 1965.

SUMMARY OF MAJOR PROVISIONS

The Appalachian Regional Commission (Title I)

The Act creates a unique, intergovernmental organization to plan and coordinate the developmental functions in Appalachia. The Appalachian Regional Commission consists of: the Governor (or his designee) from each participating State; a Federal Co-chairman, who is a Presidential appointee; and another Co-chairman elected from among the State members. Liaison with the Federal Government and a coordinated review of Commission plans and recommendations are vested in the Federal Co-chairman, who will consult with the appropriate Federal departments and agencies having an interest in the various subject matters considered by the Commission. The Commission is not an operating agency; its major functions are planning and coordination. Its specific functions are to:

1. develop continuing, comprehensive plans and programs, giving consideration to other Federal, State and local planning in the region;

2. conduct and sponsor research and demonstrations with inter-governmental cooperation;
3. cooperatively review and study public and private programs operating in the region and recommend modifications or additions;
4. formulate and recommend interstate compacts and other forms of interstate cooperation;
5. encourage the formation of local development districts and private investments;
6. serve as a focal point and coordinating unit for Appalachian programs and provide a forum for consideration of problems of the region;
7. advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

Program and other matters to be decided by the Commission require an affirmative vote of the Federal Co-chairman and a majority of the State members. The Commission is given the usual powers of administration, including that of contracting for Civil Service coverage of Federal personnel who may later be employed by the Commission. All administrative expenses of the Commission--\$2.2 million are authorized for this purpose through June 30, 1967--will be paid from Federal funds for the first two years, then half from Federal and half from State funds. Each State's share is to be determined by the State members as a group. A State's participation is contingent upon payment of its share of the Commission's expenses.

Special Appalachian Programs (Title II)

Programs for Appalachian development range from highways through public health and education, conservation, and natural resource development. Several program elements are based upon existing statutory authorities for highway construction, health facilities construction (Hill-Burton Act), vocational education construction (Vocational Education Act), sewage treatment construction (Federal Water Pollution Control Act), and other operating authorities of Federal agencies. New authority is provided for operation of health facilities, but only for those to be constructed under the Appalachian program. Projects may be approved and funded without regard to existing allocation formulas for grant-aided programs.

Transportation

The first major step toward Appalachian development will be the construction of roads to make the region more accessible, linking it more extensively with the interstate highway system. The Secretary of Commerce is authorized to make grants, not to exceed 70 percent of project costs, for constructing 2,350 miles of developmental highways. The legislation also authorizes an additional 1,000 miles of local access roads for developmental purposes.

The authorized Federal share of the cost of the highway program is \$840 million during the approximately six years (to July 1, 1971) covered by the Act. This authorization varies from funding provisions for the other programs, for which appropriation authority expires July 1, 1967. Existing Federal-State procedures for highway construction will be followed, with additional discretion allowed the Secretary of Commerce in cost-sharing and other factors.

Health Facilities Construction, Equipment, and Operation

The Act provides that various health facilities may be constructed, equipped, and given financial support in order to demonstrate the value of adequate health and medical facilities to economic development. The Secretary of Health, Education, and Welfare is authorized to grant up to 80 percent of the costs of constructing multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants will be made in accordance with provisions of the Hill-Burton Act and the Community Mental Health Centers Construction Act of 1963.

Funds authorized to be appropriated for construction, modernization, or expansion of health facilities may not exceed \$41 million for the period ending June 30, 1967. Grants under this authority may not be taken into account in computing State allotments for the regular Hill-Burton and other health facilities construction programs.

New authority is provided to assist in operation of health facilities constructed under the Act. Grants, not to exceed \$28 million for the period ending June 30, 1967, may be made by the Secretary of Health, Education, and Welfare to support up to 100 percent of operating costs for the first two years, and up to 50 percent for the next three years. No grants may be made after five years following the commencement of operation of a particular facility.

Legislative history clearly indicates that grants in support of operations may be made only for facilities constructed, modernized or expanded under the Appalachian Regional Development Act. It is also clear that money for construction and operation of health facilities is authorized only where such assistance is justified in terms of economic development. Thus, a hospital or regional health center may be constructed only if it is an integral part of an economic development process in an area judged to have significant economic potential and specific plans for economic development.

Administration witnesses made it clear that in determining the amount of any grant to be made under this section to income-producing facilities, such as hospitals, such income would be taken into account.

Land Stabilization, Conservation, and Erosion Control

This section authorizes improvement of marginal farmlands and protection against soil erosion. Grants to land-owners are authorized for these purposes for periods not to exceed 10 years, with Federal sharing up to 80 percent of the cost of improving not more than 50 acres per farm. Granting

authority is given to the Secretary of Agriculture, who will use the services of existing agricultural and related agencies--Federal, State, and local. The authorization for cost sharing is \$17 million.

Timber is one of the prime assets of Appalachia. Improvement of timber productivity and quality, and increased returns to land-owners, will be the objectives of local, nonprofit timber development organizations. The Department of Agriculture will provide technical assistance in organization and operation and may provide as much as 50 percent of initial capital requirements. The authorization calls for \$5 million. It is expected that this program will help to offset the production and marketing disadvantages of small holdings among many land-owners--the pattern in Appalachia.

The Secretary of the Interior is given broadened authority and \$36.5 million for reclamation, rehabilitation, and comprehensive study of areas ravaged by deleterious mining practices. Expenditures may be made for sealing and filling abandoned coal mines, reclamation of strip and surface mine areas, extinguishing mine fires, and restoration of fish and wildlife habitat. The Federal share is limited to 75 percent of total project costs when the work is performed on other than Federal land.

The Secretary of the Army, in cooperation with other Federal agencies and the Appalachian Regional Commission, is authorized to prepare a comprehensive program for development and use of water resources in Appalachia. The water resource survey is to be correlated with existing river basin studies; \$5 million are authorized by the new statute.

Construction of Vocational Education Facilities

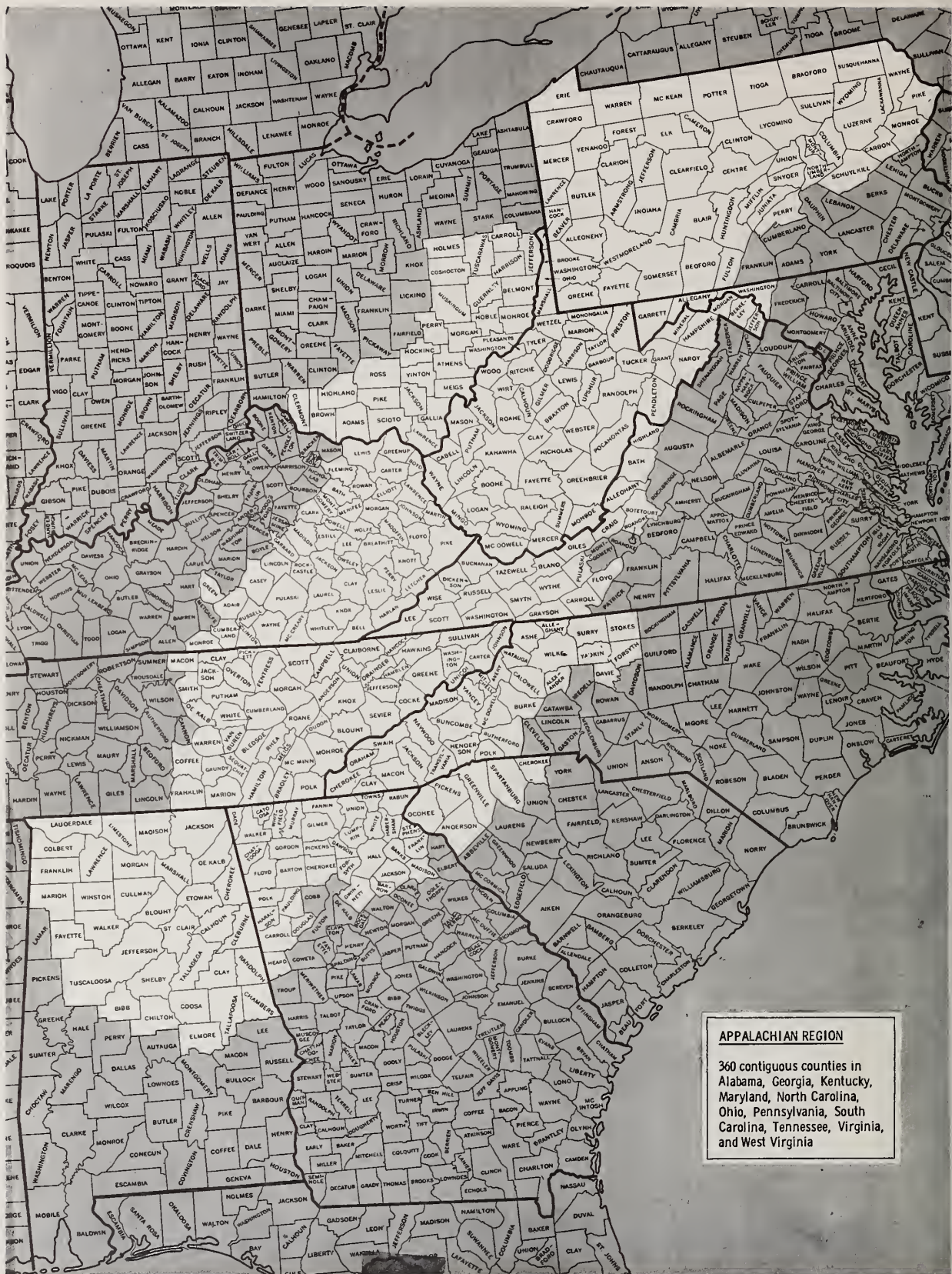
The Secretary of Health, Education, and Welfare is authorized to make construction grants under the provisions of the Vocational Education Act of 1963 in Appalachian areas where existing facilities are not adequate for economic development. Without regard to appropriation authorization ceilings or State allotments in the regular program, funds for this purpose--not to exceed \$16 million--are authorized to be appropriated for the period ending June 30, 1967.

Sewage Treatment Construction

For protection of health and prevention of stream pollution, the Secretary of Health, Education, and Welfare is authorized to make grants for sewage treatment works in accordance with the Federal Water Pollution Control Act. The amount of \$6 million is authorized to be appropriated for these grants for the period ending June 30, 1967. Grants are to be made without regard to appropriation ceilings and State allotments under the regular water pollution control program.

Comprehensive Planning Grants Under the Housing Act of 1954

Amendments to the Housing Act were made to permit the Housing and Home Finance Agency to contract with and make comprehensive planning grants to the Appalachian Regional Commission. The States also are made eligible



APPALACHIAN REGION

360 contiguous counties in Alabama, Georgia, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia

to receive grants for planning regional programs. The Federal share may not exceed 75 percent of planning costs.

Supplements to Federal Grant-In-Aid Programs

The Appalachian Regional Development Act recognizes that some Appalachian communities lack the fiscal capacity to participate equitably in existing grant-aided programs. A special fund of \$90 million is authorized (for the period ending June 30, 1967) to supplement local resources required to match Federal grants. The Secretary of Commerce, pursuant to recommendations of the Commission and after consultation with the appropriate Federal officials, may allocate funds to Federal agencies to permit them to increase the Federal contribution up to 80 percent of project costs. The programs to which this provision may apply are, generally, those for acquisition of land and construction or equipment of facilities. Some of the Department of Health, Education, and Welfare's programs included for this purpose are those authorized by the following acts: Federal Water Pollution Control Act; Title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Higher Education Facilities Act of 1963; and the National Defense Education Act of 1958.

Maintenance of Effort

States and local communities are required to maintain their fiscal and program efforts as a condition of participation in the special Appalachian programs. No State or community is eligible to receive program benefits if the State's aggregate expenditures for the Appalachian portion of the State fall below the average level of such expenditures for the two fiscal years preceding the Act, except expenditures for interstate highways.

A further exception is made for communities that have experienced substantial population decreases in recent years, or in the case of disproportionately high State expenditure in a particular program that is not justified by present needs. The President, or his designee, may accept the Commission's recommendation of a lower level of State expenditure in either case.

Program Development and Implementation

No State is required to participate in or accept any program under this Act. The law specifically requires that the Commission consult with Federal and State officials concerned with the program. This means that each project initiated by a State or local community must be approved by the Governor, or his designee-member of the Appalachian Commission, before that project can be approved by the Commission. Similarly, the Commission may not implement a project unless it is approved by the Federal Co-chairman.

The intent of the Congress is expressed in criteria for program development. In developing its recommendations on programs and projects, and in establishing priority rankings, the Commission is required to follow procedures that will insure consideration of the following factors:

1. the relationship of the project or type of project to overall regional development;

2. the population and area to be served, with consideration of per capita income and unemployment rates in the area;
3. relative fiscal capacity of the State or local area;
4. the relative importance of a project or type of project among all projects competing for the same funds;
5. the prospect that the requested assistance will produce continuing improvement in opportunities for employment, average level of income, or economic and social development in the area to be served.

Another set of criteria prohibits financial assistance for relocating business, industry, or other establishments; financing industrial plants, facilities, machinery, working capital, or shifting work from one area to another; and financing operations related to electric power or gas (natural, manufactured, or mixed).

Administration (Title III)

Local development organizations will figure importantly in activities implemented under the new Act and may receive Federal financial support for their administrative expenses. The Commission will encourage the establishment of local nonprofit economic development districts. The local organization will apply to the State for certification and, if certified, may receive grants of up to 75 percent of their administrative expenses. Local shares may be paid in cash or in kind. Such grants may be made to any district for a period not to exceed three years. The Secretary of Commerce may, either directly or through arrangements with the Commission or other public or private organizations, provide funds for investigation, research, studies, and demonstration projects, except construction. The Act authorizes \$5.5 million to be appropriated for these purposes for the next two years.

Applications for grants or other assistance may be made only by a State, a political subdivision of a State, or a local development district, and through the appropriate State member of the Commission.

1965 JUVENILE DELINQUENCY LEGISLATION (P.L. 89-69)

Legislation to extend for one year the Juvenile Delinquency and Youth Offenses Control Act of 1961 was signed by President Johnson on July 8 as Public Law 89-69. It authorizes appropriations of \$6.5 million for fiscal year 1966 and \$10 million for 1967 and makes no substantive change in the original legislation, which had previously been extended for two years by amendments enacted in 1964 (P.L. 88-368, summarized in the August 1964 issue of *Indicators*).

The legislative history of the 1965 amendments reflects Congressional intent that hearings be held during the second session of the 89th Congress to review progress being made by the programs authorized under the law--the comprehensive and special demonstration projects, training, and the technical assistance activities.

BACKGROUND

The comprehensive demonstration programs developed under the original juvenile delinquency legislation have led other communities to develop similar delinquency prevention programs without Federal financial aid. Perhaps even more significant is that these comprehensive programs have served as a pattern for community action programs conducted under the provision of Title II of the Economic Opportunity Act. Indeed, most of the demonstration programs are being phased into the overall antipoverty effort under community action programs. Of the original 16 comprehensive projects financed in part under the Juvenile Delinquency Act only four will be supported in fiscal year 1966 by funds authorized under the 1965 amendments.

With the phasing out of the comprehensive programs, the Office of Juvenile Delinquency has devoted increasing attention to additional new approaches for combating juvenile delinquency. Special demonstration projects make possible testing in greater depth of some components of the comprehensive programs, as well as special areas of concern not previously explored.

Complementing the comprehensive and special demonstration projects are more than 100 training programs designed to help eliminate initial shortage of professional youth workers and to upgrade the competence and skill of

This legislative summary was prepared by Eugenia Sullivan, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, September 1965

professional workers in this field. Over 12,500 people have participated in these training courses, and materials developed are being incorporated in a variety of short-term training efforts as well as into professional curriculums of sociology, law and social work. A number of law schools have developed interest in the legal problems of the poor as a result of a Conference on the Extension of Legal Services to the Poor, produced by the Office of Juvenile Delinquency and Youth Development.

Program activities envisaged under the Juvenile Delinquency and Youth Offenses Control Act for fiscal years 1966 and 1967 include:

1. Completion of four comprehensive demonstration projects and a thorough evaluation.
2. Exploration of projects to deal with the hard-core problem youth who are systematically excluded from socializing agencies.
3. Development of projects to upgrade the services of the law-enforcement and correctional agencies.
4. Expansion and extension of training centers and curricular improvement and refinement.
5. Publication and dissemination of materials already developed.
6. Further development of materials.
7. Support of short-term training courses to put to use knowledge already developed.

OLDER AMERICANS ACT, P.L. 89-73

Highlights of the Older Americans Act

Title I Declares ten objectives for older Americans which are the joint responsibility of Federal, State and local governments.

Title II Establishes an Administration on Aging within the Department of Health, Education, and Welfare to be headed by a Commissioner of Aging to be appointed by the President.

Title III Authorizes grants to the States to stimulate and assist communities to: (1) coordinate and expand existing programs for older people, (2) carry out demonstrations of programs or activities of particular value, (3) establish new programs to carry out the purposes of the Act, and (4) train needed personnel.

Title IV Authorizes appropriations for the study, development, demonstration and evaluation of methods, techniques, and approaches which hold promise of substantial contributions toward wholesome and meaningful living for older persons.

Title V Authorizes appropriations for the specialized training of persons to carry out programs for older people.

Title VI Establishes an Advisory Committee on Older Americans.

President Johnson, in signing The Older Americans Act on July 14, 1965, emphasized that "under this program, every State and every community can move toward a coordinated program of both services and opportunities for older citizens." That, indeed, is the main thrust of Public Law 89-73, since more than three-fourths of the authorized funds are designated to the States for assistance in the development of community services. The remainder of the authorized appropriation is to be used for national research and development projects and for training of much needed personnel.

The law represents the fulfillment of a long-time objective of Congressional leaders to designate a high level agency of government to be concerned with all the manifold needs of our older people and to serve as a clearing house and coordinating mechanism for the many activities of government agencies which affect the aging in areas such as old age, survivors, and disability insurance, public assistance, health, housing, employment, and other programs.

This legislative summary was prepared in the Office of the Assistant Secretary for Legislation, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, August 1965

REMARKS BY PRESIDENT JOHNSON UPON SIGNING
THE OLDER AMERICANS ACT, JULY 14, 1965

In 1900, when this century began, the average life expectancy in our country was 47 years. This year, the century has reached the age of 65--and nearly one out of ten Americans have lived that full span or longer.

Lengthening the lifespan is a major achievement of our time. It is also the source of one of the major challenges to the values and vision of our society. This Older Americans Act of 1965--the Fogarty-McNamara Bill--will help us meet that challenge for the 18 million Americans who have already reached age 65--and the hundreds of thousands more who are becoming 65 at the rate of one every twenty seconds.

Congressman Fogarty, Senator McNamara, Secretary Celebrezze--and many more--deserve our gratitude for their leadership on this Legislation. The Older Americans Act clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens. But, even more, the results of this Act will help us expand our opportunities for enriching the lives of all our citizens--now and in the future.

This Legislation is seed corn, providing a start on an orderly, intelligent and constructive program to help us meet the new dimensions of responsibility which lie ahead in the remaining years of this century. Under this program, every State and every community can move toward a coordinated program of both services and opportunities for older citizens. Many of our States and communities already are working with imagination in this field. But only a very few communities have yet achieved the coordinated community-wide programs which are clearly needed.

The Older Americans Act will make it possible for us to move faster where we have already started. It will permit us to travel new ways where old ways have not worked. And it will permit new beginnings where none have been made before.

The grants under this law will be modest in dollars--but far-reaching in results. Its results will come where they are needed--at the home-town level. I am hopeful--as I know the Congress is hopeful--that this will permit us to find greater uses for the skills, wisdom and experience found in the maturity of our older citizens.

The importance of meeting this challenge cannot be overstated. At present 1.5 million Americans reach age 65 each year. Since 1900, the proportion of persons in our population age 65 and over has more than doubled. In fact, I understand that of all the persons who have reached age 65 since the dawn of civilization, one-fourth are alive today.

These older generations need to participate. As a nation, we need their participation. I am very proud to have the privilege for now signing into law this measure for the benefit of the men and women who have done so much in this century to build in America a just, decent, free and peaceful society.

WHO ARE THE OLDER AMERICANS?

"Older Americans" is a generic term referring to the one-in-ten of our population who is 65 years of age or older. Obviously there is no line of demarcation between the person who is approaching 65 and the one who has passed his 65th birthday. Age 65 has nothing inherently critical or dramatic about it except as society has given it certain meanings.

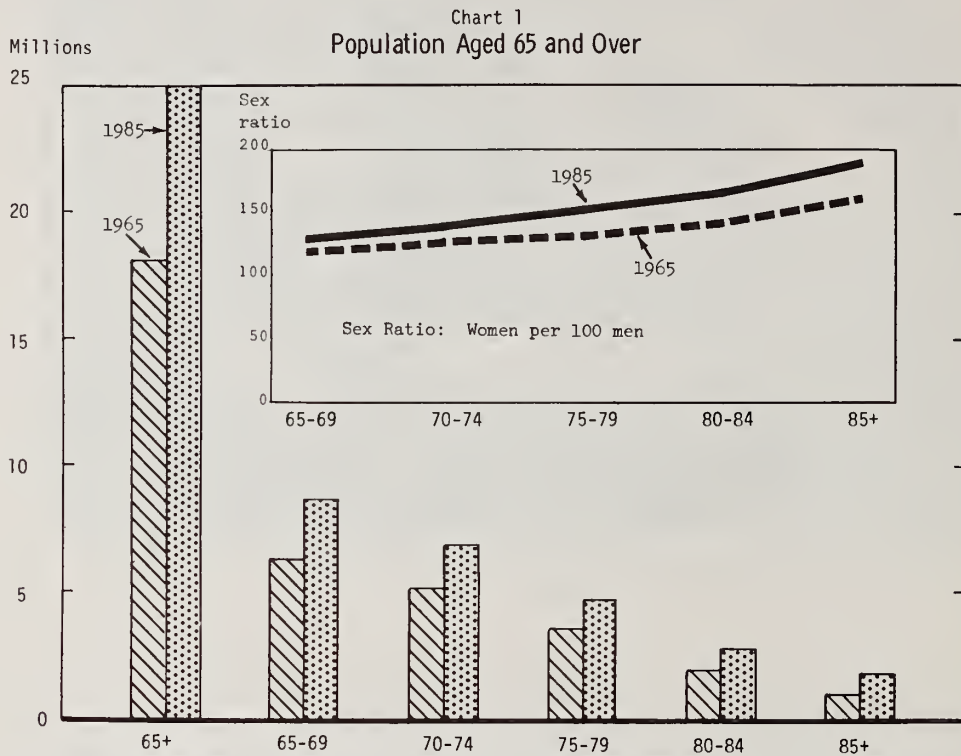


President Johnson congratulates Secretary Celebrezze as Vice President Humphrey, Under Secretary Cohen, and Secretary of the Treasury Fowler look on.

When the Old Age and Survivors Insurance Program in this country was adopted in 1935, age 65 was chosen as the age at which older workers could retire and begin to collect Social Security benefits.

The large body of older Americans, numbering approximately 18 million is an everchanging block of the Nation's citizens. On an average day some 3,800 people reach age 65 and almost 3,000 persons in the 65-plus age group die. Time brings more people into the "aged" category than death removes. Consequently, there is no constant age structure and the general trend is toward an upward curve in those of advanced age. Between now and the end of the century, 65 million people will celebrate their 65th birthday, and some 20 million will grow from early old age to advanced old age. The Older Americans to whom the legislation is addressed are therefore both today's elderly, with one set of problems and needs, and tomorrow's elderly whose situation may differ considerably.

Furthermore, within the 65 plus category there are changing patterns of livelihood, of housing, and of family and community relationships with advancing age. At age 65 the average remaining years of life for women is about 16 years--three years more than for men. Couples entering retirement are likely to be broken by the earlier death of the husband. In any event, numbers of the aged drop off sharply, and the proportion of women increases with increasing age from 65-74 to 75-84 and 85 and over (Chart 1 and Table 1).



U.S. Department of Commerce, Bureau of the Census; *Current Population Reports: Population Estimates*, Series P-25, No. 286, July 1964
Projections of the Population of the United States, by Age and Sex: 1964-1985... Series were made for July 1 and assume slightly declining mortality with immigration.

Table 1
Population Aged 65 and Over

Age	Mid-1965					Mid-1985				
	Number (000's)			Percent of persons	Women per 100 men	Number (000's)			Percent of persons	Women per 100 men
	Persons	Men	Women			Persons	Men	Women		
65+	18,102	7,923	10,180	100.0	128.5	25,007	10,279	14,727	100.0	143.3
65-69	6,308	2,881	3,427	34.8	119.0	8,694	3,815	4,879	34.8	127.9
70-74	5,188	2,290	2,898	28.7	126.6	6,906	2,897	4,009	27.6	138.4
75-79	3,585	1,542	2,043	19.8	132.5	4,780	1,895	2,884	19.1	152.2
80-84	1,962	806	1,156	10.8	143.4	2,831	1,054	1,777	11.3	168.6
85+	1,060	404	656	5.9	162.4	1,796	618	1,178	7.2	190.6

PROVISIONS OF THE OLDER AMERICANS ACT

Objectives for Older Americans

The theme of the Act and the sense of need are spelled out under *Title I* in ten objectives in which the Congress declares the general responsibility of all units of Government toward the older people in our society--the rights and privileges which all older people should enjoy and which should be provided by national, State, and local governments working separately and together:

1. An adequate income in retirement in accordance with the American standard of living.
2. The best possible physical and mental health which science can make available without regard to economic status.
3. Suitable housing, independently selected, designed and located with reference to special needs and available at costs which older citizens can afford.
4. Full restorative services for those who require institutional care.
5. Opportunity for employment with no discriminatory personnel practices because of age.
6. Retirement in health, honor, dignity--after years of contribution to the economy.
7. Pursuit of meaningful activity within the widest range of civic, cultural, and recreational opportunities.
8. Efficient community services which provide social assistance in a coordinated manner and which are readily available when needed.
9. Immediate benefit from proven research knowledge which can sustain and improve health and happiness.
10. Freedom, independence, and the free exercise of individual initiative in planning and managing their own lives.

Administration on Aging

Title II - establishes an Administration on Aging within the Department of Health, Education, and Welfare, under the direction of a Commissioner on Aging to be appointed by the President.

The principal functions of the Administration relating to the aging and the aged are to:

- Serve as a clearinghouse for information;
- Assist the Secretary of Health, Education, and Welfare in all matters pertaining to problems of the aged and aging;
- Administer grants;
- Develop plans, conduct and arrange for research and demonstration programs;
- Provide technical assistance and consultation to States and their political subdivisions;
- Prepare, publish, and disseminate educational materials;
- Gather statistics in the field of aging which other Federal agencies are not collecting; and
- Stimulate more effective use of existing resources and available services.

Community Planning, Services, and Training

Title III authorizes a five-year program of grants to the States for community planning, services, and training, with \$5 million authorized for fiscal year 1966, \$8 million for fiscal year 1967, and such sums as Congress may authorize for the next three fiscal years.

The grant may be used for:

- Community planning and coordination of programs for the aging;
- Demonstration projects related to the purposes of the Act;
- Training of special personnel needed to carry out programs and activities; and
- Establishment of new programs or expansion of existing programs such as centers that furnish recreational and other leisure-time activities, informational, health, welfare, counseling, and referral services for older persons and assistance in the provision of volunteer community or civic services. These grants may not be used for costs of construction, other than for minor alterations and repairs.

Table 2
Estimated Allotments to the States
Under the Older Americans Act of 1965

Funds will be allocated to the States under a formula which takes into account the percentage of older people in each State (Table 2).

The States may reserve not more than 10 percent or \$15,000 (whichever is larger) for costs of administration.

To ensure that the State's allotment will be used to encourage work for the elderly in local communities, States must pay 75 percent of the costs of projects developed by the communities during the first year, 60 percent of the cost for the second year, and 50 percent of costs for the third year. Hopefully, this method of funding will enable communities to develop projects for the elderly which can gradually become self-supporting or be supported by the community itself.

Title III grant funds are administered under a State plan procedure, with responsibility for administration or supervision of the plan lodged in a single State agency.

Research and Development Projects

Title IV of the Act authorizes a five-year project grant program to provide funds for public or nonprofit agencies for research and development projects to:

- Study current patterns and conditions of living of older persons, identifying adverse and favorable factors;
- Develop or demonstrate new approaches, techniques, and methods (including mul-

State	Persons 65+ January 1, 1965 ^{1/}		FY 1966 allotments under Title III ^{2/ 3/} (000's)
	Number (000's)	Percent	
UNITED STATES.....	18,177.5	100.00	\$5,000
Alabama.....	282	1.55	86
Alaska.....	7	.04	51
Arizona.....	114	.63	65
Arkansas.....	207	1.14	76
California.....	1,552	8.54	249
Colorado.....	169	.93	72
Connecticut.....	263	1.45	84
Delaware.....	38	.21	55
District of Columbia	75	.41	60
Florida.....	700	3.85	140
Georgia.....	317	1.74	91
Hawaii.....	35	.19	54
Idaho.....	63	.35	58
Illinois.....	1,044	5.74	184
Indiana.....	466	2.56	110
Iowa.....	343	1.89	94
Kansas.....	255	1.40	83
Kentucky.....	308	1.69	89
Louisiana.....	262	1.44	84
Maine.....	111	.61	64
Maryland.....	250	1.38	82
Massachusetts.....	602	3.31	127
Michigan.....	696	3.83	139
Minnesota.....	386	2.12	99
Mississippi.....	201	1.11	76
Missouri.....	523	2.88	117
Montana.....	67	.37	59
Nebraska.....	173	.95	72
Nevada.....	21	.12	53
New Hampshire.....	72	.40	59
New Jersey.....	625	3.44	130
New Mexico.....	60	.33	58
New York.....	1,846	10.16	286
North Carolina.....	350	1.93	95
North Dakota.....	61	.34	58
Ohio.....	945	5.20	171
Oklahoma.....	266	1.46	84
Oregon.....	201	1.11	76
Pennsylvania.....	1,190	6.55	202
Rhode Island.....	96	.53	62
South Carolina.....	167	.92	71
South Dakota.....	77	.42	60
Tennessee.....	332	1.83	92
Texas.....	837	4.60	157
Utah.....	68	.37	59
Vermont.....	45	.25	56
Virginia.....	316	1.74	90
Washington.....	296	1.63	88
West Virginia.....	183	1.01	73
Wisconsin.....	435	2.39	106
Wyoming.....	29	.16	54
Puerto Rico.....	146	.80	69
American Samoa.....	0.5	.00	25
Guam.....	1.4	.01	25
Virgin Islands.....	2.6	.01	25

^{1/} U.S. Department of Commerce, Bureau of the Census; unpublished preliminary and provisional estimates.

^{2/} Formula provides for allotment of 0.5 percent of total amount appropriated to American Samoa, Guam, and the Virgin Islands; 1.0 percent each to the remaining 52 "States"; plus an additional amount to each State equal to its proportion of the total 65+ population, applied to the remaining 46.5 percent of the appropriation. ^{3/} The total allotment for each State includes 10 percent or \$15,000 (whichever is larger) for administrative costs.

tipurpose activity centers) which can contribute to a more meaningful life for older people and which may achieve or improve coordination of community services for older persons; and

Evaluate these approaches, techniques, and methods as well as others which may assist older persons to enjoy wholesome and meaningful living and to continue to contribute to the strength and welfare of our Nation.

Training Projects

Under *Title V*, a five-year program of grants is established for the training of needed personnel for work in the field of aging. Eligible recipients are public or nonprofit private agencies, organizations, or institutions for specialized training of persons employed or preparing for employment in the field of aging.

Funds authorized for Title IV and V programs are \$1.5 million for fiscal year 1966, \$3 million for fiscal year 1967, and such sums as Congress may appropriate for the remaining three years.

Title VI establishes a 16-member Advisory Committee on Older Americans with the Commissioner on Aging serving as its Chairman.

To understand the full intent of the Congress in passing the Older Americans Act, it is well to take a retrospective look at the aging movement over the past few decades.

EVOLUTION OF THE OLDER AMERICANS ACT

The 1930's: Social Security Response to an Economic Challenge

In the 1930's it was suddenly realized that a greatly reduced death rate, following the discovery of antibiotics, together with natural population growth was causing a rapid increase in the number of older people. Aging began to be identified as a problem with certain characteristics and needs, the ingredients of which were health, chronic illness, income security, payment for medical services, employment of the older worker, living arrangements, housing, and changing family and social relationships.

The most significant event for older people in that decade was the passage of the Social Security Act in 1935, spurred by the impact of the Townsend movement on the Congress and the plight of the older person in the grip of the Great Depression. The original Social Security Act provided direct money grants to the needy aged and a social insurance system to build a foundation of economic security for the retired worker.

National Conferences and Nascent Federal Structure on Aging

In 1950 the interest of President Truman led to the calling of the first National Conference on Aging. Some 800 professional and lay people from all over the country produced the unequivocal statement that the problems of old age coupled with the rapid increase in the numbers of old people were beyond the capacity of the individual family and community to handle without help. The Conference recommended that all government agencies and voluntary organizations accept responsibility in this broadening area of human welfare.

In response to the recommendation, a Committee on Aging and Geriatrics with a small staff was set up in the Federal Security Agency. Later the Committee was formally established as the Special Staff on Aging in the Office of the Secretary of the Department of Health, Education, and Welfare and in 1963 became the Office of Aging in the newly created Welfare Administration.

Other Federal departments and agencies involved in the 1950 Conference on Aging continued their interest and stepped up their activities. In 1956, President Eisenhower established a Federal Council on Aging to coordinate the activities of the various units of the Federal government. During the decade several States set up officially designated committees or commissions on aging and the first Conference of Federal-State Agencies took place in 1952.

Significant efforts were made to improve the social security system, particularly by raising the level of benefits, adding disability insurance and liberalizing the retirement test. Federal financial participation in Old Age Assistance payments and vendor payments for medical care were increased and a new category of public assistance--Medical Assistance for the Aged--was established.

Rapid advances in research led to the recognition in the health field that diseases are not inevitably associated with advancing age beyond 60. There was rapid development of the concept of health promotion, prevention of illness, screening, and rehabilitation. Increasing attention was given to home care and other services to enable the elderly to remain comfortably in their own homes. Significant beginnings were made in providing needed housing for older people and programs were initiated to help prepare people for the inevitable retirement.

The White House Conference on Aging, 1961

By 1960 the Nation seemed ready for another national stock-taking. At this juncture the Congress took the lead and passed the Fogarty bill which authorized the White House Conference on Aging. Federal funds were appropriated to assist each State in assessing the needs of its people and reporting all these facts to the conference.

Nearly 3,300 persons attended The White House Conference on Aging held in January 1961. During the three-day meeting the reports and studies of the States served as background for discussions of basic needs and desired

goals. The final recommendations of the 20 sections covered a wide area of concerns, from income maintenance and social services to research, religion, and organization.

The first major push for legislation along the lines of the Older Americans Act was made at the 1961 Conference. Both Senator Pat McNamara and Representative John E. Fogarty (subsequent sponsors of the Older Americans Act) proposed creation of an agency to coordinate programs for the aging.

The conferees also recommended that a Federal coordinating agency in the field of aging be set up with:

- "
- A statutory basis and more independent leadership;
- Adequate funds for coordination and other assigned functions through 'line item' appropriation;
- Responsibility for formulation of legislative proposals for submittal to Congress; and
- Responsibility for periodic reviews and reports on the various Federal programs, departments, and agencies working in behalf of older people to achieve their effective coordination and operation."

The provisions of the Older Americans Act are directed toward accomplishing some of the recommendations of the conference.

Legislative Gains Since The White House Conference, 1961-1965

Progress in implementing the Nation's concern for older people has been both steady and significant during the four years since the White House Conference. The 87th and 88th Congresses passed several laws which were of special interest to older citizens. The 89th Congress has passed epochal legislation for the elderly.

The legislative gains in the 89th Congress included:

- passage by the 89th Congress of the *Social Security Amendments of 1965* effects the most far-reaching extensions and improvements in social welfare legislation in thirty years--comparable in scope only to the original Social Security Act.

The legislative gains in the 87th Congress included:

- the *Social Security Amendments of 1961* (P.L. 87-64), which increased benefits by \$900 million a year and lowered to 62 the age at which men are eligible for benefits.
- the *Community Health Services and Facilities Act of 1961* (P.L. 87-295) which made possible a whole new approach to the care of chronic conditions afflicting older persons. The law increased the Federal aid for public and nonprofit

nursing homes under the Hill-Burton program; provided grants-in-aid to States for establishing and expanding out-of-hospital services for the chronically ill and aged; and provided project grants for studies, experiments, and demonstrations designed to improve out-of-hospital health services for the chronically ill and aging.

- the *Public Welfare Amendments of 1962* (P.L. 87-543), which increased the average monthly maximum for Federal sharing of Old Age Assistance payments and expenditures for medical care in behalf of recipients of Old Age Assistance, gave the States significant new tools for making welfare programs more effective, emphasized rehabilitation, the prevention or reduction of dependency, and the training of public welfare personnel.
- the *Drug Amendments of 1962* (P.L. 87-781) to the Food and Drug Act which set up safeguards and standards designed to assure the effectiveness and safety of drugs--important to older persons who have lower than average incomes and higher than average medical care costs.
- establishment of the *National Institute of Child Health and Human Development* (P.L. 87-838) within the Public Health Service. This Institute will conduct and support basic research on human development from conception to the end of life. Findings of its Division for Aging Research over a period of time will likely bring significant new information on the whole subject of aging.

Other legislation of the 87th Congress included liberalizing tax provisions for the elderly, and providing additional funds for low-and-moderate cost housing for the elderly.

Accomplishments of the 88th Congress of significance to older Americans included:

- the *Health Professions Educational Assistance Act* (P.L. 88-129) and the *Nurse Training Act of 1964* (P.L. 88-581), which provided student loans and grants for construction of teaching facilities in order to increase the supply of needed physicians, dentists and nurses.
- the *Community Mental Health Construction Act of 1963* (P.L. 88-164), which authorized grants for the construction of community mental health centers--facilities providing services for the prevention or diagnosis of mental illness, or care and treatment of the mentally ill, or rehabilitation of persons recovering from mental illness.
- the *Hospital and Medical Facilities Amendments of 1964* (P.L. 88-443) to the Hill-Burton program, which included a provision to combine the previously separate grant programs of chronic disease hospitals and nursing homes into a single program and to increase the annual authorization to \$70 million.

- the VISTA program under the *Economic Opportunity Act of 1964* (P.L. 88-452), which provides opportunities for adult Americans--with no upper age limit--to volunteer their services full time to help alleviate human need.
- the *Library Services and Construction Act of 1964* (P.L. 88-269), which increased Federal financial assistance for libraries and services, extended such assistance to urban as well as rural areas, and provided, for the first time, grants for construction of library facilities.

In addition to the gains on the legislative front, there has been considerable progress and expansion of services in all other areas of the Federal government. The bulk of these services for the elderly are under the Department of Health, Education, and Welfare.

Role of The Office of Aging

The Office of Aging has served as a clearinghouse for information in the field of aging and has encouraged States and communities to develop and strengthen their programs for the elderly. Acting on the premise that most programs for the aging must be established and supported in the communities where older people live, the Office of Aging staff in Washington and in each of the nine Regional Offices of the Department of Health, Education, and Welfare has concentrated on work with States and communities. As a result, more work in the field of aging is now going on in the States than at any time since the expiration of the funds allotted to the States for the White House Conference on Aging.

The Office of Aging has also helped voluntary and religious organizations to expand and strengthen their work with older people by providing technical consultation, assisting in workshops and conferences, and preparing and publishing special materials. One of the real road blocks to effective work in aging has been the scarcity of personnel with an understanding of older people and necessary technical knowledge. Universities have been encouraged to offer professional education and training in gerontology, and some progress has been made in improving the manpower situation.

The Office of Aging has produced a wide variety of useful publications. Outstanding in the past year have been *You - The Law - And Retirement*, which tells older people how to use legal services effectively so as to enjoy retirement free from legal difficulties; *A Rural County Cares For Its Aging*, a report of a successful program for older people carried on by a citizens committee in a poor rural county; and *A Handbook of Aging in the States*, which gives a complete summary of the organization and action in all of the States in 1964. The Office of Aging also issues a series of *Facts on Aging* and a *Selected Reference on Basic Reference Books and Journals on Gerontology*, as well as the monthly, *AGING*, the official publication of the Office of Aging.

Chart 2

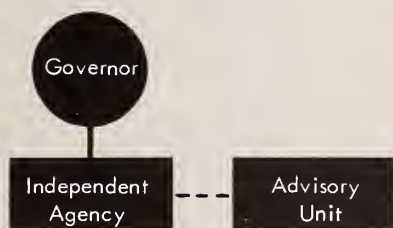
ORGANIZATIONAL PATTERNS OF STATE AGENCIES ON AGING

A. INDEPENDENT AGENCY



- | | | | |
|---|-----------------------|---------------|-----------------------------|
| } | Alabama | Iowa | New Hampshire |
| } | Colorado | Maine | North Carolina ⁺ |
| } | Connecticut | Maryland | North Dakota |
| } | Delaware | Massachusetts | Puerto Rico ⁺ |
| } | Dist. of Columbia | Michigan | Tennessee |
| } | Florida | Minnesota | Texas |
| } | Georgia | Mississippi | Utah |
| } | Hawaii ⁺ | Missouri* | Virginia |
| } | Illinois ⁺ | Montana | West Virginia |
| } | Indiana | | |

B. INDEPENDENT AGENCY WITH ADVISORY UNIT



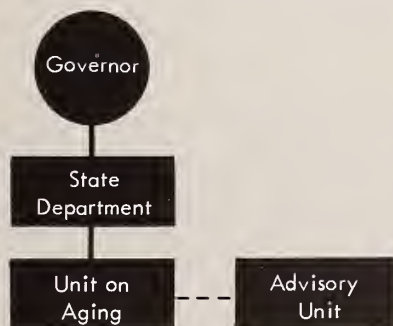
- | | |
|---|--------------|
| } | Arkansas |
| } | Louisiana |
| } | New York |
| } | Rhode Island |
| } | Vermont |
| } | Wisconsin |

C. AGENCY WITHIN A STATE DEPARTMENT



- | | |
|---|----------------|
| } | Kentucky |
| } | Oklahoma |
| } | Virgin Islands |

D. AGENCY WITHIN A STATE DEPARTMENT AND WITH ADVISORY UNIT



- | | |
|---|--------------|
| } | California |
| } | Kansas |
| } | New Jersey |
| } | New Mexico |
| } | Pennsylvania |
| } | Washington |

Inactive: Alaska, Arizona, Idaho, Nebraska, Nevada, Ohio, Oregon, South Carolina, South Dakota, and Wyoming.

* Temporarily inactive † Located in a State department, but for housekeeping purposes only.

Throughout the Department of Health, Education, and Welfare, there is a wide variety of on-going programs concerned with the aged--income maintenance; health, education, welfare and vocational rehabilitation services; and research and demonstration activities relating to these programs as well as basic research in geriatrics and gerontology.

Other Federal Agencies

Seven other Departments and agencies of the Federal Government also have responsibilities and programs relating to older people: the Departments of Agriculture, Commerce, Labor, and Treasury; the Housing and Home Finance Agency, the Veterans Administration, and the Civil Service Commission. The Secretaries and heads of these governmental agencies are members of the President's Council on Aging, (formerly the Federal Council on Aging) of which the Secretary of Health, Education, and Welfare serves as Chairman. An enumeration and description of the activities and progress in the field of aging made by these agencies are included in the Council's Report to the President, *Action for Older Americans, 1964*.

STATE ACTIONS ON AGING

One of the important aspects of Title III of the Older Americans Act of 1965 is the flexibility it gives to each State to develop programs and services best adapted to its particular need. Progress in meeting the needs of the elderly has been uneven, and States vary widely in interest, organization, and activity. Forty-two States have commissions, committees, or other agencies concerned with aging--33 are set up by legislative authority; 34 have a budget; and 39, a paid staff. Thirty-three of the agencies are independent units responsible to the governor, and the remainder are agencies within a State department of welfare of some other agency of the State government (Chart 2).

The size of the budgets of State committees or commissions on aging run all the way from \$364,200 in Pennsylvania, \$122,400 in New York, and \$104,400 in New Jersey to approximately \$5,000 in Maine and Texas, and \$3,000 in West Virginia. Alabama, Arkansas, and Montana have no budgets for their State organizations on aging (Table 3).

Table 3
State Appropriations
for State Agencies
on Aging, FY 1965

State	Amount (000's)
Pennsylvania.....	\$364.2
New York.....	122.4
New Jersey.....	104.9
Massachusetts....	77.8
California.....	67.3
Puerto Rico.....	49.2
Michigan.....	48.0
Kansas.....	44.7
Wisconsin.....	40.9
Georgia.....	34.2
Washington.....	33.5
Maryland.....	33.2
Minnesota.....	32.0 ✓
Florida.....	30.0 ✓
Tennessee.....	30.0
Indiana.....	26.6
Virginia.....	25.0
Rhode Island.....	23.6
Louisiana.....	23.3
Kentucky.....	19.9
North Carolina...	16.0
Hawaii.....	15.8
Utah.....	15.5
Delaware.....	15.0
Virgin Islands...	15.0 ✓
Colorado.....	14.3
North Dakota.....	12.5 ✓
Vermont.....	11.6
Connecticut.....	11.2
Texas.....	5.2
Maine.....	5.0
West Virginia....	3.0 ✓
New Hampshire....	1.0

Inactive States: Alaska, Arizona, Idaho, Nebraska, Nevada, Ohio, Oregon, South Carolina, South Dakota, and Wyoming.
States with no separate budget on aging: District of Columbia, Illinois, New Mexico, and Oklahoma. *States with no budget on aging:* Alabama, Arkansas, Iowa, Mississippi, Missouri, and Montana.
✓ FY 1964 amount.

In addition to the work on aging in specially designated State agencies, there were specialists on aging employed in 21 State welfare departments in 1964, and seven gerontologists were assigned by the U. S. Public Health Service to State or local health departments.

Grants to the States under the Older Americans Act are expected to encourage State agencies to reach into communities to stimulate and assist them to set up the programs and services most needed by the older people in that area. At each level of government there is a need to set an order of priorities for action on behalf of the elderly as well as to coordinate planning among the various agencies whose activities affect the lives of older people. It is expected, therefore, that each State in formulating its plan will specify both immediate and more distant objectives, not only as they relate to communities, but also to the priorities of different types of programs within a community.

Through the provisions of the Older Americans Act, we should be enabled, as President Johnson has indicated, "to move faster where we have already started, ...travel new ways where old ways have not worked, and make new beginnings where none have been made before."

SELECTED REFERENCES

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Assistant Secretary (for Legislation)

Health, Education, and Welfare Indicators

- "Action for Older Americans: 1964 Annual Report of the President's Council on Aging," (summary), March 1965.
- Cohen, Wilbur J., "The Social Security Amendments of 1965," August 1965.
- "The 20-Millionth Social Security Beneficiary," June 1965.

Welfare Administration, Office of Aging

Aging, monthly, \$1.00 for 12 issues.

Action for Older Americans, 1964 Annual Report of the President's Council on Aging. 71 p. 30 cents.

Facts on Aging

- "Recent National Population Trends, Mid-1964," No. 9, June 1965.
- "The Older Farm Population, 1960-1963," No. 8, June 1964.
- "Income of Older People, 1960-1961," No. 7, September 1963.
- "Living Arrangements of Older Persons, 1950 & 1961," No. 4, February 1963.
- "Trends in Number of Marriages of Older Persons, 1949-59 and Characteristics of Older Brides and Grooms, 1959," No. 2, January 1963.
- "Population Trends, National, 1790-1960," No. 1, January 1963.
- "Estimated Expenditures for Health Care, 1960-61. OA No. 406.

Selected References on Aging

- "Basic Reference Books and Journals in Gerontology," OA No. 306, August 1963.
- "Volunteer Services for Older People," OA No. 301.
- "Homemaker Services for Older People," OA No. 302.
- "Housing Senior Citizens," OA No. 304.
- "Organized Religion and the Older Population," OA No. 307.
- "Federal Financial Assistance Programs," OA No. 305.

Federal Assistance for Projects in Aging

- "Cooperative Research and Demonstration Grant Program of the Welfare Administration in cooperation with the Social Security Administration," No. 1, January 1964.
- "Cooperative Research Program of the Office of Education," No. 2, January 1964.

- "Research and Demonstration Grant Program of the Vocational Rehabilitation Administration," No. 3, January 1964.
- "Pilot Project Contracts and Cooperative Agreements available through the Gerontology Branch, Public Health Service," No. 4, February 1964.
- "Community Health Services for the Chronically Ill, and Aged, Project Grants Program of the Public Health Service," No. 5, March 1964.
- "Mental Health Project Grants Program of the National Institute of Mental Health, Public Health Service, No. 6, April 1964.
- "Research Project Grants Program of the National Institute of Child Health and Human Development, Public Health Service," No. 7, December 1964.
- "Training Programs of the National Institute of Child Health and Human Development, Public Health Service," No. 8, April 1965.

You--the Law--and Retirement, OA No. 800. 36 p. 25 cents.

A Handbook of Aging in the States--Organization and Action in 1964.

Patterns for Progress in Aging--Case Studies

- "Retirement Preparation: Chicago Plan," No. 175.
- "The TVA Retirement Program," No. 179.
- "Hodson Day Center: A Community Center Program for Older Persons in a Public Agency," No. 185.
- "A Senior Citizens Association," No. 176, 15 cents.
- "A Vocational Counseling Program for Older Workers," No. 177. 15 cents.
- "A County Health Department Geriatric Program," No. 178. 15 cents.
- "A Low-rent Public Housing Project for the Elderly," No. 182. 15 cents.
- "Planning for Retirement: A University-Labor Union Program," No. 186. 15 cents.
- "A Rural County Cares for Its Aging," No. 187. 15 cents.

Social Security Administration

Planning for the Later Years. 1965. 49 p. 35 cents.

PRESIDENT'S COUNCIL ON AGING

- The Older American*
- Federal Aid for Nursing Homes*
- Homes for the Aged in Sweden Offer Ideas for Americans*
- Do You Have a Homemaker Service in Your Town?*

THE SOCIAL SECURITY AMENDMENTS OF 1965

Wilbur J. Cohen and Pearl Peerboom

The Social Security Amendments of 1965 became Public Law No. 97 (89th Congress) on July 30, 1965, when President Lyndon B. Johnson approved H.R. 6675.

The Amendments constitute a major milestone, comparable in significance to the adoption of the original Social Security bill in 1935, on the road to achievement of security in old-age.



Sitting beside President Johnson, in the Truman Library, Independence, Missouri, former President Truman watches the signing into law of the Medicare bill. Mrs. Truman, Mrs. Johnson, and Vice President Humphrey also look on as "this time of triumph" is shared with the former president, who proposed similar legislation for health care of the aged 20 years ago.

Mr. Cohen is the Undersecretary of Health, Education, and Welfare, and Mrs. Peerboom is a Research Analyst on his staff.

REMARKS BY PRESIDENT JOHNSON
UPON SIGNING THE SOCIAL SECURITY AMENDMENTS OF 1965

Independence, Missouri, July 30, 1965

It was a generation ago that Harry Truman said, "Millions of our citizens do not now have a full measure of opportunity to achieve and to enjoy good health. Millions do not now have protection or security against the economic effects of sickness. And the time has now arrived for action to help them attain that opportunity and to help them get that protection."

. . . today, . . . we are taking such action 20 years later. . . . The need for this action is plain . . .

There are more than 18 million Americans over the age of 65. Most of them are threatened by illness and medical expenses that they cannot afford . . .

This insurance will help pay for care in hospitals, in skilled nursing homes, or in the home. And under a separate plan it will meet the fees of the doctors . . .

No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years. No longer will young families see their own incomes, and their own hopes, eaten away simply because they are carrying out their deep moral obligations to their parents, and to their uncles, and their aunts.

**ADVANCING THE NATION'S HEALTH
(SPECIAL MESSAGE TO CONGRESS)**

January 7, 1965

Thirty years ago, the American people made a basic decision that the later years of life should not be years of despondency and drift. The result was enactment of our social security program, a program now fixed as a valued part of our national life. Since World War II, there has been increasing awareness of the fact that the full value of social security would not be realized unless provision were made to deal with the problem of costs of illnesses among our older citizens. . . .

I ask that our social security system--proved and tested by three decades of successful operation--be extended to finance the cost of basic health services. . . .

I consider this measure to be of utmost urgency. Compassion and reason dictate that this logical extension of our proven social security system will supply the prudent, feasible, and dignified way to free the aged from the fear of financial hardship in the event of illness. . . .

LYNDON B. JOHNSON

The main provisions of the new law--the broadest social security act in the Nation's history--are designed to provide protection for the Nation's workers and their families against the high cost of health care in old age, to increase cash benefits under social security and make other substantial improvements in the old-age, survivors, and disability insurance program, to provide for more adequate medical and income help for the needy, and to improve the health care of handicapped children.

Although the Senate had made 513 amendments to the bill as it came from the House, the major features of the House and Senate versions were not widely different in overall effect, and the House-Senate Conference Committee reconciled the differences in record time.

Two related new contributory health insurance programs for aged people are established: (1) a basic plan providing hospital insurance and related care financed jointly by employers and employees through social security payroll taxes; and (2) a voluntary medical plan to cover physicians' services and other medical services not covered by the basic plan, financed by monthly premium payments of \$3 by each

Public Law 89-97

- I HEALTH INSURANCE AND MEDICAL BENEFITS
 - Hospital Insurance Basic Plan
 - Voluntary Medical Plan
 - Medical Assistance
- II OTHER HEALTH AMENDMENTS
 - Maternal and Child Health Services
 - Mental Retardation Planning
 - Mental and TB Diseases
- III SOCIAL SECURITY CASH BENEFITS
 - 7% Benefit Increase
 - Wage Base to \$6,600
 - Transitional Insured Status
 - Lower Age for Widows
 - Retirement Test Liberalization
 - Child's Benefits to Age 22
 - Disability, Coverage, and Other Changes
- IV PUBLIC ASSISTANCE AMENDMENTS
 - Increased Federal Matching
 - Protective Payments
 - Exempt Certain Earnings in Determining Need
 - Other Changes

SUMMARY OF MAJOR PROVISIONS

Basic Health Plan, financed under social security, covering hospitalization, nursing home care, outpatient diagnostic, and home health services.

Voluntary Health Plan, covering doctors' fees and some additional health services.

Kerr-Mills, expanded program of medical assistance for the needy aged, dependent children, blind, and permanently and totally disabled.

Other Changes Related to Health Care, providing assistance for needy aged patients in hospitals for tuberculosis and mental disease, an expansion of maternal and child health and crippled children's services, and an extension of mental retardation planning authorization.

Retirement, Survivors and Disability Benefits, 7 percent monthly increase with a minimum increase of \$4 a month, retroactive to January 1, 1965.

Earnings Base, increasing from \$4,800 to \$6,600 the total annual earnings on which social security contributions and benefits are based, effective January 1, 1966.

Revised Tax Schedule, provides for 4.2 percent each for employee and employer (and 6.15 percent for the self-employed) on earnings up to \$6,600, effective January 1, 1966, with ultimate increase to 5.65 percent each for employer and employee (7.8 percent for self-employed) in 1987.

Transitional Insured Status for persons aged 72 and over so that three, four, or five quarters of coverage will qualify them for monthly social security benefits of \$35 (\$17.50 for a wife; \$35 for a widow).

Retirement Test, changing the provision for withholding benefits because of earnings so that a beneficiary who earns above \$1,500 in a year (rather than the former \$1,200 exempt amount) has \$1 in benefits withheld for each \$2 of earnings between \$1,500 and \$2,700 (rather than between \$1,200 and \$1,700 as under previous law) and \$1 for each \$1 of earnings above \$2,700.

Lower Age for Widows, with reduced benefits available as early as age 60.

Benefits for Children to Age 22, if regularly attending school.

Coverage, extension to include the earnings of doctors and of employees who receive tips, and exemption from coverage for the Amish and similar sects conscientiously opposed to acceptance of the benefits of any public or private insurance.

Disability Benefits, changing eligibility requirements so that any person with a disability lasting 12 months or expected to result in death could get benefits, rather than (as under prior law) that the disability be of long-continued and indefinite duration (or expected to result in death).

Public Assistance Amendments, increasing the Federal share of payments for the needy aged, blind and disabled and disregarding certain earnings in determining a person's need for assistance.

FIRST-YEAR EFFECT OF NEW PROVISIONS ^{1/}

	Additional benefits payable (millions)	Number of people affected (000's)
Basic Hospital Plan	\$2,500	19,000
Voluntary Medical Plan	1,070	15-18,000
Medical Assistance	200	8,000
Maternal and Child Health Services	60	
Mental Retardation Planning	3	
Social Security Benefit Increase	1,470	20,000
Retirement Test	295	750
Lower Age for Widows	165 ^{2/}	185
Transitional Insured Status	140	355
Definition of Child	10	20
Child's Benefits to Age 22	195	295
Disability Benefits	45	67
Public Assistance Amendments:		
Increased PA Payments	150	7,200
TB and Mental Disease	75	130
Earnings Exemptions	1	
Definition of MAA	2	

^{1/} Total first year cost estimated--\$6.46 billion.

^{2/} No long-range cost to the system because the benefits are actuarially reduced.

enrollee matched by an equal amount from Federal general revenues. In addition, the amendments provide for an expanded medical assistance program of Federal grants to the States for medically indigent aged, blind, and disabled people and for dependent children and their parents.

HEALTH INSURANCE FOR THE AGED AND MEDICAL ASSISTANCE
(Title I of P.L. 89-97)

Under title I, the Health Insurance for the Aged Act, a new title XVIII is added to the Social Security Act providing two separate but complementary health plans for meeting the national problem of adequate medical care for the aged.

*BASIC PLAN--HOSPITAL INSURANCE
(Part A of Title XVIII of the Social Security Act)*

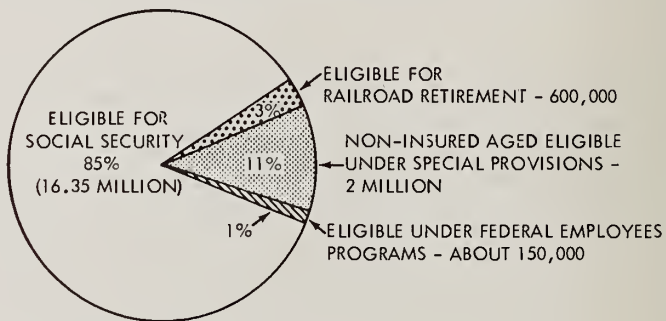
The basic plan provides insurance protection for aged people against the cost of hospital and related care financed through a payroll tax on employees, employers, and the self-employed. The plan applies to all people aged 65 and over who are eligible for monthly social security or railroad retirement benefits (about 16.9 million people). The same protection extends (through 1967) also to other aged people not social security or railroad retirement beneficiaries (about two million people).

With benefits beginning in July 1966, the plan is financed as part of the social security system through a new special earnings tax starting January 1, 1966, and paid by employers, employees, and the self-employed. The hospital insurance tax contributions

are to go into a trust fund kept entirely separate from other funds of the system to assure that the old-age and survivors insurance trust fund and the disability insurance trust fund--sound and well-established--will not be affected by possible fluctuations in the health insurance trust fund. The cost of benefits for people attaining age 65 prior to 1968 who are not insured under the railroad retirement or social security system will be paid from General Funds of the Treasury.

The basic plan covers: Up to 90 days of hospital care for each spell of illness, with the patient paying a deductible amount of \$40 for the first 60 days plus \$10 a day for the 61st and subsequent days. (Inpatient psychiatric hospital services are covered, with a lifetime limit of 190 days on such coverage. Inpatient tuberculosis hospital services are also included, and the cost of any blood after the first three pints furnished to a patient during a given illness); Up to 100 days of extended-care services in a qualified nursing home or other facility, after three or more days of hospitalization, with a coinsurance payment by the beneficiary of \$5 for each day of extended care beyond the 20th day (effective January 1, 1967);

HOSPITAL INSURANCE FOR PERSONS 65 AND OVER



TOTAL AGED 19.1 MILLION - JULY 1966

Up to 100 health services (such as a visiting nurse) to a homebound patient following discharge from a hospital (after at least a three-day stay) or extended-care facility; And outpatient hospital diagnostic services with the patient paying a \$20 deductible amount and a 20 percent coinsurance payment for services by the same hospital during a 20-day period.

The less expensive alternatives to inpatient hospital care are intended to promote the most efficient and economical use of existing health-care facilities while enabling the beneficiaries to have the kinds of services and levels of care most appropriate to their needs.

All costs for benefits under the basic plan (and for administration) will be paid from the Hospital Insurance Trust Fund. The annual earnings subject to the health insurance tax beginning in 1966 will be \$6,600 a year, the same as for financing social security cash benefits.

The hospital insurance contribution rates apply equally to employees, employers, and self-employed people and are based on estimates which assume that hospital costs will continue to rise faster than earnings for the next 10 years, at the same rate as earnings after 1975, and that the earnings base will not be increased above \$6,600. If Congress should subsequently raise the base above \$6,600, the tax rates scheduled could be reduced.

Hospital Insurance Tax-Rate Schedule	
<u>Year</u>	<u>Percent</u>

1966	.35
1967-1972	.50
1973-1975	.55
1976-1979	.60
1980-1986	.70
1987 and after	.80

BASIC HOSPITAL INSURANCE PLAN

INPATIENT HOSPITAL SERVICES	Up to 90 days per duration of illness, with patient paying \$40 deductible and \$10 a day after the first 60 days.
PSYCHIATRIC HOSPITAL SERVICES	Up to 190 days during a lifetime.
POST-HOSPITAL EXTENDED CARE	Up to 100 days per duration of illness after hospitalization; with patient paying \$5 a day after first 20 days.
POST-HOSPITAL HOME HEALTH SERVICES	100 home visits by health workers, with patient under physician's care after hospitalization.
OUTPATIENT DIAGNOSTIC SERVICES	With a deductible of \$20 and 20 percent of the cost above that for services in a 20-day period.

Responsibility for administering the basic plan rests with the Secretary of Health, Education, and Welfare to be carried out through the Social Security Administration with appropriate State agencies and private organizations assisting in the administration. Hospitals could, for example, elect to be represented by a private organization

(such as Blue Cross); the Secretary could also delegate other major administrative roles to such an organization.

VOLUNTARY PLAN--MEDICAL INSURANCE (Part B of Title XVIII of the Social Security Act)

The voluntary plan provides medical insurance administered through private carriers to all residents of the United States aged 65 and over. Beginning in July 1966, and subject to a \$50 deductible to be paid by a patient in a calendar year, the plan would cover 80 percent of the patient's bill (above the deductible) for the following services:

physicians' and surgeons' services, whether furnished in a hospital, clinic, office, in the home, or elsewhere; home health services (with no requirement of prior hospitalization) for up to 100 visits during each calendar year; diagnostic X-ray and laboratory tests, and other diagnostic tests; X-ray, radium, and radioactive isotope therapy; ambulance services; surgical dressings and splints, casts, and other devices for reduction of fractures and dislocations; rental of durable medical equipment such as iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home; prosthetic devices (other than dental) which replace all or part of an internal body organ; braces and artificial legs, arms, and eyes. A special limitation is placed on payment for outside-the-hospital treatment of mental, psychoneurotic, and personality disorders; during any calendar year the limit is \$250 or 50 percent of the expenses, whichever is smaller.

VOLUNTARY PLAN

PHYSICIANS' SERVICES	IN AND OUT OF HOSPITAL
OUTSIDE THE HOSPITAL PSYCHIATRIC TREATMENT	PAYMENT IN A CALENDAR YEAR LIMITED TO THE SMALLER OF \$250 OR HALF OF THE EXPENSE.
HOME HEALTH SERVICES	UP TO 100 VISITS IN A CALENDAR YEAR, PRIOR HOSPITALIZATION NOT NECESSARY
OTHER MEDICAL SERVICES	DIAGNOSTIC TESTS, RADIATION THERAPY, MEDICAL SUPPLIES, AMBULANCE SERVICES, AND RENTAL OF MEDICAL EQUIPMENT

DEDUCTIBLE AND COINSURANCE UNDER VOLUNTARY PLAN

\$50 ANNUAL DEDUCTIBLE --- PAID BY BENEFICIARY
OF REMAINDER: PATIENT PAYS 20%, PLAN PAYS 80%

People who enroll initially will pay monthly premiums of \$3, deducted (where possible) from social security, railroad retirement, or civil service retirement benefits. A Federal payment matching the \$3 monthly premium per enrollee will be paid from the General Funds of the Treasury to help finance the voluntary plan. To provide an operating fund at the beginning of the program and to establish a contingency reserve, a Government appropriation will be available (on a repayable basis) equal to \$18 per aged person estimated to be eligible in July 1966, when the voluntary plan goes into effect. Individual and Government contributions are to be placed in a separate trust fund for the voluntary plan, with all benefit and administrative expenses paid from this fund.

Since the minimum increase in cash social security benefits is at least \$4 for a retired person aged 65 or over and \$6 for a couple, the benefit increase will fully cover the monthly premiums for social security and railroad retirement beneficiaries. Aged public assistance recipients who are not entitled to social security can be enrolled in the voluntary plan by the State agency, which will pay contributions for the recipient out of its State-Federal assistance funds. Various protections against adverse selection are included in the enrollment provisions. For example, there is a waiting period before a newly enrolled person becomes eligible for payments, making it unlikely that he could delay enrollment until expensive health services were required. This reduces the possibility of people enrolling in the program after their health deteriorates, thus increasing program costs by covering people during periods of ill health who chose not to be covered during periods of good health.

As under the basic plan, overall responsibility for administering the voluntary plan rests with the Secretary of Health, Education, and Welfare. To the extent possible, he must contract with intermediaries to carry out the major administrative functions of the plan such as determining rates of payments under the program, holding and disbursing funds for benefit payments, and determining compliance, assisting in utilization review, assisting in the application of safeguards against unnecessary use, and assuring that payment for a service is on a reasonable cost or charge basis.

GENERAL PROVISIONS RELATING TO THE TWO HEALTH INSURANCE PLANS

Payments to hospitals and other providers of services shall be the reasonable cost of the services furnished. The cost of hospital services will be based on semi-private accommodations (two, three, or four-bed rooms).

Each hospital or extended-care facility must have in effect a utilization review plan to review admissions to the institution, length of stays, the professional services furnished with respect to the medical need for them, and to promote the most efficient use of available facilities and services.

Health facilities generally operate under licenses issued by State governments; and State public health authorities generally inspect these facilities to determine whether they conform with requirements of the State licensing law. Administration of the Health Insurance

for the Aged Act will capitalize on this experience by using State agencies to determine which providers of health services meet the appropriate definitions and to consult with hospitals or other facilities that wish to participate in the program.

In addition to requiring the Secretary, in carrying out his administrative responsibilities, to consult with appropriate State agencies, national and State associations or providers of services, and recognized national accrediting bodies, the law also requires the appointment of two advisory groups made up of experts from outside the Government:

A Health Insurance Benefits Advisory Council of 16 persons to advise the Secretary on general policy matters in the administration of the health insurance programs; and

A National Medical Review Committee of 9 persons to study the use of insured hospital and other medical care and services.

FINANCING OF 2 HEALTH INSURANCE PROGRAMS

PLAN	SOURCE OF FUNDS	SCHEDULE
Basic Hospital Insurance	Employee, Employer & self-employed contributions General revenues for transitional insured status	Each pays 1966 - 0.35% Rising to 0.80% in 1987 on \$6,600 earnings base
Voluntary Medical Insurance	Beneficiary and Federal Government	Each pays \$3 monthly

**TESTIMONY BEFORE THE SENATE
COMMITTEE ON FINANCE, April 29, 1965**

No other social security amendments have approached the scope of these proposed amendments. For older people, for widows and orphans, and for the disabled and their families, the payment of benefits where none is now available would turn despair into hope. Every community in our Nation would share in the good that the bill would do.

Anthony J. Celebrezze
Secretary of Health, Education, and Welfare

MEDICAL ASSISTANCE PROGRAM

(Title XIX of the Social Security Act)

In order to provide a more effective program of medical care for needy persons, a new title XIX of the Social Security Act establishes a single and separate medical-care program, which improves and expands various provisions for the needy previously covered under five different titles of the Social Security Act.

The new title extends the advantages of an expanded medical assistance program not only to the needy aged, but also to people receiving assistance under the programs of aid to families with dependent children, the blind, and permanently and totally disabled, and to people who would qualify under these programs if their needs were sufficiently great.

Inclusion of aged people who are not on the cash assistance rolls but who do not have enough income to meet medical care cost is optional with the States; if they are included, comparable groups of blind, disabled, and parents and children must also be included if they need help in meeting necessary medical costs. (States electing to include aged patients in mental and tuberculosis hospitals will not have to include similar care and services for people under age 65--this is an exception to the general requirement that the amounts, scope, and duration of benefits under title XIX be the same for all groups.) Moreover, the amount and scope of benefits for the medically indigent cannot be greater than that of recipients of cash assistance. As an interim measure, States have the option of adopting the medical assistance program under the new title XIX: Grants to the States for Medical Assistance Programs, or of continuing to operate under the vendor payment provisions of title I (old-age assistance and medical assistance for the aged), title IV (aid to families with dependent children), title X (aid to the blind), title XIV (aid to the permanently and totally disabled), and title XVI (the combined adult program). After December 31, 1969, grants for medical vendor payments will be made only under title XIX.

The Federal share of medical assistance expenditures under the new program will vary in relation to a State's per capita income with no maximum on the amount of such expenditures in which there will be sharing. Financial participation by the State shall be not less than 40 percent of non-Federal share of the expenditures under the plan, and effective July 1, 1970, all the non-Federal share shall be from State funds. In order to receive any additional Federal funds as a result of expenditures under the program, the States

The provision of health insurance for the aged, together with the important improvements made in the existing social security cash benefit program, will greatly strengthen the protection of American workers and their families. This broadened and strengthened protection is a gratifying expression of the Nation's confidence in its chief program for preventing dependency and want. It is also a stern challenge to those of us who are entrusted with administering the program. We will strive to meet these new responsibilities in a way that will prove worthy of that trust.

--Robert M. Ball
Commissioner of Social Security

must continue expenditures at the previous rate. This provision is intended to assure that lack of local funds for financing any part of the program will not affect the amount, scope, or duration of benefits, or the level of administration set by the State. A State plan will not be approved if operation of the proposed State program would result in reducing assistance under the basic maintenance assistance programs. In order to continue to receive Federal funds under the new title, the States would need to show progress toward a goal of comprehensive care and services to substantially all needy individuals under its program. The greatest number of new potential beneficiaries under the expanded benefits are the 3.2 million dependent children now receiving financial aid and any other children from broken families who need help if their medical needs are to be met.

The new title prohibits the imposition of durational residence requirements. No liens will be imposed against the property of a recipient during his lifetime for assistance correctly paid. Also, no recovery can be made of any medical assistance correctly paid except from the estate of a person over the age of 65 at the time he received medical assistance, and then only after the death of surviving spouse and minor children. Only income which is actually available may be considered in determining need and any resources of the individual must be reasonably evaluated. States may not take into account the financial responsibility of any individual for anyone who is not a spouse, or child under the age of 21, or blind, or disabled.

By July 1, 1967, a minimum medical-assistance program will be required to include at least some inpatient and outpatient hospital services, laboratory and X-ray services, skilled nursing home services, and physician's services regardless of where they are provided. States may, at their option, include a broad range of other medical services, such as dental services, prescribed drugs, eyeglasses (prescribed by a physician skilled in the diseases of the eye, or by an optometrist, whichever the patient may elect), dentures and prosthetic devices. A State must also establish and maintain standards for institutions providing medical care. (The Secretary of Health, Education, and Welfare is authorized to establish standards relating to protection against fire and other hazards to health and safety.)

The States are required to use professional medical personnel and supporting staff in the administration of the program, with 75 percent reimbursement of the cost for training as well as compensation of such personnel, whether on

the State or local staff, by the Federal Government. The State agency administering the program must also make cooperative arrangements with health and vocational rehabilitation agencies, and establish other standards and methods designed to assure quality. In developing its plan for medical services under title XIX, States must show that in their plans eligibility for care and services will be determined in a manner consistent with simplicity of administration and the best interests of the recipient. The State, in determining eligibility and the medical assistance to be provided, must pay for those who are eligible, any deductible imposed under the Hospital Insurance provisions of the bill.

If the State plan provides medical assistance to people in mental hospitals, the State is also required to provide the medical and related services needed, and to be working toward a comprehensive mental health program in the State. The availability of Federal funds for the cost of medical assistance paid in behalf of such persons is contingent upon a corresponding increase in total expenditures in the State for mental health services. Under the new title XIX, a State may designate any single State agency for administration, but determination of eligibility must be made by the agency administering the old-age assistance program.

CHILD HEALTH AND WELFARE
(Title II of P.L. 89-97)

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES
(Title V of the Social Security Act)

The amounts authorized for maternal and child health services are increased by \$5 million (to a total of \$45 million) for the fiscal year ending June 30, 1966, and by \$10 million for succeeding fiscal years. The increased authorizations are intended to assist the States to move toward the goal of extending maternal and child health services to make them reasonably available to children in all parts of the State by July 1, 1975. Preventive health services can be provided for more mothers and children, thereby contributing to further reduction of infant and maternal mortality.

The amounts authorized for crippled children's services are also increased by \$5 million (to a total of \$45 million) for 1966, and by \$10 million for succeeding fiscal years. The increases are intended to assist the States in extending crippled children's services to areas of a State not now served, to make needed care available to many crippled children and to children with potentially crippling conditions (e.g. to children with hearing defects, epilepsy, or strabismus, neglect of which may result in loss of vision of the affected eye). The increased funds also help States extend their programs to urban areas and further broaden their definition of "crippling" until all State programs serve children with any kind of handicapping condition or long-term illness. Effective July 1, 1967, States would be required under the maternal and child health and crippled children's

services program to pay the reasonable costs of hospital services provided under the State plans.

Funds are authorized for training professional personnel for the care of crippled children, \$5 million for fiscal year 1967, \$10 million for 1968, and \$17.5 million for each fiscal year thereafter. The program will help reduce the severe shortage of professional personnel to deal with mentally retarded children and children with multiple handicaps. Grants will be made to institutions of higher learning for training physicians, psychologists, nurses, dentists and social workers for work with crippled children, particularly mentally retarded children and children with multiple handicaps. Such grants are expected to greatly accelerate training now provided to a limited extent in clinics and university centers from funds from the Department of Health, Education, and Welfare programs operating under existing authority.

A new five-year program of special project grants for low-income school and preschool children will provide comprehensive health care and services for children of school age and for preschool children, particularly in areas with concentrations of low-income families. Projects will provide screening, diagnosis, and preventive services for all children; treatment, correction of defects and after-care is limited to children in low-income families. The program will reduce the numbers of children of preschool and school age who are hampered by remediable handicaps and provide necessary medical care for children of low-income families who would otherwise not receive care. Effective health supervision for children during the years before entering school will help considerably in getting them ready for school and will reduce the extent of the need for school health services for children in the first year of school.

An appropriation of \$15 million is authorized for the fiscal year ending June 30, 1966, \$35 million for 1967, \$40 million for 1968, \$45 million for 1969, and \$50 million for 1970.

Grants covering up to 75 percent of the cost of approved projects will be available to the State health agency or, with its consent, to the health agency of any political subdivision of the State, to the State agency administering or supervising the crippled children's program, to schools of medicine (with appropriate participation by schools of dentistry) and to teaching hospitals affiliated with schools of medicine. Project applications must show how services will be coordinated with other State health, education, and welfare programs to make possible programs organized to make optimum use of available community services and to bring about a better distribution of the low-income patient group among public and voluntary community clinics and hospitals.

A full report on the program, including evaluation and recommendations must be made to Congress prior to July 1, 1969.

In addition, grants are authorized for studies of resources for emotionally disturbed children.

Appropriations of \$500,000 each for fiscal years 1966 and 1967 are authorized for grants for such studies. Upon recommendation of the National Advisory Mental Health Council and in consultation with experts in pediatrics and child welfare, the Secretary of Health, Education, and Welfare is authorized to make grants to conduct research into and study of resources, methods, and practices for diagnosing or preventing emotional illness in children and of treating, caring for, and rehabilitating children with emotional illnesses. Such grants may be made to a nongovernmental agency, organization, or commission composed of representatives of leading national medical, welfare, educational, and other professional associations, organizations, or agencies active in the field of mental health of children.

*IMPLEMENTATION OF MENTAL RETARDATION PLANNING
(Title XVII of the Social Security Act)*

Grants of \$2.75 million a year for 1966 and 1967 are authorized to assist States in following up and beginning to implement the comprehensive plans to combat mental retardation that have been developed under legislation enacted in 1963.

SOCIAL SECURITY AMENDMENTS
(Title III of P.L. 89-97)

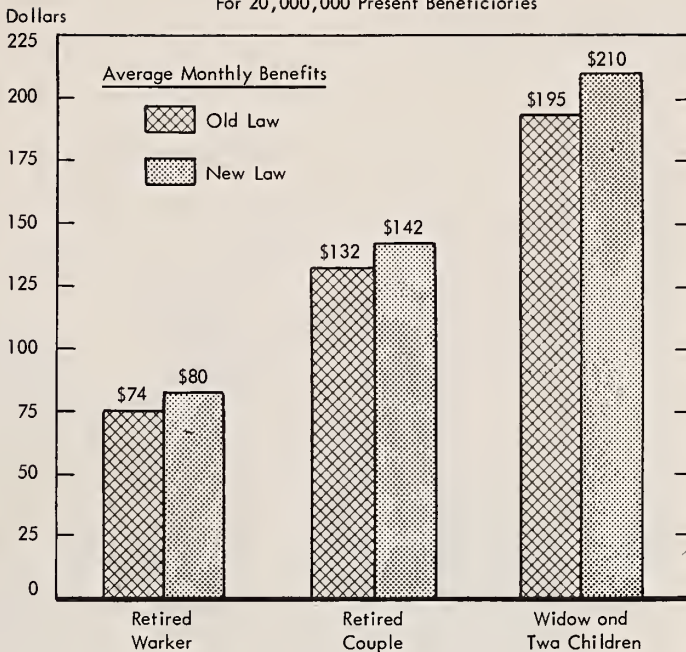
Title III, the Old-Age, Survivors, and Disability Insurance Amendments of 1965, provides for far-reaching and comprehensive amendments to title II of the Social Security Act. Social Security benefits are increased 7 percent for the 20 million social security beneficiaries (with a guaranteed \$4 a month minimum increase for a retired person aged 65 or over or a disabled worker and \$6 for a couple). The last general benefit increase was enacted in 1958, and the 7 percent increase takes into account increases in prices since that time. The minimum primary benefit is increased from \$40 per month to \$44; the maximum from \$127 to \$135.90. The average primary benefit is increased from about \$74 to about \$80. In the future, creditable earnings under the increase in the contribution and benefit base to \$6,600 a year (from \$4,800) will make possible a maximum benefit of \$168.

The maximum amount of benefits payable to a family on the basis of a single earnings record is related to the worker's average monthly earnings at all levels. The highest family maximum is \$368. Under prior law, the \$254 limit on family benefits operated over a wide range of average monthly earnings. Benefit increases are retroactive to January 1, 1965, with the increased benefits for the retroactive months paid in a separate check.

In 1965, an estimated \$1.2 billion in additional benefits will be paid as a result of the 7 percent increase; in 1966, \$1.5 billion in additional benefits will be paid.

Benefit Increases

For 20,000,000 Present Beneficiaries



The maximum annual earnings on which taxes and benefits are computed are increased from \$4,800 to \$6,600 a year, effective January 1, 1966. Increasing the limitation on annual earnings used to figure benefits and taxed to support the program makes it possible for workers at and above average earnings levels to have benefits more reasonably related to their actual earnings; also, taxing a larger part of the Nation's payrolls will improve the financial base of the program.

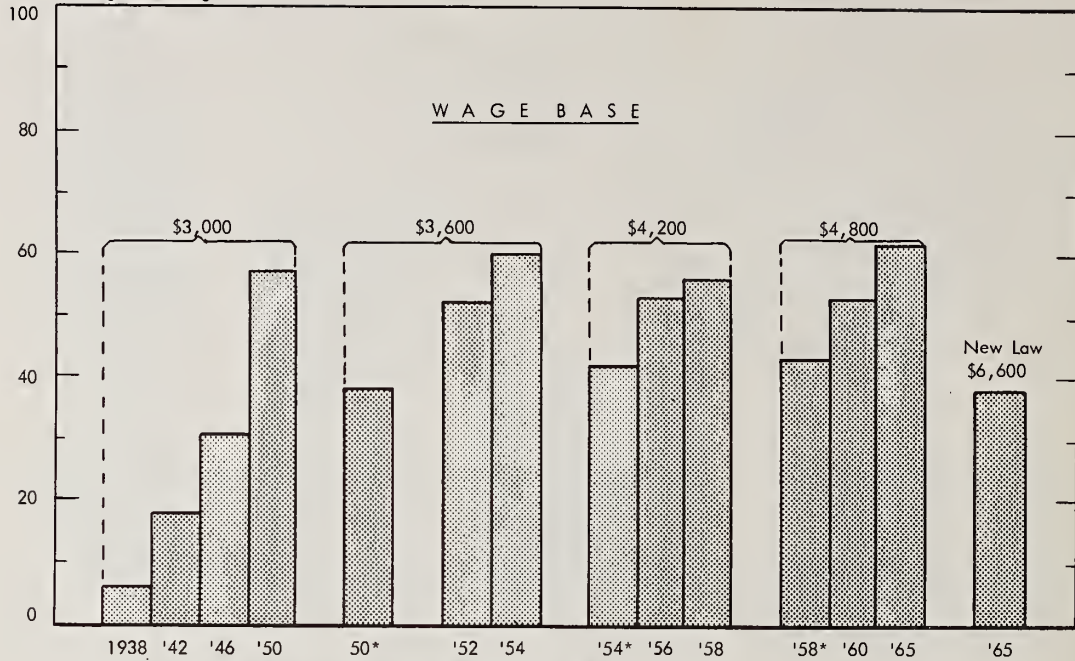
As a result of the increase to \$6,600 a year in the amount of covered earnings taxed and credited toward benefits effective January 1, 1966, some 29 million people will have earnings in excess of \$4,800 credited to their social security accounts in 1966. Old-age, survivors' and disability insurance benefits, within limits, vary with the worker's previous earnings. Since benefits are related to past earnings, the basic factor in the determination of benefit amounts is the level of previous earnings. More than 64 percent of the male workers regularly employed and covered by the program now earn more than the \$4,800 earnings base provided under the 1958 amendments.

The congressional committees took the position that, if the principle that benefits should vary with earnings is to be maintained, earnings above the \$4,800 limit must be counted toward benefits in the future. Raising the

Maximum Earnings Base Raised To \$6,600

Restores 1950 Relationship

Percent of Regularly-Employed
Men Earning Over Wage Base



* Provisions for new wage base enacted, but not effective in this year.

earnings base to \$6,600 restores approximately the same relationship between general earnings levels and the maximum earnings base that existed in 1950. In 1965 approximately 38 percent of the regularly employed male workers covered by social security had earnings of more than \$6,600, and in 1950 about 38 percent earned above the \$3,600 base in effect at that time.

When the social security program was enacted in 1935, the \$3,000 base provided would have covered the full earnings of 97 percent of regularly employed men. A base of about \$15,000 would be needed now to be comparable to the \$3,000 base original situation with respect to the proportion of total earnings covered under the program.

The revised tax-rate schedule (combined for social security and hospital benefits) is:

Year	Employer-employee Rate each (Percent)			Self-employed rate (Percent)		
	OASDI	Hosp.	Total	OASDI	Hosp.	Total
1966	3.85	.35	4.2	5.8	.35	6.15
1967-1968	3.9	.5	4.4	5.9	.5	6.4
1969-1972	4.4	.5	4.9	6.6	.5	7.1
1973-1975	4.85	.55	5.4	7.0	.55	7.55
1976-1979	4.85	.6	5.45	7.0	.6	7.6
1980-1986	4.85	.7	5.55	7.0	.7	7.7
1987 and after	4.85	.8	5.65	7.0	.8	7.8

Benefits for Children Aged 18-22. Benefits are extended to unmarried child beneficiaries aged 18 to 22 regularly attending school, effective January 1, 1965. It is estimated that 295,000 children are eligible for benefits for September 1965, when the school year begins.

No mother's or wife's benefits are payable if the only child in the mother's care is one who has attained age 18 and is in school.

Broadened Definition of a Child--Benefits are provided for a child based on his father's earnings even though the child cannot inherit the father's intestate property, if the father had acknowledged the child in writing, been ordered by a court to contribute to the child's support, had been judicially decreed to be the father, or is shown by other reasonable evidence to be the father and was living with or contributing to the support of the child. An estimated 20,000 people, children and their mothers, are immediately eligible for benefits. Approximately \$10 million will be paid in 1966.

Benefits for Widows at Age 60--Benefits are available to widows at age 60, with the benefits actuarially reduced to take account of the longer period of time over which they will be paid. (Prior law provided for full widows' benefits starting at age 62.) An estimated 185,000 widows aged 60-61 on the effective date of the provision are expected to claim benefits. Payments estimated at \$165 million will be made in 1966.

Retirement Test--The provision for withholding benefits because of a beneficiary's earnings is changed, beginning January 1, 1966, to exempt the first \$1,500 of earnings (rather than \$1,200 as in prior law) and to withhold \$1 in benefits for each \$2 of earnings between \$1,500 and \$2,700 (this span was \$1,200 to \$1,700 in prior law), with a \$1-for-\$1 adjustment above that level. For 1966, an estimated \$295 million will be paid to workers and their dependents, who either will receive more benefits under the new test than they would have received under prior law, or will receive some benefits where they would have received no benefits under the old test.

Transitional Insured Status--People aged 72 or over before 1969 qualify for monthly social security benefits of \$35 if they have three, four, or five quarter-year periods of social security coverage (the number needed depending on a person's age). These quarters could be acquired at any time since the beginning of the program in 1937. Wives of workers who qualify under this provision will be eligible for benefits of \$17.50 (one-half of the amount of the husband's benefit) if they reach age 72 before 1969. Widows will receive \$35 a month under the provision. When they apply, about 355,000 persons aged 72 and over will become immediately eligible for benefits. Payments of \$140 million will be made under this provision in the first full year of operation.

Disability Benefits--The amendments eliminate the requirement that a person's disability must be of long-continued and indefinite duration and provide that an insured worker is eligible for benefits if his disability is expected to result in death or to last at least 12 months. An estimated 60,000 people--disabled workers and their dependents--will be eligible for benefits. Payments under the provisions will amount to \$40 million in 1966.

Eligibility requirements for payment of disability benefits to blind workers were also changed. The definition of disability is liberalized for older blind persons, and the time that younger blind persons must have worked in jobs covered by social security to qualify for disability benefits is reduced. An estimated 7,000 people--blind workers and their dependents--will become immediately eligible for benefits. Payments under this change will amount to \$5 million in 1966.

In cases where disability payments duplicate workmen's compensation, the social security disability benefit will be reduced so that the combined benefits are limited to 80 percent of the worker's average salary over the five years prior to his becoming disabled; reduction will be periodically adjusted to take account of changes in earnings levels.

The cost of rehabilitation services furnished to disability insurance beneficiaries by State vocational rehabilitation agencies is to be paid from the social security trust funds to State agencies on a reimbursement basis. The total amount of the funds made available in any year for reimbursing State agencies for rehabilitative services cannot exceed one percent of the social security disability benefits paid in the previous year.

Benefits for Divorced Women--Wife's or widow's benefits will be paid to the divorced wife of a retired, deceased, or disabled worker if she had been married to the worker for at least 20 years before the date of the divorce and if her divorced husband was making a substantial contribution to her support (or was ordered by a court to do so). A wife's benefits will not terminate when the woman and her husband are divorced if the marriage has been in effect for 20 years. Provision is also made for the reestablishment of benefit rights for a divorced wife, a widow, or a surviving divorced wife who remarries and the subsequent marriage has ended.

Continuation of Widow's Benefits after Remarriage--Benefits are payable to widows aged 60 or over (and to widowers aged 62 or over) who remarry. The amount of the remarried widow's (or widower's) benefit is equal to 50 percent of the primary insurance amount of the deceased spouse rather than 82½ percent of that amount, which is payable to widows and widowers who have not remarried. This provision remedies a hardship situation under prior law in which a widow's (and widower's) benefits based on a deceased worker's social security earnings record generally stopped when the survivor remarried, with the result that some widows who would have liked to remarry did not because they would have lost their social security benefits.

Coverage Changes--The new law extends social security coverage to self-employment income from the practice of medicine and to the wages of interns, covers tips as wages, facilitates coverage of additional State and local government employees, provides additional coverage for employees of certain nonprofit organizations, extends coverage to temporary employees of the District of Columbia, increases the amount of gross income which farmers may use under the optional method of computing farm self-employment income for social security purposes, and permits exemption from the social security self-employment tax for members of certain religious sects.

Approximately 170,000 doctors of medicine will have their self-employment income covered on the same basis as the self-employment income of other professional groups. (More than half of the physicians in private practice have obtained some social security credits through work other than their self-employment as physicians, or through their military service.)

Coverage is also extended to services performed by medical and dental interns on the same basis as other employees working for the same employers.

Tips are covered as wages for social security and income-tax withholding purposes, except that employers will not be required to pay the social security employer tax on the tips. The new provision is intended to correct the situation under which more than a million employees covered under the social security program had an important part of their income from work excluded from coverage because it was received in the form of tips.

Exemption from Coverage for the Amish and similar sects conscientiously opposed to the acceptance of the benefits of any public or private insurance is provided on an individual option basis; the contribution exemption applies only to self-employment tax. Before an individual could be granted exemption, he will be required to waive all benefits and other payments under any insurance system established by the Social Security Act on the basis of his own earnings as well as all such benefits and other payments to him based on the earnings of any other person. The exemption could not be granted to any person who has been entitled to social security benefits, or to one whose earnings have provided the basis for entitlement to social security benefits for any other person. An individual's exemption (and the waiver of social security benefits) will be terminated if he no longer meets the conditions on which the exemption was based, and he cannot again obtain an exemption.

Ministers--A new provision reopens through April 15, 1966, the period in which ministers who have been in the ministry for at least two years since 1954 may file waiver certificates electing social security coverage; coverage will ordinarily begin with 1963. In addition, social security credit is to be obtained for the past earnings of certain ministers who die or file waiver certificates before April 16, 1966, where such earnings were reported for social security purposes but could not be credited under prior law.

Farmers--Farm operators whose annual gross earnings are \$2,400 or less (instead of \$1,800 or less as in prior law) can report either their actual net earnings or 66-2/3 percent of their gross earnings. Farmers whose annual gross earnings are over \$2,400 are required to report their actual net earnings if \$1,600 or more, but if actual net earnings are less than \$1,600, they may report either actual net earnings or \$1,600. (Prior law required that farmers whose annual gross earnings were over \$1,800 report their actual net earnings if \$1,200 or more, but if actual net earnings were less than \$1,200, they could report either their actual net earnings or \$1,200). The provision is effective for taxable years beginning after December 31, 1965.

State and Local--Alaska is added to the list of 18 States which may extend social security coverage to only those current members of a retirement system who desire such coverage, with compulsory coverage for all persons who later become members of the retirement system. Further changes were made in coverage provisions applying to Alaska, Iowa, North Dakota, California, and Maine.

Under Payments--The new law contains a provision which authorizes the Secretary to dispose of amounts due a deceased beneficiary, where such amounts do not exceed the amount of the beneficiary's monthly benefit, by making the payment to the widow or widower who was living in the same household with the beneficiary; if there is no such widow or widower, or if the underpayment exceeds the amount of one month's benefit, the amount due generally will be paid to the legal representative of the deceased person's estate.

Combined Check--A temporary overpayment may now be authorized to permit a surviving spouse to cash a benefit check issued jointly to a husband and wife if one of them dies before the check is negotiated, on the condition that any resulting overpayment will be recovered.

Filing of Proof--Extends, where good cause exists, the period of filing proof of support for dependent husband's, widower's and parent's benefits, and lump-sum death payments.

Automatic Recomputation of Benefits--The retirement benefits of people on the rolls will be recomputed automatically each year to take account of any covered earnings that the worker had in the previous year that will increase his benefit amount. Under prior law there were various application requirements, including filing of an application and earnings of over \$1,200 a year after entitlement.

Attorneys' Fees--A Federal court that renders a favorable decision to a claimant in an action arising under the social security program is authorized to set a reasonable fee (not in excess of 25 percent of past due benefits which become payable as a result of the decision) for the attorney who represented the claimant. The Secretary is authorized to certify payment of the fee to the attorney from past-due payments.

An Advisory Council on Social Security is to be established in 1968 and every fifth year thereafter to review the entire social security and health insurance program and to make a report to Congress. Prior law required the appointment of Advisory Councils on Social Security Financing to report on the financing of the program in 1966 and every fifth year thereafter.

PUBLIC ASSISTANCE AMENDMENTS
(Title IV of P.L. 89-97)

INCREASED ASSISTANCE PAYMENTS

The Federal share of payments under all State public assistance programs is increased about \$2.50 a month for the needy aged, blind, and disabled, and an average of about \$1.25 for needy children, effective January 1, 1966. The cost from general revenues will be about \$150 million a year.

In the adult categories, the first fraction becomes \$31 of Federal funds for \$6 of State and local funds in place of the previous \$29 for \$6. The maximum subject to Federal participation, on an average basis, is increased from \$70 to \$75. In aid to families with dependent children, the first fraction becomes \$15 Federal and \$3 State in place of the previous \$14 for \$3. The aid to families with dependent children average maximum per recipient is increased from \$30 to \$32. States will not receive additional Federal funds except to the extent that their expenditures increase.

PATIENTS IN MENTAL AND TUBERCULOSIS HOSPITALS

Federal funds to the States are authorized for aid to the needy aged in mental or tuberculosis institutions, effective January 1, 1966. The cost from general revenues will be about \$75 million a year.

Persons in general medical institutions because of a diagnosis of tuberculosis or psychosis (including blind and disabled recipients under title X and XIV) are also eligible for payments including Federal participation. In order to qualify for Federal participation, the State plans must include provisions designed to insure the best possible care for individual recipients, including alternatives to institutional care. States must also be making satisfactory progress in developing comprehensive mental health programs, including community mental health centers. States will receive Federal funds only to the extent that they increase their expenditures for mental health purposes under public health or public welfare programs.

PROTECTIVE PAYMENTS FOR AGED, BLIND, OR DISABLED PERSONS

Protective payments for aged, blind, or disabled persons are authorized effective January 1, 1966. The welfare agency may make protective payments on behalf of a needy person who is unable to manage his funds because of physical or mental incapacity to another individual interested in or concerned with the welfare of the needy person.

The significant advances in public welfare and child health programs made possible through the Social Security Amendments of 1965 will mean more complete and adequate medical care for millions of Americans who otherwise would not receive it, more financial help for those who are the poorest of the poor, and substantially increased health and welfare services for children. We are indeed given the opportunity to take major strides toward assuring for many more of our citizens lives of dignity and health.

-- Ellen Winston,
Commissioner of Welfare

INCOME EXEMPTIONS

Old-Age Assistance--The earnings exemption under the old-age assistance program (and aged in combined programs) is increased, effective January 1, 1966, so that a State may, at its option, exempt the first \$20 (formerly \$10) and one-half of the next \$60 (formerly \$40) of a recipient's monthly earnings. The cost is estimated to be about \$1 million for the first year.

Aid to Families with Dependent Children--The State may, at its option, disregard up to \$50 per month of earnings for each of not more than three dependent children in the same home, effective July 1, 1965. The cost is estimated to be \$1.3 million for the first full year of operation.

Aid to the Permanently and Totally Disabled--An exemption of earnings may be made, at the option of the State, for recipients of aid to the permanently and totally disabled. As in the case of the aged, the first \$20 per month of earnings and one-half of the next \$60 could be exempted. Any additional income and resources could be exempted as part of an approved plan to achieve self-support during the time the recipient was undergoing vocational rehabilitation.

Old-Age and Survivors Insurance (retroactive increase)--The States may disregard as much of the old-age, survivors, and disability insurance benefit increase (including payments for children in school beyond age 18) as is attributable to its retroactive effective date.

Economic Opportunity Act Earning Exemption--A grace period is provided for action by States that have not had regular legislative sessions, whose public assistance statutes now prevent them from disregarding earnings of recipients received under titles I and II of the Economic Opportunity Act.

Income Exempt Under Another Assistance Program--Any amount of income which is disregarded in determining eligibility for a person under one of the public assistance programs shall not be considered in determining the eligibility of another individual under any other public assistance program.

JUDICIAL REVIEW OF STATE PLAN DENIALS

A State dissatisfied with the Secretary's decision with respect to a State plan under the Social Security Act or with his action under such programs or non-compliance with State plan conditions in the Federal law may appeal to the courts for a review of the Secretary's decision or actions. A limitation of 30 days is placed on the time between the Secretary's receipt of a petition from the State and the time that a hearing is set.

DEFINITION OF MEDICAL ASSISTANCE FOR THE AGED

The definition of medical assistance for the aged is changed so as to allow Federal sharing in both old-age assistance and medical assistance for the aged in the first and last month of care in a medical institution, effective July 1, 1965. The cost in both is estimated to be about \$2 million a year from general revenues.

SIGNIFICANT DATES AND EVENTS LEADING TO ENACTMENT OF A PROGRAM OF HEALTH INSURANCE AND MEDICAL CARE FOR THE AGED

The issue of providing medical care for the people of the United States has been one of growing concern to the Congress over the past twenty years. In 1945 (also in 1947 and in 1949), President Truman proposed--without success--a broad medical insurance plan. Even earlier, such a plan had been endorsed by many congressmen and various bills to provide for it had been introduced.

1935

January 17: The *Report of the President's Committee on Economic Security* was sent to Congress and formed the basis of the Social Security Act passed later in the year. The report endorsed the principle of compulsory national health insurance but made no specific program recommendations. In submitting his report, President Roosevelt said, "I am not at this time recommending the adoption of so-called 'health insurance,' although groups representing the medical profession are cooperating with the Federal Government in the further study of the subject, and definite progress is being made." It has been reported that national health insurance was not recommended because the controversial nature of the proposal might have prevented enactment of the entire Social Security Act. Also available medical facilities were believed to be inadequate for a health insurance program. First priority was given to improving and expanding them through public health facilities grants, which were included in the Social Security Act.

1943

The first "Wagner-Murray-Dingell" bill (S. 1161 -- H.R. 2861) was introduced by Senators Robert F. Wagner of New York, James E. Murray of Montana, and Representative John D. Dingell, Sr. of Michigan. The bill provided for major changes in the Social Security Act and for creation of a compulsory national health-insurance system for all people. The program was to have been financed through a payroll tax. Congress took no action on the proposal.

1944

January 11: President Roosevelt outlined in his *State of the Union Message*, an "economic bill of rights," which included "the right to adequate medical care and the opportunity to achieve and enjoy good health." However, he did not subsequently make any proposal for health insurance.

January 19: The Social Security Board, in its *Eight Annual Report* to Congress, specifically called for compulsory national health insurance to be incorporated into the Social Security system.

1945

January 6: President Roosevelt in his *State of the Union Message* again referred to the right to "good medical care" but made no specific recommendations.

June 3: Senators Wagner and Murray and Representative Dingell reintroduced, as S. 1050 and H.R. 3293, the same program they had sponsored in 1943.

November 19: In a special message to Congress, President Truman proposed a comprehensive, prepaid medical insurance plan for all people, through the social security system. The plan would have covered doctor, hospital, nursing, laboratory and dental services for people covered by the social security program; it would also have provided benefits financed from general Federal revenues for needy people. Mr. Truman's proposal was immediately introduced by Senators Wagner and Murray as S. 1606 and by Representative Dingell as H.R. 4730.

1946

S. 2143, authorizing some \$230 million a year in Federal grants to the States for comprehensive medical care for people who could not otherwise afford it, was introduced by Senator Robert A. Taft of Ohio, who opposed the President's proposal as a "socialistic measure." The bill, which also allowed States to pay part of private health insurance premiums for those who needed help in meeting the cost, was endorsed by the American Medical Association.

Congress conducted hearings both on the Taft bill and on the Administration's proposal, but took no further action.

1947

President Truman, in a special message to the Republican-controlled Congress, again, requested and Senators Wagner and Murray sponsored (S. 1320) a compulsory national health-insurance program. Senator Taft also reintroduced (S. 545), his version of a health bill. The 80th Congress conducted hearings on the bills, but did not act on them.

1949

January 5: In his *State of the Union Message* (delivered this time to a Congress with Democratic majorities in both houses), President Truman again called for compulsory national health insurance for persons of all ages, financed by a Federal payroll tax.

April 22: The President, in a special message, repeated his request for national health insurance. Organized labor, many northern Democratic Congressmen and private organizations of professional workers in the social welfare field favored broad Federal responsibility in this area. They backed proposals for a compulsory national health-insurance system financed by a Federal payroll tax (like the social security payroll tax) that would pay the costs of health services for most people, without regard to age or means. President Truman, on a number of sequent occasions, continued to urge the Congress to enact such legislation.

Hearings were held on S. 1679 and H.R. 4312, bills sponsored by Senators Murray and Wagner and Representative Dingell and others, to achieve the Administration's proposal. The hearings evoked sharp controversy and severe criticisms of the Administration. There were strong advocates of national health insurance, headed by the Committee for the Nation's Health--an *ad hoc* organization whose leaders included Eleanor Roosevelt, attorney Abraham Fortas, Chester Bowles, Russell Davenport, Mrs. Leon Keyserling, AFL and CIO Presidents William Green and Philip Murray, Mrs. Albert Lasker and Robert F. Wagner, Jr. The AFL, CIO, Americans for Democratic Action, Physicians Forum, National Farmers Union, American Veterans Committee, Consumers Union, the railroad unions and American Association of Social Workers endorsed the proposal.

The American Medical Association was strongly opposed to a national health insurance program. Other groups testifying against enactment of the program included the American Dental Association, American Pharmaceutical Association, Blue Cross-Blue Shield Commissions, Chamber of Commerce of the U.S., Committee for Constitutional Government, American Legion, American Farm Bureau Federation, National Grange, General Federation of Women's Clubs, Health Insurance Council, Health and Accident Underwriters Conference, and National Catholic Welfare Conference.

After extensive consideration of the controversial issue, Congress took no action in either chamber on the bills.

1950

President Truman repeated his earlier request for compulsory national health insurance, but Congress again failed to act on it.

H.R. 6000 providing Federal grants to States for medical care of public assistance recipients was enacted and became the 1950 Social Security Act Amendments (P.L. 81-734). Under the new law, Federal matching grants could be made to the States, not only for direct payments for living expenses of dependent children and the needy aged, blind, and disabled but also for "vendor payments"--payments for treatment of people on public assistance made by the State directly to doctors, nurses and health-care institutions.

1952

February 26: Federal Security Administrator Oscar Ewing, in a speech to B'nai B'rith women's group in New York, proposed a substitute measure limited to payment through the Social Security system of hospital costs for retired beneficiaries and their dependents as a step toward a larger goal. S. 3001, H.R. 7484 and H.R. 7485, embodying Mr. Ewing's proposal, were introduced by Senator James E. Murray of Montana, Representatives John Dingell of Michigan and Emanuel Celler of New York. No Congressional action was taken on the Murray-Dingell-Celler bills in 1952.

During his campaign for President, Dwight D. Eisenhower opposed compulsory national health insurance as "socialized medicine," but he promised to help needy persons meet the costs of health care.

1954

January: President Eisenhower, with the objective of enabling private insurance companies to broaden their coverage, proposed Federal reinsurance for any private company as protection against heavy losses on health insurance. After the first five years, the program could be self-financing with funds derived from premiums paid by the insurance companies. H.R. 8356 and S. 3114 were introduced as the Administration's proposals.

May 17: Following a meeting with President Eisenhower, the executives of 17 life insurance companies issued a statement "favoring the general objectives of the bill." The Eisenhower proposal was sharply criticized by the American Medical Association as "the opening wedge toward socialized medicine," and as leading to Federal domination of the insurance field. A number of insurance industry spokesmen also opposed the measure.

The Committee for the Nation's Health and spokesmen for organized labor also opposed the reinsurance plan on the basis that it was inadequate and would not result in moderate-cost commercial insurance for such high-risk groups as the elderly and chronically ill, who--although they were most in need of help--could not purchase private insurance. They also expressed the belief that the reinsurance program might prevent enactment of a bill to provide adequately for national health care.

H.R. 8356, the President's reinsurance proposal, was reported by committees of both the House and Senate.

July 13: Following floor debate on the proposal, the House voted 238 to 134 to recommit H.R. 8356, and there was no further action on the bill.

1956

Marion B. Folsom, Secretary of Health, Education, and Welfare, requested Congress to enact legislation proposed in S. 4172, which would permit small insurance companies and voluntary health insurance groups to pool resources in expanding their hospital and medical expenses coverage. Congress did not act on the proposal.

1957

President Eisenhower recommended the proposal made by Secretary Folsom in 1956, but again there was no action by the Congress on the recommendation.

H.R. 9467, a bill proposing the social security approach to health care for the elderly, was introduced by Representative Aime J. Forand of Rhode Island. Organized labor began a public campaign to raise the social security payroll tax and to use the additional proceeds to finance costs of surgery and up to 120 days of combined hospital and nursing-home care for aged social security beneficiaries. Congress took no action.

1958

The Committee on Ways and Means of the House of Representatives held extensive public hearings on proposals for health insurance for the aged, but concluded that more information was needed before any legislation in this field could be recommended. They requested the Secretary of Health, Education, and Welfare to study and report on possible ways of providing insurance against the cost of hospital and nursing home care for social security beneficiaries and on the benefit costs and administrative implications of the different alternatives.

1959

H.R. 4700 was introduced by Representative Forand to provide hospital, surgical, and nursing home benefits for old-age and survivors insurance beneficiaries using the social security administrative mechanism; the program was to be financed by an increase in the social security tax. A number of alternative proposals were subsequently introduced in both the House and the Senate, but were not enacted.

The Senate Committee on Labor and Public Welfare established a special Subcommittee on Problems of the Aged and Aging (the McNamara Subcommittee) to conduct a comprehensive study of the major problems of the aged. The subcommittee held public hearings throughout the country, primarily on the health needs of the aged.

182

September 3: Report by the Secretary of Health, Education, and Welfare, *Hospitalization Insurance for OASDI Beneficiaries*, to the Committee on Ways and Means of the House of Representatives brought together information on the characteristics of the aged, their income and assets, their use of medical services, and the extent to which they are covered by voluntary health insurance. It also outlined and presented cost estimates for several alternative methods of providing hospital benefits through the Social Security system for aged persons. The report also outlined various methods of stimulating voluntary insurance, subsidies to private insurance carriers, and Federal assistance to the medically indigent but did not recommend specific action.

July: The Secretary of Health, Education, and Welfare testified at the beginning of five days of public hearings on H.R. 4700 conducted by the Committee on Ways and Means:

"There is general agreement that a problem does exist. The rising cost of medical care, and particularly of hospital care, over the past decade has been felt by persons of all ages. Older persons have larger than average medical care needs. As a group they use about two and a half times as much general hospital care as the average for persons under age 65 and they have special need for long-term institutional care. Their incomes are generally considerably lower than those of the rest of the population, and in many cases are either fixed or declining in amount. They have less opportunity than employed persons to spread the cost burden through health insurance. A larger proportion of the aged than of other persons must turn to public assistance for payment of their medical bills or rely on "free" care from hospitals and physicians. Because both the number and proportion of older persons in the population are increasing, a satisfactory solution to the problem of paying for adequate medical care for the aged will become more rather than less important."

The Secretary did not regard H.R. 4700 as a satisfactory solution to the problem, since he believed that the objective of making adequate medical care available to the aged population should be achieved through voluntary action. He also indicated that there were problems relating to the adequacy and cost of existing health insurance for aged persons and that the Department was continuing to study possible methods of strengthening the voluntary approach.

During the hearings on H.R. 4700, numerous witnesses testified both for and against proposals for health benefits for aged persons through the Social Security system. The American Medical Association, a number of State medical societies, the American Hospital Association, the Chamber of Commerce of the United States, the Health Insurance Association of America, the American Life Convention, the Life Insurance Association of America, and others opposed the Social Security approach, and some opposed any Federal action. Their major arguments related to the fear of Government control of hospital costs and of medical practice, the danger that overutilization of hospital facilities would cause the quality of care to decline, and the fear that hospital insurance for the aged would be but the first step toward Federal health insurance for all. They also raised the question whether the aged were as badly off financially as pictured, and pointed out that the most needy among the aged do not get old-age and survivors insurance benefits and would not, therefore, be helped by a program geared to the social security system.

Those who supported H.R. 4700 testified to the growing need for using the social insurance system to meet the higher-than-average medical costs of the aged. This would assure immediate broad coverage and a mechanism for prepayment without the need for a means test for medical care. They pointed to the shortcomings of private insurance policies and the advantages to hospitals and private insurance carriers if the costs of the aged group were paid by Government. Suggestions were made to drop surgical benefits, and to add outpatient diagnostic and visiting nurse services with the objective of curtailing the use of hospitals. Hearings concluded; no further action occurred that year on proposals for medical care for the aged.

1960

February 15: In its *First Annual Report*, the Special Senate Subcommittee on Problems of the Aged and Aging of the Labor and Public Welfare Committee stated: "The No. 1 problem of America's senior citizens is how to meet the costs of health care at a time when income is lowest and potential or actual disability is at its highest. Its solution should have top priority for legislative consideration in 1960."

March 14-June 3: The Committee on Ways and Means of the House of Representatives began hearings and considered possible amendments to the Social Security Act. A large part of the time was devoted to the issue of medical care for the aged. The Committee Chairman requested the Secretary of Health, Education, and Welfare and his technical staff to sit with the Committee during most of its sessions.

March 31: By a vote of 17 to 8 the Ways and Means Committee tabled the Forand proposal for a program of hospital insurance for the aged.

April: The Special Senate Subcommittee on Aging held hearings in Washington, D.C., primarily on the health needs of the aged. The lineup of groups testifying for and against provision of medical benefits through social security was similar to that at the 1959 hearings before the Committee on Ways and Means. Some new information on the medical needs of the aged was introduced; the Secretary of Health, Education, and Welfare again testified that he was exploring various alternatives.

April 7: S. 3350, introduced by Senator Javits and seven other Republican senators, would have provided Federal matching grants to States for the cost of health insurance for persons aged 65 and over. Six identical bills were introduced in the House.

May 4: In testimony before the Committee on Ways and Means, Secretary of Health, Education, and Welfare Arthur S. Flemming, presented the Eisenhower Administration's proposal for a Federal-State program of protection against the cost of long-term and expensive illness for low-income people aged 65 and over. Participation would have been optional with an income test to determine eligibility. The States, the Federal Government (from general revenues) and enrollees (by fees of \$24 a year) would have shared in financing a broad range of medical benefits.

May 6: Senator McNamara and 18 other Democratic senators introduced S. 3503, based in part on the hearings of his subcommittee and designed to meet some of the criticisms made of the Forand bill. S. 3503 provided for a special retirement test to determine eligibility for health benefits including hospital and nursing home care, outpatient diagnostic services and the cost of expensive drugs. Benefits for people covered by social security would be paid from increased payroll taxes; for other aged people, from general revenues. Senator John F. Kennedy of Massachusetts had, earlier in the session, sponsored S. 2915, a Senate version of the Forand bill.

July 13: After more than three months' consideration, the Committee on Ways and Means reported to the House H.R. 12580, the Social Security Amendments of 1960. The bill established a new title XVI of the Social Security Act, providing Federal grants to the States to help pay the costs of medical services for aged people not on Public Assistance but unable to meet their medical expenses.

June 23: H.R. 12580 was considered in the House under a closed rule (preventing any amendments from the floor) and was passed, 381 to 23.

June 29-30: The Senate Finance Committee held public hearings on H.R. 12580. In his testimony before the Committee, the Secretary of Health, Education, and Welfare endorsed the proposed medical assistance title. He pointed out, however, that the new program would not help the aged make advance provisions for meeting the costs of illness. He repeated the Administration's objections to the social insurance approach and recommended financing medical care for the aged through general revenues.

June 30: S. 3784, introduced by Senator Saltonstall, was the proposal endorsed by the Administration and described by Secretary Flemming in his testimony on May 4.

The 1960 *Annual Conference of Governors* approved a resolution urging Congress to adopt "a health insurance plan for persons 65 years of age and over to be financed principally through the contributory plan and framework of the old-age, survivors, and disability insurance system." This resolution was submitted to the Senate Committee on Finance.

July 31: Senator Kennedy, the Democratic Presidential candidate, issued a statement saying enactment of some version of his bill (S. 2915) was one of his five chief legislative goals for the August session. (Congress had adjourned for the Democratic and Republican National Conventions with an August date set for reconvening.) In the Senate Finance Committee, Senator Clinton P. Anderson of New Mexico proposed a revised version of the Forand-Kennedy bill as an amendment to H.R. 12580, but it was rejected by a vote of 12 to 5. The Committee, instead, liberalized the medical-care provisions of H.R. 12580.

August 19: The Senate Finance Committee reported out H.R. 12580, with a number of changes in the medical-care provisions.

January: The White House Conference on Aging developed clear-cut evidence that aged people--as a group--have incomes too low to finance their heavy medical costs. The nature and dimensions of the problem were defined in the background papers prepared under the direction of National planning committees and in the factual reports developed by each State.

August 23: On the floor of the Senate three major amendments relating to medical care for the aged were debated. All accepted the medical assistance provisions of the bill as reported by the Finance Committee, but proposed to add other medical care programs. Senator Anderson, with Senator Kennedy's strong backing, offered as a floor amendment a proposal authorizing hospital, nursing home, visiting nurse and out-patient diagnostic services for people aged 68 and over who were eligible for Social Security benefits. The amendment was defeated on a 44 to 51 roll-call vote. Also rejected--by a 28 to 67 vote--was a proposal offered by Senator Javits of New York and backed by Vice President Richard M. Nixon, the Republican Presidential candidate. The Javits amendment combined elements of the Administration's May 4 proposal with his earlier bills which had emphasized Federal assistance to voluntary prepayment health plans for the low-income aged.

An amendment introduced by Senator Long of Louisiana, to permit Federal matching of vendor payments under title I of the Social Security Act to public mental and tuberculosis hospitals, was opposed on the grounds that support of public mental and tuberculosis hospitals was a State responsibility and Federal funds made available to States to improve hospital programs should be direct and not through the public assistance program. The supporters of the amendment cited the great need for additional funds for care of patients with mental illness or tuberculosis and argued that the public assistance program should not discriminate on the basis of type of illness. The amendment was adopted by a vote of 51 to 38.

August 24: The Conference Committee agreed to the medical care provisions added by the Senate except for Senator Long's amendment. A provision in the bill as approved by the House was reinstated, to permit the use of Federal funds for 42 days of medical care of a patient in a general hospital as the result of a diagnosis of tuberculosis or psychosis.

August 26: The Conference Report (H. Report 2165) was approved in the House by a vote of 368 to 17.

August 29: On the floor of the Senate, Senator Long argued against adoption of the Conference Committee report. After extensive debate, the Senate approved the report, by a vote of 74 to 11.

September 13: H.R. 12580 was signed by the President and became Public Law 86-778. The new law provided increased Federal grants to States for medical care programs for aged people getting old-age assistance if the increase was spent on vendor medical payments. In addition, a new program (commonly referred to as "Kerr-Mills") of Federal grants to States for vendor medical care programs for aged people not on public assistance but unable to pay for needed medical services was provided. States participating in the program have wide latitude to determine standards of eligibility for benefits and the medical benefits offered.

November: After his election but before his inauguration, the late President Kennedy--as President-Elect--appointed a *Task Force on Health and Social Security for the American People*, with Wilbur J. Cohen as Chairman. The task force was directed to review from among the most pressing and significant health and welfare proposals those which should have priority in the initial phase of the new administration.

1961

January 10: The *Task Force on Health and Social Security for the American People*, reported to the President. The report made a number of recommendations regarding health care, including a program of hospital insurance for the aged through the social security system.

February 9: The President's *Health Message* (H. Doc. No. 85) was the first message ever to be devoted exclusively to the need for a health care program. To help meet the problem of financing the high cost of illness in old age. President Kennedy recommended the addition of a health insurance program to the existing social security system.

February 13: H.R. 4222, the Health Insurance Benefits Act of 1961, proposing a program along the lines set forth by the President, was introduced by Representative King of California. S. 909, a companion bill, was introduced in the Senate by Senator Anderson. The House bill was referred to the Committee on Ways and Means.

February 13: S. 937, introduced by Senator Javits for himself and eight other Republican Senators, contained essentially the same proposal as the amendment offered by Senator Saltonstall on July 9, 1962. (See below.)

July 24-August 4: The Committee on Ways and Means held public hearings on H.R. 4222, but there was no further Congressional action in 1961 on health insurance for the aged.

After Congress adjourned, the Kennedy Administration pledged a "great fight across the land" for enactment of a hospital insurance program for the aged in 1962.

1962

January 11: In his *State of the Union Message*, the President renewed his 1961 request that the old-age, survivors, and disability provisions of the Social Security Act be amended to provide health insurance protection for the aged.

February 27: The President's *Special Message on Health* (H. Doc. No. 347) reiterated President Kennedy's 1961 request for health insurance protection for the aged through the social security system.

June 11: The House Ways and Means Committee began executive sessions for consideration of the Administration's health insurance proposal in the King-Anderson bill. Numerous other proposals for hospital insurance were also before the Congress. Representing examples of the social security approach, in addition to the King-Anderson bills, were the McNamara bill (S. 65), the Lindsay bill (H.R. 11253--the plan of Governor Rockefeller), and a new Javits bill (S. 2664). The McNamara bill was similar to the King-Anderson bill except that it had no deductible amount, was limited to individuals who had "retired" according to an earnings test, and, through general revenue, extended eligibility beyond the social security and railroad retirement beneficiaries to uninsured "retired" aged people. The Lindsay bill (H.R. 11253) provided a benefit package identical to the King-Anderson bill but added an option of increased cash social security benefits for individuals who had private insurance meeting specified requirements. It, too, covered the uninsured aged out of general revenues through a Federal-State grant-in-aid program. The Javits bill (S. 2664) used social security financing to provide retired aged persons under social security or railroad retirement an option of a short-term no-deductible plan, a long-term with deductible plan, or a cash payment toward a private insurance contract. The bill also authorized such benefits for retired uninsured persons out of general revenue. The first major bill to use the income tax credit approach was the Bow bill (H.R. 10755) and its many companion measures. It provided an income tax credit, or a certificate for purchasing insurance for those without income tax liability, of up to \$125 a year for private medical insurance for persons 65 and over, with financing from general revenues.

June 29: Continued inaction by the Committee on Ways and Means prompted Senator Anderson to offer for himself, 20 other Democratic Senators, and five Republican Senators led by Senator Javits of New York, a revised version of the Administration's health insurance bill (S. 909) as a Senate floor amendment to H.R. 10606, the Public Welfare Amendments, then under consideration in the Senate. To meet objections that had been made to certain provisions of S. 909, the Anderson-Javits amendment made several significant modifications in them. These included: (a) health insurance benefits financed from general revenues for aged persons not eligible for monthly cash benefits under the social security or railroad retirement systems; (b) the use of approved private organizations, selected by hospitals or other providers of services, to administer the program; and (c) an option under which beneficiaries could receive the health benefits

through private insurance, group practice, and other voluntary plans, instead of through the Government. Three major alternatives to the Anderson amendment were debated on the Senate floor. The alternatives proposed to meet the need for additional Federal action with respect to financing the health care costs of aged persons either by providing Federal funds to States or by paying a cash supplement to monthly social security benefits to help meet the cost of private insurance.

July 5: Senator Morton proposed an amendment under which States offering approved group insurance plans for the aged through private carriers would have received Federal reimbursement from general revenues up to \$125 a year per participant for premiums paid on behalf of eligible aged persons. Participants could have elected either ordinary or catastrophic illness coverage; the amendment was defeated by voice vote on July 6, 1962.

July 9: Senator Saltonstall proposed an amendment that, in lieu of social security financing, would have provided for a program of Federal matching grants (ranging from one-third to two-thirds) to the States for health benefits for the aged. State plans would have been required to offer the aged a choice among: (1) short-term illness benefits, (2) long-term illness benefits, or (3) private insurance benefits. The Saltonstall amendment was defeated by a vote of 50 to 34 on July 12.

July 9: Senator Bush proposed an amendment under which reimbursement from social security trust funds would have been made to aged social security beneficiaries for the cost of premiums up to \$9 a month for any guaranteed renewable health insurance. The Bush amendment was defeated on July 13, by a vote of 74 to 5.

July 12: An amendment was proposed by Senator Javits designed to modify the provisions of the Anderson amendment relating to the beneficiaries' option to continue private health insurance protection. Under the Javits proposal, an approved private plan could have provided--in place of the 90-day hospital benefit with a deductible--a 45-day hospital benefit with no deductible. Senator Anderson accepted the proposal and modified his amendment accordingly.

July 13: An amendment offered by Senator Carroll which contained a declaration of congressional intent that enactment of a health insurance benefits program should not result in the loss of any benefits to which an individual may be entitled under a State medical care program was approved by voice vote.

July 17: The Senate by a roll-call vote of 52 to 48 tabled the Anderson amendment. The 87th Congress took no further action on hospital insurance proposals. However, P.L. 87-543 increased Federal participation in the costs to the States of providing medical care for persons on public assistance.

1963

January 14: In his *State of the Union Message*, The President pointed out, "Our working men and women--instead of being forced to ask for help from public charity once they are old and ill--should start contributing now to their own retirement health program through the social security system."

February 21: President Kennedy's proposals for health care for the aged were submitted to Congress in a Special Message on *Aiding Our Senior Citizens*. The program provided for in-patient hospital costs for either (1) up to 90 days with a \$10 a day deductible for the first nine days; (2) up to 180 days with the patient paying the first two-and-a-half days of average costs; or (3) all costs for 45 days. The program also provided 180 days of post-hospital nursing home care; 240 home nursing visits; and outpatient diagnostic services with a \$20 deductible. Financing was provided by increased social security taxes and raising from \$4,800 to \$5,200 the amount of annual earnings subject to the tax.

February 21: The Administration's hospital care bill was introduced in the House of Representatives by Representative King (H.R. 3920) and in the Senate by Senator Anderson (S. 880).

Early in 1963, the Administration's proposals for the improvement of public assistance programs for the aged were introduced in the House of Representatives by Congressman Mills (H.R. 5839) and in the Senate by Senator Anderson (S. 880) as The Senior Citizens' Public Welfare Amendments. The proposed amendments would have provided: (1) protective payments for aged persons; (2) elimination of the time limit on payment of assistance to an aged tuberculosis or mental patient in a general hospital; (3) medical care for old-age assistance recipients comparable to that available to the medically indigent, who receive medical but not cash assistance; (4) liberalized State residence requirements; and (5) standards for housing rented to aged people on assistance.

1964

January 20-24: The Committee on Ways and means resumed the hearings begun the preceding November on H.R. 3920. (During its executive sessions which, continued until early in July, the Committee studied many alternatives to providing for the hospital and medical care of the aged. There was thorough consideration of the extent to which the program of Medical Assistance for the Aged (Kerr-Mills) had been implemented and of ways that it could be improved. After months of deliberation, the Committee decided to report out a bill that did not provide for hospital insurance or for improvement of the (Kerr-Mills) program.

February 10: President Johnson outlined a many-sided attack on the Nation's most serious health problems in a special message to Congress, *Health of the Nation*.

June 24: At the request of Representative King (who could obtain only 12 favorable votes in the Committee--one short of a majority--and seeking to avoid defeat of his bill), the Committee on Ways and Means agreed to postpone action on H.R. 3920.

July 1: Chairman Mills introduced H.R. 11865 providing a 5 percent increase in social security benefits and other improvements in the program but not including any kind of health-care proposal.

July 7: The House Committee on Ways and Means reported favorably to the House the Social Security Amendments of 1964 (H.R. 11865 - H. Rept. 1548).

July 29: H.R. 11865 was passed by the House by a roll-call vote of 388 to 8. The bill was debated under a rule that permitted only Committee amendments, and none were proposed.

August 6: The Senate Committee on Finance began hearings on H.R. 11865. Secretary Celebrezze in testifying on the bill said, ". . . H.R. 11865 is seriously lacking in the area of highest priority need. It fails completely to offer those past 65 an avenue through which they can afford and obtain adequate basic health insurance protection. It thus fails to come to grips with the gravest threat to financial security and peace of mind in old age.

"What is needed to provide security in old age, in sickness as well as in health, is

"First and most urgent, hospital insurance for the aged provided under the social security program so that older people would be assured of being able to meet this major item of expensive health care in a way consistent with dignity and self-respect.

August 17: During consideration of H.R. 11865, the Senate Finance Committee rejected three amendments which would have provided for financing of hospital insurance for the aged through social security. The amendments were: (1) S. 880, the Administration bill, defeated by a 6 to 11 vote; (2) a compromise plan sponsored by Senator Ribicoff of Connecticut to give social security beneficiaries the option of a \$7 a month increase in cash benefits or a \$2 cash increase in combination with a health insurance plan financed through social security, rejected by a 5 to 12 vote; (3) an amendment by Senator Javits, rejected by voice vote, providing hospital and nursing home care financed through social security for people over 65 whether covered by the system or not.

August 20: The Senate Finance Committee reported H.R. 11865 in substantially the same form passed by the House. The report (S. Rept. No. 1513) also contained the following minority views: "The committee-approved bill makes no provision for a program of insurance for hospital and related care for the aged and thus fails completely to meet the most desperate and urgent need of our older people. Until such protection is added to the cash benefits of our present social security program, economic security and peace of mind will continue to lie beyond the grasp of many millions of older Americans. . . .

"It is not enough to provide programs that come to the rescue after the elderly have exhausted their resources and savings, and perhaps, those of their families. We must adopt a way of preventing destitution and dependency.

" . . . social security hospital and nursing insurance would prevent indigency by helping older people meet their health costs before they have been reduced to indigency."

September 2: An amendment to H.R. 11865 providing medical care for the aged financed through social security was offered by Senator Gore of Tennessee. The amendment, which was similar to the Administration bill (H.R. 3920 and S. 880), was adopted by a roll-call vote of 49 to 44.

September 3: The Senate passed H.R. 11865 including health care by a vote of 60 to 28, after defeating by a vote of 23 to 64 an amendment proposed by Senator Prouty of Vermont to eliminate the health care program and increase social security benefits.

September 15: A conference committee was named to reconcile differences between House and Senate versions of the bill. During conference consideration of the differences involved, the House conferees voted 3 to 2 against any kind of social security health plan; Senate conferees voted 4 to 3 not to accept any bill unless some kind of hospital care was included. Since the Senate-House conferees failed to reach an agreement, no further action resulted in 1964.

1965

January 1: *The Report of the Advisory Council on Social Security on the Status of the Social Security Program and Recommendations for Its Improvement* pointed out that older people and disabled people have a special need for protection against the costs of hospital care and related services--they need more care and they have less money to pay for it--and recommended hospital insurance protection for them. The proposal covered inpatient hospital benefits, outpatient diagnostic services, extended-care facilities and home nursing services for social security beneficiaries.

January 4: President Johnson's *State of the Union Message* listed as an item of high priority "help for the elderly, by providing hospital care under social security and by raising benefit payments to those struggling to maintain the dignity of their later years."

January 4: Representative King of California introduced H. R. 1 to provide hospital insurance under the social security program and an increase in cash benefits Senator Anderson of New Mexico introduced S. 1, the Senate companion bill. The bills embodied the Administration's hospital insurance proposal and contained many of the same provisions which had been extensively considered by the Congress in 1964.

January 7: President Johnson's first legislative message to the 89th Congress, *Advancing the Nation's Health*, detailed proposals for a broad health-care program that he termed "practical, prudent and patient." The program included hospital insurance for the aged under social security and health care for needy children; top priority was given to his recommendation for a hospital insurance program for the aged, financed through the social security system.

March 23: The Committee on Ways and Means of the House of Representatives, after six weeks' consideration of H.R. 1, approved by a 17-8 vote a bill to replace the Administration's proposal with an unprecedented package of health benefits and social security improvements. During the years that the subject matter had been before it, the Committee had conducted more days of public hearings on hospital insurance than on any other matter within its jurisdiction in the same period. The vote was historic--the first time that the House Committee had acted favorably on a medical insurance bill for all older citizens.

March 24: H.R. 6675 was introduced by Representative Wilbur D. Mills, Chairman of the Committee on Ways and Means, as the "Social Security Amendments of 1965." The bill established two coordinated health insurance programs under the Social Security Act for people 65 or over: (1) a *basic* plan of hospital insurance and related care under the social security program, with financing through a separate payroll tax and trust fund; and (2) a voluntary *supplementary* plan providing for doctors' fees and other medical and health services, financed by \$3 a month premium payments by each participant matched by an equal amount from Federal general revenues. Undergirding the two new insurance programs would be a greatly expanded medical care program for the needy and the medically needy. The bill also provided for an across-the-board 7 percent increase in social security benefits, for increasing the taxable wage base from \$4,800 to \$6,600, and for other changes.

April 7-8: The House Rules Committee cleared H.R. 6675 promptly for debate on the House floor and granted the Committee Chairman's request for a closed rule (limiting floor amendment of the measure). House debate on the bill began April 7, and it was passed, without amendment, on April 8 by a vote of 313 to 115.

April 28-June 24: The Senate Committee on Finance began public hearings on H.R. 6675, and called Secretary Celebrezze as the first witness. He discussed the provisions of H.R. 6675, and urged enactment of the bill. After extensive public hearings, the Committee began executive session consideration of the bill. Voting on the various provisions started May 25, and continued for nearly a month. During this prolonged period, the Committee, on June 17, approved two amendments sponsored by Senator Russell B. Long of Louisiana--one to provide for unlimited hospital and nursing home care, the other to impose an income test for receipt of hospital and related benefits. This action resulted from the Committee's concern that H.R. 6675 had not provided benefits for long-term illness. Upon reconsideration, the Committee on June 23 reversed its earlier decision, and by a 10 to 7 vote eliminated the income-test provision substituting one proposed by Senator Vance Hartke of Indiana to limit the number of days of hospital care. In its first favorable vote on a hospital insurance proposal, the Senate Finance Committee voted 12 to 5 on June 24 to report favorably H.R. 6675, with amendments. (The Committee had adopted 75 amendments to the House-passed bill.)

July 6-9: During floor debate on the Finance Committee's version of H.R. 6675, the Senate considered a multitude of amendments. By a vote of 51 to 41 on July 8, an amendment by Senator Curtis of Nebraska that would have reduced the Government's share of a patient's medical expenses by an amount equal to his Federal income tax was rejected. On the following day, by a vote of 64 to 26, the Senate turned down a recommittal motion by Senator Curtis to send the bill back to the Finance Committee with instructions to return the bill to the Senate by March 1, 1966, with a new health program patterned on the one available to Federal employees. After a 10-hour session and action upon numerous proposed amendments, the Senate at 8:00 p.m. July 9 passed the bill by a vote of 68 to 21. (The bill contained 513 changes from the version approved by the House; most of them, however, were not substantial and the major features of the two versions were the same.)

July 12-21: The bill was sent to a conference committee for reconciliation of differences between the two versions. The conference committee convened for its first negotiating session on July 14 and promptly settled a major point of disagreement: 60 days of hospitalization were provided with the patient paying a deductible of \$40, and an additional 30 days with the patient paying \$10 a day. Agreement was also reached on the limits for nursing home or extended-care services and for home visits by nurses. The compromise bill on July 21 conformed in all basic respects to the Administration's specifications for a comprehensive medicare program. It included: a hospital insurance program for persons 65 and over, administered by the Social Security system; an optional insurance plan for the elderly to help pay doctor bills and other medical costs; a 7 percent benefit increase retroactive to January 1, 1965; a general liberalization of social security benefits for retired persons and for widows, children, the disabled, and others.

July 26: The Conference Report was returned to both Houses for approval.

July 27: The House ratified the Conference agreement on the bill by a vote of 307 to 116.

July 28: The Senate by a roll-call vote of 70 to 24 gave final Congressional approval to the Administration's medicare-social security bill.

July 30: President Johnson signed H.R. 6675 to provide health insurance for the elderly, and it thereby became law (P.L. 89-97). The President signed the bill in Independence, Missouri, in the presence of former President Harry S. Truman, who opened the fight for such legislation in a message to Congress in 1945.

SELECTED REFERENCES* ON THE LEGISLATIVE HISTORY OF SOCIAL SECURITY

BASIC DOCUMENTS

U.S. COMMITTEE ON ECONOMIC SECURITY. *Report to the President*. 1935. 74 pp. Basis of the Social Security Act of 1935.

_____. *Social Security in America: The Factual Background of the Social Security Act as Summarized from Staff Reports to the Committee on Economic Security*. Published for the Committee on Economic Security by the Social Security Board. 1937. 592 pp.

A study of the Social Security Act of 1935 includes the background of the act in this country and Europe.

U.S. CONGRESS. HOUSE. COMMITTEE ON LABOR. *Unemployment, Old Age, and Social Insurance. Hearings, 74th Congress, 1st Session, on H.R. 2827, 2829, 185, and 10*. 1935. 726 pp.

_____. COMMITTEE ON WAYS AND MEANS. *Economic Security Act. Hearings on H.R. 4120, 74th Congress, 1st Session*. 1935. 1,141 pp.

_____. *The Social Security Bill*. (H. Rept. 615 on H.R. 7260, 74th Cong., 1st sess.) 1935. 45 pp.

_____. SENATE. COMMITTEE ON FINANCE. *Economic Security Act. Hearings on S. 1130, 74th Congress 1st Session*. 1935. 1,354 pp.

_____. *The Social Security Bill* (S. Rept. 628 on H.R. 7260, 74th Cong., 1st sess.) 1935. 55 pp.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL SECURITY ADMINISTRATION. *Annual Report of the Social Security Administration*. 1937 -

Reports for fiscal years 1936-1946 were issued as *Annual Report of the Social Security Board*. Since 1953 the reports constitute a section of the *Annual Report of the Department of Health, Education, and Welfare*.

AMENDMENTS OF 1939

U.S. ADVISORY COUNCIL ON SOCIAL SECURITY. *Final Report . . . December 10, 1938*. (S. Doc. 4, 76th Cong., 1st sess.) 1939. 29 pp.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Social Security. Hearings Relative to the Social Security Act Amendments of 1939, 76th Congress, 1st Session*. 1939. 3 vols.

_____. *Social Security Act Amendments of 1939*. (H. Rept. 728 on H.R. 6635, 76th Cong., 1st sess.) 1939. 121 pp.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Act Amendments. Hearing on H.R. 6635, 76th Congress, 1st Session*. 1939. 554 pp.

_____. *Social Security Act Amendments of 1939*. (S. Rept. 734 on H.R. 6635, 76th Cong., 1st sess.) 1939. 39 pp.

U.S. SOCIAL SECURITY BOARD. *Proposed Changes in the Social Security Act: A Report of the Social Security Board to the President and Congress of the United States*. 1939. 29 pp. (Also printed as H. Doc. 110 (76th Cong., 1st sess.), with text of message from the President, and in the *Social Security Bulletin* January 1939, pp. 4-19.)

AMENDMENTS OF 1946

MURRAY, ANGELA J. "Social Security Act Amendments of 1946." *Social Security Bulletin*, Vol. 9, Sept. 1946, pp. 2-8.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Amendments to Social Security Act. Hearings . . . 79th Congress, 2d Session, on Social Security Legislation*. 1946. 3 vols.

_____. *Social Security Act Amendments of 1946*. (H. Rept. 2526 on H.R. 7037, 79th Cong., 2d sess.) 1946. 42 pp.

_____. SOCIAL SECURITY TECHNICAL STAFF. *Issues in Social Security . . .* 1946. 742 pp.

Describes the insurance and assistance programs and evaluates proposed changes.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Act Amendments of 1946*. (S. Rept. 1862 on H.R. 7037, 79th Cong., 2d sess.) 1946. 41 pp.

*Published by the U.S. Government Printing Office, Washington, D.C., except as noted.

AMENDMENTS OF 1950

COHEN, WILBUR J., and MYERS, ROBERT J. "Social Security Act Amendments of 1950: A Summary and Legislative History." *Social Security Bulletin*, Vol. 13, Oct. 1950, pp. 3-14.

U.S. ADVISORY COUNCIL ON SOCIAL SECURITY. *Recommendations for Social Security Legislation. A Report to the Senate Committee on Finance from the Advisory Council on Social Security.* (S. Doc. 208, 80th Cong., 2d Sess.) 1949. 236 pp.

The Council's reports on old-age and survivors insurance, permanent and total disability insurance, public assistance, and unemployment insurance.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Social Security Act Amendments of 1949.* (H. Rept. 1300 on H.R. 6000, 81st Cong., 1st sess.) 1949. 207 pp.

_____. _____ . *Social Security Act Amendments of 1949. Hearings on H.R. 2892 and H.R. 2893, 81st Congress, 1st Session.* 1949. 2 vols.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Act Amendments of 1950.* (S. Rept. 1669 on H.R. 6000, 81st Cong., 2d sess.) 1950. 319 pp.

_____. _____ . *Social Security Revision. Hearings, 81st Congress, 2d Session, on H.R. 6000, An Act To Extend and Improve the Federal Old-Age and Survivors Insurance System, to Amend the Public Assistance and Child Welfare Provisions of the Social Security Act, and for Other Purposes.* 1950. 3 vols.

AMENDMENTS OF 1952

COHEN, WILBUR J. "Social Security Act Amendments of 1952." *Social Security Bulletin*, Vol. 15, Sept. 1952, pp. 3-9.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Social Security Act Amendments of 1952.* (H. Rept. 1944 on H.R. 7800, 82d Cong., 2d sess.) 1952. 51 pp.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Act Amendments of 1952.* (S. Rept. 1806 on H.R. 7800, 82d Cong., 2d sess.) 1952. 36 pp.

AMENDMENTS OF 1954

COHEN, WILBUR J.; BALL, ROBERT M.; and MYERS, ROBERT J. "Social Security Act Amendments of 1954: A Summary and Legislative History." *Social Security Bulletin*, Vol. 17, Sept. 1954, pp. 3-18.

CONSULTANTS ON SOCIAL SECURITY. *A Report to the Secretary of Health, Education, and Welfare on Extension of Old-Age and Survivors Insurance to Additional Groups of Current Workers.* 1953. 32 pp. (Summarized in the *Social Security Bulletin* September 1953.)

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Social Security Act Amendments of 1954. Hearings, 83d Congress, 2d Session, on H.R. 7199.* 1954. 883 pp.

_____. _____ . *Social Security Amendments of 1954.* (H. Rept. 1698 on H.R. 9366, 83d Cong., 2d sess.) 1954. 98 pp.

_____. _____ . SUBCOMMITTEE ON SOCIAL SECURITY. *Analysis of the Social Security System. Hearings, 83d Congress, 1st Session.* 1953 and 1954. 6 parts and appendixes I and II.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Amendments of 1954.* (S. Rept. 1987 on H.R. 9366, 83d Cong., 2d sess.) 1954. 183 pp.

_____. _____ . *Social Security Amendments of 1954. Hearings, 83d Congress, 2d Session, on H.R. 9366.* 1954. 746 pp.

AMENDMENTS OF 1956

SCHOTTLAND, CHARLES I. "Social Security Amendments of 1956: A Summary and Legislative History." *Social Security Bulletin*, Vol. 19, Sept., 1956, pp. 3-15.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Actuarial Cost Estimates for the Old-Age, Survivors, and Disability Insurance System as Modified by Amendments to the Social Security Act in 1956,* by Robert J. Myers. 1956. 14 pp.

_____. _____ . *Public Assistance Titles of the Social Security Act. Hearings, 84th Congress, 2d Session on H.R. 9120, 9091, 10283, and 10284.* 1956. 358 pp.

_____. _____ . *Social Security Act Amendments of 1955.* (H. Rept. 1189 on H.R. 7225, 84th Cong., 1st sess.) 1955. 72 pp.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security Act Amendments of 1955. Hearings, 84th Congress, 2d Session on H.R. 7225.* 1956. 3 vols.

_____. _____ . *Social Security Act Amendments of 1956.* (S. Rept. 2133 on H.R. 7225, 84th Cong., 2d sess.) 1956. 141 pp.

AMENDMENTS OF 1957

"Social Security Act Amended." *Social Security Bulletin*, Vol. 20, Aug. 1957, pp. 1-2.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Public Assistance Medical Care Provisions of Social Security Act*. (H. Rept. 496 on H.R. 7238, 85th Cong., 1st sess.) 1957. 9 pp.
_____. SENATE. COMMITTEE ON FINANCE. *Medical Care Vendor Payments*. (S. Rept. 473 on H.R. 7238, 85th Cong., 1st sess.) 1957. 13 pp.

AMENDMENTS OF 1958

SCHOTTLAND, CHARLES I. "Social Security Amendments of 1958: A Summary and Legislative History." *Social Security Bulletin*, Vol. 21, Oct. 1958, pp. 3-14.

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. *Social Security Legislation. Hearings, 85th Congress, 2d Session, on All Titles of the Social Security Act*. 1958. 1,205 pp.

_____. _____ . *Social Security Amendments of 1958*. (H. Rept. 2288 on H.R. 13549, 85th Cong., 2d sess.) 1958. 79 pp.

_____. SENATE. COMMITTEE ON FINANCE. *Social Security. Hearings, 85th Congress, 2d Session, on H.R. 13549*. 1958. 448 pp.

_____. _____ . *Social Security Act Amendments of 1958*. (S. Rept. 2388 on H.R. 13549, 85th Cong., 2d sess.) 1958. 78 pp.

BREWSTER, AGNES W. *Health Insurance and Related Proposals for Financing Personal Health Services; a Digest of Major Legislation and Proposals for Federal Action, 1935-57*. U.S. Department of Health, Education, and Welfare; Social Security Administration. 1958

AMENDMENTS OF 1960

MITCHELL, WILLIAM L. "Social Security Legislation in the Eighty-sixth Congress." *Social Security Bulletin*, Vol. 23, Nov. 1960. pp. 3-20.

U.S. ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING. *Financing Old-Age, Survivors, and Disability Insurance. A Report . . . Findings and Recommendations*. 1959. 30 pp. (Reprinted in the *Social Security Bulletin*, February 1959.)

U.S. CONGRESS. SENATE. COMMITTEE ON LABOR AND PUBLIC WELFARE. *National Health Program, 1949*. (Hearings on S. 1106, S. 1456, S. 1581, and S. 1679, 81st Congr. 1st sess.) 1959.

_____. _____ . SPECIAL COMMITTEE ON AGING. *Aged and Aging in the United States: A National Problem*. (Report No. 1121). February 15, 1960.

_____. _____ . *The Aged in Mental Hospitals, a Report*. 1960.

_____. HOUSE. COMMITTEE ON WAYS AND MEANS. *Hospitalization Insurance for OASDI Beneficiaries*. A report by the Secretary of Health, Education, and Welfare. Committee Print. April 3, 1959.

_____. _____ . *Social Security. Hearings on H. R. 4700*, to provide insurance against the costs of hospital, nursing home and surgical services for persons eligible for old-age and survivors insurance benefits. July 1959.

_____. _____ . *Hearings on major problems of the aged, primarily on health needs*. April 1960.

_____. _____ . *Report on The Social Security Amendments of 1960, H. R. 12580*, (H. Report No. 1799). June 13, 1960.

_____. SENATE. COMMITTEE ON FINANCE. *Hearings on The Social Security Amendments of 1960*, June 29-30, 1960.

_____. _____ . *Report on H. R. 12580*, (S. Report No. 1856). August 19, 1960.

_____. _____ . *Conference Report on H. R. 12580*, (H. Report No. 2165). August 25, 1960.

AMENDMENTS OF 1961

COHEN, WILBUR J. AND MITCHELL, WILLIAM L. "Social Security Amendments of 1961: Summary and Legislative History." *Social Security Bulletin*, Vol. 24, Sept. 1961. pp. 3-11.

WHITE HOUSE CONFERENCE ON AGING. *Policy Statements and Recommendations*. February 1961.

U. S. CONGRESS. SENATE. SPECIAL COMMITTEE ON AGING. *Comparison of Health Insurance Proposals for Older Persons, 1961*. Committee Print. April 3, 1961.

_____ . *State Action to Implement Medical Programs for the Aged*. A staff report. June 8, 1961.
_____ . *Health and Economic Conditions of the American Aged*. A Chart book. June 1961.
_____ . *Basic Facts on the Health and Economic Status of Older Americans*. June 2, 1961.
_____ . *Mental Illness Among Older Americans*. Committee Print. September 8, 1961.
_____ . *Some Current Facts About the Nation's Older People*. Fact Sheet. October 2, 1961.

_____ . HOUSE. COMMITTEE ON WAYS AND MEANS. *Executive Hearings on H. R. 4751, The Health Insurance Benefits Act of 1961*. (87th Congr., 1st sess.) March 9, 13, 22, 24, and 27, 1961.

_____ . *Report on Social Security Benefits and Eligibility*. (H. R. 6027. H. Report No. 216) April 7, 1961.

_____ . Debate on H. R. 6027. *Congressional Record* (Vol. 107, No. 67) April 20, 1961.

_____ . SENATE. COMMITTEE ON FINANCE. *Hearings on H. R. 6027*. May 25 and 26, 1961.

_____ . *Report on H. R. 6027*. (S. Report No. 425) June 20, 1961.

_____ . Debate on H. R. 6027. *Congressional Record*. (Vol. 107, No. 106) June 26, 1961.

_____ . HOUSE AND SENATE. Debate on Conference Report on H. R. 6027. (H. Report No. 611) *Congressional Record* (Vol. 107, No. 109). June 29, 1961.

_____ . HOUSE. COMMITTEE ON WAYS AND MEANS. *Hearings on H. R. 4222, Health Insurance Benefits Act*. July 24, 26, 27, 28, and 31 and August 1, 2, 3, and 4, 1961.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE RIBICOFF. *Report on Health Insurance*. (Printed in House hearings on H. R. 4222, Vol. 1, pp. 67-180).

SOCIAL SECURITY ADMINISTRATION. *Actuarial Cost Estimates for Health Insurance Benefits Bill*. Actuarial Study No. 52. (Printed in House hearings on H. R. 4222, Vol. 1, pp. 41-66.)

SOMERS, H. M. AND A. R. *Doctors, Patients, and Health Insurance*. Brookings Institution. Washington, D. C. 1961.

PUBLIC HEALTH SERVICE. *Hospitalization in the Last Year of Life*. PHS Publication No. 584-D3. June 1961.

AMENDMENTS OF 1962

PRESIDENTIAL MESSAGE. *Health Program*. (H. Doc. No. 347) February 27, 1962.

U.S. CONGRESS. SENATE. Amendment 6-29-62-A to H. R. 10606, the public welfare bill, proposed by Senator Anderson to provide health insurance benefits. June 29, 1962.

_____ . Debate on Anderson amendment to H. R. 10606. *Congressional Record* (Vol. 108, Nos. 112-121) July 3-17, 1962.

_____ . SPECIAL COMMITTEE ON AGING. "Problems of the Aged and Aging," prepared for the Committee on Education and Labor, House of Representatives. (Hearings, Pt. 1.) 1962.

_____ . *Comparison of Health Insurance Proposals for Older Persons 1961-1962*. Committee Print. May 10, 1962.

_____ . *The Farmer and the President's Health Program*. May 17, 1962.

_____ . *Performance of the States, 18 Months of Experience with the Medical Assistance for the Aged (Kerr-Mills) Program*. Committee Print. June 15, 1962.

_____ . *Background Facts on the Financing of the Health Care of the Aged*. Committee Print. May 24, 1962.

_____ . *Statistics on Older People, Some Current Facts About the Nation's Older People*. June 14, 1962.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE. "The Older Population." (Printed in *Health, Education, and Welfare INDICATORS* for November 1962.)

_____ . *The Health Care of the Aged*. 1962.

_____ . SOCIAL SECURITY ADMINISTRATION. A discussion of proposals for health insurance for the aged. *Social Security Bulletin*, (Vol. 25, No. 10) pp. 17-21. October 1962.

AMERICAN MEDICINE: THE FORENSIC QUARTERLY. (Vol. 37, No. 3; August 1963) The following articles prepared at the request of The Committee on Discussion and Debate of the National University Extension Association:

CELEBREZZE, ANTHONY J. *Social Security and Hospital Insurance for the Aged.*

COHEN, WILBUR J. *Economic Problems in the Distribution of Medical Care.*

BALL, ROBERT M. *Hospital Insurance for the Aged.*

WINSTON, ELLEN. *The Welfare Administration and Medical Care.*

TERRY, LUTHER L. *The Current Status of Medical Care in the United States.*

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. Hearings on H. R. 3920, the Administration's *Hospital Care Bill*. November 18-22, 1963. January 20-24, 1964.

PRESIDENTIAL MESSAGE *Health of the Nation*. February 10, 1964.

_____ . SENATE. COMMITTEE ON FINANCE. Hearings on H. R. 11865, the *Social Security Amendments of 1964*. August 6-20, 1964.

_____ . Debate on H. R. 11865. *Congressional Record*. September 2-3, 1964.

AMENDMENTS OF 1965

U.S. ADVISORY COUNCIL ON SOCIAL SECURITY. *The Status of the Social Security Program and Recommendations for Its Improvement*. Findings and Recommendations. 115 pp. (Reprinted in the *Social Security Bulletin*, March 1965).

PRESIDENTIAL MESSAGE. *Advancing the Nation's Health*. January 7, 1965.

CONGRESS AND THE NATION, 1945-1964. *History of Medical Care Proposals, 1945-1964*. (Printed in *Congressional Quarterly*, 1965. pp. 1151-1155).

U.S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. Executive Hearings on *Medical Care for the Aged* on H. R. 1 and other proposals. (Pt. 1 and Pt. 2, January 27, 28, February 1, 2, 3, 4, 5, 8, 9, 10, and 16, 1965) 898 pp.

_____ . Report on Social Security Amendments of 1965 (H. Report No. 213 on H. R. 6675). March 29, 1965. 264 pp.

_____ . Debate on H. R. 6675. *Congressional Record*, April 7-8, 1965.

_____ SENATE. COMMITTEE ON FINANCE. Hearings on H. R. 6675, the Social Security Amendments of 1965. (Pt. 1 and Pt. 2, April 29, 30; May 3-7, 10-14 and 17-19, 1965) 1256 pp.

_____ Report on H. R. 6675 (S. Report No. 404, Pt. 1 and Pt. 2). June 30, 1965. 563 pp.

_____ Debate on H. R. 6675. *Congressional Record*, July 6-9, 1965.

_____ . HOUSE. Conference Report on H. R. 6675 (H. Report No. 682). July 26, 1965. 70 pp.

HAWKINS, CHARLES E. "Welfare and Child Health Provisions of the Medicare Act: Summary and Legislative History." *Welfare in Review*. Vol. 3, No. 8, August 1965.

COHEN, WILBUR J., and BALL, ROBERT M. "Social Security Amendments of 1965: Summary and Legislative History." *Social Security Bulletin*. Vol. 28, No. 9, September 1965.

Photo A

President Franklin D. Roosevelt signed the original Social Security Act into law on August 14, 1935. Among those present during the ceremony were (left to right) Rep. Robert L. Doughton (N.C.)--Chairman of the House Ways and Means Committee; Rep. Frank Buck (Calif.); Senator Robert Wagner (N.Y.); Senator Robert La Follette (Wisc.); Senator Augustine Lonergan (Conn.); Frances Perkins, Secretary of Labor; Senator William H. King (Utah); Rep. David Lewis (Md.); and Senator Joseph Guffy (Pa.).

Photo B

Thirty years later, former President and Mrs. Truman, Mrs. Johnson, and Vice President Humphrey were with President Johnson in the Truman Library, Independence, Missouri, when he signed the most extensive amendments (P.L. 89-97) ever made to the Social Security Act. Undersecretary of Health, Education, and Welfare Wilbur J. Cohen (third from left) stands with others who worked for enactment of the new law to be greeted by the President and presented with a pen used in signing the 1965 social security amendments. Former Federal Security Administrator Oscar R. Ewing is fifth from the left.

Photo C

The President also presented one of the pens he used to sign the monumental legislation to Robert M. Ball, Commissioner of Social Security, and exchanged reminiscences with Arthur J. Altmeyer, who helped set up the Nation's social security system and administered it for almost 20 years. Mr. Altmeyer, who became known as "Mr. Social Security," was chairman of the Technical Board (a Subcommittee of the Committee on Economic Security) appointed by President Roosevelt in 1934 to draft social security legislation. As a member of the original Social Security Board (1935), later Chairman of the Board (1937), and subsequently the Commissioner of Social Security, Mr. Altmeyer was top social security official until 1953 and is credited with having administered the new program so well that it has become a permanent feature of American life. Thirty-three congressional leaders also accompanied the President to Independence for the signing ceremony.

Photo A



Photo B



Photo C



CORRECTIONAL REHABILITATION STUDY ACT OF 1965 (P.L. 89-178)

Richard Grant

Public Law 89-178, signed by President Johnson on September 10, 1965, amends the Vocational Rehabilitation Act to provide \$2.1 million in Federal funds for paying part of the cost for conducting a three-year research study of personnel practices, current and projected personnel needs, and availability and adequacy of educational and training resources in the field of correctional rehabilitation.

HIGHLIGHTS OF THE ACT

The study of the field of correctional rehabilitation will include, but not be limited to:

- (a) the availability of educational opportunities for persons in, or preparing to enter the field;
- (b) the adequacy of existing curriculum and teaching methods and practices;
- (c) the effectiveness of present methods of recruiting personnel; and
- (d) the extent to which personnel are utilized to make the best use of their qualifications.

Authorizes special project grants that may be made to one or more organizations--nongovernmental agencies; organizations or commissions composed of leading professional associations; and organizations or agencies active in the field of corrections.

This legislative summary was prepared by Mr. Grant, Executive Secretary, National Advisory Council on Correctional Manpower and Training, Vocational Rehabilitation Administration, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, February 1966

Establishes in the Department of Health, Education, and Welfare a National Advisory Council on Correctional Manpower and Training consisting of the Secretary, or his designee, as Chairman, and 12 appointed members selected from among leaders in fields concerned with correctional rehabilitation or in public affairs, including four from among State or local correctional services. The council, convened by the Vocational Rehabilitation Administration, will consider all applications for grants and will make recommendations to the Secretary.

BACKGROUND

The problems posed by crime and delinquency are of staggering proportions. Serious crime in the United States continued rising in 1964, and was 13 percent higher than in 1963. The total cost of crime, direct and indirect, is estimated at \$27 billion per year.

In the past, approaches to crime and delinquency control have been primitive in comparison with approaches to other social problems such as mental illness. A major reason for this is that there has been no serious effort to provide the kind and number of personnel required for workable prevention and control programs. Rehabilitational programs designed to restore the offender to productive and responsible living cannot be expected in the face of such shortages as:

- . one academic teacher to every 400 offenders in our adult penal institutions;
- . one psychologist to every 2,000 offenders;
- . one psychiatrist to every 4,400 offenders.

P.L. 89-178 is the culmination of several years' work on the part of correctional professionals to attempt to come to grips with shortages of skilled personnel--the one problem common to the entire correctional field. The Nation now has the means for obtaining factual data on the nature and extent of shortages in correctional manpower and the promise of a reasonable action blueprint for meeting these needs.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965, P.L. 89-253

I. Jack Fasteau

On October 9, 1965, the President signed the Economic Opportunity Amendments of 1965 (P.L. 89-253). These amendments provide for the expansion of the programs established by the Economic Opportunity Act of 1964 through June 30, 1968 and the continuation of the administrative patterns established by that Act.

Thus, the Office of Economic Opportunity continues to administer the Job Corps programs (Title I-A), Community Action programs (Title II-A), and Volunteers in Service to America or VISTA (Title VI-A). During FY 1965 OEO delegated the administration of certain antipoverty programs to other Federal agencies. The Department of Health, Education, and Welfare administers three OEO-delegated programs--College Work Study (Title I-C), Adult Basic Education (Title II-B), and Work Experience (Title V). The Department of Labor administers the Neighborhood Youth Corps programs (Title I-B); the Department of Agriculture, the Loan Programs to Combat Poverty in Rural Areas (Title III); and the Small Business Administration, Employment and Investment Incentives (Title IV).

The enactment of the Higher Education Bill of 1965 (H.R. 9567) deletes the College Work Study program from the Economic Opportunity Act and places this program, with considerable expansion and liberalization, in DHEW's Office of Education. The funds to be allocated for this program under the Economic Opportunity Amendments of 1965 will be transferred to the Office of Education and become part of the total authorization for this program under the Higher Education Bill. This amount is more than double the FY 1965 authorization (\$129 million). Preference must still be given to students from low income families, but after this condition has been met, remaining funds can be used for jobs to students from middle income families.

The increased Congressional support for the entire group of programs is reflected in the higher authorizations called for in the 1965 Amendments in the amount of \$1,785 million over that in the 1964 Act (\$947.5 million).

Mr. Fasteau is Coordinator for the Antipoverty Program, Office of the Under Secretary, in the U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Nov. 1965

Principal Provisions of the Economic Opportunity Act of 1964

The Economic Opportunity Act of 1964 (P.L. 88-452) established a variety of programs to combat poverty:

Youth Programs (Title I) included the Job Corps, administered by the office of Economic Opportunity, providing education, work experience, and vocational training in camps or residential centers; a work training program, (now referred to as Neighborhood Youth Corps) administered by the Department of Labor and carried out under agreements with State and local governments and nonprofit organizations; and a college work-study program, administered by the Department of Health, Education, and Welfare and carried out under agreements with institutions of higher learning.

Community Action Programs (Title II) authorized grants administered by the Office of Economic Opportunity, to pay up to 90 percent of the cost of comprehensive antipoverty programs carried out at the community level; also grants to States administered by the Department of Health, Education, and Welfare for basic education and literacy training of adults.

Programs to Combat Poverty in Rural Areas (Title III) authorized loans administered by the Department of Agriculture of up to \$2,500 to low-income rural families as a means of effecting permanent increases in family income; and loans and grants administered by the Office of Economic Opportunity to improve housing, sanitation, education and child care for migrant families.

Employment and Investment Incentives (Title IV) provided for guaranteed loans up to \$25,000 to small business firms to strengthen and improve managerial skills of such enterprises; and is administered by the Small Business Administration.

Work Experience Programs (Title V) authorized by the Office of Economic Opportunity to transfer funds to the Department of Health, Education, and Welfare to pay the costs of providing expanded opportunities for constructive workexperience and training for heads of families and other needy persons through demonstration projects administered by State and local public welfare agencies.

Administration and Coordination (Title VI) authorized by the Office of Economic Opportunity to recruit and train Volunteers in Service to America (VISTA) to serve in specified mental health, migrant, Indian, and Job Corps (Title I) programs as well as in State and community antipoverty programs under the Act.

Of special significance is the authority given to the Director of Office of Economic Opportunity to enlist the aid of other Federal agencies to assist the President in coordinating anti poverty efforts of all Federal agencies. Section 612 of this Title calls for preference to be given to Community Action Programs by other Federal agencies (to the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of the Economic Opportunity Act.)

The 1964 legislation carried a total authorization of \$947.5 million. The Congress subsequently appropriated \$800 million for the administration of the above programs to cover the last eight months fiscal year 1965.

The actual appropriation (for FY 1966) was \$1.5 billion as compared with \$800 million last year.

Recognition that the Federal Government will have to continue the major role in antipoverty programs was given in the 1965 Amendments by extending through FY 1967 the present 90-10 matching formula.

To provide greater flexibility to meet the broad objectives of this Act, the Director has been given authority to transfer up to 10 percent of the funds from one title or program. Other substantive changes provided for by the Economic Opportunity Amendments of 1965 are:

. Governor's Veto Power Restricted--The veto power of Governors over Community Action Programs (CAP) and Neighborhood Youth Corps projects has been limited by giving the OEO Director authority to override this veto if the Director has provided the Governor with an opportunity for an "informal hearing." Also, in communities which have a Community Action Agency, the Director must notify such Agency and the Governor "within five days" after receipt of a CAP project application from a nonprofit agency which is not a member of this local Community Action Agency.

. Work Experience (Title V)--Of special significance to this delegated program is the new authority, under Title II-A (CAP), which provides funds to support special programs for the "chronically unemployed poor." Since Title V projects are "designed to help unemployed fathers and other needy persons to secure and retain employment," this provision permits the OEO (CAP) to establish an essentially identical program with that under Title V.

. Adult Basic Education (Title II-B)--This title has been amended to permit the Adult Basic Education programs to use up to 5 percent of their allocated funds for "Teacher Training projects."

. Community Action Programs--The scope of CAP programs was broadened by the 1965 amendments by removing the specific limitations on these programs that were in the Economic Opportunity Act of 1964.

. Migrants--Title III (Section 311) has been broadened to permit the making of "grants", rather than loans, to private nonprofit institutions and cooperatives in establishing, administering, and operating programs "to meet the special needs of migratory workers in the fields of housing, sanitation, education, and day care of children."

. Aged--A new Section (Title VI-610) entitled "Programs for the Elderly Poor" singles out the aged poor as a special concern of the Economic Opportunity Act.

. Rural Needy--A new Section (Title VI-617) calls for the adoption of measures to assure the equitable distribution of the benefits of this Act to the residents of rural areas.

For purposes of this program, "unemployed workers in farm families" are defined as those having less than \$1,200 net income.

. Cuban Refugees--This amendment permits Cuban "refugees" to be considered as permanent residents of the United States for purposes of participating in the Economic Opportunity programs.

. Disclaimer Provision Removed--The provision requiring Job Corps enrollees (Title I-A) to file an affidavit disclaiming membership in subversive organizations, etc. has been repealed, but the loyalty oath has been retained.

COORDINATION OF OEO AND DHEW PROGRAMS AND ACTIVITIES

The Economic Opportunity Act of 1964 was subtitled, "a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States." This description focuses on the need to coordinate with the new programs established under the 1964 Act the ongoing programs in health, education, income maintenance, and other areas that are part of the overall antipoverty effort.

Under Section 611 of the Economic Opportunity Act of 1964--coordination of antipoverty programs of all Federal departments and agencies--OEO initiated the preparation of *Federal Programs for Individual and Community Improvement* as a catalog listing all of the Federal programs designed to help the poor. The largest number of these programs come within the U.S. Department of Health, Education, and Welfare. Within the Department of Health, Education, and Welfare, the responsibility for coordinating departmental programs is lodged in the Office of the Under Secretary. Progress has been made in coordinating the three programs delegated by the Office of Economic Opportunity to the Department of Health, Education, and Welfare-- College Work Study (Title I-C) and Adult Basic Education (Title II-B) to the Office of Education, and Work Experience (Title V) to Welfare Administration. The relationships of these programs to each other, to other departmental programs, and to OEO is under continuing study and surveillance. (*Health, Education, and Welfare Indicators*, July 1965, carried an article on "The College Work-Study Program.")

In addition, there is a whole range of individual and joint HEW-and OEO-administered programs that must be coordinated. DHEW regional staff have been helpful to the Office of Economic Opportunity in setting up its regional offices, providing information and liaison with State and local leaders, and in encouraging the use of DHEW technical resources. Seven Regional Poverty Coordinators have been added to the DHEW regional staff

A Joint Technical Committee, with representatives from Community Action Programs, Office of Economic Opportunity, Public Health Service, Vocational Rehabilitation Administration, Welfare Administration, and

Manpower Development and Training, is exploring the feasibility of establishing a joint project for training middle-aged and older persons to be home health aides. Passage of "Medicare" makes more pressing the need for such personnel.

Office of Education

. In response to a request by the Senate Labor and Public Welfare Committee, the Office of Education and OEO prepared a joint statement describing in detail how these two agencies would coordinate their respective programs (Title I of the Elementary and Secondary Education Act of 1965 and Title II-A (CAP) of the Economic Opportunity Act) to avoid overlapping and to make maximum use of their respective programs to aid the poor.

. A joint OEO and Office of Education Unit for Education of the Disadvantaged reports that about 45 percent of all CAP projects include educational components. This unit had major responsibility for developing the standards for Program Head Start.

. The Office of Education is assisting in the evaluating of "Upward Bound" projects, and is providing consultation to the Department of Labor on the evaluation of the educational aspects of Neighborhood Youth Corps projects.

Public Health Service

. PHS is attempting through headquarters, its regional staff, and State and territorial health agencies to build links for technical assistance. For example, it has detailed members to OEO for the Appalachian Health Program, regional technical assistance, and for designing health guidelines for the Job Corps, Indian aid training programs, etc.

. PHS has also set up a Health and Poverty Task Force that is exploring the possibility of regional clinics and workshops to develop plans and mechanisms by which States and localities may meet health needs using local resources supplemented by PHS and OEO resources.

Social Security Administration

. The Bureau of Federal Credit Unions is encouraging its regional offices to cooperate with local organizations in establishing federal credit unions as part of the Community Action Program throughout the country; such credit unions are now operating in Washington, D. C. and in other communities.

Welfare Administration

. The Welfare Administration has worked cooperatively with the Adult Basic Education component of the Office of Education in the funding of programs and in the development of literacy education demonstrations projects in New York, New Jersey, and California, and with the Bureau of Employment Security (Department of Labor) with respect to Labor Mobilization demonstrations.

. The Welfare Administration has prepared "Guidelines and Procedures Governing Recommendation of Female Applicants with Dependent Children for Enrollment in Job Corps Training Centers for Women."

Administration on Aging

. Under an agreement with OEO, DHEW's Administration on Aging will provide technical services to OEO's Foster Grandparents Project. Carefully selected and trained older poor persons are being employed to provide much needed personal care to institutionalized children under five years of age. Some 22 sponsoring agencies in 19 States are making foster-grandparent placements in 52 host institutions.

Vocational Rehabilitation Administration

VRA has cooperated with the Office of Economic Opportunity in:

- 1) issuing guides or models on rehabilitation components of CAP and in establishing sheltered workshops;
- 2) planning with the Job Corps for State vocational rehabilitation services to disabled enrollees;
- 3) formulating with interested local, State, and other Federal agencies a project in Atlanta to evaluate the vocational needs and potentials of low-income clients of community programs; and
- 4) providing, through the Arkansas State Vocational Rehabilitation Agency, summer employment supervision and training in a comprehensive rehabilitation center for 180 youths enrolled in the Neighborhood Youth Corps.

The Economic Opportunity Amendments of 1965 validate the original Economic Opportunity Act of 1964 by providing for the substantial expansion of the program. While recognizing the necessity for the continuing major role of the Federal Government in supporting these programs, as evidenced by the 90-10 matching formula, the Amendments re-emphasize the

Federal-State-local partnership in attacking poverty. In addition, a start has been made in carrying out the coordination provision of the original Act, in coordinating not only the programs specifically created by the Act, but also all other Federal antipoverty programs.

SELECTED REFERENCES

CONGRESS OF THE UNITED STATES

89th Congress, 1st Session

Senate, Committee on Labor and Public Welfare

Economic Opportunity Amendments of 1965, Report No. 599, August 13, 1965.

House of Representatives, Committee on Education and Labor

Economic Opportunity Amendments of 1965, Report No. 428, May 27, 1965.

88th Congress, 2nd Session

Senate, Committee on Labor and Public Welfare

Economic Opportunity Act of 1964, Report No. 1218, July 21, 1964. 132 p.

House of Representatives, Committee on Education and Labor

Economic Opportunity Act of 1964, Report No. 1458, June 3, 1964. 96 p.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Under Secretary

"The Economic Opportunity Act of 1964," *Health, Education, and Welfare Indicators*, September 1964.

VOCATIONAL REHABILITATION ACT AMENDMENTS OF 1965 (P.L. 89-333)

The Vocational Rehabilitation Act Amendments of 1965, signed by President Johnson on November 8, 1965, mark the first major revision of the law since 1954.

Authorizing new and expanded vocational rehabilitation programs, the 1965 Act represents a national commitment to provide additional and improved services to prepare greater numbers of physically or mentally disabled young people and adults for suitable employment. For the public vocational rehabilitation program, this Act is a milestone on the road to making the benefits of vocational rehabilitation services available to all the disabled who need and can use them. The Act contains authority for innovative and broadened efforts running the gamut of the vocational rehabilitation field.

HIGHLIGHTS OF THE 1965 LEGISLATION

The amendments contain several major new authorities designed to meet program needs not previously provided for in Federal law. P.L. 89-333 gives new authority to bring additional Federal, State, and local public funds, as well as voluntary resources, into public and voluntary programs of rehabilitation services for the disabled. The Federal government's share of the cost of basic services is raised to a flat 75 percent. One set of new provisions is directed to supporting construction of rehabilitation facilities, including centers and workshops, and to improving facilities now operating. Another set is designed to support special and new efforts to make expanded rehabilitation services available to additional groups with severe disabilities. A third set undergirds planning efforts, including State planning, to bring services to all who need them by 1975 and planning for the orderly development of rehabilitation facilities and workshops.

Significant provisions of the amendments, summarized below, are grouped for convenient reference:

Rehabilitation Facilities

support for construction, alteration and initial staffing of public and private nonprofit sheltered workshops, rehabilitation centers and other rehabilitation facilities;

This legislative summary was prepared by Pearl Peerboom, Program Analysis Officer, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare.

Health, Education, and Welfare Indicators, Dec. 1965

- . support for planning to determine a State's needs for facilities, both public and voluntary;
- . support for workshop improvement of equipment, staffing, and operations, and for training services provided in workshops and facilities including training allowances, and technical assistance to workshops; and
- . establishment of a National Policy and Performance Council to develop criteria and policies to be observed in making training services grants and to advise the Secretary on workshop improvement generally.

Services for the Disabled

- . increased Federal matching of State expenditures for basic services at a flat rate of 75 percent;
- . initial provision of vocational rehabilitation services for limited periods to determine the vocational rehabilitation potential of the disabled individual, for up to six months, and up to 18 months in the case of the mentally retarded;
- . support for special projects to expand the numbers of disabled persons vocationally rehabilitated;
- . elimination of the Federal requirement that an individual's financial need be determined before certain services are provided; and
- . support for special State agency projects to develop innovative efforts to meet needs of severely disabled people.

Planning, Administration, and Training

- . support for State planning for orderly development of comprehensive public and private rehabilitation services in each State with the objective of making vocational rehabilitation services available, by July 1, 1975, to all the disabled who need them;
- . appointment of a three-year National Commission on Architectural Barriers to Rehabilitation of the Handicapped; and
- . extension from two to four years of the ceiling on Federal support for training in rehabilitation fields.

BACKGROUND

Since 1920, when Congress passed the first Vocational Rehabilitation Act (subsequently amended in 1943 and 1954), nearly two million handicapped people have been rehabilitated for jobs under this public program.

Despite the record of providing vocational rehabilitation services that by fiscal year 1965 were preparing 135,000 disabled people a year to live useful, productive, and satisfying lives, there is an evergrowing problem of meeting the needs of the disabled for such services. New techniques of rehabilitation and advances in science and medicine now make it feasible to rehabilitate many of the disabled who could not have been helped in earlier years. An estimated 3.7 million mentally or physically handicapped Americans need rehabilitation services. In addition to amputations and other orthopedic impairments, their disabilities include speech and hearing disorders, blindness, mental retardation, mental illness, tuberculosis, heart and cardiovascular diseases, cerebral palsy, and many other disorders.

In his January 1965 Health Message to Congress, President Johnson recommended a stepped-up program of vocational rehabilitation for the disabled. Under the heading "A New Life for the Disabled," he set a national goal of rehabilitating at least 200,000 handicapped persons a year and urged Congress to enact legislation designed to achieve this goal:

If more fully developed and supported by the States and the Federal Government, this program can be a powerful tool in combating poverty and unemployment among the millions of our citizens who face vocational handicaps which they cannot surmount without specialized help.

Subsequently, the Administration submitted draft legislation designed to provide greater flexibility in the financing and administration of the State rehabilitation programs as well as to authorize new and expanded activities. The programs proposed would encourage the use of new rehabilitation methods, improve the quality of rehabilitation services, and widen the availability of such services by increasing professional staff trained to work with the handicapped and by expanding facilities for disabled people who can reasonably be expected to benefit from rehabilitation services.

The Administration-backed bill (H.R. 6476 and S. 1525) was designed to increase the number of persons rehabilitated annually to 200,000 from the 1965 level of 135,000. Following hearings by the House and Senate Committees and the passage of different bills by the House and the Senate, a conference was arranged. The conference report, House Report 1204, was adopted by voice vote by the Senate on October 21 and by the House on the following day. (The chronological development of the legislative history appears at the end of this article.)

PROVISIONS OF THE 1965 AMENDMENTS

Authorizations for Appropriations

The amendments established dollar and time limits for all of the existing programs and for most of the new ones. Dollar limits or maximum authorizations for appropriations for fiscal years 1966, 1967, and 1968 have been set with substantial program growth as the objective. Amounts for subsequent years must be authorized later by Congress.

Program	Dollar limits (in millions)		
	1966	1967	1968
Basic support of State rehabilitation programs.....	\$300	\$350	\$400
Research, training expansion, and statewide planning projects.....	80	104	117
Innovation projects.....	5	7	9
Facilities construction.....	1.5	7	9
Workshop improvement.....	1.5	9	14
National Commission on Architectural Barriers.....	.25	.25	.25

Federal Matching of Vocational Rehabilitation Costs: Basic Program

The amendments revised the financial arrangement for the basic program of grants to States for vocational rehabilitation services, principally by liberalizing the Federal matching of funds to a flat 75 percent rate. The previous formula for allotting Federal funds to the States, based on each State's population and adjusted per capita income, was retained.

P.L. 89-333, however, requires a reduction in Federal funds if a State reduces its expenditures below the 1965 level of program support. These provisions become effective for FY 1966, except that for FY 1966 a State receives its Federal share for 1965 under previous law plus one-half the difference between that share and 75 percent.

Effective upon enactment, the amendments authorize Federal matching of local public funds available to the State for making vocational rehabilitation services more widely available to residents of local jurisdictions. For this purpose, existing requirements for statewide applicability of services will be waived. Thus, cities and counties may augment services presently provided for local residents by transferring local funds to the State to qualify for Federal financing of expanded or specialized vocational rehabilitation programs at the local level. To the extent permitted by regulations of the Secretary, voluntary private contributions for these purposes made to local governments, which then make them available to the State, could qualify for Federal funds.

Rehabilitation Facilities

Planning grants are authorized to assist States and other public and private nonprofit agencies, institutions, or organizations in the cost of determining statewide and specific needs for rehabilitation facilities and workshops.

Facilities construction grants are authorized over a five-year period to assist in the cost of construction of rehabilitation facilities by public and private nonprofit organizations. Grant funds may be used for new construction; acquisition, expansion, remodeling, alteration, and renovation of existing buildings; land; and initial staffing. Rehabilitation facilities

will be primarily those of a vocational nature. Restitution must be made for the Federal share of the construction of any facility which ceases to be used for that purpose within 20 years.

Financing will be on the same basis as the Hill-Burton construction projects in the State. Under regulations of the Secretary of Health, Education, and Welfare, a State may elect to match Federal grants based on one of the following Federal shares, so long as it is comparable with the Hill-Burton rate for the State: (1) a flat 50 percent; (2) a percentage between one-third and two-thirds based on the State's per capita income level or, if lower, the State's allotment percentage under the Hill-Burton legislation; or (3) a variable percentage between one-third and two-thirds, based on economic differences among regions within the State.

Grants may be used for initial staffing for up to four years, with the Federal share declining, by 15 percent annually, from 75 percent for the first 15 months to a share of 30 percent in the fourth year.

Construction of residential accommodations is authorized in workshops for the mentally retarded and for such other groups as the Secretary may designate.

Several types of support designed to foster workshop improvement are included in the new law. A new five-year program of workshop training services grants to States and to public and private nonprofit organizations and agencies authorizes project grants, with 90 percent Federal sharing of the cost, for training services to handicapped persons in workshops and rehabilitation centers. A project may provide training in occupational skills and other services directly related to training--work evaluation and testing, occupational tools and equipment required by the trainee to engage in the training, and job tryouts. Training allowances may also be provided for up to two years, with a weekly allowance of \$25 for the trainee and \$10 for each dependent up to a maximum of \$65.

The new provision will become effective July 1, 1966; grants will be made only for projects in facilities which meet standards to be set by the Secretary on advice from the National Policy and Performance Council. This new 12-member body is to be appointed by the Secretary from among recognized experts in vocational rehabilitation, workshops, government, business, organized labor, related professions, and the general public. The Council will advise the Secretary more generally on workshop improvement and on the extent to which pertinent provisions of the new legislation are accomplishing their purposes.

The new law authorizes a five-year program, beginning in FY 1966, of workshop improvement grants to pay part of the cost of analyzing, improving, and increasing professional and technical services to handicapped individuals, business management, and other parts of workshop operations to raise their capacity for providing employment and services for handicapped clients.

A provision for technical assistance to workshops, effective upon enactment, authorizes the furnishing of technical assistance of various kinds to aid workshops in solving operating and technical problems. On request, individuals, panels or groups may be detailed for a limited period to consult with a workshop on professional, business, and related aspects of workshop improvement. In some States this service will be furnished, by agreement with the Secretary, by the State rehabilitation agency.

Planning, Administration, and Training

The new law authorizes a two-year program of planning grants to States to help plan the development of statewide comprehensive vocational rehabilitation services in each State. The objective of this program is to make vocational rehabilitation services available by July 1, 1975 to all handicapped individuals needing services in the State. Supported by grants set at an annual maximum of \$100,000 for any one State, the planning will be directed to the orderly development of public and private vocational rehabilitation in the State. Grants may be made to the State rehabilitation agency or to a planning agency established by the Governor for this purpose.

The new law also broadens the choice for the location of a State rehabilitation agency within the State government. Under previous law, the State agency could be located either under the State board of vocational education or as a separate agency or commission. This law broadens the choice to permit location in a State agency which includes at least two other major organizational units, each of which administers one or more of the major public education, public health, public welfare, or labor programs of the States. This provision will become effective July 1, 1967, except where a State has an approved State plan incorporating this provision at an earlier date.

A National Commission on Architectural Barriers to Rehabilitation of the Handicapped, established for a three-year period in the Department of Health, Education, and Welfare, will study existing problems and develop proposals for achieving ready access to, and full use of, facilities by the disabled.

In addition, the amendments provide specific authority for: (1) the conduct, directly or by contract, of research, studies, investigations and demonstrations of rehabilitation methods and techniques for the disabled and of greater use of rehabilitants in suitable employment; and (2) the planning, establishment, and operation of an automated data system for vocational rehabilitation programs and related rehabilitation activities.

To underscore the fact that the program is designed to serve people who have mental handicaps as well as with those who have physical handicaps, the Act is amended in several places to substitute the term "handicapped" for the term "physically handicapped."

The maximum period of Federal training grant support to any individual pursuing a course of professional study in rehabilitation is raised from

two to four years. The law lists as examples of the professional disciplines for which training support is available: physical medicine and rehabilitation, physical therapy, occupational therapy, speech pathology and audiology, rehabilitation counseling, and rehabilitation psychology.

By increasing from \$400,000 to \$500,000 the maximum annual authorizations of Federal funds for its operations, the amendments also support the work of the President's Committee on Employment of the Handicapped.

Special provisions have been made to help States meet the costs of determining a handicapped person's vocational rehabilitation potential--whether a handicapped person can reasonably be expected to become able to engage in remunerative employment after receiving vocational rehabilitation services.

The amendments provide for assessment of a disabled person's potential for rehabilitation while he is getting services during a trial period up to six months--and up to 18 months for mentally retarded individuals and for others in such categories as many be designated by the Secretary. Prior law required State rehabilitation agencies to determine, after initial diagnostic study--but before services were rendered--whether or not a handicapped person could reasonably be expected to become employable after completing a program of rehabilitation services. As a result, many of the handicapped who might have benefited did not receive services.

The amendments authorize a new five-year of project grants to States for innovation of vocational rehabilitation services (formerly extension and improvement projects). Grants will be available for funding projects which: (1) introduce new methods or techniques of vocational rehabilitation services for the handicapped; or (2) are specially designed for development of new vocational rehabilitation services or expansion of existing services to help groups having catastrophic or particularly severe disabilities. Funds are allotted among States on the basis of population only, with a minimum State allotment of \$5,000. Ninety percent Federal sharing will be available for the first three years and 75 percent for the last two years. The provision is effective for FY 1966.

A five-year program of matching grants to public and private nonprofit agencies for projects to expand vocational rehabilitation programs is also authorized with the objective of increasing the number of handicapped persons vocationally rehabilitated.

The previous Federal requirement that an individual's financial need be determined as a qualification for certain vocational rehabilitation services has been eliminated (although States are not thereby restricted from retaining or introducing such a requirement). The Secretary is directed to report to Congress on the effect of this amendment after a year's experience.

State agencies are also authorized to use Federal funds to furnish reader services for blind clients and interpreter services for deaf clients, without regard to the individual's economic need.

The new law further provides that, effective July 1, 1966, State agencies may use Federal grant funds to pay part of the cost of management and supervisory services for vending stands operated by blind persons under the Randolph-Sheppard Act and for small business enterprises operated by other severely handicapped persons to help improve their operations.

FOUNDATION FOR THE FUTURE

With this law the vocational rehabilitation program enters the latter half of the 1960's with a charter for expansion of services essential to meeting the needs of the disabled who have yet to be rehabilitated. Public Law 89-333 will permit reaching the next immediate goal of rehabilitating for suitable employment 200,000 persons annually within the next few years. Beyond that, the 1965 amendments lay the foundation for long-range expansion of facilities, services, and staffing to provide for vocational rehabilitation of larger numbers of disabled persons in an expanding population.

LEGISLATIVE HISTORY ON "VOCATIONAL REHABILITATION ACT AMENDMENTS OF 1965," P.L. 89-333

89th Congress, 1st Session, 1965

January 7	In his Health Message, President Johnson promised a new life for the disabled and recommended legislation.
March 12	Administration proposals to amend the Vocational Rehabilitation Act sent to Congress.
March 15	S. 1525 (Hill, Ala.) introduced in Senate.
March 18	H.R. 6476 (Green, Ore.) introduced in House.
March 26	H.R. 6851 (O'Hara, Mich.) introduced in House.
March 29-30	Hearings on S. 1525 before the Subcommittee on Health, Committee on Labor and Public Welfare, United States Senate.
March 31	H.R. 6971 (Fogarty, R.I.) introduced in House.
April 12	H.R. 7373 (Sickles, Md.) introduced in House to eliminate economic need as eligibility requirement for vocational rehabilitation services.
April 13-14 (Wash.); April 30 (Chicago)	Hearings on H.R. 6476 and similar bills before the Special Subcommittee on Education, Committee on Education and Labor, House of Representatives.
April 15	H.R. 7535 (Pepper, Fla.) introduced in House.
May 12	H.R. 8132; O'Hara (Mich.) reported a "clean" bill.
May 20	H.R. 8310 (Daniels, N.J.) introduced in House.
May 28	House Committee on Education and Labor reported on H.R. 8310 (H. Rept. No. 432).
July 29	House of Representatives unanimously passed H.R. 8310.
Sept. 30	Senate Committee on Labor and Public Welfare reported on H.R. 8310 (S Rept. No. 806).
October 1	Senate unanimously passed H.R. 8310, amended to incorporate the language of S. 1525 and make further amendments.
October 21	Conferees of Senate and House agreed upon compromise bill; Senate passed conference bill.
October 22, November 8	House approved compromise bill. President signed bill.

SELECTED REFERENCES

U.S. CONGRESS, 89th Congress, 1st Session

P.L. 89-333, *Vocational Rehabilitation Act Amendments of 1965*. November 8, 1965.

Senate

Committee on Labor and Public Welfare

Report H.R. 8310, Senate Report No. 806, September 30, 1965.

Subcommittee on Health. Report of Hearings on S. 1625, *Vocational Rehabilitation Act, Amendments of 1965*, March 29 and 30, 1965.

House of Representatives

Conference Report on Vocational Rehabilitation Act Amendments of 1965, H.R. 8310, Report No. 1204, October 21, 1965.

Committee on Education and Labor

Restoring Disabled People to Jobs and Useful Living, Committee Print, October 1965.

Report...on Vocational Rehabilitation Amendments of 1965, to accompany H.R. 8310,

Report No. 432, May 28, 1965.

Special Subcommittee on Education. *Hearings on Vocational Rehabilitation Act Amendments*, H.R. 6476, April 1965.

RELATED PUBLICATIONS

of the
U. S. Department of
HEALTH, EDUCATION, AND WELFARE
Office of the Assistant Secretary
Office of Program Analysis



Handbook on
PROGRAMS
OF THE
U.S. Department of
Health, Education,
and Welfare

- **SURVEY OF CURRENT PROGRAMS** and future program developments
- **PROGRAM OBJECTIVES** of major units of the Department, with five-year summary of fiscal, personnel and other statistics

Monthly
HEALTH
EDUCATION
AND WELFARE
Indicators

- **FEATURE ARTICLES** on important problems and issues in health, education, and welfare
- **CURRENT STATISTICAL INFORMATION** presented through charts, tables, brief text, and source notes

Annual
HEALTH
EDUCATION
AND WELFARE
Trends

- **FURNISHES PERSPECTIVE** on long-term developments and projections in health, education, and welfare, and related fields
- **STATE DATA AND RANKINGS** issued in separate volume

**NEW
DIRECTIONS**
in
HEALTH,
EDUCATION,
and
WELFARE

Background Papers on Current and Emerging Issues

- **BACKGROUND PAPERS** analyzing program developments and needs, selected from monthly *Indicators*

*Reference
Facts on*

HEALTH,
EDUCATION,
AND
WELFARE

- **STATISTICS AND SUMMARY BACKGROUND** information in handy reference format

Articles published in the monthly *Health, Education, and Welfare Indicators* before June 1963 and generally available only in *New Directions in Health, Education, and Welfare* (Superintendent of Documents, Washington, D.C. 20402, \$1.50) include:

Tenth Anniversary of the Department of Health, Education, and Welfare
Community Needs and Goals for Community Services
Marriages, Births, and Population
Investment in Human Resources
Educational Attainment
Library Services

Air Pollution
Water Resources and Pollution Control
Chronic Conditions and Disability
Manpower for Medical Research
Hospital Costs and Insurance
Older Population: Characteristics
Juvenile Delinquency

Articles published in the *Indicators* since June 1963, listed below, will generally be available as reprints.

GENERAL

WELFARE AND INCOME MAINTENANCE

Trends in Divorce and Family Disruption, Sept. 63
Report of the President's Commission on the Status of Women, Oct. 63
Homemaker Service: A Community Resource, May 1964
**1964 Presidential Messages to Congress Relating to Health, Education, and Welfare, Feb.-June 1964
Appalachia, June 1964
Progress in Health, Education, and Welfare, 1961-1964, Jan. 1965
**Older Americans Act, P.L. 89-73*, Aug. 1965, 15 cents
**White-Nonwhite Differentials in Health, Education, and Welfare*, Aug. 1964-Oct. 1965, 50 cents

Illegitimacy and Dependency, Sept. 63
***Poverty in the United States*, Feb. 64
Financing Old-Age, Survivors, and Disability Insurance, Feb. 64
The Civil Rights Act of 1964, Aug. 1964
Community Planning for Concerted Services in Public Housing, Oct. 1964
30th Anniversary of the Federal Credit Unions, Nov. 1964
**The Social Security Act: 1935-1965*
Twenty Million Beneficiaries, June 1965, 15 cents
**Medicare - Social Security Amendments of 1965*, Aug. 1965, 30 cents

HEALTH

EDUCATION

***Nursing Homes, Related Facilities, and Programs*, July 1963
Influenza Epidemic of January-April 1963, Oct. 63
Health Professions Educational Assistance Act, Oct. 63
**Mental Retardation and Mental Illness*, Nov. 63, 35 cents
***Smoking and Health*, Feb. 64
Clean Air, Jan. 64
Indian Poverty and Indian Health, March 1964
***Medical Care and Family Income*, May 1964
Progress in Research on Communication, July 1964
***State Planning for Comprehensive Action to combat Mental Retardation*, July 1964
Training for Service and Leadership in the Health Professions, Aug. 1964
The Hill-Harris Amendments of 1964 to the Hill-Burton Act . . . Sept. 1964
The Nurse Training Act of 1964, Oct. 1964
**Accidents*, Dec. 1964, 30 cents.
**Epilepsy*, Dec. 1964, 20 cents.
Hospital Costs, 1946-1963, Jan. 1965
**Support of Basic Research in the General Medical Sciences*, Apr. 1965, 20 cents.
**White-Nonwhite Mortality Differentials in the United States*, June 1965, 15 cents.

***Vocational Education: Report of the Panel of Consultants*, July 63
***Manpower Development and Training*, Aug. 63
***Education for Home, Health, and Family*, Oct. 1963
*1963: *Year of Legislative Achievements in Education Higher Education Facilities . . . Vocational Education . . . Amendments and Extension of NDEA, School Assistance to Federally Affected Areas and Manpower Development and Training, Enrollments, Federal Funds, and Costs of Higher Education*, Oct. 1963-Feb. 1964, 55 cents.
***Library Services and Construction Act (P.L. 88-269)* March 1964
Education for the Gifted, April 1964
A New Look at School Dropouts, April 1964
Gallaudet College, 1864-1964, April 1964
**Faculty in White and Negro Colleges*, Feb. 1965, 15 cents.
**Elementary and Secondary Education Act of 1965*, May 1965, 20 cents.
**State Variations in Support of Public Schools*, May 1965, 15 cents.
**College Aid for Students*, July 1965
Manpower Legislation and Training, 1965, May-June 1965

* Available from the Government Printing Office at Price stated. ** Supply exhausted. Limited numbers of copies of individual reprints still available may be secured without charge from the Office of Program Analysis, Office of the Under Secretary, U.S. Department of Health, Education, and Welfare, Washington, D.C. 20201. Articles may be reproduced; notification will be appreciated.

The monthly *Health, Education, and Welfare Indicators* is for sale by the Superintendent of Documents, Washington, D.C. 20402, at \$5.00 per year (\$6.25 foreign).

CMS LIBRARY



3 8095 00017226 8

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
Washington, D.C. 20201

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF HEW

Official Business



89th Congress ... 1st Session
