tions. These State agencies are rehabilitating over 112,000 persons annually. This means that those handicapped individuals are actually placed on jobs and have been employed long enough that there is a reasonable expectation that employment is permanent. These agencies are in a position to expand their programs without delay.

5. Question. Why is it suggested that section 3 of the Vocational Rehabilitation Act be used as the legal basis for this program?

Answer. This is an "extension and improvement program." Projects must be designed to extend services to new groups, provide more intensive services to groups of handicapped already being served, or to otherwise extend and improve vocational rehabilitation activities. This section of the Vocational Rehabilitation Act seems ideal to carry out the purpose of H.R. 10440, so far as it relates to handicapped individuals.

6. Question. Is it possible for the Director of the Office of Economic Opportunity to transfer funds to the Secretary of Health, Education, and Welfare for purposes described in the amendment as H.R. 10440 is now written.

Answer. It may be possible. We are not sure. It is extremely unlikely that it would be done without specific authority. We feel that the handicapped need the legal protection of a special provision of the bill. This will enable Congress from year to year to identify specifically rehabilitation aspects of the anti-poverty program and evaluate their effectiveness.

7. Question. How much money do you propose be transferred to the Secretary of Health, Education, and Welfare during the first year for purposes of the amendment?

Answer. Twenty million dollars would make allotments to States large enough to enable them to develop significant projects.

8. Question. How would the funds be allotted to the States?

Answer. Section 3 funds are now allotted on a population basis. We are suggestiong that this be set aside for the new program to enable the Director of the Office of Economic Opportunity and the Secretary of Health, Education, and Welfare to establish criteria for fair distribution of funds among States, as is provided in other titles of the bill.

9. Question. What will be the Federal share of the program?

Answer. We are suggesting a 100-percent Federal share, as is provided for in part A of title V, pertaining to pilot projects and demonstrations in public assistance.

10. Question. What results can be expected with an allotment of $20 million annually?

Answer. Twenty million dollars should be the starting figure. Experience will show needs in future years. The average cost of rehabilitating an individual at the present time is approximately $1,000, which includes all salaries and administrative costs. The average cost under the new program should not be substantially higher. This would mean that between 15,000 and 20,000 additional rehabilitations may be expected per year, after the program has got into full swing. Again, this means successful cases, actually working at the time of closure, not just people who are served with the hope that they will find employment. Incidentally, it is significant that vocational rehabilitation agencies are providing rehabilitation services on an individual basis at a lower average cost than is estimated for vocational training programs only in other sections of this act.

11. Question. Will the vocational rehabilitation agencies participate in other titles of this bill?

Answer. Yes; both public and voluntary agencies will do what they can to help in community action programs, and use other programs as resources, when this is appropriate. The amendment we propose will enable the rehabilitation agencies to make a contribution much more consistent with their experience and knowledge in dealing with problems of poverty on a nationwide basis, than they could do if their activities were confined to existing titles of the bill.

12. Question. Why should vocational rehabilitation be singled out for special attention in this act? Are there other public programs not mentioned in this bill that could make an equal claim for such consideration?

Answer. The most important answer is that handicapped people are likely to be neglected, unless specially provided for. In addition, however, it must be said that vocational rehabilitation is the only nationwide direct service program whose activities are already directed 100 percent toward constructive alleviation of poverty. Its contributions, therefore, to the achievement of the objectives of this bill will be unique. Its participation on a nationwide scale will result in more