

67061154b

FEDERAL PROGRAMS FOR THE DEVELOPMENT OF HUMAN RESOURCES

A COMPILATION OF REPLIES FROM DEPARTMENTS AND
AGENCIES OF THE U.S. GOVERNMENT TO A
QUESTIONNAIRE FORMULATED BY THE

SUBCOMMITTEE ON ECONOMIC PROGRESS

OF THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

Volume 2. Part III (partial)



DECEMBER 1966

Printed for the use of the Joint Economic Committee

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1966

65-735

06-B3856

JOINT ECONOMIC COMMITTEE

(Created pursuant to sec. 5(a) of Public Law 304, 79th Cong.)

WRIGHT PATMAN, Texas, *Chairman*
PAUL H. DOUGLAS, Illinois, *Vice Chairman*

HOUSE OF REPRESENTATIVES

RICHARD BOLLING, Missouri
HALE BOGGS, Louisiana
HENRY S. REUSS, Wisconsin
MARTHA W. GRIFFITHS, Michigan
THOMAS B. CURTIS, Missouri
WILLIAM B. WIDNALL, New Jersey
ROBERT F. ELLSWORTH, Kansas

SENATE

JOHN SPARKMAN, Alabama
J. W. FULBRIGHT, Arkansas
WILLIAM PROXMIRE, Wisconsin
HERMAN E. TALMADGE, Georgia
JACOB K. JAVITS, New York
JACK MILLER, Iowa
LEN B. JORDAN, Idaho

JAMES W. KNOWLES, *Executive Director*
JOHN R. STARR, *Deputy Director*
ESTHER S. HICKEY, *Financial Clerk*
HAMILTON D. GEWEHR, *Administrative Clerk*

ECONOMISTS

WILLIAM H. MOORE
JOHN B. HENDERSON
NELSON D. MCCLUNG
GEORGE R. IDEN
DONALD A. WEBSTER (Minority)

SUBCOMMITTEE ON ECONOMIC PROGRESS

WRIGHT PATMAN, Texas, *Chairman*

HOUSE OF REPRESENTATIVES

HENRY S. REUSS, Wisconsin
MARTHA W. GRIFFITHS, Michigan
WILLIAM B. WIDNALL, New Jersey

SENATE

WILLIAM PROXMIRE, Wisconsin
HERMAN E. TALMADGE, Georgia
JACOB K. JAVITS, New York
LEN B. JORDAN, Idaho

I. M. LABOVITZ, *Consulting Economist*

GENERAL CONTENTS

Volume 1

	Page
Letters of Transmittal.....	III
Part I. Review and Reconnaissance.....	1
Part II. The Inquiry and the Responses.....	87
Part III. Department and Agency Replies.....	103
Questionnaire.....	105

DEPARTMENTS AND AGENCIES

Executive Office of The President: Office of Economic Opportunity.....	111
Departments:	
State.....	162
Treasury.....	165
Defense.....	174
Justice.....	226
Interior.....	239
Agriculture.....	296
Commerce.....	350
Labor.....	366

Volume 2

Health, Education, and Welfare.....	459
-------------------------------------	-----

Volume 3

Housing and Urban Development.....	951
Independent Agencies:	
Appalachian Regional Commission.....	1082
Atomic Energy Commission.....	1086
Civil Service Commission.....	1113
Federal Power Commission.....	1134
National Aeronautics and Space Administration.....	1139
National Science Foundation.....	1155
Railroad Retirement Board.....	1194
Selective Service System.....	1215
Small Business Administration.....	1217
Smithsonian Institution.....	1242
Tennessee Valley Authority.....	1246
Veterans' Administration.....	1277



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

CONTENTS

	Page
Food and Drug Administration.....	459
Office of Education:	
I. General.....	467
II. Programs for elementary and secondary education.....	472
III. Programs for higher education.....	504
IV. Programs for adult and vocational education.....	534
V. Programs for educational research.....	560
Vocational Rehabilitation Administration.....	567
Public Health Service:	
Community health.....	590
Environmental health.....	720
Medical services.....	771
National Institutes of Health.....	792
National Center for Health Statistics.....	841
National Library of Medicine.....	844
Disaster health program.....	848
Saint Elizabeths Hospital.....	852
Social Security Administration.....	864
Welfare Administration:	
Grants to States for public assistance.....	887
Children's Bureau:	
Maternal and child health services.....	926
Services for crippled children.....	929
Child welfare services.....	932
Special project grants for maternity and infant care.....	936
Special project grants for health of school and preschool children.....	938
Office of Juvenile Delinquency and Youth Development: Juvenile delinquency and youth offenses.....	940
Administration on Aging:	
Community planning, services, and training.....	943
Grants and contracts for research, development, and specialized training.....	946
Foster grandparent program.....	947

Food and Drug Administration

CONSUMER PROTECTION PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The program conducted by the Food and Drug Administration is directed toward protecting the consumer by insuring that: foods are safe, pure, and wholesome; drugs and therapeutic devices are safe and effective; cosmetics are safe; all of these products are honestly and informatively labeled and packaged; certain household chemical aids

carry adequate warning labels; dangerous and counterfeit drugs are not misused or illegally sold.

2. Operation

The consumer protection program is a direct Federal operation providing scientifically supported regulatory and advisory activities. The program is administered nationwide through 18 Food and Drug District offices and 9 Drug Abuse Control field offices. These offices conduct investigations, make scientific analyses and conduct research to insure the safety, purity, wholesomeness, and proper labeling of items under FDA regulation. They collaborate and coordinate with State and local authorities on these activities and work closely with them during major disasters such as floods and hurricanes. FDA also provides scientific and technological educational and informational materials to the public and to the regulated industries. FDA headquarters and field offices work together to provide training courses and materials to State and local authorities and to promote better Federal-State cooperation.

3. History

The program for consumer protection began in 1906 when the first Federal Food and Drug Act was passed. Enforcement of this Act, which was known as the Pure Food and Drug Law, was vested in the Bureau of Chemistry of the U.S. Department of Agriculture. The 1906 Act was completely rewritten in 1938 and since that time has been further strengthened by numerous amendments. The most important of these amendments are: the 1958 Food Additives Amendments, the 1960 Color Additives Amendments, the Kefauver-Harris Drug Amendments of 1962, and the Drug Abuse Control Amendments of 1965. In 1927, the Food and Drug Administration was established as a separate agency of the U.S. Department of Agriculture. In 1940, the Administration was transferred from the Department of Agriculture to the Federal Security Agency, which became the Department of Health, Education, and Welfare in 1953.

4. Level of operations. (See table 1.)

Program : Consumer protection program.

Department or agency, and office or bureau : Department of Health, Education, and Welfare ; Food and Drug Administration.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimates)	Fiscal year 1967 (estimates)
(a) Magnitude of the program—Secondary individual beneficiaries.....	192, 000, 000	195, 000, 000	197, 000, 000	199, 000, 000
(b) Applicants or participants, none.....				
(c) Federal finances:				
Total appropriation.....	\$40, 271, 000	\$51, 245, 000	\$58, 799, 000	\$67, 534, 000
Unobligated appropriations available.....	\$710, 000	\$14, 193, 000	\$16, 906, 000	
Obligations incurred.....	\$35, 357, 000	\$41, 159, 000	\$55, 535, 000	\$84, 379, 000
Allotments or commitments made.....				
Certification (Fees account).....	\$2, 337, 000	\$2, 434, 000	\$2, 779, 000	\$2, 847, 000
(d) Matching or additional expenditures, none.....				
(e) Number of Federal Government employees (field inspections and investigations, laboratory analysis, research, evaluation of medical and scientific data submitted by industry, industry and consumer education, general support) (man-years).....	3, 480	3, 670	4, 000	4, 600

TABLE 1.—*Level of operations or performance, fiscal years 1964-67—Continued*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimates)	Fiscal year 1967 (estimates)
(f) Non-Federal personnel employed, none.....				
(g) Other measures of level or magnitude performance: ²				
Number of establishments inspected.....	31,100	38,000	38,000	38,000
Number of inspections.....	34,400	42,753	43,000	46,500
Number of other inspections made (pesticides, hazardous substances, etc.)..	12,800	13,619	14,000	15,000
Wharf examinations.....	14,000	15,250	17,000	20,000
Samples collected for examination, domestic and import.....	110,000	103,309	104,000	123,000
Laboratory analyses and other examinations field and headquarters laboratories.....	120,000	98,648	100,000	119,000

¹ This is primarily the balance available in the "Buildings and facilities" appropriation which is a non-year account.

² These are selected workloads and do not reflect total activities for the agency.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

The Food and Drug Administration is organized to enhance coordination and cooperation both among its internal units and with units of the Department of Health, Education, and Welfare. Operation is under a Departmental manual system which FDA supplements as necessary to meet its special requirements.

FDA has entered into formal or informal working agreements with almost all agencies of the Federal government which influence, or receive information affecting the consumer protection program. These include the U.S. Department of Agriculture in such activities as the use and regulation of pesticides; the Federal Trade Commission regarding the advertising of products under FDA jurisdiction; the President's Committee on Consumer Interests on consumer informational activities; the Public Health Service on the interchange of research and drug information and other health matters; the Atomic Energy Commission concerning radioactivity; and, the Veterans' Administration on matters such as adverse drug reactions reporting.

Cooperation and assistance is regularly provided to State and local governments by FDA headquarters and field offices in a number of ways. These include training courses for State and local food and drug officials, response to specific requests as well as regular dissemination of a wide variety of technical, scientific and legal informational materials to such officials and working with them on scientific and investigational regulatory operations.

While FDA has no extensive foreign program it is involved in a voluntary international drug reaction reporting program in cooperation with the World Health Organization. In addition, FDA participates in the deliberations of the Codex Alimentarius Commission, a body which is jointly sponsored by the World Health Organization and the Food and Agriculture Organization, both part of the United Nations. The Commission seeks to promote fair international trade

practices in the interest of both the consumer and the producer. As part of the antibiotic certification program, FDA inspects and provides advice to manufacturers in 21 foreign countries. It also responds to inquiries and provides assistance to countries throughout the world. Assistance is given in the form of informational materials and scientific advice concerning various aspects of the consumer protection program.

FDA has mutual working arrangements with non-profit organizations and institutions; for example, conferences are jointly sponsored by consumer and industry associations and FDA. A specific example is the annual conference of the FDA and the Food Law Institute. Other examples are seminars and workshops conducted by FDA in cooperation with universities, colleges and professional schools and such programs as the interchange of adverse drug reaction information with the American Medical Association. FDA is also represented at national and international meetings of scientific and professional societies which provides for the interchange of information.

8. *Laws and regulations*

Laws and regulations affecting the program :

Federal Food, Drug, and Cosmetic Act, as amended (52 Stat. 1040).

Tea Importation Act, as amended (29 Stat. 604).

Import Milk Act (44 Stat. 1101).

Federal Caustic Poison Act (44 Stat. 1406).

Filled Milk Act (42 Stat. 1486).

Federal Hazardous Substances Labeling Act (74 Stat. 372).

Department of Labor, and Health, Education, and Welfare Appropriation Act, 1966 (79 Stat. 589, 593).

Supplemental Appropriation Act, 1966 (79 Stat. 1133, 1140).

Code of Federal Regulations, Title 21—Food and Drugs.

Two volumes: Parts 1 to 129.

Part 130 to end.

Dates and citation for original laws and amendments :

March 2, 1883: Predecessor to the Tea Import Act prohibiting the importation of adulterated or spurious teas (22 Stat. 451).

March 2, 1897: Tea Importation Act (29 Stat. 604)—Provides for examination of tea at ports of entry.

March 1, 1899: An act to prevent importation of adulterated foods (30 Stat. 947).

June 30, 1906: Food and Drug Act of 1906 (34 Stat. 768)—The first Federal Food and Drugs Act.

May 16, 1908: Amendment to the Tea Importation Act allowing the importation of sub-standard tea, under bond, for use as an industrial raw material (35 Stat. 163).

August 23, 1912: Sherley Amendment (37 Stat. 416)—Prohibited labeling medicines with false and fraudulent therapeutic claims.

March 3, 1913: Gould Amendment (37 Stat. 732)—Required that definite quantity information appear on food packages.

July 24, 1919: Kenyon Amendment (41 Stat. 271)—Applied net weight labeling to wrapped meats.

May 29, 1920: An appropriation amendment to the Tea Import Act also provided for revision of the constitution of the Board of Tea Appraisers (54 Stat. 632).

March 4, 1923: Filled Milk Act (42 Stat. 1486)—Prohibited interstate traffic in milk or cream containing any fat other than milk fat.

March 4, 1923: An act to define butter (42 Stat. 1500).

January 18, 1927: Transferred to the Food and Drug Administration the duty to examine specimens of certain insecticides (44 Stat. 976).

February 15, 1927: Import Milk Act (44 Stat. 1101)—Provided for the issuance of permits for the importation of milk.

March 4, 1927: Caustic Poison Act (44 Stat. 1406)—Provided for warning labels and antidotes on 10 dangerous or corrosive substances packed in containers for household use.

July 30, 1930: McNary-Mapes Amendment (46 Stat. 1019)—Authorized promulgation of standards for canned foods, except meat and meat products and canned milk, and labeling to differentiate standard from substandard items.

June 22, 1934: Sea-food Amendment (48 Stat. 1204)—Provided for certification of sea-food packed in plants under continuous FDA inspection.

August 27, 1935: Amended the Sea Food Inspection Act (49 Stat. 871).

August 27, 1935: Amended the Filled Milk Act to authorize the promulgation of regulations (49 Stat. 885).

June 25, 1938: Federal Food, Drug, and and Cosmetic Act of 1938 (52 Stat. 1040)—Extended coverage to cosmetics and devices.

June 25, 1938: Required predistribution clearance of safety on new drugs.

June 25, 1938: Prohibited addition of poisonous or deleterious substances to foods, except where required or unavoidable.

June 25, 1938: Provided for tolerances for unavoidable or required poisonous substances.

June 25, 1938: Authorized standards of identity, quality, and fill of container for foods.

June 25, 1938: Authorized factory inspections.

June 25, 1938: Added the remedy of court injunction to previous remedies of seizure and prosecution.

June 23, 1939: Amended the Federal Food, Drug, and Cosmetic Act to temporarily postpone the effective date of some of the provisions (53 Stat. 853).

June 27, 1940: The Appropriations Act of 1940 also provided for the payment of fees by tea importers under the Tea Importation Act (54 Stat. 632).

June 30, 1940: Reorganization Plan Number IV transfers FDA and its functions from Department of Agriculture to the Federal Security Agency with the exception of those functions relating to the Insecticide Act of 1910 and the Naval Stores Act (54 Stat. 1237).

July 1, 1941: The Appropriations Act of 1941 also provided for the payment of fees by tea importers under the Tea Importation Act (55 Stat. 478).

December 22, 1941: Federal Food, Drug, and Cosmetic Act amended (55 Stat. 851) to require certification of the safety and efficacy of insulin.

March 2, 1944: An act defining and setting a standard of identity for dry milk solids (58 Stat. 108).

July 6, 1945: Federal Food, Drug, and Cosmetic Act amended (59 Stat. 463) to require certification of the safety and efficacy of penicillin.

March 10, 1947: Federal Food, Drug, and Cosmetic Act amended (61 Stat. 11) to require certification of the safety and efficacy of streptomycin.

June 24, 1948: Miller Amendment (62 Stat. 582)—Affirmed United States jurisdiction over products adulterated or misbranded after interstate shipment.

July 13, 1949: Federal Food, Drug, and Cosmetic Act amended (63 Stat. 409) to require certification of the safety and efficacy of aureomycin, chloramphenicol, and bacitracin.

October 18, 1949: Federal Food, Drug, and Cosmetic Act amended (63 Stat. 882) import actions to provide for charging the importer with costs incurred by FDA in supervising operations of bringing violative imported articles into compliance with the Act.

March 16, 1950: The Oleomargarine Act (64 Stat. 20)—Repealed oleomargarine taxes and amended the Federal Food, Drug and Cosmetic Act to set up controls for preventing public deception in the retail sale and serving of colored oleomargarine in both interstate and intrastate commerce.

October 26, 1951: Durham-Humphrey Amendment (65 Stat. 648)—Specifically required that drugs which cannot be safely used without medical supervision bear the prescription legend on the label and be dispensed only upon prescription.

April 11, 1953: Reorganization Plan Number I transfers FDA from the Federal Security Agency to DHEW (67 Stat. 631).

August 5, 1953: Amendment to the Federal Food, Drug, and Cosmetic Act changes the name of aureomycin to its chemical name chlortetracycline (67 Stat. 389).

August 7, 1953: Factory inspection Amendment (67 Stat. 476)—Clarified previous provision regarding mandatory factory inspection, and required the issuing to manufacturers of written reports on inspections and analysis of factory samples.

April 15, 1954: Hale Amendment (68 Stat. 54)—Simplified method of promulgating food standards where no controversy was involved.

July 22, 1954: Miller Pesticides Chemical Amendment (68 Stat. 511)—Changed procedures for the setting of safety limits for pesticidal residues on raw agricultural commodities and greatly strengthened consumer protection.

September 3, 1954: Amendment to the Federal Food, Drug, and Cosmetic Act which rewords the provisions of Section 307 dealing with subpoena power (68 Stat. 1239).

July 2, 1956: Nonfat Dry Milk (70 Stat. 486)—Amends definition of nonfat dry milk.

July 9, 1956: Amendment to the Federal Food, Drug, and Cosmetic Act, Section 402(c) which permits use of certain orange colors (70 Stat. 512).

August 1, 1956: Amendment to the Federal Food, Drug, and Cosmetic Act, Sections 401 and 701(e) simplifying the provisions for the promulgation of regulations under the act (70 Stat. 919).

August 31, 1957: Amendment to the Federal Food, Drug, and Cosmetic Act which provides for the disposition of certain condemned imported articles (71 Stat. 567).

August 28, 1958: Amendment to the Federal Food, Drug, and Cosmetic Act which abbreviates the record that is required in cases of judicial review of orders issued by FDA (72 Stat. 941).

September 6, 1958: Food Additives Amendment (72 Stat. 1784)—Prohibits use of food additives until promoter establishes safety and FDA issues regulations specifying conditions of use.

March 17, 1959: Amendment to the Federal Food, Drug, and Cosmetic Act permitting the use of certain colors on oranges pending further legislation (73 Stat. 3).

June 11, 1960: Amendment to the Federal Food, Drug, and Cosmetic Act to permit the use of certified as well as registered mail in situations where registered mail is called for in Section 505 of the Federal Food, Drug, and Cosmetic Act (74 Stat. 200).

June 29, 1960: Amendment to the Federal Food, Drug, and Cosmetic Act which requires a label declaration of the presence of pesticide chemicals on raw agricultural commodities which are shipped in interstate commerce (74 Stat. 251).

June 29, 1960: Amendment to the Federal Food, Drug, and Cosmetic Act revising provisions for judicial review of agency's orders under the Food Additives Amendment of 1958 (74 Stat. 255).

July 12, 1960: Federal Hazardous Substances Labeling Act (74 Stat. 372)—Requires prominent warning labeling on containers of hazardous household substances.

July 12, 1960: Color Additives Amendments (74 Stat. 397)—Allows FDA to set safe limits on the amounts of colors which may be used in foods, drugs, and cosmetics, and requires manufacturers to re-test previously listed certifiable colors.

April 7, 1961: An amendment to the Food Additive provisions of the Federal Food, Drug, and Cosmetic Act which extends the transitional period for application of certain of the Food Additive provisions (75 Stat. 42).

May 24, 1962: Amendment to the Tea Import Act which establishes Tariff Schedules as listing exceptions to the prohibitions in the Tea Import Act (76 Stat. 77).

October 10, 1962: Kefauver-Harris Drug Amendment (76 Stat. 780)—Assures a greater degree of safety, effectiveness, and reliability in prescription drugs, and strengthens new drug clearance procedures.

October 3, 1964: Further amendments to the transitional provisions of the Food Additives Amendments of the Federal Food, Drug, and Cosmetic Act (78 Stat. 1002).

July 15, 1965: Drug Abuse Control Amendments (79 Stat. 226)—Protects the public health and safety by amending the Federal Food, Drug, and Cosmetic Act to establish special controls for depressant and stimulant drugs and counterfeit drugs, and for other purposes.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The consumer protection program affects almost all sections of the economy and its potential magnitude relates directly to changes in population and the gross national product. The program has a beneficial impact on the general environmental health of the population and affords broad protection against economic frauds and cheats.

It is estimated that approximately 25 percent of the consumer dollar is spent on commodities that are regulated by FDA. Economic benefits accrue to the public at large and to individuals as a result of educational activities directed toward assuring a better return to consumers on their expenditures. Additionally, regulatory and scientific activities, aimed at all types of FDA regulated industry, comprise an important part of the consumer protection program. All of these activities are believed to have a continuing constructive effect on the total economy because, in addition to protecting the consumer, they tend to protect reputable industry against abuses by unethical competition.

10. Economic classification of program expenditures. (See table 2.)

Program: Consumer protection program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Food and Drug Administration.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services:

Wages and salaries.....	31.0
Other	9.8

Total, Federal expenditures.....	40.8
----------------------------------	------

Non-Federal expenditures financed by business enterprises ¹	2.3
--	-----

Total expenditures for program.....	43.1
-------------------------------------	------

¹ This represents the amount paid by industry to FDA as reimbursement for the agency's certification of antibiotic drugs, insulin, pesticides, and color additives.

Office of Education

CONTENTS

	Page
I. General.....	467
II. Programs for elementary and secondary education.....	472
Education of children of low-income families.....	472
School library resources, textbooks, and other instructional materials.....	475
Supplementary educational centers and services.....	478
Instruction in critical subjects.....	480
Guidance, counseling, and testing.....	484
Institutes for counselors and teachers.....	487
Educational improvement for the handicapped.....	490
School assistance in federally affected areas.....	494
School construction in federally affected areas.....	498
National Teacher Corps.....	500
Fellowships for teachers.....	502
III. Programs for higher education.....	504
Higher education facilities.....	504
College work-study.....	509
Language development.....	512
Graduate fellowships.....	516
National defense student loans.....	519
Low-interest insured loan and interest subsidy program.....	522
Educational opportunity grants.....	525
Strengthening developing institutions.....	528
Improving undergraduate instruction.....	530
College library assistance and related programs.....	532
IV. Programs for adult and vocational education.....	534
Vocational education.....	534
Manpower development and training.....	539
Occupational training in redevelopment areas.....	545
Adult basic education.....	548
Library services and construction.....	551
Educational television facilities.....	554
Community service and continuing education.....	558
V. Programs for educational research.....	560

I. GENERAL

The material presented in this report has been developed by the Office of Education in response to a request from the Subcommittee on Economic Progress of the Joint Economic Committee of the Congress. The description of the information requested is contained in the subcommittee's questionnaire of September 1965, Inquiry Relating to Human Resources Programs. Presentation of the material corresponds to the format prescribed in the questionnaire.

For the purposes of this report, all Office programs pertaining to research, demonstration, and dissemination are treated as one basic program. Each of the other programs of the Office which concern the development of human resources is discussed separately. A

few general comments pertaining to the report as a whole are noted below.

Program data

Many of the programs included in the report are new, having been authorized only in 1965, with some receiving final approval by the Congress shortly before this report was completed. Obviously, discussion of these cannot be as specific and detailed as that of older, more firmly established programs. Moreover, the detail of information requested in items 4 (level of performance) and 10 (economic classification of program expenditures) is not available for even some of the older programs. The Office is presently developing an expanded information system which will enable collection of current program data, including more meaningful measures of program performance, on a continuing basis.

Since personnel within a division or bureau often work on more than one program and since the bulk of OE salaries and administrative expenses are funded through a separate appropriation, the number of employees involved in the administration of some programs (as requested in item 4) and the amounts of their salaries and wages (item 10) can be only estimated. The financial data presented in the tables under item 4 show the disposition of funds appropriated by the Congress specifically for the program being discussed. The tables under item 10 include an estimated share of the OE administrative expenses that can be attributed to the program.

To help put the expenditures and outputs of these programs into the context of the total education activity in the United States, the reader should refer to OE publication *Projections of Educational Statistics to 1974-75*. This publication contains information about enrollments, teachers, facilities, and expenditures in the recent past as well as projections of the future.

Coordination arrangements

Item 7 under each program lists the coordination arrangements peculiar to that particular program. Arrangements applicable to OE programs generally are discussed below.

The Commissioner of Education provides overall direction and coordination of OE activities. To aid in these functions, standard practices are employed: biweekly staff meetings, bimonthly sessions devoted wholly to policy review and planning, and program reporting systems. Day-to-day coordination of programs is performed by the operating bureaus and staff offices.

The reorganization of the Office of Education in 1965 created three operating bureaus—the Bureau of Elementary and Secondary Education, the Bureau of Higher Education, and the Bureau of Adult and Vocational Education—and assigned to them responsibility for grant programs dealing with the same level of education. This grouping enables continuous, informal coordination and cross-fertilization of ideas among individuals working on different programs directed to similar problem areas. In some cases, common administration of several programs helps assure coordination of their purposes and policies. Planning and evaluation staffs now being set up in each bureau will further strengthen the coordination process.

In view of the interrelationships between research programs and the applicability of research findings to more than one level of education,

all research programs of OE were consolidated during the reorganization into the Bureau of Research. To make certain that the research supported by the Office is relevant to the needs of education and integrated into the overall planning and operations of the Office, several formal mechanisms have been created. These are described in detail in the report.

Staff units aid in the coordination process as follows:

The Office of the Associate Commissioner for International Education coordinates international activities administered by the Office and serves as a focal point for OE relationships with other agencies in the field of international education.

The Office of the Associate Commissioner for Federal-State Relations coordinates programs aimed at improving the leadership resources of State educational agencies.

The Office of Administration coordinates the OE budget and the financial aspects of grant programs.

The Office of Disadvantaged and Handicapped exercises staff review and serves as a central point of information and liaison with other agencies in connection with programs dealing with the education of the disadvantaged and handicapped.

The Office of Equal Educational Opportunities assures the compliance of educational agencies with the provisions of the Civil Rights Act and provides advisory services with respect to problems incident to desegregation.

The Office of the General Counsel, DHEW, coordinates the issuance of all program regulations.

The Office of Information coordinates the preparation and issuance of informational material about OE programs.

The Office of Legislation coordinates the legislative requirements of the Office.

The Office of Program Planning and Evaluation coordinates the planning and evaluation activities of OE components. It also develops long-range education goals and plans which help integrate the purposes and objectives of the Office's programs.

The Contracts and Construction Service is responsible for the negotiation and administration of all contracts and grant arrangements made by the Office of Education and provides legal and engineering services needed for construction programs.

The National Center for Educational Statistics collects, analyzes, and provides statistical data needed for planning, funds allotment, administration, and review of OE programs. It also coordinates reports requested from program participants and the public in order to assure comparability and consistency of information, eliminate duplication, and minimize reporting burdens of respondents.

The Office of Education uses a number of mechanisms to coordinate its programs with those of other Federal agencies:

The Office has developed a close relationship with the National Science Foundation on science education matters involving fellowships, institutes, and curriculum development. The specific methods utilized to promote cooperation are generally of an informal nature, taking the form of information sharing and staff consultation on new programs. In the field of curriculum development, cooperation has been institutionalized by the appoint-

ment of an NSF staff member to the OE curriculum improvement review panel. NSF and OE staff members have conducted joint site visits to investigate the research potential of prospective research contractors. The Office and NSF jointly review and fund proposals relating to both agencies.

A formal working relationship has been established between OE and the Office of Economic Opportunity to coordinate antipoverty efforts. The agreement provides for a central contact in each agency; interchange of personnel; joint review of programs, policies and regulations; and joint funding of appropriate research projects. The Office of Disadvantaged and Handicapped serves as the contact point within OE; the Education Division of the community action program serves as the contact point in OEO. In addition there is continual consultation among operating personnel of the two agencies.

The Federal Interagency Committee on Education, established by Executive Order 11185 on October 16, 1964, with the Assistant Secretary for Education serving as Chairman, and the Commissioner of Education as a member, provides a means of coordinating the educational activities of executive branch agencies, preventing unnecessary duplication of activities, and resolving differences of opinion concerning policies and administrative practices affecting educational institutions.

The Committee on Academic Science and Engineering was set up in September 1965, under the auspices of the Federal Council for Science and Technology. The Committee meets monthly, directing its work toward the development of coordinated approaches to federally supported science and engineering education and research in universities in order to strengthen university science programs and to broaden the scientific base of the country.

An ad hoc committee has been created below the agency-head level to assist in coordinating the graduate education programs of the Office of Education, the National Space and Aeronautics Administration, the National Institutes of Health, the Atomic Energy Commission, and the National Science Foundation.

The Rural Development Committee seeks to provide leadership and uniform policy guidance to the several Federal agencies responsible for rural development program functions.

The President's Committee on Manpower and its various subcommittees offer means of coordinating Federal programs of guidance and counseling and manpower training.

The Interdepartmental Committee on Children and Youth was created to study and recommend programs which have a bearing on the physical, emotional, educational, and social well-being of children.

Since OE programs usually involve grants to States, local school districts, or colleges and universities, coordination arrangements must also be established with these groups. This is done through program regulations and through frequent consultation between representatives of these groups and OE personnel in Washington or in the field.

Coordination of the purposes and objectives of Office programs is also aided through the continuing dialogue carried on with the many professional organizations and public advisory committees concerned

with education. The information and advice received through these channels, along with the other coordination mechanisms mentioned above, help assure that OE programs consider the requirements of the various levels and areas of American education and that Federal efforts supplement and stimulate State, local, and private education efforts.

Legislation

A copy of most of the legislation affecting OE programs, which was requested in item 8 of the questionnaire, can be found in the Compendium of Statutes.¹ Recent legislative developments are summarized in Legislation Concerning Education and Training.²

Economic effects

Item 9 could be answered, for the most part, in only a general manner. The quantification of the economic impact of OE programs presents several problems. Because of the interaction of programs, specific outputs often cannot be related to specific inputs. Also, isolating the effects of Federal expenditures for education from those produced by the much greater expenditures of other groups (States, local school districts, and private institutions) is extremely difficult. Moreover, except in programs like the Manpower Development and Training Program, the time lapse between investment and dividend is too long to permit a direct cause/effect relationship to be established.

However, there can be no doubt that programs expending over \$3 billion (fiscal year 1966) in developing the Nation's human resources have ultimately a sizable effect on the economy. Not only is the dollar amount spent by the Federal Government expanded through the Government multiplier, but it also helps stimulate another, more significant, expansion. This is the expansion resulting from technological improvement produced by individual innovators and a better educated, more productive working force in general. Without technological improvements, capacity of the economy to grow would be very limited, and much Federal spending would become inflationary rather than expansionary.

Along with the direct economic benefits produced by education there are certain byproducts accruing to society (e.g., the reduction in welfare and unemployment payments and a decrease in property loss due to crime and social conflict) which are assumed to result, at least partially, from investment in education, but which are equally difficult to relate to specific expenditures.

In addition to its contribution to the economic progress of the Nation as a whole, education has a significant payoff to individuals. Studies show that personal income and economic mobility have a high correlation with educational attainment. For example, college graduates earn during their lifetime an average of \$180,000 more than individuals with only a high school diploma, while the lifetime earnings of high school graduates average \$68,000 more than those of persons with only an eighth-grade education. To the degree that individuals living in certain regions or belonging to certain groups do not have the opportunities to attain higher levels of education, their potential

¹ Full title: A Compendium of Statutes Administered By, Delegating Authority To, Or Under Which Authority Has Been Delegated To The U.S. Office of Education, Department of Health, Education, and Welfare, Committee on Education and Labor, House of Representatives, July 1965.

² Legislation Concerning Education and Training, Committee on Education and Labor, House of Representatives, December 1965.

contribution to the economic system and their potential share in its benefits cannot be realized.

Given the nonavailability of specific data, the discussions presented in item 9 serve more as indications of the economic areas probably affected than as listings of actual, proved benefits. The Office is presently attempting to devise methods of measuring program effectiveness and identifying program benefits. Recognition of the need for work along these lines was largely responsible for the creation last year of the program planning and evaluation unit referred to earlier. Foremost among the tasks of this unit is the development of a planning-programing-budgeting system which will provide a framework for in-depth analysis of program inputs and outputs. In addition to this intramural activity, private research groups are being engaged to investigate the applicability of cost-benefit techniques to OE's work. It is expected that as a result of these various efforts, specific meaningful data about the effects of the Office's programs will be developed within a few years.

The material presented in this report deals mainly with the impact of the Office of Education's programs on the economy. Yet educational programs, whether supported by local, State, or Federal efforts, must be concerned with both economic and noneconomic aspects of our society—with improving the quality of American life, with expanding the opportunities for self-realization for all Americans, and with developing the full range of human resources. These are the goals toward which the programs of the Office of Education will continue to be directed.

II. PROGRAMS FOR ELEMENTARY AND SECONDARY EDUCATION

EDUCATION OF CHILDREN OF LOW-INCOME FAMILIES

(The Elementary and Secondary Education Act of 1965—Title I)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To provide financial assistance to meet the special educational needs of educationally deprived children in areas with high concentrations of low-income families.

2. *Operation*

The money is allocated to counties on the basis of the number of school-age children from families earning less than \$2,000 or receiving AFDC payments. Local public educational agencies submit proposals to the State educational agency for projects designed to meet the special educational needs of educationally deprived children. The State agency evaluates these proposals according to guidelines and criteria established by the U.S. Commissioner of Education and approves projects. Educationally deprived children enrolled in private schools as well as public schools may benefit from the program.

3. *History*

This program was initiated by title I of the Elementary and Secondary Education Act of 1965 (Public Law 89-10), signed into law by President Johnson on April 11, 1965. The major fiscal emphasis

is directed toward raising the educational achievement of deprived children. For this purpose, the Congress appropriated \$775 million under title I for fiscal year 1966, the first year of the 3-year program.

4. *Level of operations.* (See table 1.)

Program: Education of children of low-income families.

Department or agency, and bureau or office: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (local projects) ..	-----	-----	30,000–50,000	30,000–50,000
(b) Applicants or participants: Local educational agencies (agencies) ..	-----	-----	18,000	18,000
(c) Federal finances:	-----	-----	-----	-----
Unobligated appropriations available (millions) ..	-----	-----	² \$959	\$1,070.4
Obligations incurred (millions) ..	-----	-----	\$959	\$1,070.4
Allotments or commitments made (millions) ..	-----	-----	\$959	\$1,070.4
(d) Matching or additional expenditures ..	-----	-----	-----	-----
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering) ..	-----	-----	80	80
(f) Non-Federal Government personnel employed (not available) ..	-----	-----	-----	-----
(g) Other measures of level or magnitude of performance (pupils affected (millions)) ..	-----	-----	6.5	7.5

¹ Not applicable.

² Includes \$184,000,000 in fiscal year 1966 supplemental request.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Responsibility for the administration of the program is assigned to the Division of Program Operations of the Bureau of Elementary and Secondary Education. This Division works with State educational agencies.

The Division will coordinate the program with the National Teacher Corps which, when activated, will be administered by the same Bureau.

The legislation requires that a local school district submitting a request for grants under the program develop its request in cooperation with the local agency responsible for the community action program operating under the Economic Opportunity Act of 1964. In Washington, members of the Division have developed a close working relationship with the CAP staff of the Office of Economic Opportunity, which enables coordinated operations of the two programs in the poor areas of the Nation. In addition, staff review of the program is exercised by the Office of Disadvantaged and Handicapped, which provides a central point within OE for information and advisory services concerning educational components of antipoverty programs.

A National Advisory Council on the Education of Disadvantaged Children will review annually the operations of this program and related programs and make recommendations for their improvement to the President.

8. *Laws and regulations*

Title I of the Elementary and Secondary Education Act of 1965, enacted on April 11, 1965, as Public Law 89-10. For text of title I, see Compendium of Statutes, pages 56-63; for other titles of the act, pages 24-44.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—Title I of the ESE Act of 1965 is directly aimed at educationally deprived children in areas having high concentrations of families with incomes under \$2,000. The program which it established can significantly alter the potential income of the participants. Innovative methods designed to raise the educational achievement of deprived students will help them break the cycle of poverty. The program should result in an increase in the students' future income and the consequent distribution of additional wealth to a population which is presently poor.

(b) *Worker placement and productivity*.—Adequately educated workers will be better equipped to cope with the labor market. Productivity and earnings should grow as workers' skills become marketable.

Increased quality in education should also result in an increase in worker mobility. Greater freedom of movement, enabling workers to seek out markets for skills, should also contribute to increased productivity and earnings.

(c) *Business and industrial organization and management*.—It is expected that the increase in demand for teaching aids will further the growth of an already expanding industry.

(d) *Other phases of economic activity*.—The program, aimed directly at areas which coincidentally have a high rate of unemployment, should help reduce the number of "hard-core unemployables." A reduction in unemployment would result in a decrease in welfare payments, thereby freeing funds for more productive use.

(e) *Geographic differentials*.—The formula for distribution of funds tends to distribute money to northern urban areas (35 percent of total) and southern rural areas (33 percent of total). For State distribution of fiscal year 1966 authorization, see table 2.

10. *Economic classification of program expenditures*

Not applicable. The program began operation in fiscal year 1966.

TABLE 2.—*Elementary and secondary educational activities, fiscal year 1966 authorization: Title I, assistance for educationally deprived children*

Area	Grants to local educational agencies	Grants for State administrative expenses	Total
United States and outlying areas	\$1,164,320,614	\$12,078,114	\$1,176,398,728
50 States and the District of Columbia.....	1,141,034,202	12,078,114	1,153,112,316
Alabama.....	34,634,567	346,346	34,980,913
Alaska.....	1,797,914	75,000	1,872,914
Arizona.....	10,360,005	103,600	10,463,605
Arkansas.....	22,600,021	226,000	22,826,021
California.....	77,886,286	778,863	78,665,149
Colorado.....	9,755,134	97,551	9,852,685
Connecticut.....	7,196,504	75,000	7,271,504
Delaware.....	1,975,217	75,000	2,050,217
Florida.....	27,478,937	274,789	27,753,726
Georgia.....	37,342,341	373,423	37,715,764
Hawaii.....	2,374,944	75,000	2,449,944
Idaho.....	2,544,238	75,000	2,619,238
Illinois.....	61,112,154	611,122	61,723,276
Indiana.....	18,378,029	183,780	18,561,809
Iowa.....	18,652,957	186,530	18,839,487
Kansas.....	10,595,499	105,955	10,701,454
Kentucky.....	30,131,330	301,313	30,432,643
Louisiana.....	38,344,221	383,442	38,727,663
Maine.....	4,014,213	75,000	4,089,213
Maryland.....	15,249,238	152,492	15,401,730
Massachusetts.....	16,539,689	165,397	16,705,086
Michigan.....	34,733,765	347,338	35,081,103
Minnesota.....	24,530,168	245,302	24,775,470
Mississippi.....	30,894,244	308,942	31,203,186
Missouri.....	29,857,937	298,579	30,156,516
Montana.....	3,756,470	75,000	3,831,470
Nebraska.....	6,929,812	75,000	7,004,812
Nevada.....	949,969	75,000	1,024,969
New Hampshire.....	1,452,253	75,000	1,527,253
New Jersey.....	24,500,286	245,603	24,805,889
New Mexico.....	9,789,895	97,899	9,887,794
New York.....	109,670,427	1,096,704	110,767,131
North Carolina.....	52,826,063	528,261	53,354,324
North Dakota.....	5,219,893	75,000	5,294,893
Ohio.....	39,185,691	391,857	39,577,548
Oklahoma.....	17,393,688	173,937	17,567,625
Oregon.....	8,231,740	82,317	8,314,057
Pennsylvania.....	55,941,428	559,414	56,500,842
Rhode Island.....	4,039,555	75,000	4,114,555
South Carolina.....	27,478,721	274,787	27,753,508
South Dakota.....	6,936,594	75,000	7,011,594
Tennessee.....	32,206,225	322,062	32,528,287
Texas.....	77,525,099	775,251	78,300,350
Utah.....	2,853,159	75,000	2,928,159
Vermont.....	1,744,857	75,000	1,819,857
Virginia.....	30,619,294	306,193	30,925,487
Washington.....	10,757,118	107,571	10,864,689
West Virginia.....	16,991,225	169,912	17,161,137
Wisconsin.....	18,058,203	180,582	18,238,785
Wyoming.....	1,555,058	75,000	1,630,058
District of Columbia.....	5,381,927	75,000	5,456,927
Outlying areas.....	23,286,412	-----	23,286,412

SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

(The Elementary and Secondary Education Act of 1965—Title II)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To provide financial assistance for the acquisition of school library resources, textbooks and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools.

2. Operation

Allotments are made to States on a formula basis (see act). To apply for a grant from its allotment, a State must submit an operational plan to the U.S. Office of Education. The State plan designates one State agency, usually the State department of education, which will be responsible for administering and supervising the entire program, and gives the criteria to be used in allocating funds. Materials are loaned to children and teachers in both public and private schools.

3. History

The Elementary and Secondary Education Act of 1965 (Public Law 89-10) was signed into law by President Johnson on April 11, 1965. Title II of the act is expected to assist States in providing a variety of high-quality instructional materials not previously available in sufficient quantity. Congress has appropriated \$100 million under title II for fiscal year 1966, the first year of the 5-year program.

4. Level of operations. (See table 1.)

Program: School library resources, textbooks, and other instructional materials. Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal 1966 (estimate)	Fiscal 1967 (estimate)
(a) Magnitude of the program (persons affected (millions)).....			40	40
(b) Applicants or participants: State educational agencies (agencies).....			51	51
(c) Federal finances:				
Unobligated appropriations available (millions).....			\$100	\$105
Obligations incurred (millions).....			\$100	\$105
Allotments or commitments made (millions).....			\$100	\$105
(d) Matching or additional expenditures.....				
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years administering).....			14	21
(f) Non-Federal Government personnel employed.....			(²)	(²)
(g) Other measures of level or magnitude of performance (schools receiving library resources).....			90,000	90,000

¹ Not applicable.

² Not available.

5. Estimated magnitude of operation in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Coordination is effected by the Division of Plans and Supplementary Centers of the Bureau of Elementary and Secondary Education. The Division works with the State agency designated to administer the State program. No other arrangements for coordination with governmental or nongovernmental units have, as yet, been deemed necessary.

8. Laws and regulations

Title II, the Elementary and Secondary Education Act of 1965, enacted on April 11, 1965, as Public Law 89-10. For text of the act, see Compendium of Statutes, pages 24-44.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—Title II of Public Law 89-10 focuses on providing school library books, textbooks, and other instructional materials through State agencies for children and teachers of public and private schools. Title III is designed to stimulate supplementary educational centers and programs of an innovative or exemplary character which are not available presently. Considered in isolation, those programs will have little measurable effect on personal income. But as a part of a general educational improvement program, they make a solid contribution toward producing better educated individuals whose future incomes will be higher than they would have been otherwise. Since fiscal 1966 is the first year of operation, data on these program operations are not yet available.

(b) *Worker placement and productivity*.—The better educated individual will find entrance into the labor market a much more rewarding experience, both personally and socially. He will be able to enter the market with relative ease and will find employment flexibility much more readily than the poorly educated person. His productivity should increase to an extent which cannot presently be measured.

(c) *Business and industrial organization and management*.—Effects on industrial organization, new business, and business competition will be seen in the increased production of book and textbook publishers and manufacturers of instructional equipment, particularly the audio-visual field. It is estimated that textbook sales in 1964-65, for grades K-12, amounted to \$293 million and that library material sales were \$70 million. The \$100 million under title II should increase sales by over 25 percent. In addition, increased demand will probably be created in areas such as building materials, basic school equipment and furniture, visual and audio aids, programmed instruction, television, electronic applications, and other types of supplemental tools of a kind which require imagination and inventiveness.

(d) *Other phases of economic activity*.—Increased demands for books and materials should produce the usual effects of increased production and sales. Such increases would also have positive effects on employment. Prices and wages will depend upon the fluidity of the labor market and ability to increase production quickly without creating bottlenecks.

(e) *Other benefits*.—If one group would benefit more than another, it would probably be the one presently low on the economic scale. Theoretically, it would be this group which, in the years to come, would find its economic position vastly improved because of an improved educational stature. This new status would result in a greater and more flexible labor marketability.

(f) *Geographic differentials*.—For State differentials, see table 2.

TABLE 2.—*Elementary and Secondary Education Act, title II: Grants to States for school library materials, etc.—Estimated fiscal year 1966 obligations*

State or outlying area	Estimated 1966 obligations	State or outlying area	Estimated 1966 obligations
Total-----	\$100, 000, 000	New Hampshire-----	\$336, 232
Alabama-----	1, 734, 277	New Jersey-----	3, 233, 812
Alaska-----	118, 854	New Mexico-----	590, 702
Arizona-----	815, 164	New York-----	8, 293, 725
Arkansas-----	937, 854	North Carolina-----	2, 435, 404
California-----	9, 308, 483	North Dakota-----	347, 300
Colorado-----	1, 065, 929	Ohio-----	5, 406, 689
Connecticut-----	1, 392, 995	Oklahoma-----	1, 266, 877
Delaware-----	256, 903	Oregon-----	975, 757
Florida-----	2, 604, 055	Pennsylvania-----	5, 908, 219
Georgia-----	2, 174, 706	Rhode Island-----	427, 974
Hawaii-----	391, 124	South Carolina-----	1, 320, 035
Idaho-----	370, 581	South Dakota-----	386, 888
Illinois-----	5, 361, 699	Tennessee-----	1, 826, 346
Indiana-----	2, 528, 237	Texas-----	5, 345, 745
Iowa-----	1, 483, 765	Utah-----	587, 662
Kansas-----	1, 146, 723	Vermont-----	208, 027
Kentucky-----	1, 549, 486	Virginia-----	2, 095, 347
Louisiana-----	1, 922, 905	Washington-----	1, 591, 758
Maine-----	525, 829	West Virginia-----	924, 800
Maryland-----	1, 809, 594	Wisconsin-----	2, 178, 827
Massachusetts-----	2, 622, 125	Wyoming-----	187, 468
Michigan-----	4, 671, 827	District of Columbia-----	345, 817
Minnesota-----	1, 988, 186	American Samoa-----	} 2, 000, 000
Mississippi-----	1, 218, 307	Guam-----	
Missouri-----	2, 309, 246	Puerto Rico-----	
Montana-----	382, 828	Virgin Islands-----	
Nebraska-----	775, 144	Trust Territory of the Pacific-----	
Nevada-----	211, 763		

10. *Economic classification of program expenditures*

Not applicable. The program began operation in fiscal year 1966.

SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES

(The Elementary and Secondary Education Act of 1965—Title III)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To stimulate and assist the advancement of elementary and secondary education through the provision of vitally needed educational services not available in sufficient quantity or quality, and through the development and establishment of innovative and exemplary programs to serve as models for regular school programs. The model programs may be in any area, such as guidance and counseling, remedial education, school health, physical education, recreation, performing arts, and psychological and social work services.

2. *Operation*

Local educational agencies submit project proposals simultaneously to the State educational agency and to the U.S. Commissioner of Education. Representatives of local cultural and educational resources participate in planning and carrying out the projects. Grants for the entire cost of approved projects are made by the Commissioner from State allocations. Each State has a base allocation of \$200,000.

The remainder of the title III appropriation is allocated on the basis of a population formula (see act).

3. History

The Elementary and Secondary Education Act of 1965 (Public Law 89-10) was signed into law by President Johnson on April 11, 1965. Title III of the act authorizes a 5-year program of support for supplementary educational centers and services. Congress has appropriated \$75 million for fiscal year 1966, the first year of this program.

4. Level of operations. (See table 1.)

Program: Supplementary educational centers and services.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program:				
Planning grants.....			700	1,000
Operations grants.....			300	1,000
(b) Applicants or participants: Local educational agencies.....			1,000	2,000
(c) Federal finances:				
Unobligated appropriations available (millions).....			\$75	\$145
Obligations incurred (millions).....			\$75	\$145
Allotments or commitments made (millions).....			\$75	\$145
(d) Matching or additional expenditures.....				
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years administering).....			60	68
(f) Non-Federal Government personnel employed (man-years).....			5,000	5,000
(g) Other measures of level or magnitude of performance (proposals received).....			3,000	4,000

¹ Not applicable.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Coordination of the program's operations within the Office of Education and with the local agencies is effected by the Division of Plans and Supplementary Centers in the Bureau of Elementary and Secondary Education.

Grants under this program are made to local educational agencies which have developed programs in cooperation with persons representing the cultural and educational resources of the area to be served, e.g., State educational agencies, institutions of higher learning, nonprofit private schools, libraries, museums, musical and artistic organizations, and educational radio and television stations. The application by the local agency must be reviewed by the State educational agency.

As directed by the act, the Commissioner has appointed an Advisory Committee on Supplementary Educational Centers and Services. This committee of eight members advises the Commissioner on the preparation of general regulations for administration of the program,

development of criteria for approval of applications, and action to be taken with regard to each application.

8. Laws and regulations

Title III of the Elementary and Secondary Education Act of 1965, enacted on April 11, 1965, as Public Law 89-10. For text of the act, see Compendium of Statutes, pages 24-44.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

For the economic effects of this program, see section 9 of preceding program, "School Library Resources, etc." Distribution of program funds by State is shown in table 2.

TABLE 2.—*Elementary and Secondary Education Act, title III: Supplementary educational centers and services—Estimated fiscal year 1966 obligations*

State or outlying area	Estimated 1966 obligations	State or outlying area	Estimated 1966 obligations
Total.....	\$75,000,000	New Hampshire.....	\$412,894
Alabama.....	1,384,922	New Jersey.....	2,326,965
Alaska.....	285,285	New Mexico.....	559,287
Arizona.....	729,975	New York.....	5,831,022
Arkansas.....	847,491	North Carolina.....	1,863,654
California.....	5,996,364	North Dakota.....	425,588
Colorado.....	854,131	Ohio.....	3,597,474
Connecticut.....	1,088,743	Oklahoma.....	1,009,140
Delaware.....	362,298	Oregon.....	825,256
Florida.....	2,004,323	Pennsylvania.....	3,943,399
Georgia.....	1,663,178	Rhode Island.....	488,792
Hawaii.....	438,234	South Carolina.....	1,100,805
Idaho.....	442,524	South Dakota.....	446,048
Illinois.....	3,609,491	Tennessee.....	1,472,890
Indiana.....	1,823,414	Texas.....	3,720,782
Iowa.....	1,128,420	Utah.....	553,474
Kansas.....	943,203	Vermont.....	337,187
Kentucky.....	1,272,427	Virginia.....	1,652,988
Louisiana.....	1,409,927	Washington.....	1,201,226
Maine.....	530,937	West Virginia.....	827,281
Maryland.....	1,338,701	Wisconsin.....	1,583,119
Massachusetts.....	1,916,761	Wyoming.....	317,541
Michigan.....	2,976,979	District of Columbia.....	440,713
Minnesota.....	1,399,113	American Samoa.....	1,500,000
Mississippi.....	1,020,711	Guam.....	
Missouri.....	1,633,843	Puerto Rico.....	
Montana.....	443,556	Virgin Islands.....	
Nebraska.....	689,615	Trust Territory of the Pacific.....	
Nevada.....	327,909		

10. Economic classification of program expenditures

Not applicable. The program began operation in fiscal year 1966.

INSTRUCTION IN CRITICAL SUBJECTS

(The National Defense Education Act—Title III)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To improve elementary and secondary education in such critical subjects as science, mathematics, history, civics, geography, economics,

modern foreign languages, English, and reading, by providing better equipment, materials, and State services.

2. Operation

Allotments to States are determined by formula (see act). Federal grants from the allotments are made to State educational agencies on a matching basis. To apply for a grant, a State educational agency must submit to the U.S. Commissioner a State plan, describing how it will use Federal funds for local projects to be approved by the State agency, for expansion and improvement of the State's supervisory services, and for administration of the State plan. To apply for remodeling and equipment funds, local educational agencies submit project proposals to the State educational agency, which administers the grants. Loans are negotiated with and paid directly by the Office of Education to private nonprofit elementary and secondary schools.

3. History

This program was initiated by title III of the National Defense Education Act of 1958 (Public Law 85-864). It has since been extended four times—in October 1961 (Public Law 87-344), in December 1963 (Public Law 88-210), in October 1964 (Public Law 88-665), and in November 1965 (Public Law 89-329), effective through June 30, 1968.

The 1963 amendments made the following principal changes in title III: Test grading equipment and specialized audiovisual equipment were authorized; American Samoa was allowed to participate; the definition of "local educational agency" was enlarged to include any public institution or agency which has administrative control of any public elementary or secondary school; the 1-year carryover provision was repealed; reallocation to other States of unused portions of State allotments was authorized.

Principal 1964 amendments to title III added history, civics, geography, English, and reading to the eligible subjects; increased the annual authorizations; increased the minimum annual State allotment for supervisory and related services and administration of the State plan; and provided that allotment ratios be promulgated biennially by the Office of Education. The Higher Education Act of 1965 added economics to the previously designated critical subjects and increased the authorization.

In the first 6 years of the program, States received a total of \$223.6 million for equipment, materials, and minor remodeling and \$13.1 million for supervision and administration. Both sums were matched with at least equal State or local expenditures. During the same period, States approved 306,941 local projects at a total estimated cost of \$560.4 million. By July 1964, the States employed the full-time equivalent of 227 special supervisors in the eligible subjects, as against 33 before the National Defense Education Act was passed.

4. Level of operations. (See table 1.)

Program: Instruction in critical subjects.

Department or agency, and office or bureaus: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[Dollar amounts in millions]

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimate)	Fiscal year 1967 (estimate)
(a) Magnitude of the program (projects approved) ----	70,126	79,000	79,000	79,000
(b) Applicants or participants:				
State educational agencies.....	51	54	54	54
Nonprofit private schools.....	40	32	75	75
(c) Federal finances:				
Unobligated appropriations available.....	\$84.1	\$76.6	\$88.2	\$63.2
Obligations incurred.....	\$81.4	\$74.9	\$88.2	\$63.2
Allotments or commitments made.....	\$84.1	\$76.6	\$88.2	\$63.2
(d) Matching or additional expenditures ¹	\$71.3	\$77.2	\$91	\$103.2
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	236	35	28	36
(f) Non-Federal Government personnel employed (State supervisors) ³	227	227	265	275
(g) Other measures of level or magnitude of performance—Loans to nonprofit private schools:				
Applications received.....	44	35	85	85
Loans approved.....	40	32	75	75

¹ Matching funds necessary only under title III, sec. 303(a), of the act.² Estimated.³ In science, mathematics, and modern foreign languages.5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination of the program's operations is effected by the Division of Plans and Supplementary Centers and the Division of Program Operations of the Bureau of Elementary and Secondary Education.

The Divisions work with State educational agencies to which grants are made and with private nonprofit elementary and secondary schools to which loans are made.

8. *Laws and regulations*

Title III of the National Defense Education Act of 1958, enacted on September 2, 1958, as Public Law 85-864. For amendments and text of the act, see Compendium of Statutes, pages 163-176. The most recent amendment is title IV of the Higher Education Act of 1965 (Public Law 89-329).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—The equipment purchased under this program helps the student better grasp the subject area taught, by offering to him clear examples of practices in the subject (via science experiments, language labs, etc.). With a greater grasp of the field, and possibly a greater interest in the field, the student should be better prepared for a higher income occupation than might otherwise be possible.

(b) *Worker placement and productivity*.—Productivity should be raised for the same reasons as those given above.

(c) *Business and industrial organization and management.*—The school equipment industry has been stimulated as a result of title III. A number of small organizations have begun and grown as manufacturers of particular types of school apparatus. The audiovisual field in particular has been stimulated. Teaching aids, language laboratories, visual projection devices, and classroom television receivers have found a greatly expanded market. These new industries themselves have set off secondary repercussions and therefore have had a multiplied effect on the economy.

(d) *Geographic differentials.*—Tables 2 and 3 show State allotments in fiscal year 1965 and fiscal year 1966:

TABLE 2.—*National Defense Education Act, title III: Grants to States for acquisition of equipment and minor remodeling—Fiscal year 1965 obligations and estimated fiscal year 1966 obligations*

State or possession	1965 total obligations	1966 total estimated obligations ¹	State or possession	1965 total obligations	1966 total estimated obligations ¹
Total.....	\$69,992,539	\$79,200,000	Nevada.....	\$92,120	\$102,797
Alabama.....	1,106,953	2,030,242	New Hampshire.....	240,965	272,342
Alaska.....	135,000	96,882	New Jersey.....	1,494,421	1,793,579
Arizona.....	783,374	225,000	New Mexico.....	543,418	500,000
Arkansas.....	774,901	1,077,890	New York.....	4,496,945	4,898,259
California.....	4,749,714	6,247,648	North Carolina.....	2,591,662	2,813,997
Colorado.....	876,883	816,970	North Dakota.....	353,223	362,964
Connecticut.....	628,646	710,910	Ohio.....	3,801,315	4,693,630
Delaware.....	135,574	137,073	Oklahoma.....	1,143,641	1,153,472
Florida.....	2,005,855	2,315,638	Oregon.....	809,193	787,605
Georgia.....	2,544,133	2,451,052	Pennsylvania.....	4,237,149	4,491,895
Hawaii.....	485,610	236,009	Rhode Island.....	232,713	314,007
Idaho.....	307,914	399,254	South Carolina.....	1,441,158	1,577,873
Illinois.....	2,871,234	3,541,125	South Dakota.....	362,883	388,225
Indiana.....	1,677,895	2,080,004	Tennessee.....	1,600,000	2,075,005
Iowa.....	1,209,954	1,233,936	Texas.....	3,577,171	4,500,000
Kansas.....	911,408	970,548	Utah.....	624,006	587,336
Kentucky.....	1,267,975	1,500,000	Vermont.....	180,553	198,426
Louisiana.....	1,903,377	1,500,000	Virginia.....	1,660,907	2,000,000
Maine.....	339,186	240,182	Washington.....	1,250,289	1,209,747
Maryland.....	1,322,373	1,287,627	West Virginia.....	1,119,235	1,031,462
Massachusetts.....	1,546,958	1,531,545	Wisconsin.....	1,874,855	1,816,272
Michigan.....	3,321,154	3,371,254	Wyoming.....	146,864	159,552
Minnesota.....	1,643,409	1,648,202	American Samoa.....	0	0
Mississippi.....	600,000	1,200,000	Canal Zone.....	0	0
Missouri.....	1,359,973	1,599,030	District of Columbia.....	65,406	100,000
Montana.....	264,181	300,000	Guam.....	12,500	50,000
Nebraska.....	611,147	623,534	Puerto Rico.....	575,166	1,340,000
			Virgin Islands.....	30,000	50,000

¹ Amounts reflect anticipated reallocation of funds.

TABLE 3.—*National Defense Education Act, title III: Grants to States for supervision and administration—Fiscal year 1965 obligations and estimated fiscal year 1966 obligations*

State or possession	1965 total obligations	1966 total estimated obligations ¹	State or possession	1965 total obligations	1966 total estimated obligations ¹
Total.....	\$4, 530, 623	\$7, 500, 000	Nevada.....	\$32, 000	\$50, 000
Alabama.....	96, 668	127, 500	New Hampshire.....	21, 837	50, 000
Alaska.....	15, 000	50, 000	New Jersey.....	75, 371	247, 201
Arizona.....	50, 000	75, 000	New Mexico.....	50, 000	52, 357
Arkansas.....	51, 000	88, 687	New York.....	682, 105	718, 935
California.....	379, 313	396, 350	North Carolina.....	98, 550	225, 000
Colorado.....	56, 697	89, 756	North Dakota.....	30, 000	50, 000
Connecticut.....	112, 233	117, 003	Ohio.....	90, 000	200, 000
Delaware.....	30, 949	50, 000	Oklahoma.....	59, 834	107, 920
Florida.....	149, 104	236, 677	Oregon.....	53, 566	58, 787
Georgia.....	140, 000	204, 087	Pennsylvania.....	239, 672	493, 300
Hawaii.....	110, 975	150, 000	Rhode Island.....	30, 000	50, 000
Idaho.....	20, 481	50, 000	South Carolina.....	82, 784	129, 825
Illinois.....	221, 780	268, 950	South Dakota.....	29, 000	50, 000
Indiana.....	38, 785	174, 000	Tennessee.....	74, 043	110, 300
Iowa.....	69, 509	125, 907	Texas.....	185, 614	487, 423
Kansas.....	44, 233	82, 500	Utah.....	50, 000	51, 467
Kentucky.....	60, 962	147, 990	Vermont.....	16, 000	40, 000
Louisiana.....	109, 335	172, 031	Virginia.....	35, 000	150, 000
Maine.....	28, 000	50, 000	Washington.....	88, 813	142, 859
Maryland.....	55, 002	155, 647	West Virginia.....	56, 465	87, 262
Massachusetts.....	114, 944	223, 676	Wisconsin.....	62, 626	94, 653
Michigan.....	50, 000	200, 000	Wyoming.....	10, 000	50, 000
Minnesota.....	105, 277	165, 620	American Samoa.....	0	0
Mississippi.....	40, 000	75, 000	Canal Zone.....	0	0
Missouri.....	68, 843	71, 000	District of Columbia.....	20, 000	50, 000
Montana.....	27, 500	50, 000	Guam.....	5, 005	5, 616
Nebraska.....	25, 000	65, 714	Puerto Rico.....	57, 248	59, 000
			Virgin Islands.....	23, 500	25, 000

¹ Amounts reflect anticipated reallocation of funds.10. *Economic classification of program expenditures.*¹ (See table 4.)

Program: Instruction in critical subjects.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 4.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services.....	0. 6
Grants to State and local governments.....	50. 2
Loans to private schools.....	. 4

Total, Federal expenditures..... 51. 2

Non-Federal expenditures financed by State and local governments..... 77. 2

Total expenditures for program..... 128. 4

GUIDANCE, COUNSELING, AND TESTING

(The National Defense Education Act—Title V-A)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist in the establishment and maintenance of testing, guidance, and counseling programs in public elementary and secondary schools, junior colleges, and technical institutes, and testing programs in private schools.

¹ Estimated.

2. Operation

Funds are allotted to States on a formula basis (see act). Dollar for dollar matching is required. Grants are made to State educational agencies which have submitted approved State plans to the U.S. Commissioner of Education. These plans include descriptions of projected activities and an estimate of their need for funds. State agencies use a small portion of title V-A funds for their State-level activities and pay the major share to the school districts to help finance local guidance, counseling, and testing programs approved by the State. To request comparable testing services, nonpublic schools in 39 states submit applications directly to the U.S. Office of Education.

3. History

The National Defense Education Act (Public Law 85-864) was signed into law on September 2, 1958. It was extended three times: in October 1961 (Public Law 87-344); in December 1963 (Public Law 88-210); and in October 1964 (Public Law 88-665), effective until June 30, 1968. Originally, only secondary schools were eligible for participation in title V-A. The 1963 amendments included grades seven and eight. In 1964, eligibility was extended to all grades in elementary schools, junior colleges, and technical institutes.

During the first 6 years of the program, States have consistently overmatched Federal funds. The number of full-time equivalent counselors has increased from 12,000 to 29,275, with 80 percent of these working in programs approved under State plans for title V-A.

4. Level of operations. (See table 1.)

Program: Guidance, counseling, and testing.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimated	Fiscal year 1967 estimated
(a) Magnitude of the program: Students in schools with guidance and counseling programs (millions).....	11.1	14	17	18
(b) Applicants or participants: State educational agencies.....	53	54	54	54
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$15	\$20.5	\$24.5	\$24.5
Obligations incurred (millions).....	\$15	\$20.5	\$24.5	\$24.5
Allotments or commitments made (millions).....	\$15	\$20.5	\$24.5	\$24.5
(d) Matching or additional expenditures (millions).....	\$154.6	\$106.7	\$200	\$200
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	¹ 37	¹ 35	23	30
(f) Non-Federal Government personnel employed.....	(²)	(²)	(²)	(²)
(g) Other measures of, level or magnitude of performance:				
Pupil-counselor ratio.....	528:1	475:1	455:1	440:1
Tests administered (millions).....	8.5	15	20	21
Secondary school counselors.....	27,275	¹ 31,000	32,500	34,000

¹ Estimated.

² Not available.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination of the program's operations is effected by the Division of Plans and Supplementary Centers of the Bureau of Elementary and Secondary Education. The Division works with the Bureau's Division of Educational Personnel Training, which administers the NDEA counseling institute program, to assure a coordinated Federal approach to the development of the Nation's school counseling program.

In making grants under the program, the Division works with State educational agencies and private nonprofit elementary and secondary schools.

8. *Laws and regulations*

Title V-A of the National Defense Education Act of 1958, enacted on September 2, 1958, as Public Law 85-864. For amendments and text of the current act, see Compendium of Statutes, pages 163-191.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—By directing students in their formative years, it is expected that the abilities and interests of students will better fit their future occupations. Also, through counseling, dropouts may be induced to finish high school. These two aspects of the program should increase the personal incomes of those involved in the program by helping them find more productive work.

(b) *Worker placement and productivity*.—Productivity is expected to be raised for the same reasons as those given above. Counselors have a direct bearing on the placement of students in fields which fit their skills and interest. By channeling students away from obsolete trades and into high potential areas, school counselors help alleviate technological unemployment.

(c) *Business and industrial organization and management*.—By having direction in choosing an occupation, a worker may be less prone to change jobs for other than economic reasons.

(d) *Geographic differentials*.—Table 2 shows the State allotments.

TABLE 2.—*National Defense Education Act, title V, pt. A: Guidance, counseling, and testing—Fiscal year 1965 obligations and estimated fiscal year 1966 obligations*

State or possession	1965 obligations	1966 total estimated obligations ¹	State or possession	1965 obligations	1966 total estimated obligations ¹
Total.....	\$20,469,115	\$24,500,000	Nevada.....	\$49,997	\$50,000
Alabama.....	396,887	470,611	New Hampshire.....	65,141	79,773
Alaska.....	50,000	50,000	New Jersey.....	638,892	781,675
Arizona.....	174,254	209,718	New Mexico.....	126,834	147,505
Arkansas.....	208,370	249,855	New York.....	1,688,528	2,025,432
California.....	1,783,398	2,171,432	North Carolina.....	553,877	654,741
Colorado.....	210,958	252,865	North Dakota.....	75,452	89,306
Connecticut.....	268,767	329,628	Ohio.....	1,102,239	1,308,473
Delaware.....	50,844	62,213	Oklahoma.....	261,415	304,041
Florida.....	554,790	666,782	Oregon.....	199,297	239,319
Georgia.....	477,546	574,968	Pennsylvania.....	1,170,828	1,389,757
Hawaii.....	79,327	93,821	Rhode Island.....	86,713	105,862
Idaho.....	84,556	96,831	South Carolina.....	308,017	366,752
Illinois.....	1,038,806	1,268,843	South Dakota.....	84,124	96,831
Indiana.....	516,387	625,140	Tennessee.....	410,266	490,178
Iowa.....	303,256	354,714	Texas.....	1,155,626	1,373,200
Kansas.....	239,000	282,467	Utah.....	121,204	144,996
Kentucky.....	352,007	416,927	Vermont.....	50,000	52,680
Louisiana.....	406,817	484,659	Virginia.....	471,528	558,913
Maine.....	106,126	125,931	Washington.....	330,446	383,814
Maryland.....	357,205	438,501	West Virginia.....	210,095	245,841
Massachusetts.....	520,709	630,157	Wisconsin.....	446,070	533,325
Michigan.....	916,242	1,087,723	Wyoming.....	50,000	50,000
Minnesota.....	391,628	466,597	American Samoa.....	0	0
Mississippi.....	281,650	332,639	Canal Zone.....	0	0
Missouri.....	442,175	531,319	District of Columbia.....	66,864	81,273
Montana.....	81,095	95,825	Guam.....	19,995	40,000
Nebraska.....	154,867	185,134	Puerto Rico.....	248,000	312,000
			Virgin Islands.....	30,000	40,000

¹ Amounts reflect a reallocation of funds.*10. Economic classification of program expenditures.* (See table 3.)

Program: Guidance, counseling, and testing.

Department or agency; and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 3.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services.....	10.3
Grants to State and local governments.....	17.3

Total, Federal expenditures.....	17.6
----------------------------------	------

Non-Federal expenditures financed by State and local governments.....	106.7
---	-------

Total expenditures for program.....	124.3
-------------------------------------	-------

¹ Estimated.

INSTITUTES FOR COUNSELORS AND TEACHERS

(The National Defense Education Act—Titles V-B, XI)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To improve the qualifications of counselors in schools and colleges, teachers who are preparing to engage in the counseling and guidance of students in schools and colleges, and teachers of critical subjects in elementary and secondary schools.

2. Operation

Proposals for institutes are submitted by colleges and universities for approval by the U.S. Commissioner of Education. These are reviewed by outside consultants and rated in terms of the institution's ability to provide the necessary staff and facilities to conduct a high-quality institute program. Contract funds cover the operating costs of the institute and provide additional funds for payment of stipends to eligible enrollees.

Persons wishing to attend an institute apply to the director of that institute, who is responsible for selecting participants.

3. History

The institutes for counselors were established by title V-B of the National Defense Education Act of 1958. The most recent amendment (fiscal year 1964) extended the institutes to include personnel engaged in or preparing to engage in counseling in elementary schools, junior colleges and technical schools. Institute participants from nonprofit schools were made eligible to receive stipends.

At the beginning of the program, major emphasis was placed on short-term institutes for counselors. In succeeding years, an increased proportion of program funds has been used to establish regular session institutes for secondary school personnel with little or no previous counselor preparation. Current program emphasis is on the preparation of individuals for entry level work in counseling and guidance at all educational levels: elementary, secondary, and higher education.

The program of language institutes originated in title VI, section 611 of the National Defense Education Act of 1958. On December 18, 1963, the President signed legislation to broaden the scope of section 611 to include support of institutes for teachers of English as a foreign language. As of January 1965, some 17,000 teachers had attended 386 National Defense Education Act language institutes in the United States and other countries.

Under title XI of the 1964 amendments (Public Law 88-665) to the National Defense Education Act, the Commissioner was empowered to contract with institutions to conduct institutes for teachers of English, reading, history, geography, and disadvantaged youth, and for educational media specialists and school librarians. The first of these new institutes were conducted in the summer of 1965, and the institute program will continue for 3 years under the present law. The Higher Education Act of 1965 (Public Law 89-329) amended the act to include institutes in civics, economics, and industrial arts.

4. Level of operations. (See table 1.)

Program: Institutes for counselors and teachers.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (institute participants) ²	6,370	22,160	25,545	29,530
(b) Applicants or participants: Institutions of higher education (institutes operated)	142	552	637	721
(c) Federal finances:				
Unobligated appropriations available (millions) ..	\$15	\$37	\$42.1	\$47.3
Obligations incurred (millions)	\$15	\$37	\$42.1	\$47.3
Allotments or commitments made				
(d) Matching or additional expenditures				
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (administering)	³ 32	³ 41	59	69
(f) Non-Federal Government personnel employed				
(g) Other measures of level or magnitude of perfor- mance:				
Counselor institute participants	1,902	1,733	1,560	1,530
Teacher institute participants	4,468	20,427	23,985	28,000

¹ Title XI undertook the duties previously assigned to title VI-B NDEA.

² For breakdown by type, see (g) Other measures.

³ Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination is effected through the Division of Educational Personnel Training of the Bureau of Elementary and Secondary Education. The Division works with the Bureau's Division of Plans and Supplementary Centers, which administers the guidance, counseling, and testing program authorized by the same act, to assure a coordinated Federal approach to the development of the Nation's school counseling program. In making grants, the Division deals directly with public and private colleges and universities.

8. *Laws and regulations*

Title V-B of the National Defense Education Act of 1958, enacted on September 2, 1958, as Public Law 85-864; title XI was added on October 16, 1964, by Public Law 88-665.

For amendments and text of the current act, see Compendium of Statutes, pages 163-191. The most recent amendment is section 467 of the Higher Education Act of 1965 (Public Law 89-329).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The economic impact of the institute program is similar to that discussed in earlier parts of this report. By upgrading the qualifications of teachers and counselors, the institutes help them to increase their potential income as well as their effectiveness in advising and teaching future members of the work force.

10. Economic classification of program expenditures. (See table 2.)

Program: Institutes for counselors and teachers.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services.....¹ 0.3

Grants to institutions of higher education for institutes and trainee allowances..... 26.0

Total, Federal expenditures..... 26.3

Non-Federal expenditures.....

Total expenditures for program..... 26.3

¹ Estimated.

EDUCATIONAL IMPROVEMENT FOR THE HANDICAPPED

(Public Law 85-926)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To improve the skills of teachers of handicapped children.

2. Operation

Grants are made by the Commissioner of Education to institutions of higher education and to State educational agencies, which in turn award fellowships, traineeships, and short-term traineeships to individuals who either are or are preparing to be, teachers, supervisors, speech correctionists, research workers, or other specialists in some aspect of the education of handicapped children.

Participating institutions of higher learning are responsible for insuring the eligibility of their award recipients. Participating State educational agencies are responsible for insuring that their award recipients and the courses they study meet the conditions of eligibility prescribed by the legislation and that the institutions offering the courses have acceptable, high-quality programs. Prospective recipients of awards apply directly to the participating institution or State educational agency.

3. History

This program was initiated by Public Law 85-926, enacted in fiscal year 1960, with a \$1 million annual appropriation for the purpose of training leadership personnel in the education of the mentally retarded.

Public Law 87-276, enacted in fiscal year 1962, provided \$1.5 million annually over a 3-year period for scholarships for prospective teachers of the deaf.

Title III, section 301 of Public Law 88-164 (Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963) amended and expanded Public Law 85-926 to include teachers, trainers or supervisors of teachers, and other specialized personnel engaged in the education of hard of hearing, speech impaired, visually handicapped, seriously emotionally disturbed, crip-

pled, and other health impaired children, as well as mentally retarded children. At the expiration of Public Law 87-276, professional personnel engaged in the education of the deaf were included under this amendment.

The act was further amended by Public Law 89-105, dated August 4, 1965, increasing the appropriation each year to reach \$37.5 million for the period ending June 30, 1969.

During the 4-year period, fiscal years 1961-65, grants to institutions of higher education and State educational agencies supported 11,262 fellowships and traineeships, approximately half of which were for persons working with the mentally retarded. In addition, 114 grants were made to strengthen institutional training programs.

4. *Level of operations.* (See table 1.)

Program: Educational improvement for the handicapped.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (grants) ¹	4,952	5,074	6,617	9,152
(b) Applicants or participants:				
State educational agencies.....	50	50	55	55
Institutions of higher education.....	154	193	210	225
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$14	\$14.5	\$19.5	\$24.5
Obligations incurred (millions).....	\$14	\$14.5	\$19.5	\$24.5
Allotments or commitments made.....	-----	-----	-----	-----
(d) Matching or additional expenditures.....	-----	-----	-----	-----
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	2 23	2 37	38	38
(f) Non-Federal Government personnel employed (consultants).....	43	33	34	35
(g) Other measures of level or magnitude of performance.....	-----	-----	-----	-----
Grants for strengthening institutional programs.....	42	59	40	20
Individuals supported for full academic year.....	2,126	2,355	3,153	3,870
Individuals supported for summer programs.....	2,784	2,660	3,424	5,262

¹ For breakdown by type of grant, see (g) Other measures.

² Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination of this program's operations is effected by the Division of Educational Personnel Training of the Bureau of Elementary and Secondary Education. In reviewing applications and making grants, the Division deals with State educational agencies and institutions of higher education.

Staff review of the program is exercised by the Office of Disadvantaged and Handicapped, which serves as a central information and contact point within OE and with other parts of DHEW for programs dealing with the education of the handicapped.

To advise the Commissioner of Education in carrying out his responsibilities, panels of consultants are convened. The consultants make

recommendations regarding the approval of applications and the distribution of funds in the various areas of the handicapped:

- (a) Crippled and other health impaired.
- (b) Deaf.
- (c) Emotionally disturbed.
- (d) Mentally retarded.
- (e) Speech impaired and hard of hearing.
- (f) Visually handicapped.
- (g) Administrators of special education.

8. *Laws and regulations*

Enacted on September 6, 1958, as Public Law 85-926. For amendments and text of the current act, see Compendium of Statutes, pages 82-83. The most recent amendment, Public Law 89-105, was enacted on August 4, 1965.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—The personal incomes of two groups are affected by this program.

The direct beneficiaries are teachers, prospective teachers, and others involved in the education of the handicapped. Through special undergraduate and graduate training programs these individuals are able to develop highly needed professional skills and thereby qualify for higher paying positions. Over the first 7 years of this program, handicapped teacher fellowships have supported 11,349 students, and it is expected that 7,538 more will receive assistance through fiscal year 1966 moneys. Approximately \$11,430,000 will be available in 1966 for this purpose.

A partial study, conducted on the 1,556 teachers of the deaf graduating from American universities between 1963 and 1965, shows that 78 percent (1,221) had received support through this program. Other evidence suggests that this percentage is typical of the handicapped field in general. Although some of the students earning graduate and undergraduate degrees in education of the handicapped might have been able to obtain comparable levels of training without this program, the support it has provided has been essential to the majority.

The ultimate beneficiaries of the program are handicapped children and youth. Increasing the number of teachers for the handicapped eventually will lead to higher incomes for the handicapped students too, as they gain the education and learn the skills requisite for higher paying jobs. Almost 10 percent of all school age children in the United States are numbered among the handicapped. Educational programs of the past left a majority of the handicapped inadequately prepared to achieve their full work potentials. Illustrative of this are the facts that almost five-sixths of the deaf adults work at ordinary manual jobs (as contrasted with 50 percent of the hearing population) and that over 50 percent of the hearing-impaired people in the United States have family incomes of less than \$4,000 per year.

In recent years, there has been an awakening interest in providing the handicapped with better education. Special education enrollments in public schools increased 132 percent during the 10 years

following 1948. By 1963 there were 1,559,000 children attending special education programs in the Nation's public day schools and an additional 111,000 enrolled in public and private resident schools. With more and better teachers, this group undoubtedly will become more productive than their counterparts of the last generation.

(b) *Worker placement and productivity.*—It is estimated that 300,000 special education teachers would be needed to assure adequate "special student" programs this year. Of the 60,000 special teachers available, 30 to 60 percent are essentially untrained or acquiring training on a part-time basis. Because of this critical need, personnel receiving the training sponsored by this program have numerous opportunities for employment and advancement. Also, as a result of their training, they should become more productive in their work.

Investment in education for teachers of the handicapped earns an unusually high return since individuals choosing work in this field are especially devoted to their profession. Recent responses received from 415 individuals, who had received fellowships between 1959 and 1963 to become teachers of the mentally retarded, indicated that 95 percent of this group still are in education and doing work related to the handicapped. Many of these are now with universities where they are teaching others to become teachers of the handicapped.

Improving education of the handicapped can lead to direct increases in productivity by preparing additional productive workers for the labor force. Handicapped persons who have been trained for and matched to their jobs have proved themselves to be highly productive. As training programs increase in effectiveness, there will be some shifting of persons from care institutions, and possibly from specialized small "handicapped" industries, to large-scale industry, small business, and government.

(c) *Other phases of economic activity.*—The handicapped may either contribute to or burden the national economy. Aside from fulfilling a moral obligation, education of the handicapped represents a direct attack on unemployment and underemployment. Therefore preparation of teachers of the handicapped will indirectly reduce future welfare payments. Like most programs that provide training for the unemployed, it also creates the potential for noninflationary growth of the economy.

A final effect of the program is its minor but important role in strengthening the Nation's educational system. Not only does it help upgrade the teaching profession, but it also provides a modicum of direct financial support. Universities conducting teacher training programs in special education receive \$2,000 for each senior traineeship, \$2,500 for support of each graduate fellowship, and \$75 per week for short-term special study institutes. This support is used to help defray university salaries and expenses. As a result of the 7,538 fellowships awarded through the program this year, operating budgets of American universities were increased by a total of \$7,210,000. In addition, \$840,000 was allocated to 55 State educational agencies to help them develop and administer their programs for the education of the handicapped.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Educational improvement for the handicapped.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services.....	¹ 0.3
Grants to institutions of higher education for program development, traineeships, and fellowships.....	10.7
Grants to state and local governments.....	3.1
Total, Federal expenditures.....	14.1
Non Federal expenditures.....	
Total expenditures for program.....	14.1

¹ Estimated.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

(Public Law 874)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To compensate school districts for burdens imposed on them by Federal activities and land ownership which result in an influx of schoolchildren whose parents live on or are employed on nontaxable Federal property.

2. Operation

Grants are made directly to eligible school districts under a formula which provides for payment of Federal dollars based on local costs per pupil. No matching is required. Applications are submitted by the local school districts to the Office of Education through the State educational agency. State agencies assist applicants in preparing applications, certify the accuracy of the data submitted, and provide information necessary for the calculations of payment rates. Data for verification of Federal property ownership and amounts of other Federal payments to be deducted from gross entitlements are obtained from the Federal agency having jurisdiction in the matter. Where no local educational agency is able to provide suitable free public education for children residing on Federal property, the Commissioner of Education is required to arrange for their education at full Federal expense by delegation of the responsibility to a local educational agency or to the Federal agency controlling the property on which the children live.

3. History

In 1949 the House Committee on Education and Labor began an investigation of the nature and extent of problems created for local communities by Federal activities. As a result of its findings, two major pieces of legislation emerged: Public Law 815 (discussed in the next section) to aid school construction in areas affected by Federal activities, and Public Law 874 to aid school operations in such areas.

Public Law 874 has been amended and extended numerous times. Most of the amendments either liberalized the basic provisions or were intended to meet specific problems. Assistance on behalf of children who live on Federal property with a parent employed on Federal property was made permanent by Public Law 85-620. The latest ex-

tension of the temporary provisions of the law by Public Law 89-10 provides authorization through fiscal year 1968. Public Law 89-313 amended the law to provide aid to schools in disaster-struck areas.

In 1951, the first year of the program's operation, 1,172 federally affected school districts were declared eligible for assistance. Over the years, the number of those eligible has gradually increased to nearly 4,100 schools, with an estimated attendance of 12.5 million pupils, now receiving Federal payments. In addition, funds are allocated to other Federal agencies to provide school services for over 45,000 children. Since the enactment of the program 15 years ago, almost \$2.1 billion has been appropriated.

An extensive study of the Public Law 874 and Public Law 815 programs was authorized by the Congress in 1964. The report of the study, conducted by the Stanford Research Institute, was transmitted to the Congress in June 1965. The study¹ recommended a number of changes in the authorizing legislation to remove present inequities and to align Federal payments with actual financial burdens imposed by Federal activities in local school districts.

4. Level of operations. (See table 1.)

Program: School assistance in federally affected areas.

Department or agency, bureau or office: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—Level of operations or performance, fiscal years 1964-67

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimated	Fiscal year 1967 estimated
(a) Magnitude of the program (pupils affected) (millions).....	1.9	2	2.15	1.5
(b) Applicants or participants: Local school districts and Federal agencies (number of grants received).....	4,200	4,200	4,200	3,150
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$320.7	\$322	\$347	\$183.4
Obligations incurred (millions).....	\$301	\$330.6	\$347	\$183.4
Allotments or commitments made.....				
(d) Matching or additional expenditures.....				
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	125	125	125	125
(f) Non-Federal Government personnel employed.....				
(g) Other measures of level or magnitude of performance.....				

¹ Estimated.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Both this program and the school construction program discussed in the next section are administered by the Division of School Assistance in Federally Affected Areas of the Bureau of Elementary

¹ Impacted Areas Legislation, Report and Recommendations, Print of the Committee on Labor and Public Welfare, U.S. Senate, August 1965.

and Secondary Education. Division personnel deal with both State educational agencies and local school districts.

In addition, coordination is required with Federal agencies which operate schools for children living on Federal property (Veterans' Administration, Federal Aviation Agency, and the Departments of the Army, Navy, Air Force, and Interior).

8. Laws and regulations

Public Law 874, 81st Congress, enacted on September 30, 1950. For amendments and text of current law, see Compendium of Statutes, pages 44-53, 63-77. The most recent amendment is Public Law 89-313, enacted on November 1, 1965.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The school assistance program aids the educational efforts of the particular school districts qualifying for assistance. The general benefits of education and the effect of education on the economy have been discussed in other parts of this report. It should be pointed out here that although the 4,176 school districts eligible for aid in 1965 composed about 15 percent of the total number of school districts in the Nation, they contained 33 percent of the total public elementary and secondary school population. The \$311 million of Federal aid they received amounted to 5.3 percent of their total current operating costs. In addition, 42,406 children residing on Federal property benefited from the \$17 million allocated to other Federal agencies for their education.

Funds are spent under this program in every State and four territories. They are concentrated around military installations, many of which are in the coastal areas. For the distribution of funds by State, see table 2.

The report of the special study contains an economic analysis of the effect of Federal activity on the tax base and analysis of educational efforts of selected communities receiving aid through the programs discussed in this section and the next.

(NOTE.—In assessing the benefits of this program, it should be borne in mind that the purpose of the program is to compensate areas for burdens imposed on them by Federal activity, rather than to provide general aid to education. The study referred to above concluded that under the present legislation this purpose is not uniformly fulfilled in the areas receiving assistance.)

TABLE 2.—*Summary of entitlements, by State, titles I and III, Public Law 874, as amended, fiscal years 1965 and 1966*

State or territory	1965 actual	1966 estimate	State or territory	1965 actual	1966 estimate
Total.....	\$330,561,932	\$347,000,000	Nebraska.....	\$4,138,073	\$4,181,000
Alabama.....	6,886,664	7,100,000	Nevada.....	2,289,432	2,321,000
Alaska.....	9,610,686	10,340,000	New Hampshire.....	1,896,652	1,939,000
Arizona.....	6,625,059	7,287,000	New Jersey.....	7,954,215	8,467,000
Arkansas.....	1,786,882	2,013,000	New Mexico.....	6,963,365	7,287,000
California.....	52,579,489	53,687,000	New York.....	8,671,825	9,092,000
Colorado.....	9,809,644	10,064,000	North Carolina.....	7,815,275	8,253,000
Connecticut.....	2,506,046	2,970,000	North Dakota.....	2,009,039	2,111,000
Delaware.....	1,136,693	1,241,000	Ohio.....	7,649,397	7,869,500
District of Columbia.....	4,079,623	4,703,000	Oklahoma.....	9,156,765	9,922,000
Florida.....	10,688,273	11,429,000	Oregon.....	1,420,466	1,665,500
Georgia.....	10,330,515	10,649,000	Pennsylvania.....	6,973,657	7,530,000
Hawaii.....	6,381,530	6,940,000	Rhode Island.....	2,539,519	3,123,000
Idaho.....	2,337,553	2,707,000	South Carolina.....	5,402,016	5,760,500
Illinois.....	6,224,130	6,277,000	South Dakota.....	2,981,513	3,400,500
Indiana.....	1,774,660	1,804,000	Tennessee.....	3,575,936	3,839,500
Iowa.....	1,323,240	1,384,000	Texas.....	18,691,156	18,974,000
Kansas.....	7,429,228	7,479,000	Utah.....	3,808,242	4,185,000
Kentucky.....	5,127,753	6,073,000	Vermont.....	57,553	69,000
Louisiana.....	1,470,147	1,562,000	Virginia.....	22,898,425	23,861,000
Maine.....	2,734,505	2,915,000	Washington.....	10,485,438	10,514,500
Maryland.....	13,919,837	14,326,000	West Virginia.....	176,925	208,500
Massachusetts.....	9,507,270	9,853,000	Wisconsin.....	953,351	971,500
Michigan.....	3,084,941	3,123,000	Wyoming.....	1,239,189	1,423,000
Minnesota.....	702,420	798,500	Guam.....	1,045,317	1,145,000
Mississippi.....	1,707,960	1,803,000	Puerto Rico.....	3,058,535	3,166,000
Missouri.....	3,794,482	3,817,000	Virgin Islands.....	75,810	114,500
Montana.....	2,930,806	3,088,500	Wake Island.....	144,810	173,500

10. *Economic classification of program expenditures.* (See table 3.)

Program: School assistance in federally affected areas.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 3.—*Economic classification of program expenditures for fiscal year 1965¹*

(In millions of dollars)

Federal Government:	
Purchases of goods and services.....	¹ 1.3
Payments to other Federal agencies.....	² 16.6
Grants to State and local governments.....	294.8
Total Federal expenditures.....	312.7
Non-Federal expenditures.....	
Total expenditures for program.....	312.7

¹ Estimated.² [Omitted from table 5 in pt. I of report.]

SCHOOL CONSTRUCTION IN FEDERALLY AFFECTED AREAS

(Public Law 815)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To aid the construction of school facilities in school districts having substantial increases in school enrollment as a result of Federal activities.

2. *Operation*

Grants are made directly to eligible school districts (see act) under a formula which bases the Federal payment on a portion of the cost

per pupil of constructing minimum school facilities. Applications for school construction assistance are submitted to the Office of Education through State educational agencies and contain the essential source data required for the determination of eligibility and payment. The State agency certifies that the data are correct and that the proposed project is in conformity with the overall State plans and requirements for the construction of school facilities. The State agency also provides the information required to calculate the average cost per pupil of construction of minimum school facilities in the State. Where no local educational agency is able to provide suitable free public education, the application is submitted by the appropriate Federal agency. No matching is required; however, Federal funds may be used only for the construction of "minimum" school facilities and local funds must be used for the remaining costs of a project.

3. History

In 1949, the House Committee on Education and Labor investigated problems created for school districts by Federal activities. As a result, Public Law 815 was enacted in September 1950, with an initial termination date of June 30, 1952. The act has had numerous amendments, mostly of a liberalizing nature, but the basic provisions, intent, and purpose have remained the same. Assistance on behalf of children who live on Federal property with a parent employed on Federal property was made permanent by Public Law 85-620. The latest extension of the temporary provisions of the law by Public Law 88-665 provides authorization through fiscal year 1966. Public Law 88-313 amended the law to provide aid to schools in disaster-struck areas.

Since the passage of Public Law 815 in 1950, nearly \$1.2 billion has been appropriated to aid school construction in 1,900 school districts. With this sum plus State and local expenditures (approximately \$715 million), a total of 58,000 classrooms and related facilities have been built for 1.8 million children.

4. Level of operations. (See table 1.)

Program: School construction in federally affected areas.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (classrooms provided) . . .	707	3, 092	2, 700	1, 000
(b) Applicants or participants: State educational agencies (projects filed)	331	360	368	121
(c) Federal finances:				
Unobligated appropriations available (millions)	\$68. 6	\$105	\$78. 1	\$37. 1
Obligations incurred (millions)	\$21. 9	\$77	\$63. 9	\$25. 1
Allotments or commitments made				
(d) Matching or additional expenditures				
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering)	31	31	31	31
(f) Non-Federal Government personnel employed				
(g) Other measures of level or magnitude of performance (pupils housed)	1 80, 500	1 89, 700	78, 300	29, 000

¹ Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination of this program's operations is the same as that required under the "School Assistance" program discussed in the preceding section.

In addition, the Division of School Assistance is furnished technical engineering, legal, and construction assistance, including periodic inspections of construction progress, by the Department of Housing and Urban Development, both for schools constructed on Federal property and for schools constructed by local educational agencies. When a school is to be constructed on Federal property, the Department of Housing and Urban Development obtains an estimate of the construction costs and, after approval, hires the architect to prepare the plans and specifications, awards the contract, and supervises the construction.

8. *Laws and regulations*

Enacted on September 23, 1950, as Public Law 815, 81st Congress. For amendments and text of current law, see Compendium of Statutes, pages 67-80. The most recent amendment is Public Law 89-313.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE
PROGRAM

9. *Economic effects*

In addition to the indirect economic effects of this program (through its general contribution to education) there are direct effects on one particular sector of the economy—construction.

The more than \$1.2 billion appropriated for this program since 1950 has been spread among 1,900 school districts to help build 58,000 classrooms. Compared with the total national expenditure for construction of public elementary and secondary schools during this period (approximately \$40 billion), Federal aid granted under this program has accounted for approximately 3 percent. In any one of the areas receiving aid, building activity stimulated through the program might have a sizable impact on the area's economy.

The program's operations, like those of the school assistance program, are concentrated in the areas with military installations, predominantly the Western and Southern parts of the Nation. For distribution of program funds by State, see table 2.

(NOTE.—Assessment of the program's benefit should consider the intent of the program, i.e., the compensation of local school districts for burdens imposed on them by tax-exempt Federal activities. The effect of the program should be to match burdens with equivalent Federal payments.)

TABLE 2.—*Summary of assistance for school construction, by State—Public Law 815, as amended, fiscal years 1965 and 1966*

State or outlying part	1965 actual obligations	1966 estimated entitlements	State or outlying part	1965 actual obligations	1966 estimated entitlements
(1)	(2)	(3)	(1)	(2)	(3)
Total.....	\$77,000,030	\$50,078,000	Nebraska.....	\$794,477	\$592,500
Alabama.....	1,030,830	789,900	Nevada.....	983,125	839,300
Alaska.....	4,046,231	987,400	New Hampshire.....	33,087	—
Arizona.....	1,669,513	1,234,300	New Jersey.....	8,529	345,500
Arkansas.....	42,230	394,900	New Mexico.....	3,618,161	1,184,900
California.....	9,973,385	9,725,900	New York.....	1,013,785	1,087,400
Colorado.....	3,709,392	1,333,000	North Carolina.....	2,289,419	1,036,800
Connecticut.....	—	296,200	North Dakota.....	1,778,109	493,700
Delaware.....	715,799	—	Ohio.....	960,024	839,300
District of Columbia.....	—	—	Oklahoma.....	1,692,235	1,481,100
Florida.....	6,786,646	2,962,200	Oregon.....	123,428	197,500
Georgia.....	6,259,746	1,431,700	Pennsylvania.....	1—1,231	148,100
Hawaii.....	—	1,177,300	Rhode Island.....	663,344	98,800
Idaho.....	27,382	394,900	South Carolina.....	1,411,246	790,000
Illinois.....	987,746	444,300	South Dakota.....	439,067	493,700
Indiana.....	48,360	246,900	Tennessee.....	310,446	246,800
Iowa.....	9,348	—	Texas.....	2,477,461	1,721,700
Kansas.....	503,227	493,700	Utah.....	2,528,707	1,036,800
Kentucky.....	27,084	345,500	Vermont.....	—	—
Louisiana.....	436,490	197,500	Virginia.....	10,152,380	4,295,200
Maine.....	602,363	197,500	Washington.....	260,167	1,283,600
Maryland.....	6,441,263	3,499,000	West Virginia.....	—	—
Massachusetts.....	15,690	345,500	Wisconsin.....	184,505	197,500
Michigan.....	69,013	1,431,700	Wyoming.....	365,933	246,800
Minnesota.....	—	98,800	Guam.....	—	98,800
Mississippi.....	—	197,500	Puerto Rico.....	108,539	1,600,000
Missouri.....	141,021	493,700	Virgin Islands.....	—	—
Montana.....	395,869	394,900	Wake Island.....	72,480	—
			Technical services.....	793,979	708,000

¹ Adjustments from prior year obligations.

10. *Economic classification of program expenditures.* (See table 3.)

Program: School construction in federally affected areas.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 3.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services.....	¹ 0.3
Payments to Housing and Urban Development Department.....	² 9.1
Grants to States and local governments.....	29.2

Total, Federal expenditures.....	38.6
Non-Federal expenditures.....	—

Total expenditures for the program.....	38.6
---	------

¹ Estimated.

² [Omitted from table 5 in pt. I of report.]

NATIONAL TEACHER CORPS

(The Higher Education Act of 1965, title V-B)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To strengthen the educational opportunities available to children in areas having concentrations of low-income families, and to encourage college and universities to broaden their teacher preparation programs.

2. Operation

The Commissioner of Education is authorized to recruit experienced teachers and teacher-interns. The interns will be given 3 months' training, initially in colleges and universities, and then formed into teaching teams headed by an experienced teacher. Teaching teams and/or individual experienced teachers will be assigned to local educational agencies which request them and which are in low-income areas. The Corpsmen will perform certain teaching duties and also participate in additional training. All cost of the program and arrangements with the local agencies will be paid by the Federal Government. The Corpsmen will be under the complete control of the local school districts.

3. History

The National Teacher Corps was enacted as title V, part B of the Higher Education Act of 1965; \$36,100,000 was authorized for fiscal year 1966 and \$64,715,000 was authorized for fiscal year 1967. At the close of the 1st session of the 89th Congress, no funds had been appropriated.

4. Level of operations. (See table 1.)

Program: National Teacher Corps.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 esti- mated ²	Fiscal year 1967 estimated ³
(a) Magnitude of the program (teaching teams) -----			940	1, 140
(b) Applicants or participants: Individuals (Corps teachers) -----			3, 750	4, 600
(c) Federal finances: -----				
Unobligated appropriations available (millions) -----			\$13. 2	\$31. 3
Obligations incurred (millions) -----			\$13. 2	\$31. 3
Allotments or commitments made (millions) -----				
(d) Matching or additional expenditures -----				
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (ad- ministering) -----			55	70
(f) Non-Federal Government personnel employed -----				
(g) Other measures of level or magnitude of performance. -----				

¹ Not applicable.

² Based on fiscal year 1966 supplemental request for funds to cover recruitment and training of 3,750 Corps members.

³ Fiscal year 1967 will provide salary compensation and other expenses for the 3,750 Corps teachers previously recruited and support for the recruitment and training of 850 new Corps members.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

This program will be administered to complement the program authorized by title I of the Elementary and Secondary Education Act of 1965 (see "Education of Children of Low-Income Families"). Coordination of the two programs will be effected within the Bureau of Elementary and Secondary Education.

In carrying out the program, the Bureau will deal with components of the Office of Economic Opportunity, institutions of higher education, and State and local educational agencies.

Staff review of the program will be exercised by the Office of Disadvantaged and Handicapped, which serves as a central point within OE for information and advisory services concerning educational programs designed to aid in the fight against poverty.

The act authorizing the National Teacher Corps requires the establishment of an Advisory Council on Quality Teacher Preparation. The Council will review the administration and operation of the Teacher Corps and the Fellowships for Teachers program and make recommendations for their improvement.

8. *Laws and regulations*

Title V-B of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

Regulations have not yet been issued.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The National Teacher Corps is expected to stimulate and encourage college graduates (a) to enter the teaching profession, and (b) to teach where they are particularly needed—in city slums and areas of rural poverty.

The economic effects of the Corps operations will be very similar to those of title I of the Elementary and Secondary Education Act of 1965 (see "Education of Children of Low-Income Families").

10. *Economic classification of program expenditures*

Not applicable. No funds have as yet been appropriated.

FELLOWSHIPS FOR TEACHERS

(The Higher Education Act of 1965—Title V-C)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To improve the quality of the education of persons who are pursuing or plan to pursue a career in elementary or secondary education.

2. *Operation*

The Office of Education will entertain proposals from institutions of higher education interested in providing graduate Federal fellowship programs for experienced or prospective teachers. Advisers will help in selecting the programs to be funded. The act requires an equitable distribution of the fellowships throughout the States.

Prospective fellows will apply to the institutions with approved programs. In addition to the fellowship awarded to each individual, the institutions where they are studying will receive \$2,500 per fellow. The act also provides for grants to colleges and universities to help develop and strengthen their teacher education programs.

3. History

This fellowship program was enacted as title V, part C of the Higher Education Act of 1965. The act provided for \$40 million and 4,500 fellowships for fiscal year 1966. Actual appropriations amounted to \$20 million (\$5 million for improving teacher education and \$15 million for fellowships). This is expected to make possible approximately 900 fellowships for experienced teachers and 1,300 for new teachers.

Meetings were held during December of 1965 with college and university officials to acquaint them with the provisions of the law and plans for the program.

4. Level of operations. (See table 1.)

Program: Fellowships for teachers.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Elementary and Secondary Education, and Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (fellowships) -----			2,354	5,800
(b) Applicants or participants: Institutions of higher education (institutions) -----			100	125
(c) Federal finances:				
Unobligated appropriations available (millions) -----			\$20	\$42.5
Obligations incurred (millions) -----			\$20	\$42.5
Allotments or commitments made -----				
(d) Matching or additional expenditures -----				
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (administering) -----			10	10
(f) Non-Federal Government personnel employed -----				
(g) Other measures of level or magnitude of perform- ance (teacher education programs supported) -----			50	50

¹ Not applicable.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

The administration of this program is divided between two bureaus. The Bureau of Elementary and Secondary Education administers fellowships for experienced teachers. The Bureau of Higher Education administers the fellowships for prospective teachers. Both Bureaus administer the grants to institutions for the improvement of their teacher education offerings. The two Bureaus work closely together to assure continuing coordination, especially during the initial stages of program development.

The Advisory Council on Quality Teacher Preparation, created by the act, will review the administration and operation of this and similar programs of teacher education and recommend to the Commissioner ways of improving their effectiveness.

Other mechanisms for coordination will be the same as those discussed in the "Graduate Fellowships" program.

8. *Laws and regulations*

Title V-C of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

No regulations have as yet been issued.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The economic effects of this program will be very similar to those listed in the sections dealing with "Institutes for Counselors and Teachers" and "Graduate Fellowships."

In addition, approximately 20 percent of the funding will be used to assist teachers who have been displaced as a result of school desegregation actions and who wish to upgrade their teaching skills and to continue teaching in new locations.

The main effect of the program will be to improve the quality of teaching in the elementary and secondary levels by encouraging experienced teachers to enter graduate programs and by attracting college graduates to pursue teaching careers.

10. *Economic classification of program expenditures*

Not applicable. The program began operation in fiscal year 1966.

III. PROGRAMS FOR HIGHER EDUCATION

HIGHER EDUCATION FACILITIES

(The Higher Education Facilities Act of 1963)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To help in constructing and improving academic facilities at colleges, technical institutes, and universities in order to meet existing needs, and to keep pace with mounting student enrollment.

2. *Operation*

The Higher Education Facilities Act of 1963, as amended by the Higher Education Act of 1965, is a Federal program providing grants and loans to assist eligible colleges, universities, and technical institutes in financing the construction of academic facilities needed to expand their enrollment capacity or capacity to carry out on-campus extension and continuing education programs. It offers matching grants to both public and private undergraduate institutions under title I, with special provisions for public community colleges and technical institutes (sec. 103) and for graduate schools and centers under title II. Loan funds are available under title III to assist construction of facilities by any of these types of institutions.

The Office of Education administers the undergraduate grants section of this program through designated State commissions. A State commission, in accordance with criteria prescribed by Federal statutes and regulations, assigns priorities to institutional applications for proposed projects and determines the Federal share in each case (up to 40 percent for the public community colleges and technical institutes

and up to 33½ percent for other institutions). Of the funds appropriated for title I, 22 percent are allotted among the States for public community colleges and technical institutes, and the remaining funds are allotted among the States for institutions other than public community colleges and technical institutes; however, a State commission may request that funds not applied for by institutions in either group by January 1 be transferred to the other group of institutions.

The section of this program authorizing grants for construction of facilities for graduate education is directly administered by the Office of Education. Awards are made on a matching basis of up to one-third of the costs to applicant institutions by the Commissioner of Education on the advice of the Advisory Committee on Graduate Education which was established under the Higher Education Facilities Act.

The loan provisions of this program are administered solely by the Office of Education. A loan plus other Federal funds used may not exceed 75 percent of the eligible development cost of a construction project. Interest on loans may not exceed 3 percent.

Through a special arrangement with the Community Facilities Administration of the Department of Housing and Urban Development, architectural-engineering services in field operations are provided by that agency.

3. History

Fiscal year 1965 saw the first funds made available under the Higher Education Facilities Act of 1963 which provided grants and loans to higher education institutions for the construction of academic facilities.

By November 1964 plans submitted by State commissions for undergraduate construction projects had been approved by the Commissioner of Education for half of the States, and by the end of March 1965 plans had been approved for all the States, the District of Columbia, and Puerto Rico. From an appropriation of \$50.6 million, grants totaling \$47.4 million were made to 98 public community colleges and technical institutes during fiscal year 1965. An appropriation of \$179.4 million enabled 168 public 4-year institutions and 209 private institutions to receive grants totaling \$177 million. These grants under title I ranged from \$5,573 to \$3,770,269.

During fiscal year 1965, 69 graduate institutions received grants totaling \$60 million for 85 projects for the construction of graduate academic facilities under title II of the act. The 85 approved project grants will help pay for the construction of 26 libraries; 23 social science, education, and related facilities; 15 physical science and mathematics buildings; 9 buildings in engineering and environmental fields; 7 facilities in the fine arts and humanities; and 5 in the biological sciences and agriculture. Grants made under this program serve the following objectives: an increased supply of highly qualified personnel needed in higher education, industry, and Government; improvement of existing graduate schools and cooperative graduate centers; assistance to institutions for the establishment of excellent schools and centers of these types; and the attainment of a wider geographical distribution of graduate facilities.

From an appropriation of \$169.3 million for loans under title III: Loans for Construction of Academic Facilities, loans totaling \$107.7

million were made to 112 private and 7 public institutions. These loans ranged from \$51,000 to \$2,994,000.

The facilities which these Federal grants and loans will help to construct will cost an estimated total of \$1.37 billion. Although much of the non-Federal funding was committed in advance of the availability of Federal funds, it is believed that these funds have stimulated approximately one-half of the total construction to which they were contributed.

4. *Level of operations.* (See table 1.)

Program: Higher education facilities.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (approved projects):				
Title I (undergraduate grants) -----		516	1,137	1,137
Title II (graduate grants) -----		85	85	85
Title III (loans) -----		133	135	250
(b) Applicants or participants (colleges and universities):				
Title I -----		475	1,000	1,000
Title II -----		69	69	69
Title III -----		119	122	215
(c) Federal finances:				
Unobligated appropriations available (millions) -----		\$462.3	² \$638.3	\$722.7
Obligations incurred (millions) -----		\$393.7	² \$638.3	\$722.7
Allotments or commitments made, title I only (millions) -----		\$230.0	\$463.6	\$453.0
(d) Matching or additional expenditures (millions) -----		³ \$983.7	³ \$1,611.0	³ \$1,665.0
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years) -----		⁴ 34	62	84
(f) Non-Federal Government personnel employed (persons) -----		⁴ 40	50	50
(g) Other measures of level or magnitude of performance.				

¹ No funds were appropriated for fiscal year 1964.

² Includes \$5,600,000 unused 1965 funds which were reallocated for 1966 and \$230,000,000 authorized but unappropriated for 1964 which was appropriated for 1966.

³ Estimated matching expenditure by colleges and universities in accordance with sec^s 107, 202, and 303 of the Higher Education Facilities Act of 1963.

⁴ Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the bureau, division, or office.*—The program is administered by the Bureau of Higher Education of the Office of Education; the undergraduate facilities and loan programs are directly administered by the Division of College Facilities and the graduate facilities program by the Division of Graduate Programs. There is continuing day-to-day coordination of the program between these two divisions.

The operation of the loan program under title III is coordinated with the operation of the grant programs under both titles I (undergraduate) and II (graduate) on occasions when both grant and loan funds are sought. These titles have the common objective of helping

colleges and universities accommodate the rapidly growing numbers of young people who aspire to a higher education. Although each program handles its applications separately, plans are currently being developed to place all pertinent data on punchcards, enabling the facility programs to operate more efficiently.

(b) *With other Federal Government departments or agencies.*—Through an agreement with OE, the Community Facilities Administration (CFA) regularly provides construction and contracting data needed in the planning of these programs. CFA also gives architectural and engineering assistance to the programs by inspecting the construction of academic facilities.

The Department of Labor has provided written information on the demand and supply of highly trained personnel needed by community, industrial, Government, research, and teaching professions. These reports are available to the staff in evaluating applications.

An Advisory Committee was established by law to advise the Commissioner on the action to be taken on each title II (graduate) application and also on policy matters for that program. Membership of other Government organizations on the Committee includes one representative from the Office of Science and Technology, Executive Office of the President, and another representative from the National Science Foundation. There is close coordination of applications with the National Science Foundation, the National Institutes of Health, and the National Aeronautics and Space Administration in cases where applications have been filed for grants for the same facility with more than one agency.

(c) *With State governments or their instrumentalities.*—Many applications are from State institutions. Some of these institutions are located in States having building authorities which construct the facilities. A State commission reviews proposed projects under title I and forwards them to the Commissioner for final approval.

(d) *With local government or communities.*—Some applications are from institutions of a municipal government.

(e) *With nonprofit organizations or institutions.*—All institutions awarded grants or loans under this program are private or public nonprofit institutions.

(f) *With others.*—In evaluating applications, the Bureau obtains the advice and assistance of non-Government, academic, professional people, who serve as consultants under temporary civil service appointments. These individual are from colleges and universities around the country and are recognized leaders in their respective academic fields.

8. Laws and regulations

The Higher Education Act of 1963, enacted on December 16, 1963, as Public Law 88-204. See Compendium of Statutes, pages 99-116 for a copy of the act.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The economic effects of the higher education facilities program can be examined in at least two ways: The first assesses its impact on the

total economy and the second reviews its regional or local effects. In terms of the national economy, this facilities program has the indirect effect of contributing to the gradual improvement of the educational level of the labor force and citizenry. It is generally acknowledged that educational expenditures are one of our economy's most productive long-term investments.

The effects of the Federal facilities program on the economy of a region or locality can be substantial. The degree of impact depends primarily on the size of the program relative to that of the community involved. A large construction project in a small town, particularly if the town is in a depressed area, would have substantial shortrun influence on employment, personal income, worker migration, etc. In addition, indirect effects on the community, such as increased sales and rising prices, might occur. The longrun effects of a completed educational facility would include an increase in consumers (students), a permanent increase in jobs, and an additional and positive attraction in the community. All of these consequences, however, would tend to be reduced in situations where the facilities program constituted but a small portion of the economic activities of the region involved.

While the precise effects of the graduate facilities program on the economy cannot be measured, the expansion of graduate education in the United States will unquestionably have the effect of increasing the supply of highly skilled people who can make a substantial economic contribution at a high level of income and productivity. The effect of the program on research and development will also be substantial, since the expansion of graduate education will mean an expansion of research facilities in science, engineering, and other fields in many parts of the United States, with a beneficial effect on both regional and national economies. The effect should be to stimulate the growth of existing businesses and industries and to bring about the creation of new economic enterprises.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Higher education facilities.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services.....	¹ 0. 6
Grants to State commission to administer title I.....	1. 3
Loans to institutions (title III).....	1. 7
Total, Federal expenditures.....	3. 6
Non-Federal expenditures financed by individuals and nonprofit organizations.....	² 1. 6
Total expenditures for program.....	5. 2

¹ Estimated.

² Estimated matching expenditures by institutions of higher education in accordance with sec. 303 of the Higher Education Facilities Act pertaining to title III loans for construction projects.

COLLEGE WORK-STUDY

(The Economic Opportunity Act of 1964—Title I-C)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To provide financial assistance to institutions of higher education for the support of part-time employment opportunities for financially needy college students, particularly students from low-income families.

2. Operation

The Office of Education administers Federal grants to colleges and universities. These will finance up to 90 percent of student wages in work-study programs through August 1967, and 75 percent thereafter. The colleges arrange for work opportunities either on campus or in nonprofit organizations off campus.

All public and private nonprofit institutions of higher education, including junior colleges, which are accredited by a nationally recognized accrediting agency may participate in the work-study program. Other institutions may be eligible for participation under provisions of section 441 of the Higher Education Act of 1965.

A student may work under the work-study program for not more than 15 hours in any week in which classes are in session, and not more than 40 hours in any other week (summer or other vacation periods). A student may work on campus for the college in a variety of ways—as a laboratory assistant or library aid, in food service or in grounds maintenance. Off campus he may work in activities such as those supported by a community action program of the Economic Opportunity Act or in other activities in health, education, recreation, and welfare.

3. History

Title I-C of the Economic Opportunity Act of 1964, enacted on August 20, 1964, as Public Law 88-452, authorized grants to institutions of higher education to assist in the operation of work-study programs of part-time employment for students. By February 1965 the first students were employed under this program, and by the end of spring the program covered work-study projects in 674 colleges and universities. At that time grants totaled more than \$12 million, and the number of students from low-income families employed in part-time jobs under the program had reached 38,015.

The program continued to expand in fiscal year 1966 with 783 institutions of higher education approved for 1965 summer programs and 1,120 approved for 1965 fall programs. An estimated 40,000 students in summer programs and more than 100,000 in fall programs benefited from college work-study programs.

In 1965 the act was amended by the Economic Opportunity Act Amendments and by the Higher Education Act. These amendments transferred the authority to administer the program from the Director of the Office of Economic Opportunity to the Commissioner of Education and established a basis for expanding the number of student and institutional participants.

4. *Level of operations.* (See table 1.)

Program: College work-study.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

(Dollar amounts in millions)

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (thousands of students).....	-----	² 188	² 320	² 450
(b) Applicants or participants (colleges and universities).....	-----	³ 1,120	³ 1,600	³ 1,700
(c) Federal finances:.....	-----			
Unobligated appropriations available ⁴	-----	\$55.7	⁵ \$100	\$134.1
Obligations incurred ⁴	-----	\$54.9	\$100	\$134.1
Allotments or commitments made.....	-----	\$55.7	\$100	\$134.1
(d) Matching or additional expenditures.....	-----	\$6.1	\$11.1	\$25.5
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years).....	-----	15	42	42
(f) Non-Federal Government personnel employed (persons).....	-----	⁶ 1,120	⁶ 1,600	⁶ 1,700
Consultants.....	-----	8	8	8
(g) Other measures of level or magnitude of performance (off-campus projects).....	-----	493	1,300	(?)

¹ Not applicable.² Maximum number of student participants in spring, summer, and fall programs for the respective calendar year. The actual total number of students participating will be less, for many participate in programs in 2 or all of these periods during the year.³ Institutional participants for calendar year—Spring, summer and fall.⁴ The fiscal years 1965 and 1966 appropriation and obligation figures do not include OEO transfer funds for salaries and expenses. (Fiscal year 1965 appropriation, \$242,000; obligations, \$170,000. Fiscal year 1966 estimated appropriation and obligations, \$666,000.)⁵ Includes unobligated appropriation carried over from fiscal year 1965; appropriation for fiscal year 1966 is \$99,100,000.⁶ Estimated on basis of an average of 1 full-time college administrator at each participating college.⁷ Unknown.5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the Bureau, Division, or Office.*—The college work-study program is administered by the Division of Student Financial Aid, Bureau of Higher Education, Office of Education. The program information and operations are closely coordinated with the national defense student loan, educational opportunity grants, and the low-interest insured student loan and interest subsidy programs which are also administered by this Division.

(b) *With other Federal Government departments or agencies.*—Staff review of the program is exercised by the Office of Disadvantaged and Handicapped, which serves as a central information and contact point within OE and with the Office of Economic Opportunity for programs dealing with the education of the disadvantaged.

(c) *With nonprofit organizations or institutions.*—The program requires direct contact with public and private nonprofit institutions of higher education. The liaison required with nonprofit off-campus organizations employing students is largely the responsibility of the participating institutions.

8. *Laws and regulations*

Title I-C of the Economic Opportunity Act of 1964, enacted on August 20, 1964, as Public Law 88-452. See Compendium of Statutes, pages 285-315 and 11-14, for a copy of the act and extensions. For other amendments see the Economic Opportunity Amendments of 1965 and the Higher Education Act.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income.*—

1. Long range: The program will have its impact on both the parental income of the present and near future and the student recipients' income over the better part of a half century. Some parental income that otherwise would have been encumbered by borrowings for educational expenses will be freed for the purchase of goods and services. The effects on the personal income of students participating in work-study programs will be of a greater magnitude. The Department of Labor estimates that whereas the lifetime earnings of a male high school graduate are \$272,600, those of college graduates are \$452,000. Thus college students benefiting from the program have the potential to achieve much higher income levels than would be possible without the college degree.

2. Short range: The program's support of part-time employment opportunities will assure to the participating college students additional income to meet, in part, the increasing costs of higher education.

(b) *Worker placement or productivity.*—

1. Long range: College graduates not only increase their earning power through higher education but they move, generally, into highly skilled professional careers in which critical manpower shortages have existed for a long time. Thus the addition of new teachers, health personnel, engineers, scientists, social workers, and those in other professions not only contributes to the economy, but helps overcome manpower shortages that impede national progress.

2. Short range: Increasing the number of jobs available to students which are not available to the general public tends to draw students away from some of the jobs which they have previously held in the community; e.g., working as gas station attendants or clerking in stores. These jobs then become available to the general public.

(c) *Business and industrial organization and management.*—

1. Long range: Each year, with the injection of additional highly trained college graduates into the work world, business and industrial organizations and management receive the stimulation and support of talented young people whom they can train to carry on their work.

2. Short range: None immediately observable.

(d) *Other phases of economic activity.*—

1. Long range: See (a), (b), and (c) above.

2. Short range: The basic wage established in this program is \$1.25 per hour. Since this is significantly higher than the wages previously paid to many college students, the total wage for student employment will probably continue to be increased. The effect cited in (b) above will also tend to raise the wage level.

(e) *Other benefits*.—Benefits to the individual and to the country's economic and social advance are indicated above. In addition, colleges and universities themselves are strengthened and enabled to expand through the enrollment of more students. Furthermore, colleges are aided in getting worthwhile work accomplished which they have had to defer for lack of funds.

(f) *Geographic differentials*.—None readily observable. The program is operating in all States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

10. *Economic classification of program expenditures*. (See table 2.)

Program: College work-study.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services:

Wages and salaries.....	¹ 0. 1
-------------------------	-------------------

Payments for wages under work-study program.....	² 22. 6
--	--------------------

Total, Federal expenditures.....	22. 7
----------------------------------	-------

Non-Federal expenditures financed by individuals and nonprofit organizations.....	³ 2. 5
---	-------------------

Total expenditures for program.....	25. 2
-------------------------------------	-------

¹ OEO transfer funds.

² These payments are made to institutions of higher education. In the national income accounts, they are classified as a grant to State and local governments when the payment is made to a State or local public university and as a transfer payment when payment is made to a private institution.

³ This sum represents the estimated amount spent in matching funds in accordance with sec. 124 of the Economic Opportunity Act of 1964.

LANGUAGE DEVELOPMENT

(The National Defense Education Act—Title VI)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To provide for the establishment and operation of centers to further teaching of modern foreign languages not generally taught in this country, and to provide for studies necessary for a full understanding of the areas in which such languages are commonly used. Also, to pay stipends to individuals undergoing advanced training in such modern foreign languages, who will, upon completion of their training, be available for teaching a modern foreign language in an institution of higher education or for other service of a public nature.

2. *Operation*

Under section 601(a), title VI of the National Defense Education Act, Federal funds support on a matching basis (up to 50 percent) instruction in modern foreign languages and related area studies. Contracts are made with colleges and universities to provide new or expanded programs for graduate and undergraduate students at language and area centers in modern foreign languages where instruction has not been adequate or sufficiently available.

Under section 601(b), title VI of the National Defense Education Act, Federal funds provide fellowships for advanced training in neglected language and related area studies for students preparing for college teaching, Government service, or other service of a public nature. Fellowships are awarded for the study of those languages which the Commissioner of Education has determined to be needed by individuals in the Federal Government, business and industry, and education in the United States. More than 100 languages have been so designated as critical and needed. The list includes all official national languages and languages of major regional and cultural significance, except French, German, Italian, and peninsular Spanish, which currently are widely taught in the United States.

3. History

The concept of language and area studies developed rapidly in the period after World War II. By the middle of the 1950's, there was a small but significant number of these programs on American campuses. Both their importance and the need for immediate strengthening of foreign studies were recognized by the Congress in its enactment of title VI of the National Defense Education Act.

The act provided for the support of comprehensive programs of instruction dealing with world regions in close integration with the study of the modern languages spoken in each region. As of June 30, 1965, Federal support has provided for the establishment of 98 of these National Defense Education Act language and area centers located at colleges and universities throughout the country. Instruction in nearly 100 modern foreign languages is offered by these centers. However, support has been limited, so far, to centers which concern only the so-called non-Western areas of the world (regions other than Western Europe).

The modern foreign language fellowship portion of this program is designed to help meet the critical national need for individuals equipped with knowledge and skills in modern foreign languages and related studies. Graduate fellowships constitute the major part of this program. Between 1959 and 1963 only graduate fellowships were awarded. However, since 1963 awards have also been made to undergraduates for intensive summer study, after a year of introductory study in the language; and since 1962 a limited number of post-doctoral fellowships have been awarded to faculty members of liberal arts colleges to prepare them to participate in undergraduate programs of non-Western studies. From 1959 to 1965 inclusive, 6,288 awards have been made: 5,505 for graduate fellowships, 681 for undergraduate stipends, and 102 for postdoctoral fellowships. In academic year 1965-66, 1,727 awardees will receive training at 67 institutions in 64 critical languages and related area studies.

4. Level of operations. (See table 1.)

Program: Language development.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 ¹ estimate	Fiscal year 1967 ¹ estimate
(a) Magnitude of the program:				
Centers.....	55	98	98	106
Fellowships (individuals).....	1,074	1,727	1,915	2,175
(b) Applicants or participants:				
Centers participants (colleges and universities).....	34	61	61	69
Fellowships (applicants for study grants).....	3,519	3,834	4,000	4,250
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$6.2	\$10.4	\$11.2	\$12.7
Obligations incurred (millions).....	\$6.2	\$10.4	\$11.2	\$12.7
Allotments or commitments made.....				
(d) Matching or additional expenditures:				
Centers (millions).....	2 \$2.6	2 \$4.9	2 \$5.1	2 \$5.8
Fellowships.....				
(e) Number of Federal Government employees administering, operating, or supervising the activity:				
Centers (man-years).....	3 5	3 7	3 8	3 8
Fellowships (man-years).....	3 8	3 10	3 10	3 10
(f) Non-Federal Government personnel employed:				
Centers faculty (persons).....	4 715	4 1,260	4 1,310	4 1,464
Centers consultants (persons).....	4	4	5	6
Fellowships consultants ⁵ (persons).....	30	30	25	25
(g) Other measures of level or magnitude of performance:				
Centers (enrollments ⁶).....	40,000	49,000	54,000	(7)
Summer programs (approved programs).....	22	19	24	25

¹ Forward financing.² With the required 50 percent university matching contribution, these are minimum figures; since many universities provide more than 50 percent (some more than 80 percent) the total size of the investment is substantially higher.³ Plus administrative support.⁴ Full and part time.⁵ Paid to attend 3-day evaluation meetings.⁶ Enrollments in all courses at centers. (These figures do not represent the actual number of students since each student may be enrolled in several courses.)⁷ Not available.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

(a) *Within the bureau, division, or office.*—The language development program is administered by the Division of Foreign Studies, Bureau of Higher Education, Office of Education. There is continuing informal coordination of activities of this program with related sections of the Division of Foreign Studies, such as the Overseas Projects Section. The Overseas Projects Section administers the graduate fellowship program and the faculty fellowship program under section 102(b)(6) of the Fulbright-Hays Act (Public Law 87-256). Purposes, policies, operational procedures and financing methods are communicated by various internal organizational arrangements such as distribution lists, reading files, meetings, etc.

(b) *With other units of the department or agency.*—There is informal coordination and cooperation existing with the Bureau of Elementary and Secondary Education on language institutes and the Bureau of Research, Division of Higher Education Research, on related research and study projects. The Contracts Branch of the Contracts and Construction Service and the Office of Administration are involved with the financial and fiscal management of the awards.

(c) *With other Federal Government departments or agencies.*—Coordination and cooperation is actively sought and informal liaison estab-

lished with the following Federal Government agencies: Department of State, Agency for International Development, Peace Corps, National Science Foundation, National Institutes of Health.

(d) *With State governments or their instrumentalities.*—The program administrators respond to inquiries concerning this program which are received from various State education departments, which wish to consider possible implications of the program related to such items as program planning and evaluation, design of language programs, and its relevance to teacher training.

(e) *With nonprofit organizations or institutions.*—The institutions with which the Office of Education negotiates operational plans and administers contracts for the establishment of language and area centers, and for which language fellowship programs are approved, are public or private nonprofit institutions of higher education.

(f) *With others.*—

(1) An advisory committee for the national defense language development program, composed of eminent representatives from various professions, was established under the NDEA to advise on policy matters arising in the administration of the program.

(2) The various professional organizations and foundations maintain an active interest in this program and informal liaison has been achieved.

8. Laws and regulations

Title VI of the National Defense Education Act of 1958, enacted on September 2, 1958, as Public Law 85-864. See Compendium of Statutes, pages 181-182 for a copy of the title, as amended.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

(a) *Personal income.*—Recipients of language fellowships and participants in language and area center programs have higher potential personal incomes than would be the case without this advanced and specialized training. This is true in government, business, and teaching; for not only does the person become a more valuable employee or teacher, but there is an expanding market for persons competent in these languages.

(b) *Worker placement and productivity.*—This program has a substantial effect on the job placement of its participants, for while the market for persons trained in languages is widely expanding, the supply is scarce. Trained personnel usually have a wider variety of positions open to them, and, due to their training, are highly qualified and productive workers.

(c) *Business or industrial organization and management.*—The effect on business is indicated by the fact that during the past year or two business has been taking an increasing and more active interest in persons with this kind of training. The long-term effects of the program on the development of American international trade are important and will provide the stimulus for new business enterprises or expansion of old ones.

(d) *Geographical differentials.*—Not every State and not even every area or region of the country has a center, but because of student mobility, particularly at the graduate level, every area of the country

is served, though certainly not adequately. Fellowships are available nationally without differentiation by region.

(e) *Gross national product*.—It cannot be identified.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Language development.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:	
Purchases of goods and services.....	0.4
Grants to institutions.....	2.3
Fellowships.....	3.8
Total, Federal expenditures.....	6.5
Non-Federal expenditures financed by:	
Individuals and nonprofit organizations.....	¹ 2.3
Total expenditures for program.....	8.8

¹ Estimated. With the required 50 percent university matching contribution, these are minimum figures; since many universities provide more than 50 percent (some more than 80 percent), the total size of the investment is substantially higher.

GRADUATE FELLOWSHIPS

(The National Defense Education Act—Title IV)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To provide fellowships for graduate students planning to teach in institutions of higher education, and to assist in strengthening graduate education.

2. *Operation*

The Commissioner allots NDEA title IV fellowships to approved programs in graduate institutions. The university selects the fellows who are paid stipends and dependency allowances by the Federal Government for up to 3 years of study leading to the Ph. D. degree. The stipends are for \$2,000 the first year, \$2,200 the second, and \$2,400 the third, with an additional annual payment of \$400 for each dependent. The university is given a grant of \$2,500 each academic year for each student who is pursuing a course at that university with a NDEA graduate fellowship.

3. *History*

The graduate fellowship program was established as a part of the 1958 National Defense Education Act. It was designed to help meet the growing need for college and university teachers caused by increasing enrollments.

The act as passed in 1958 allowed for 1,500 fellowships per year. It was amended in October 1964 to permit more vigorous Federal action by doubling the number of fellowships to 3,000 for fiscal year 1965, doubling it again in fiscal year 1966, for a total of 6,000, and increasing it to 7,500 in fiscal years 1967 and 1968. The 1964 amendments also allow the Commissioner to award some of the fellowships to existing programs which are neither new or expanded. This modification permits support of departments having the capacity to enroll additional students with existing staff and facilities.

Under the NDEA graduate fellowship program the Federal Government has helped to prepare a significant number of qualified teachers to meet increasing enrollments in higher institutions by awarding fellowships for study in 177 colleges and universities to 11,500 graduate students from 1958 through 1965. Approximately half of the total expenditures of \$179.4 million during this period has gone to the fellows for stipends and dependency allowances; the remainder to the participating graduate schools to help cover the cost of the program.

4. *Level of operations.* (See table 1.)

Program: Graduate fellowships.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (fellows).....	14,255	15,883	110,494	115,000
(b) Applicants or participants (universities).....	161	167	171	175
(c) Federal finances:				
Unobligated appropriations available (thous-				
ands).....	\$21,200	\$31,740	\$55,961	\$81,957
Obligations incurred (thousands).....	\$21,197	\$31,359	\$55,961	\$81,957
Allotments or commitments made.....				
(d) Matching or additional expenditures.....				
(e) Number of Federal Government employees admin-				
istering, operating, or supervising the activity				
(man-years).....	9	18	24	35
(f) Non-Federal Government personnel employed, ²				
consultants and advisory committee members				
(persons).....	48	84	84	84
(g) Other measures of level or magnitude of perform-				
ance:				
Approved graduate fellowship programs.....	694	905	2,100	2,400
Fellows receiving stipends for summer pro-				
grams.....		2,350	5,400	9,445

¹ Academic year fellowships 1964-65; 1965-66; 1966-67; 1967-68, respectively.

² Personnel at the universities where NDEA fellows are pursuing their studies spend some time administering this program. It is impossible to estimate how many man-years are involved here.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the bureau, division, or office.*—The graduate fellowship program is administered by the Division of Graduate Programs, Bureau of Higher Education, Office of Education. Within the Division and Bureau, information coordination is part of the day-to-day operations. It is planned to coordinate this program with the graduate facilities program—which is also administered by the Division of Graduate Programs—by joint meetings of the advisory committees for the programs to discuss mutual problems in the evaluation of proposals for strengthening graduate academic programs and for building graduate facilities.

(b) *With other Federal Government departments or agencies.*—Federal fellowship program administrators meet on an informal basis approximately twice a year to discuss mutual problems.

(c) *With nonprofit organizations or institutions.*—NDEA graduate fellowships are allotted to doctoral programs in private or public nonprofit institutions of higher education.

(d) *With others.*—An advisory committee on the NDEA graduate fellowship program was established under the act to advise on policy matters related to the administration of the program and to consider the program in the context of total Federal involvement in the support of graduate education.

8. *Laws and regulations*

Title IV of the National Defense Education Act of 1958 enacted on September 2, 1958, as Public Law 85-864. For amendments and text of the current act, see Compendium of Statutes, pages 163-191.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income.*—A recipient of an NDEA graduate fellowship by obtaining a doctoral degree, has a higher potential personal income than would be the case without the degree. This is true in both industry and teaching. If, however, a person leaves a position in industry to obtain a doctoral degree and pursues a career in college teaching, his income level may be below that which he would achieve through a career in business or industry.

(b) *Worker placement and productivity.*—The Ph. D. earned by NDEA fellows provides them with the "union card" necessary for entrance into the field of college or university teaching. The doctoral degree is often required for promotion or appointment to positions above the rank of instructor.

(c) *Business or industrial organization and management.*—This program, by increasing the number of persons holding doctoral degrees, eases the manpower shortage of persons with advanced degrees. Although NDEA fellowships are awarded to those planning a career in college teaching, the easement of the manpower shortage in college teaching will have the same effect on industry by freeing greater numbers of persons with advanced degrees for service in industry and business.

(d) *Geographic differentials.*—Title IV of the NDEA particularly specified that graduate programs for which NDEA fellowships are awarded must substantially further the objectives of increasing the facilities throughout the Nation for the graduate training of college or university level teachers and of promoting a wider geographical distribution of such facilities throughout the Nation. For study during fiscal year 1967, for example, fellowships have been allocated to 171 institutions in 49 States and the District of Columbia.

There are already many fellowship programs, public and private, which permit the student to go to the institution of his choice. These have resulted in a high concentration of fellowship holders in relatively few institutions. The NDEA graduate fellowship program has strengthened and helped to insure graduate training in areas of the country where help is badly needed and contributed to a better geographical balance in providing graduate education.

(e) *Gross national product.*—Education is one of the deepest roots of economic growth. Through its direct effect on the quality and adaptability of the working population and through its indirect effects on the advance of science and knowledge, education is the ultimate source of much of our increased productivity. Improvement in the quality of education now available and expansion of the capacity of an

educational system that increasingly feels the pinch of demands it is not equipped to meet are major aims of the graduate fellowship program. The Federal Government, through such programs, helps to insure a more adequate flow of resources into education; insures greater opportunities for graduate students; helps to advance the quality of education at the undergraduate and graduate level; and will thus add immeasurably to the economic growth of our Nation.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Graduate fellowships.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

(In millions of dollars)

Federal Government:	
Purchases of goods and services.....	¹ 0.1
Payments to institutions.....	² 20.7
Total, Federal expenditures.....	20.8
Non-Federal expenditures.....	
Total expenditures for program.....	20.8

¹ Estimated wages and salaries.

² Payments to institutions to be disbursed to NDEA fellows and payments to institutions to pay the cost of administering the program.

NOTE.—In national income terminology the payments to private nonprofit institutions are classified as a transfer payment. Those payments which are made to public institutions are classified as grants.

NATIONAL DEFENSE STUDENT LOANS

(The National Defense Education Act—Title II)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To enable higher education institutions to provide low-interest loans to college students.

2. *Operation*

The Federal Government contributes up to 90 percent of the total amount for the establishment of national defense student loan funds at American institutions of higher learning.

All public and private nonprofit institutions of higher education, including junior colleges, which are accredited by a nationally recognized accrediting agency may participate in the national defense student loan program. Other institutions may be eligible for participation under provisions of section 461 of the Higher Education Act of 1965.

Undergraduate and graduate students attending school full time or half time, who need money to go to college, may borrow from student loan funds. Loan amounts during an academic year are limited to \$1,000 for undergraduate and \$2,500 for graduate students. Total loans for individual students are limited to \$5,000 for undergraduate study and \$10,000 for undergraduate and graduate work combined.

Repayment to the lending institution extends over a 10-year period beginning 9 months after the borrower ceases full- or half-time study. Interest at 3 percent starts to accrue at the beginning of the repayment period. For borrowers who become teachers, a "teacher forgiveness"

cancellation was established at the rate of 10 percent (plus interest) for each year of teaching, up to a maximum of 50 percent. Borrowers teaching in an elementary or secondary school in a district eligible for assistance pursuant to title II of Public Law 81-874 may receive cancellation at the rate of 15 percent (plus interest) for each year up to a maximum of an additional 50 percent.

3. History

At the time of the enactment of the National Defense Education Act in 1958, the Nation faced a critical shortage of manpower in the fields of education, science, mathematics, engineering, and modern foreign languages. At the same time, talented high school graduates with high potential in these and other fields were not going on to college, many because they could not afford the rising cost of higher education. The national defense student loan program was designed to assist qualified financially needy students to pursue higher education in certain fields, and to provide more professionally trained people to meet the Nation's requirements. The act has been amended subsequently to provide loans to needy students in all fields of study, without the original special preferences.

Since the program became operational 7 years ago, more than 890,000 students attending 1,700 colleges and universities in all 50 States have borrowed approximately \$800 million. The average annual loan during the first full year of the program was \$438. In 1965 the average loan was \$522. In fiscal year 1965, over 319,000 loans were made totaling some \$166.6 million. Since the beginning of the program, \$14.2 million has been canceled under the "forgiveness" features for borrowers who become teachers.

4. Level of operations. (See table 1.)

Program: National defense student loans.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 esti- mate	Fiscal year 1967 esti- mate ¹
(a) Magnitude of the program (thousands of student borrowers).....	247	319	400	-----
(b) Applicants or participants (colleges and universities).....	1, 574	1, 616	1, 704	-----
(c) Federal finances:				
Unobligated appropriations available (mil- lions).....	\$121. 2	\$145	\$179. 3	-----
Obligations incurred (millions).....	\$108. 4	\$130. 4	\$179. 3	-----
Alotments or commitments made (millions).....	\$108. 4	\$130. 4	\$179. 3	-----
(d) Matching or additional expenditures (millions).....	\$12	\$14. 4	\$19. 9	-----
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (man-years).....	2 26	2 34	2 37	-----
(f) Non-Federal Government personnel employed (man-years).....	3 1, 574	3 1, 616	3 1, 704	-----
(g) Other measures of level or magnitude or perform- ance:				
Canceled loans for teachers ⁴ (persons).....	4 62, 807	4 95, 000	4 150, 000	-----
Obligations for:				
Loans to educational institutions.....	\$898, 975	\$1, 088, 711	\$1, 600, 000	-----
Cancellation of student loans.....	\$263, 781	\$516, 398	\$650, 000	-----

¹ Not available at this time.

² Does not include persons serving in the field.

³ Estimated on the basis of 1 person per participating institution.

⁴ These are estimated cumulative figures showing the number of partial loan cancellations for borrowers who have become teachers.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the bureau, division or office.*—Administration of the NDEA student loan program, within the Division of Student Financial Aid, Bureau of Higher Education, Office of Education, is conducted in close cooperation with the college work-study program, the educational opportunity grant program, and the low-interest insured loan and interest subsidy program. This cooperation is also maintained at the level of the nine regional representatives of the Bureau of Higher Education.

(b) *With other units of the department or agency.*—Within the Department of Health, Education, and Welfare, the program officers are in frequent contact with the Public Health Service, concerning problems arising in connection with the operation of the health professions student loan and the nursing student loan programs, both administered by that agency.

(c) *With nonprofit organizations or institutions.*—Not only does the program operate through participating public or private nonprofit institutions of higher education to which the act delegated the major administrative responsibilities, but representatives of the higher education community frequently serve the program in an advisory capacity as consultants and panel members.

8. *Laws and regulations*

Title II of the National Defense Education Act, enacted on September 2, 1958, as Public Law 85-864. See Compendium of Statutes, pages 167-172, for reprint of the title and some amendments. Also see the Higher Education Act, for recent amendments.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Effects on personal income.*—The Department of Labor estimates that the lifetime earnings of a male college graduate are \$452,000, and those of a high school graduate \$272,600. Thus NDEA loans help persons, who would not otherwise be able to obtain a higher education, increase their potential earning capacity.

(b) *Effects on placement or productivity of workers.*—College graduates not only increase their earning power through higher education, but they move, generally, into highly skilled professional careers in which critical manpower shortages have existed for a long time. Thus, the addition of new teachers, health personnel, engineers, scientists, social workers and those in other professions not only contributes to the economy, but helps overcome manpower shortages that impede national progress.

(c) *Effects on business or industrial organization and management.*—Each year, with the injection of additional highly trained college graduates into the work world, business and industrial organization and management receive the stimulation and support of talented young people they can train to carry on their work.

(d) *Other benefits.*—In addition to the above benefits to the individual and to our country's economic and social advance, colleges and universities themselves are strengthened and enabled to expand through the enrollment of more students. To the business community surrounding the college benefits also flow from this growth—to its hotels, service industries, transportation and recreational facilities.

(e) *Pertinent geographic differentials.*—The national defense student loan program is in operation in every State and territory in the United States. Thus its impact is nationwide but difficult to measure geographically because of the mobility of most people.

10. *Economic classification of program expenditures.* (See table 2.)

Program: National defense student loans.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services: Wages and salaries.....	1 0. 6
Cancellation of student loans.....	4. 6
Contributions to student loan funds.....	129. 8
Loans to institutions.....	1. 1
Total, Federal expenditures.....	136. 1
Non-Federal expenditures financed by:	
Individuals and nonprofit organizations.....	² 14. 4
Total expenditures for program.....	150. 5

¹ Estimated.

² Based on $\frac{1}{2}$ matching funds provisions (NDEA, sec. 204).

LOW-INTEREST INSURED LOAN AND INTEREST SUBSIDY PROGRAM

(The Higher Education Act of 1965—Title IV-B—and the National Vocational Student Loan Insurance Act of 1965)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To aid the States and nonprofit private organizations in the establishment of adequate low-interest loan insurance programs for students attending higher education institutions or postsecondary technical and vocational schools with special assistance for students from families having an adjusted annual income of less than \$15,000.

2. *Operation*

The program operates through State or private nonprofit guarantee agencies with the use of moneys for loan purposes supplied by commercial lending institutions. The Federal Government provides funds to pay a portion of the interest charges on postsecondary vocational and college student loans made under this program. Federal funds are also provided as advances to State and nonprofit private guarantee agencies to establish or strengthen such loan programs. The legislation provides for Federal guarantee of such loans in the event that all demands are not met by the other agencies within a State.

3. History

This program was authorized by the Higher Education Act of 1965 (title IV, pt B) and the National Vocational Student Loan Insurance Act of 1965. Congress appropriated \$10 million for fiscal year 1966, the first year of the program, for the use of the higher education portion of the program only. It is anticipated that the vocational education part of the program will be funded also, and that both parts will be in operation by September 1966.

4. Level of operations. (See table 1.)

Program: Low-interest insured loan and interest subsidy program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—Level of operations or performance, fiscal years 1964–67

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 ² estimate	Fiscal year 1967 estimate
(a) Magnitude of the program: Students receiving loans	-----	-----	315,000	830,000
(b) Applicants or participants:				
Student loan recipients for whom interest pay-				
ments are made	-----	-----	315,000	830,000
State and other guarantee agencies (agencies)	-----	-----	20	55
(c) Federal finances:				
Unobligated appropriations available (millions)	-----	-----	\$11	\$48
Obligations incurred (millions)	-----	-----	\$11	\$48
Allotments or commitments made (millions)	-----	-----	\$8	\$11
(d) Matching or additional expenditures	-----	-----	-----	-----
(e) Number of Federal Government employees admin-				
istering, operating, or supervising the ac-				
tivity (persons)	-----	-----	35	46
(f) Non-Federal Government personnel employed:				
Members of advisory councils	-----	-----	16	16
(g) Other measures of level or magnitude of perform-				
ance:				
Loans insured by Federal Government	-----	-----	6,000	11,000
Commercial lending institutions	-----	-----	(³)	(³)

¹ Not applicable.

² 1966 is the 1st year for which funds were authorized for this program.

³ This is expected to be a measure of magnitude, but the data are not yet available since the program is not in operation at this time.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

(a) *Within the bureau, division or office.*—The program is administered by the Division of Student Financial Aid, Bureau of Higher Education, Office of Education. There is constant, day-to-day coordination of information and activities with the national defense student loan, college work-study, and educational opportunity grants programs, also administered by the Division. In addition, coordination also takes place within the Office of Administration.

(b) *With other units of the department or agency.*—The program requires coordination with the Public Health Service (DHEW) which administers the Health Professions Educational Assistance Act of 1963.

(c) *With State governments or their instrumentalities.*—The program requires direct contact and coordination with State governments,

which have or will operate a State guarantee loan program, and with any private nonprofit loan guarantee agency.

(d) *With nonprofit organizations or institutions.*—The students who will benefit from the program are attending either public or private nonprofit institutions of higher education or postsecondary vocational/technical schools. Information on the program will be channeled through these institutions.

(e) *With business enterprises.*—The program requires direct contact with the banking and credit community.

(f) *With others.*—Advisory councils for the program will be established in accordance with the Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act of 1965. (See also (c).)

8. Laws and regulations

Title IV-B of the Higher Education Act of 1965 enacted on November 8, 1965, as Public Law 89-329, and The National Vocational Student Loan Insurance Act of 1965, enacted on October 22, 1965, as Public Law 89-287.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

(a) *Personal income.*—In making long-term credit available, the low-interest insured loan and interest subsidy program lowers an economic barrier to higher and postsecondary vocational/technical education for all youth who have the ability and desire to pursue such education. In so doing, the program will have its impact on both the parental finances of the present and near future and the student recipients' income over the better part of a half century. Parental income that otherwise would have been encumbered by borrowings for educational expenses will be freed for the purchase of goods and services. The effects on the personal income of students receiving loans will be of a greater magnitude. The Department of Labor estimates that whereas the lifetime earnings of a male high school graduate are \$272,600, those of a college graduate are \$452,000. Thus, college students benefiting from the program have the potential to achieve much higher income levels than would be possible without the college degree. Those trained in vocational schools obtain similar economic benefits. Skilled vocational technicians as a rule receive higher wages than unskilled workers and generally benefit from more regular employment.

(b) *Placement and productivity.*—College graduates and vocationally trained persons not only increase their earning power through advanced education, but also become more productive and valuable employees. They move generally, into highly skilled professional and semiprofessional technical careers in which critical manpower shortages exist. The addition of this education and vocationally trained manpower not only contributes to the economy, but helps overcome manpower shortages which impede national progress.

(c) *Business and industrial organization and management.*—With the addition of greater numbers of educated and trained persons, business and industrial organizations receive the stimulation and support of talented young people whom they can train to carry on their work.

(d) *Other phases of economic activity.*—This program will have a generally beneficial economic effect due to the greater number of

well-educated citizens promoting a higher standard of living. An outlay of a comparatively small amount of money by the Federal Government will make a very large amount of commercial credit available. The expenditure of \$21 million, for example, would pay 3 percent per annum of the interest on \$700 million of commercial loans. The program utilizes commercial credit from the private sector rather than the public sector.

(e) *Other benefits*.—In addition to the benefits outlined above, institutions of higher education and of postsecondary vocational/technical education will be strengthened and enabled to expand through the enrollment of more students. Moreover, the business community within the immediate environs of these institutions will benefit from the increase in the purchase of goods and services by these additional students.

(f) *Geographic differentials*.—None readily observable.

(g) *Gross national product*.—See (a) and (d) insofar as this can be ascertained.

10. *Economic classification of program expenditures*

Not applicable. This program was not in operation in fiscal year 1965.

EDUCATIONAL OPPORTUNITY GRANTS

(The Higher Education Act of 1965—Title IV—A)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to attend college without such aid, and to provide funds to identify these potential grant recipients and to encourage them to pursue a higher education.

2. *Operation*

The Federal Government contributes 100 percent of the total amount for the awarding of educational opportunity grants by colleges and universities. The program operates on the basis of an agreement executed between the Commissioner of Education and the college or university concerned. Technical and program assistance is provided by the regional offices as well as the headquarters staff in Washington.

All public and nonprofit institutions of higher education, including junior colleges, which are accredited by a nationally recognized accrediting agency or association may participate in the educational opportunity grant program. Other institutions may be eligible for participation under special procedures established under the Higher Education Act of 1965.

Qualified high school graduates of exceptional financial need who show evidence of academic or creative promise and who either have been accepted for enrollment as full-time students at grant recipient institutions of higher education or are in good standing and in full-time attendance at such institutions are eligible to receive educational opportunity grants. These grants range in amounts from \$200

to \$800 for each academic year of undergraduate study for a maximum of 4 years, the amount of each stipend being governed by the parental contribution, the cost of the college education, and the amount of additional student financial aid being received. An additional award of \$200 may be given to those students who ranked in the upper half of their college class during the preceding academic year.

The Commissioner of Education may also enter into contracts with State and local educational agencies and other public and nonprofit organizations and institutions for the purpose of:

(a) Identifying qualified youths of exceptional financial need and encouraging them to complete their schooling,

(b) Publicizing existing forms of student financial aid, and

(c) Encouraging secondary school and college dropouts of demonstrated aptitude to reenter educational programs.

3. History

This is a new program authorized under title IV-A of the Higher Education Act of 1965. Congress has appropriated \$60 million for fiscal 1966, the first year of the program. By the beginning of the academic year 1966-67, it is estimated that there will be 115,000 grant recipients in over 1,600 institutions of higher learning in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

4. Level of operations. (See table 1.)

Program: Educational opportunity grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 ² estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (students)	-----	-----	115, 000	220, 000
(b) Applicants or participants (colleges and universities)	-----	-----	1, 600	1, 600
(c) Federal finances:	-----	-----	-----	-----
Unobligated appropriations available (millions)	-----	-----	\$60	\$122
Obligations incurred (millions)	-----	-----	\$60	\$122
Allotments or commitments made (millions)	-----	-----	\$58	\$119. 5
(d) Matching or additional expenditures	-----	-----	-----	-----
(e) Number of Federal Government employees administering, operating, or supervising the activity	-----	-----	30	32
(f) Non-Federal Government personnel employed	-----	-----	³ 1, 600	³ 1, 600
(g) Other measures of level or magnitude of performance: Funds to identify educational talent (millions)	-----	-----	⁴ \$2	⁴ \$2. 5

¹ Not applicable.

² 1966 is the 1st year for which funds were authorized for this program.

³ Estimated on the basis of 1 full-time administrator at each college.

⁴ Included in the appropriations and obligations totals noted in (c) above.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

(a) *Within the bureau, division, or office.*—This program is administered by the Division of Student Financial Aid, Bureau of

Higher Education, Office of Education. It is tightly tied to the national defense student loan program under sections 402(1) and 407(b) of the Higher Education Act of 1965 pertaining to student financial aid "packaging" and the transfer of grant funds to be included as part of the Federal capital contribution in the NDEA program. Moreover, there will be many instances in which grant recipients will be given employment under the college work-study program in order to meet their full financial needs. All of this activity requires extremely careful coordination within the Division of Student Financial Aid.

(b) *With other units of the department or agency.*—Financial coordination takes place within the Office of Administration. In addition, the Office of Disadvantaged and Handicapped is concerned with OE and OEO programs dealing with the education of the disadvantaged and handicapped.

(c) *With other Federal Government departments or agencies.*—This program is coordinated with the Office of Economic Opportunity's "upward bound" project. In part, this coordination consists of alerting institutions to make provisions in their grant requests for the inclusion of needy students enrolled in or to be enrolled in "upward bound" programs.

(d) *With State and local agencies.*—There is coordination and direct contact with State and local educational agencies under section 408 of the Higher Education Act of 1965 which authorizes the Commissioner of Education to enter into contracts, not to exceed \$100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of encouraging full utilization of this program of opportunity grants.

(e) *With local governments or communities.*—See (d), above.

(f) *With nonprofit organizations or institutions.*—The program requires direct contact with public and private nonprofit institutions of higher education, for it will operate on the basis of agreements executed between the Commissioner of Education and these institutions.

8. Laws and regulations

Title IV-A of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

(a) *Personal income.*—The program will have its impact on the student recipients' income over the better part of a half century due to the higher potential incomes of college graduates contrasted with those of high school graduates. The Department of Labor estimates that whereas the lifetime earnings of a male high school graduate are \$272,600, those of a college graduate are \$452,000.

(b) *Worker placement and productivity.*—College graduates not only increase their earning power through higher education but they move, generally, into highly-skilled professional careers in which critical manpower shortages have existed for a long time. Thus the addition of new teachers, health personnel, engineers, scientists, social workers, and those in other professions not only contributes to the economy, but helps overcome manpower shortages that impede national progress.

(c) *Business and industrial organization and management.*—Each year, with the injection of additional highly trained college graduates into the work world, business and industrial organization and management receive the stimulation and support of talented young people they can train to carry on their work.

(d) *Other phases of economic activity.*—See (a), (b), and (c) insofar as this can be ascertained.

(e) *Other benefits.*—In addition to the above benefits to the individual and to our country's economic and social advance, colleges and universities themselves are strengthened and enabled to expand through the enrollment of more students. Moreover, the business community within the immediate environs of these institutions benefits from the increase in the purchase of goods and services by these additional students.

(f) *Geographic differentials.*—None readily observable. The program will be operating in all 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(g) *Gross national product.*—See (a) preceding.

10. *Economic classification of program expenditures*

Not applicable. This program was not in operation in fiscal year 1965.

STRENGTHENING DEVELOPING INSTITUTIONS

(The Higher Education Act of 1965—Title III)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist in raising the academic quality of developing institutions by supporting cooperative arrangements between colleges for strengthening their programs and by awarding fellowships to encourage highly qualified graduate students and junior faculty members at major colleges and universities to teach at developing institutions.

2. *Operation*

Under title III of the 1965 Higher Education Act, colleges and universities can apply directly to the Commissioner of Education for grants to pay part of the cost of cooperative arrangements with other institutions or with other agencies for strengthening their academic programs or their administration (faculty exchange, joint use of facilities, new curriculums, etc.). They may also apply to the Commissioner for grants for the support of teaching fellowships. The Commissioner and his Advisory Council on Developing Institutions will establish procedures and policies for determining priorities and for administering the program. In the case of teaching fellowships, the maximum stipend is set at \$6,500 plus an additional \$400 for each dependent.

3. *History*

This is a new program authorized by title III of the Higher Education Act of 1965, signed into law on November 8, 1965, as Public Law 89-329. Congress has appropriated \$5 million for fiscal year 1966, the first year of the program.

4. *Level of operations.* (See table 1.)

Program: Strengthening developing institutions.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 ² estimate	Fiscal year 1967 estimate
(a) Magnitude of the program:				
Cooperative programs (approved applications)			\$ 110	\$ 660
National teaching fellowships (fellows)			30	180
(b) Applicants or participants: Institutions (colleges and universities)			4 220	4 1,320
(c) Federal finances:				
Unobligated appropriations available (millions)			\$5	\$30
Obligations incurred (millions)			\$5	\$30
Allotments or commitments made				
(d) Matching or additional expenditures				
(e) Number of Federal Government employees administering, operating, or supervising the activity (persons)			15	21
(f) Non-Federal Government personnel employed: Advisory Council on Developing Institutions (members)			8	8
(g) Other measures of level or magnitude of performance:				
Approved institutional relationships ⁵ (programs)			45	270
Approved faculty programs ⁶			65	390

¹ Not applicable.² Fiscal 1966 is the 1st year for which funds were authorized for this program.³ See (c) below for type of program.⁴ Minimum figure assuming only 2 institutions per each cooperative project.⁵ This includes cooperating relationships, consortia relationships, ad hoc relationships, and intra-institutional relationships.⁶ This includes visiting scholar programs, graduate fellowship education, faculty exchange, research and training internships, and administrator training programs and institutes, but not the national teaching fellowships.

5. *Estimated classification of program expenditures*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the bureau, division, or office.*—The program will be administered by the Division of College Support of the Bureau of Higher Education, Office of Education. There will be continuing informal coordination of information and activities of this program with related programs in the Bureau.

(b) *With other units of the department or agency.*—The fellowship portions of the program will be coordinated with other USOE fellowship programs in DHEW.

(c) *With nonprofit organizations or institutions.*—All institutions awarded grants under this program are private or public nonprofit institutions of higher education. There will be continuing cooperation with higher education institutions and organizations having similar programs.

(d) *With others.*—An Advisory Council on Developing Institutions was established in accordance with the provisions of the Higher Education Act (title III). The membership includes one representative of each Federal agency having responsibilities with respect to developing institutions, together with eight other members appointed by the Commissioner of Education. It will advise the Commissioner with respect to policy matters arising in the administration of this program.

8. *Laws and regulations*

Title III of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Prior to implementation of title III, assessment of the likely economic effects of the program must necessarily be limited to subjective appraisal. Even when operational data become available, objective evaluation of program results will be limited because of their inherent complexity, interrelation, lack of measurability, and long-term nature.

The economic consequences of the developing colleges program can be considered in three categories: (1) benefits to the economy as a whole because of the greater number of well-educated citizens promoting a higher standard of living; (2) benefits to communities because of the presence of stronger educational enterprises; and (3) possible benefits to society as a result of changes in the occupational mix of graduates from developing institutions aided by the program.

It is recognized that well-educated people make positive contributions to society. Helping small isolated colleges raise their standards of education constitutes an important step in increasing the supply of quality graduates to meet the demand. Educational expenditures for smaller and inferior colleges may be expected to provide the initial stimulus for expanded and continuing growth.

Raising the academic quality of a college is likely to have a positive effect on a community's economy. Certainly the vitalization of an isolated institution struggling for survival should increase and upgrade job opportunities, alter consumption patterns, add to gross expenditures, and in general increase commercial attractiveness. The developing colleges program may in certain instances serve as a catalyst for long-term regional improvement.

Helping developing institutions loosen curricular and other restraints imposed by academic isolation will allow students to enroll in disciplines previously denied. The occupational mix of graduates will then be altered by the increased span of course offerings and no doubt will improve in favor of those academic fields in greatest demand.

10. *Economic classification of program expenditures*

Not applicable. This program was not in operation in fiscal year 1965.

IMPROVING UNDERGRADUATE INSTRUCTION

(The Higher Education Act of 1965—Title VI)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To improve the quality of undergraduate classroom instruction in selected subject areas by providing grants for the acquisition of equipment and minor remodeling and by supporting short-term workshops and institutes for those persons engaged in the use of educational media equipment or preparing to be specialists or librarians for educational media.

2. *Operation*

Funds are provided on a matching basis to higher education institutions for the purchase of laboratory and other instructional equipment and materials and closed circuit television equipment. A State

commission (whose State plan must be approved by the Commissioner of Education) receives applications, determines priorities, and establishes the Federal share—up to 50 percent or, in hardship cases, up to 80 percent. The State commission forwards applications to the Commissioner for final approval. Funds for approved projects are paid directly to the institution.

The Commissioner is authorized to arrange with institutions, through grants or contracts, for the conduct of workshops and institutes for persons using or planning to use educational media materials. Regulations and procedures with regard to workshops and institutes will be issued by the Office of Education.

3. History

This new program was authorized by title VI of the Higher Education Act of 1965, signed into law on November 8, 1965, as Public Law, 89-329. Congress has appropriated \$15 million for fiscal year 1966, the first year of the program, for equipment grants. No money has been appropriated for workshops and institutes.

4. Level of operations. (See table 1.)

Program: Improving undergraduate instruction.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Higher Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 ² estimate	Fiscal year 1967 estimate
(a) Magnitude of the program:				
Approved proposals for:				
Equipment projects.....			314	314
TV projects.....			40	30-40
Institutes and workshops.....			0	35
(b) Applicants or participants (colleges and universities).....			300	315
(c) Federal finances:				
Unobligated appropriations available (millions).....			\$15	\$17.0
Obligations incurred (millions).....			\$15	\$17.0
Allotments or commitments made (millions).....			\$15	\$14.5
(d) Matching or additional expenditures (millions).....			\$15	\$14.5
(e) Number of Federal Government employees administering, operating, or supervising the activity (persons).....			9	18
(f) Non-Federal Government personnel employed.....				
(g) Other measures of level or magnitude of performance: Institutes and workshops (attendees).....			0	990

¹ Not applicable.

² Fiscal year 1966 is the 1st year for which funds were authorized for this program; there was no appropriation for pt. B of title VI (workshops and institutes) for fiscal year 1966.

³ Based on a Federal contribution of 50 percent of project costs, although in some cases the Federal share may be 80 percent (sec. 604(b)).

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

(a) *Within the bureau, division, or office.*—This program will be administered by the Divisions of College Support and College Facilities, Bureau of Higher Education, Office of Education. There will be continuing informal coordination of the information and activities of

this program between these divisions and with related programs in the divisions and Bureau.

(b) *With other units of the department or agency.*—There will be informal coordination between this program and the equipment program of the National Institutes of Health (HEW).

(c) *With State governments or their instrumentalities.*—The equipment part of this program is administered through State commissions, which may or may not be those which administer title I (facilities grants) of the Higher Education Facilities Act of 1963.

(d) *With nonprofit organizations or institutions.*—Institutions to be awarded grants under this program are public or private nonprofit institutions of higher education.

(e) *With business enterprises.*—There will undoubtedly be cooperation between the State commissions and the educational equipment industry.

8. *Laws and regulations*

Title VI of the Higher Education Act of 1965, enacted November 8, 1965, as Public Law 89-329.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

It is estimated that the 2,208 institutions of higher education in the country spent roughly \$0.4 billion for equipment in fiscal year 1964-65. If one-fourth of these purchases were for laboratory, special instructional, and audiovisual equipment, then the colleges and universities spent approximately \$100 million in 1964-65 for title VI type equipment. For fiscal year 1965-66, \$15 million was appropriated for title VI, and it can be assumed that this will prompt even larger total expenditures.

In addition to the more general benefits derived from aiding higher education, expenditures under title VI will have the unique influence of enlarging the educational equipment market and stimulating the industry concerned.

10. *Economic classification of program expenditures*

Not applicable. This program was not in operation in fiscal year 1965.

COLLEGE LIBRARY ASSISTANCE AND RELATED PROGRAMS

(The Higher Education Act of 1965—Title II)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist and encourage institutions of higher education in the acquisition of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials for library purposes; to assist institutions of higher education in training persons in librarianship; to support research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship; and to assist the Library of Congress in acquiring and making available library materials published throughout the world which are of value to scholarship.

2. Operation

The different purposes of this title are carried out as follows:

(a) Acquisition of library materials: Grants to institutions of higher education and combinations of such institutions. Three types of grants are authorized:

(1) Basic grants of not to exceed \$5,000 for each institution and each branch of such institution located in a different community. These grants are on a 50-50 matching basis.

(2) Supplemental grants of not to exceed \$10 for each full-time student (or equivalent) enrolled in the institution. No matching is required for these grants.

(3) Special purpose grants to institutions of higher education or combinations of such institutions. These grants are on a 75 percent (Federal)-25 percent (institution) matching basis.

(b) Training in librarianship: Grants to institutions of higher education. No matching is required.

(c) Research and demonstration projects: Grants to or contracts with institutions of higher education and other public or private agencies, institutions, and organizations, except that grants may be made only to nonprofit agencies, organizations, or institutions. No matching is required for these grants or contracts.

(d) Transfer of funds to the Library of Congress for the acquisition of materials and for making such materials available.

3. History

This program was authorized by title II of the Higher Education Act of 1965, but no funds have been appropriated for it. Informational meetings have been held throughout the country to discuss all parts of the act.

4. Level of operations. (See table 1.)

No funds have been appropriated for title II. The following table reflects funds being requested for fiscal year 1966 and fiscal year 1967.

Program: College library assistance and related programs.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—Level of operations or performance, fiscal years 1964-67¹

Measure and unit	Fiscal year 1964 ²	Fiscal year 1965 ²	Fiscal year 1966 estimate ³	Fiscal year 1967 estimate
(a) Magnitude of the program:				
Traineeships.....			241	800
Library grants.....			2,000	1,758
(b) Applicants or participants: Institutions of higher education (grant applications).....			2,500	4,700
(c) Federal finances:				
Unobligated appropriations available (millions).....			\$11	\$28.7
Obligations incurred (millions).....			\$11	\$28.7
Allotments or commitments made.....				
(d) Matching or additional expenditures ⁴ (millions).....			\$10	\$8.1
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (man-years).....			5	13.3
(f) Non-Federal Government personnel employed ⁵				
(g) Other measures of level or magnitude of perform- ance:				
Short-term training institutes supported.....			3	10
Regular session training programs supported.....			4	20

¹ Excludes funds transferred to the Library of Congress and funds for research and demonstration projects.

² Not applicable.

³ Based on fiscal year 1966 supplemental request.

⁴ Matching expenditures required only for basic and special purpose grants.

⁵ Not available.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the Office of Education.*—Coordination of the program's operations will be effected by the Division of Library Services and Educational Facilities of the Bureau of Adult and Vocational Education. The Division also administers the library services and construction program discussed in another part of the report. The research and demonstration grants will be administered by the Bureau of Educational Research. (See "Educational Research" for coordination arrangements pertaining to research and demonstration.)

It is expected that aspects of the new program will be coordinated within the Office of Education with the units administering programs for higher education, school library books, and teacher training.

(b) *With other Federal agencies.*—Coordination and cooperation with the Library of Congress will be carried out in connection with the functions to be performed by that agency.

(c) *With other groups.*—Coordination and cooperation will be carried out with institutions of higher education, combinations of such institutions, public and private agencies, institutions, and organizations participating in the various grant and contract programs. Institutions of higher education and combinations of such institutions are required to share in the financing of certain activities as indicated in item two, above.

The act directs the Commissioner of Education to appoint an Advisory Council on College Library Resources which will recommend criteria for the making of supplemental and special purpose grants.

8. *Laws and regulations*

Title II of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

Regulations have not yet been issued.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The program is not expected to have any direct effect on the economy. Assistance to education, training, and research should contribute indirectly to economic improvement.

10. *Economic classification of program expenditures*

Not applicable. The program was not in operation in fiscal year 1965.

IV. PROGRAMS FOR ADULT AND VOCATIONAL EDUCATION

VOCATIONAL EDUCATION

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To develop and improve vocational education.

2. Operation

All programs pertaining to vocational education are administered by the Division of Vocational and Technical Education in the Bureau of Adult and Vocational Education.

A field staff has been assigned to the nine regional field offices of the Department of Health, Education, and Welfare. The field representatives serve as direct representatives of the Office of Education in providing assistance to States in all program functions and responsibilities created by the various vocational education acts.

Grants are made to the States, largely on a matching basis, according to the allotment formula stipulated by the legislation. The actual implementation and operation of vocational education programs is the responsibility of the State boards for vocational education and local boards of education.

3. History

The Federal, State, and local programs of vocational education were first implemented with the passage of the Smith-Hughes Act, Public Law 64-347 (February 23, 1917). This act emphasized the need for occupational training in the broad fields of agriculture, trades and industry, and for home economics education. The act provides an annual appropriation of \$7.1 million.

Subsequent changes and new acts include:

1936: George-Dean Act, Public Law 74-673 (June 8, 1936) provides for training in agriculture, trades and industry, home economics, distributive occupations, and vocational guidance. This act provides an annual appropriation of \$12 million. This act was amended by Public Law 79-586.

1946: "Vocational Education Act of 1946" (George-Barden Act), Public Law 79-586 (August 1, 1946) provides for increasing the authorization for training in agriculture, trades and industry, home economics, distributive occupations, and vocational guidance; authorizes preemployment classes for less than 9 months per year and 30 hours per week for persons over 18 years of age who have left a full-time school; and authorizes an annual appropriation of \$28.5 million.

1956: Public Law 84-1027 (August 8, 1956) adds the fishery trades and industries to the vocational categories in the Vocational Education Act of 1946 (George-Barden Act). Authorizes an annual appropriation of \$375,000 for vocational education in these trades and industries and in the distributive occupations.

1956: The Health Amendments Act of 1956, Public Law 84-911 (August 2, 1956) amends the George-Barden Act by adding title II, which specifies practical nurse training for inclusion under the act. Authorizes \$5 million a year. The title was originally for 5 years, but in 1961 it was extended to June 30, 1965, and now has been made permanent.

1958: The National Defense Education Act, title VIII, Public Law 85-864 (September 2, 1958) amends the George-Barden Act by adding title III which authorizes \$15 million a year to train highly skilled technicians. The title was originally for 4 years, but it was subsequently extended to June 30, 1964, and now has been made permanent.

1961: The Panel of Consultants on Vocational Education was named by the Secretary of the Department of Health, Education, and

Welfare at the request of President Kennedy to study the Nation's needs in the fields of vocational and technical education. The Panel spent several months collecting and studying the problems and needs of occupational training and in November 1962 submitted a report which included specific recommendations.

1963: Largely as a result of the Panel's recommendations, on December 18, 1963, the Congress passed the Vocational Education Act of 1963, Public Law 88-210. Funds to carry out the act's provisions were first appropriated in September 1964.

The Act gives authority for two separate appropriations. First, it authorizes a permanent program (in addition to the permanent programs authorized in the Smith-Hughes and George-Barden Acts); secondly, it authorizes funds for two 4-year programs.

Permanent programs of vocational education were established for—

- (a) Persons attending high school.
- (b) Persons who have completed or left high school but are free to study full time in preparing for a job.
- (c) Persons who have already entered the labor market but need training or retraining, either to hold their jobs or to get ahead, but who are not already receiving training allowances under the Manpower Development and Training Act of 1962, the Area Redevelopment Act, or the Trade Expansion Act of 1962.
- (d) Persons who have handicaps—academic, socioeconomic, or other—which prevent them from succeeding in the regular vocational education program.

In addition, funds were authorized for the construction of area vocational education school facilities and for ancillary services and activities to assure quality in all vocational education programs.

Four-year authorizations were made for (a) work-study programs for vocational education students and (b) residential vocational education schools.

Although programs under this act could not be implemented until State plans were developed and approved subsequent to the passage of the appropriations act, evidence from States indicates substantial changes in program direction and in the planning and construction of essential area vocational education facilities. Moreover, there has been a dramatically increased interest in providing vocational and technical education for all persons of all ages in all communities.

4. Level of operations. (See table 1.)

Program: Vocational education.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal year 1966–67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 esti- mated	Fiscal year 1967 esti- mated
(a) Magnitude of the program: Trainees (thousands)....	4,566.4	5,263.2	5,789.5	5,800
(b) Applicants or participants: State boards of vocational education (State boards).....	54	54	54	54
(c) Federal finances:				
Unobligated appropriations available ¹ (mil- lions).....	\$56.9	\$176.6	\$249.9	\$238.4
Obligations incurred (millions).....	\$56.8	\$168.2	\$249.9	\$238.4
Allotments or commitments made (millions).....	\$56.9	² \$168.6	² \$241.9	³ \$226.9
(d) Matching or additional expenditures (millions).....	\$277.8	\$630.8	\$737	\$740
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (administering).....	83	85	85	95
(f) Non-Federal Government personnel employed ⁴	86,675	118,744	167,679	163,355
(g) Other measures of level or magnitude of performance.....				

¹ Includes permanent appropriation of \$7,100,000 under Smith-Hughes Act.

² \$8,000,000 appropriated under the Appalachian Regional Development Act of 1965 not allotted by State formula.

³ \$8,000,000 for Appalachian Regional Development Act and \$3,500,000 for residential vocational schools not allotted by State formula.

⁴ Includes State and local supervisory staff and teachers.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination is effected through the Division of Vocational and Technical Education of the Bureau of Adult and Vocational Education. The Division administers all of OE's occupational training programs, including those authorized by the Manpower Development and Training Act and the Area Redevelopment Act, so that their operations are coordinated.

In carrying out these programs, the Division deals with State boards of vocational education, colleges, universities, and other public and nonprofit agencies and institutions.

Various units of the Public Health Service provide advice to the Division and local communities pertaining to subprofessional training in the health occupations included in the vocational education program.

To advise the Commissioner on matters pertaining to vocational and technical education the Advisory Committee on Vocational Education has been established. The Committee consists of 12 members drawn from the fields of education, labor, management, and the general public as well as representatives from the U.S. Departments of Labor, Commerce, and Agriculture.

In addition, a review council to be appointed by the Secretary of Health, Education, and Welfare will evaluate the vocational education programs in 1966 and periodically thereafter.

8. *Laws and regulations*

See Compendium of Statutes, pages 209 to 254, for legislation pertaining to vocational education. See also answer to question 3.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The productive skills and the creativity of the American people have been major factors in the great economic achievements of the United States. The ability to produce has been closely allied with the system of education. Preparation of individuals for occupational competency through vocational education can materially assist the national economy in this period of technological, economic, and social change. However, education for employment has not always been equally available to many young people and adults.

The Vocational Education Act of 1963 provides new directions and a broad philosophy of vocational education. Its goal is to furnish readily accessible vocational training or retraining which meets "the needs of persons of all ages in all communities of the State" and "which is realistic in the light of actual or anticipated opportunities for gainful employment."

With the implementation of the Vocational Education Act of 1963, the programs of vocational and technical education have shown considerable increase in the number of persons served, and the varieties and quality of offerings. Considerable emphasis has been placed not only in vocational programs for persons attending high school, but also for persons who have completed or left high school and who are available for full-time study in preparation for entering the labor market; persons who have entered the labor market and who need training or retraining; and persons who have academic, socio-economic, or other handicaps.

Of the 190,957 graduates from the secondary vocational education programs in fiscal year 1964, estimated figures indicate that 109,911 were directly employed in a trade for which they had been trained, 21,230 were employed in a field related to their training, and 59,816 continued their education. Of the 61,699 graduates from the post-secondary vocational education programs, estimated figures indicate that 43,736 were directly employed in a trade for which they had been trained, 14,008 were employed in a field related to their training, and 3,955 continued their education. The total expenditures for this education were \$332,785,114—\$55,026,874 Federal funds and \$277,758,240 State and local funds. The training offered at the secondary level is designed on the basis of known facts—facts concerning employment opportunities, types and numbers of persons needing vocational and technical education, what employers desire in the way of preemployment preparation of the workers they hire, and the opportunities employers seek for their workers who may need updating and upgrading training; consequently, there is a high percentage of placement. The average annual income of the persons who completed their programs is \$4,078; the total estimated earnings of these graduates in their first year of entry into the labor market are \$553,460,596.

To serve all the people in our communities better, there has been a nationwide increase in the construction of area vocational schools. In fiscal year 1965, 125 area vocational schools were built or remodeled at a total cost of \$55,117,893. These buildings have had an impact on the economic aspects of the construction trades and the manufac-

turing units whose research and technology are utilized in these school buildings. The educational facilities upon completion are fully equipped with initial equipment to meet the requirements for which the programs have been designed. There has developed between the educators and the equipment manufacturers a joint research endeavor to design and develop equipment comparable to industrial units in all aspects. This research and the purchase of equipment have also been major economic factors throughout the country. To staff these area vocational schools, many teacher training institutions have increased their staffs and in many instances revised their curriculum offerings to aid in overcoming the need for trained vocational instructors. Both these additions and the completely new educational facilities require many new instructors and supporting staffs.

Instructors are demonstrating their ability to develop curriculum offerings in sufficient depth and scope to train and retrain individuals to meet the employment needs of business and industry. As these cooperative endeavors among educators, workers, and industry develop, they have their effect on the stability of employment, which in time will affect wages, costs, production, and sales. These, in turn, will have a bearing on the rate of growth of the gross national product.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Vocational education.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services.....	¹ 1.3
Grants to State and local governments.....	143.0
Total Federal expenditures.....	144.3
Non-Federal expenditures financed by State and local governments.....	630.9
Total expenditures for program.....	775.2

¹ Estimated wages and salaries.

MANPOWER DEVELOPMENT AND TRAINING*

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To upgrade the occupational and basic skills of unemployed and underemployed youth and adults.

2. *Operation*

The Nation's manpower development and training program is administered jointly by the Department of Labor and the Department of Health, Education, and Welfare. Responsibility of the two departments in administering this legislation is summarized by the following five-stage process: (1) Survey of skills required; (2) referral of persons for training; (3) planning and development of the training

*The data included in this section pertain to the institutional training program authorized by the Manpower Development and Training Act and administered by the Department of Health, Education, and Welfare.

NOTE.—This program is also included in the Labor Department report on the manpower development and training program.

program; (4) conduct of the training program; and (5) placement and followup of those persons who have completed training. Steps 1, 2, and 5 are within the jurisdiction of the Department of Labor; steps 3 and 4 are responsibilities of the Department of Health, Education, and Welfare.

Institutional training, which represents the bulk of the training activity, is the responsibility of the Secretary of Health, Education, and Welfare. This training is administered by the Department's Office of Education, through agreements with the State vocational education agency. The State agency, under the guidance of the Department of Health, Education, and Welfare, arranges for appropriate training to be given in either public or private training facilities.

Within the Division of Vocational and Technical Education of the U.S. Office of Education, a special staff has been assigned to develop procedures and to carry out program operations. This staff provides assistance to State vocational education agencies in curriculum design, training program development, production of teaching materials, and related educational activities. A field staff has been organized, with regional representatives in the nine field offices of the Department. These persons function as direct representatives of the Office of Education in training project review sessions and in implementing policy and regulations. They provide professional guidance and assistance in the manpower training program to State vocational training agencies and other types of training agencies. The initiative for starting manpower training projects usually comes from the community—either from the employment office, schools, or civic groups. Manpower advisory committees made up of leaders from school organizations, community groups, industry, and management and labor also aid in planning. The determination of occupations for which training is needed and in which job opportunities are available is made by a local office of the State employment service, in cooperation with employers and trade unions in the area.

As training proceeds, school officials submit reports on the attendance and performance of each trainee to the local or State employment security office. These reports comprise the basis for payment to eligible trainees of a weekly training allowance provided under the act. At completion of training, the local employment office provides services to place the graduates, thus completing a series of cooperative efforts at many governmental levels and involving many agencies, both public and private.

3. History

Prompted by the knowledge that advances in technology are displacing more and more workers every year and that the number of the consistently unemployed in the Nation is not, in an affluent society, to be tolerated, on March 15, 1962, Public Law 87-415, the Manpower Development and Training Act, was enacted. In August 1962, funds became available to implement the provisions of the act and program operations began. Two months later the first amendment to the basic legislation was enacted, Public Law 87-729, October 1, 1962. This amendment dealt with unemployment benefits under the Railroad Unemployment Insurance Act paid to persons receiving training allowances while in manpower training. By the end of 1962, 430 training projects accommodating 16,157 trainees were approved. These

projects were located in 192 different communities in 49 States. Of those authorized for training, at year's end 6,315 persons had commenced training. The program showed promise of becoming an increasingly effective weapon in the Nation's war on poverty and unemployment.

The Department's role in the manpower training program broadened in 1963, to cover 2,455 new training projects. In that year the program was extended to the District of Columbia, Puerto Rico, and the Virgin Islands. People were being trained in more than 500 different occupational titles. In 1963, in addition to institutional training programs which comprise the bulk of manpower training activity, a second type of project was initiated—workers were to be given on-the-job training at employers' establishments. A third type of project was also started that year, experimental and demonstration in nature. This latter program is aimed at developing new techniques in the occupational training of disadvantaged groups and in their selection, counseling, and referral to training.

After a year of training operations, some deficiencies were noted in the original legislation which the Congress subsequently corrected by enacting Public Law 88-214, the second amending action to the Manpower Development and Training Act of 1962. Certain amendments reflected the fact that two groups, the illiterate and semi-literate and the out-of-school/out-of-work youths 16-18 years of age, comprise together one-quarter of the unemployed. The amendment provided for the Secretary of Labor to refer for the attainment of basic education skills those eligible persons who without such training would be unable to pursue occupational training. It also authorized a special program for the testing, counseling, selection, and referral of youths 16 years of age or older, for occupational training and further schooling. In addition, the amended act authorized the extension of the manpower program to July 1966.

In 1964, there were ongoing manpower programs in all of the 50 States, plus Puerto Rico, Guam, the Virgin Islands, and the District of Columbia. Institutional training projects were approved for 114,665 trainees, denoting steady growth of the program from the 1962 figure of 16,157 trainees approved.

On April 26, 1965, President Johnson signed Public Law 89-15, The Manpower Act of 1965. This amending action to the original 1962 act extended the scope of the program to permit refresher or reorientation courses for unemployed or underemployed professional persons. The payment of training allowances was extended from a 72-week-maximum to 104 weeks in recognition that persons with little education require more time in training to become employed and that some of the new highly technical occupational fields require more extensive training. It also extended the Federal Government's share of retraining costs to the 100-percent level until July 1, 1965, instead of requiring one-third matching by States, as originally envisioned. The amended act also repealed section 16 of the Area Redevelopment Act and placed training activities under the Manpower Act. No State matching will be required for training in redevelopment areas.

By the end of fiscal year 1965, a total of 331,420 trainees were approved, approaching the goal of providing assistance for 400,000 persons in the first 3 years of the program. Some 5,755 institutional

training projects were approved and training was being conducted in 400 different occupational fields.

4. Level of operations. (See table 1.)

Program: Manpower development and training.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (trainees approved).....	114, 665	157, 149	175, 000	125, 000
(b) Applicants or participants: State boards of vocational education.....	54	54	54	54
(c) Federal finances: ¹				
Unobligated appropriations available (millions).....	\$82. 5	\$131	\$132. 8	\$96. 9
Obligations incurred (millions).....	\$82. 4	\$130. 1	\$132. 8	\$96. 9
Allotments or commitments made.....				\$10. 5
(d) Matching or additional expenditures ² (millions).....				
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	93	128	156	154
(f) Non-Federal Government personnel employed ³	460	575	620	500
(g) Other measures of level or magnitude of performance.....				

¹ Includes funds for program administration.

² 10 percent matching expenditure required of States beginning fiscal year 1967.

³ Includes State and local personnel involved in the occupational training in redevelopment areas program.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Basic responsibility for the Manpower Development and Training Act and similar legislation is assigned jointly to the U.S. Department of Labor and the Department of Health, Education, and Welfare.

Operating responsibility for the DHEW part of the program is assigned to the Division of Vocational and Technical Education of the Bureau of Adult and Vocational Education, within which the operations of the MDTA program are coordinated with other training programs—adult basic education, vocational education, and, previously, occupational training in redevelopment areas.

In developing institutional training programs on the local level the division, through HEW regional representatives, works with State vocational education agencies, State employment bureaus, private and public educational and training institutions, labor unions, and business organizations.

A DHEW-Labor coordinating committee helps coordinate the activities of the two departments in the discharge of their responsibilities under the MDTA. Regional representatives of the two departments work together in reviewing training proposals submitted by State agencies.

Cooperative arrangements have also been established with the Departments of Commerce, Interior, and Agriculture, the Office of Economic Opportunity, and the Small Business Administration to develop training programs in areas of their special interest and authority.

There are also various manpower advisory committees on the local, State, regional and national level with whom DHEW field representatives and the Division of Vocational and Technical Education cooperate to assure an effective institutional training program.

8. *Laws and regulations*

The Manpower Development and Training Act enacted on March 15, 1962, as Public Law 87-415. For amendments and text of current act, see Compendium of Statutes, pages 144-159.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The Manpower Development and Training Act has not and cannot of itself solve our problem of unemployment, with its accompanying social ills. It is, however, a vital part of a cluster of Federal legislation which seeks to attack the problem of some 4 million unemployed citizens in a society of abundance.

By the end of fiscal year 1965, an estimated 122,000 individuals had completed training and were graduated from institutional programs under the Manpower Act.¹ Since the inception of the program the placement record for those completing training has been around 72 percent. Of the group immediately employed, more than 90 percent were placed in jobs directly related to the training they had received.²

What might be the impact on the economy of this number of individuals who entered the economic stream of the country? One study conducted by the Department of Health, Education, and Welfare suggests that the cost of manpower training is really an investment with accruing benefits.³ A sample of 12,696 persons was drawn from those who had received occupational training since the start of the manpower program. At the time of enrollment all of these people were unemployed—they were an economic liability. Analysis of the sample indicated that:

(a) In 1 year of employment the average trainee can be expected to earn \$4,180, or \$3,135 more than it cost to train him.

(b) An investment of \$13.3 million in training is expected to result in gross earnings of over \$148 million in 5 years.

(c) Every dollar spent in training the group should return \$2.24 a year in gross earnings to the Nation's economy.

This study does suggest that the manpower program is paying for itself; however, its validity depends on the assumptions made, especially that all trainees will remain employed throughout their work lives.

The average MDTA trainee earns more money after training than he did prior to enrolling. A nationwide evaluation conducted late in 1964 involved a national sample of 1,000 trainees who completed institutional training during the year.⁴ A comparison of pretraining and posttraining earnings showed increased average earnings for 40 percent of the sample. Another 26 percent started work after training below their average wage levels before they became unemployed.

¹ "Manpower Development and Training Program: Status of Institutional Training." Sept. 1962-July 1, 1965. USDL, BES. July 16, 1965.

² "Education and Training: The Bridge Between Man and His Work." Apr. 1, 1965.

³ "The Economics of Training the Unemployed." Leroy A. Cornelsen. School Life, Oct. 1964.

⁴ "Manpower Research and Training Under the MDTA of 1962." Mar. 1965.

The remaining 34 percent returned to gainful employment at about the same income level attained earlier. Median pretraining earnings for all trainees, institutional and OJT, were \$67 per week, compared with \$73 after training. Median earnings of male institutional trainees, when the survey was made, were \$13 per week higher than for women. Significantly, nearly half of the trainees surveyed had already received a promotion and/or wage increase. For the most part, they credited their MDTA training for their advancement.

The institutional training program not only provides unemployed and underemployed workers with usable work skills, but in the process helps them to climb the rungs of the occupational ladder.⁵ Before entrance into training, only 2 percent of the trainees performed work of a professional, semiprofessional, technical, or managerial nature. Yet 10 percent of all MDTA trainees are being trained in some occupation in that broad grouping. This trend of upward mobility applies to both men and women.

There are ongoing manpower programs in all 50 States and in Puerto Rico, Guam, the Virgin Islands, and the District of Columbia. Ten States account for more than 50 percent of all approved trainees: California, New York, Illinois, Pennsylvania, Michigan, Ohio, Massachusetts, Connecticut, Missouri, and Kentucky. With the exception of the last two, these are heavily industrial States. In view of wide geographical dispersion of the programs and the large number of trainees, both the number of projects and the number of trainees will conform roughly to the population and industrial distribution of the Nation.⁶

In September 1965, the Department of Health, Education, and Welfare analyzed trainee data tabulated on the basis of the urban or rural classification of the county of residence.⁷ Using the Census definition (i.e., if 50 percent or more of the population of the county reside in towns of 2,500 or over, the county is classified as urban) it was ascertained that 78.7 percent of the trainees reported in fiscal year 1965 were classified as urban residents, with 21.3 percent from rural areas. The analysis further revealed that there is a greater concentration of training in the skilled and semiskilled occupations for persons from rural areas, while among persons from urban areas over three times as many are being trained in unskilled occupations as in skilled and semiskilled occupations. Nonwhite trainees from rural areas are less well represented in the subprofessional, clerical, and sales training courses than nonwhites from urban areas.

In evaluating the impact of a program, a different perspective can be afforded by supposing what might happen if that effort were nonexistent. A recent study has underscored the necessity of making an increased effort to provide training programs for American workers. It stresses that approximately 20 million persons, of the more than 52 million studied, are high school dropouts without any formal training. It estimates that if the present pace of education and training continues, the Nation can anticipate having 32 million adult, non-high-school graduates in the labor force in 1975.⁸ These figures (projections) seem more critical in the light of an economy that is

⁵ Ibid.

⁶ "Education and Training: The Bridge Between Man and His Work." Apr. 1, 1965.

⁷ Staff paper. New MDTA Data. Sept. 7, 1965, Mrs. Jean Williams.

⁸ "Formal Occupational Training of Adult Workers." USDL, 1965.

reflecting technological change at a rapid rate. The 1965 Amendments to the Manpower Act acknowledged this trend and made provisions for extending training benefits to a younger age group.

It has been stated that the absence of a manpower policy can affect the economy in many ways: Possible jobs may not become actual ones, the burden of social and welfare costs will increase, and the malaise that will set in for those condemned to deprivation will permeate society with adverse economic and political tensions.⁹ Statistics can be assiduously gathered detailing increased unemployment and welfare costs, but it is impossible to quantify the human misery of those denied, for whatever reason, the means of earning a living.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Manpower development and training.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchases of goods and services:

Wages and salaries-----	¹ 1.1
Other-----	² 89.1

Total, Federal expenditures-----	90.2
----------------------------------	------

¹ Estimated.

² Includes some funds to private organizations for training programs.

NOTE.—In the national income accounts payments to State and local educational and vocational institutions under the manpower development and training program are classified as a purchase of goods and services. Training allowances made to trainees are considered a transfer payment to individuals. Payments to State offices for administration are classified as grant.

OCCUPATIONAL TRAINING IN REDEVELOPMENT AREAS*

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To provide job opportunities in those areas which have experienced substantial unemployment over a considerable period of time and which have been designated as redevelopment areas by the Secretary of Commerce.

2. *Operation*

Administration of the Area Redevelopment Act rests with the Department of Commerce. However, specific responsibilities are assigned to the Departments of Labor; Health, Education, and Welfare; Agriculture; Interior; and Housing and Urban Development; and to the Small Business Administration. The act places direct responsibility on the Secretary of Labor to provide direction and assistance in identifying occupational training and retraining needed by jobless workers and by employers in redevelopment areas. The Secretary of Health, Education, and Welfare is responsible for making available the

*"Education and Training: The Bridge Between Man and His Work." Apr. 1, 1965.

*The above comments and those following pertain to training programs authorized by Public Law 87-27, May 1, 1961, sec. 16, and, subsequent to the repeal of sec. 16 of that act, Public Law 89-15, Apr. 26, 1965, title II, pt. C, sec. 241.

NOTE.—This program is also included in the Labor Department report in the section on redevelopment areas.

needed training facilities through the State vocational education agencies and assisting in the development of training programs. Training projects are worked out with the participation of the Employment Service, area economic development groups, and school authorities.

3. History

In 1961, the Congress enacted the Area Redevelopment Act (Public Law 87-27). The catalyst for this legislation was that which almost 10 months later prompted the Manpower Development and Training Act, i.e., the knowledge that our country could not afford the persistent unemployment rate which it had been experiencing. The legislation further acknowledged that problems of economically distressed areas throughout the country needed to be tackled on a more massive scale and in a more integrated manner than heretofore.

Section 16 of the act authorized \$4,500,000 annually for training programs in redevelopment areas to extend to June 30, 1965. At the end of the first 8 months of operation, 147 occupational training projects had been approved (286 separate courses) for 9,074 trainees.

By the end of fiscal year 1963, the program had been extended to include redevelopment areas in 42 States; occupational training was provided for 13,754 trainees.

Fiscal year 1964 showed a slight decrease in the number of training projects established, with a consequent decrease in the number of trainees served. This was attributed to training activity then being carried out under provisions of the Manpower Development and Training Act.

Early in 1965, it was recommended that the occupational training provisions of the Area Redevelopment Act be carried out by the Secretaries of Labor and of Health, Education, and Welfare according to the Manpower Development and Training Act. Training in redevelopment areas would continue in cooperation with the Secretary of Commerce and would carry full Federal financing. This was predicated on the belief that MDTA could provide more diversified opportunities in occupational training than the provisions of ARA. It had also become increasingly important to incorporate area redevelopment training projects into comprehensive State planning for manpower development. This could be facilitated under the Manpower Development and Training Act.

On April 26, 1965, the Congress enacted the Manpower Act of 1965 (Public Law 89-15). Significant among the amendments was the transfer of ARA training activities to the Manpower Act, effective July 1, 1965.

4. *Level of operations.* (See table 1.)

Program: Occupational training in redevelopment areas.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*¹

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate ²	Fiscal year 1967 estimate ²
(a) Magnitude of the program (trainees approved).....	11,603	10,217	-----	-----
(b) Applicants or participants: State boards of vocational education (State boards).....	41	35	-----	-----
(c) Federal finances: ³				
Unobligated appropriations available (millions).....	\$3.5	\$3.3	-----	-----
Obligations incurred (millions).....	\$3.4	\$3.2	-----	-----
Allotments or commitments made.....	-----	-----	-----	-----
(d) Matching or additional expenditures.....	-----	-----	-----	-----
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering).....	16	16	-----	-----
(f) Non-Federal Government personnel employed ²	-----	-----	-----	-----
(g) Other measures of level or magnitude of performance.....	-----	-----	-----	-----

¹ These data pertain to the training programs authorized by Public Law 87-27, May 1, 1961, sec. 16, and, subsequent to the repeal of sec. 16 of that act, Public Law 89-15, Apr. 26, 1965, title II, pt. C, sec. 241, effective July 1, 1965.

² This information is included above under Manpower Development and Training Act, Office of Education.

³ Includes funds for program administration.

5. *Estimated level in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination arrangements for this program are the same as those listed under the manpower development and training program with one addition: an Interagency Review Panel, with representatives from the Departments of Labor, Commerce, and Health, Education, and Welfare gives final approval to training projects in redevelopment areas.

8. *Laws and regulations*

Section 16 of the Area Redevelopment Act, enacted on May 1, 1961, as Public Law 87-27. (Incorporated into the Manpower Development and Training Act by the Manpower Act of 1965, Public Law 89-15, enacted on April 26, 1965. See Compendium of Statutes, pages 143-159.)

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*¹

From November 1961 to July 1, 1965, under section 16 of the Area Redevelopment Act a total of 1,053 training projects had been approved for 44,988 trainees. By July of 1965 an estimated 28,200 individuals had completed occupational training under ARA.

Major occupations in which people were being trained are as follows: Nurse's aid, machine-tool operator, clerk-stenographer and stenographer, welder (all types), farm machinery operator, and boot and shoe production worker. The average training cost is computed to be \$569.

¹ See also "Economic Effects" of the manpower development and training program in the preceding section.

States having over 1,400 trainees approved are as follows: Michigan, 4,965; Pennsylvania, 3,915; West Virginia, 3,138; Oklahoma, 2,313; New Jersey, 2,270; Kentucky, 1,847; Illinois, 1,674; North Carolina, 1,502; Ohio, 1,501; and Rhode Island, 1,458.

In studying the characteristics of ARA trainees it may be noted that since the inception of the program more women have been trained (52.7 percent of all trainees) than men (47.3 percent of all trainees). This differs from the manpower development and training program in which men have consistently outnumbered women in training programs.

Under the ARA more trainees have not been classified as the family head or as head of household (63.1 percent of total trainees); only 36.9 percent of the trainees were categorized as heads of households.

A further study of the characteristics of ARA trainees indicates that 43.6 percent of the trainees had been unemployed 27 weeks and over; only 23.4 percent were unemployed less than 5 weeks. The majority of ARA trainees were classified in the 22 to 44 age group, with 52.7 percent of the trainees in that category. Persons under 19 years of age constituted 14.6 percent of the total number of trainees.

Area redevelopment training programs have repeatedly demonstrated their usefulness in assisting communities to attain economic recovery. A major role has been taken by training programs in reducing one of the greatest bottlenecks to economic recovery: the absence of skills needed to attract industry. Increased gainful employment of citizens added income to economically depressed areas; individuals were removed from public welfare; and the training activities in depressed regions offered assurance that businesses moving into the region would have a source of skills which their endeavors required.

10. Economic classification of program expenditures

Total Federal expenditures for this program in fiscal year 1965 were \$3 million.

(NOTE.—In the national income accounts the training allowances are considered a transfer payment to individuals. Payments to State and local vocational and educational institutions are considered a purchase of goods and services. Payment to State offices for administration are considered a grant.)

ADULT BASIC EDUCATION

(The Economic Opportunity Act of 1964—Title II-B)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To improve the basic reading and writing skills of adults unable to find employment because of their functional illiteracy.

2. Operation

The adult basic education program, part of the war against poverty, is administered by the Office of Education under delegation from the Office of Economic Opportunity. It is a federally operated program providing grants to the States for adult basic education. These grants represent a 90-percent Federal share of expenditures, with the State's share representing 10 percent in matching funds. Grants are

used to assist local educational agencies in establishing programs and pilot projects in adult basic education, to assist with the actual costs of adult instruction, and to assist State educational agencies to improve their technical and supervisory services to adult basic education.

3. History

The adult basic education program was established by the Economic Opportunity Act of 1964, enacted on August 20, 1964. Funds for the program became available in March of 1965. Prior to that time, however, with the aid of the Ford Foundation and the individual States, training workshops were held throughout the country. Program regulations were issued in March.

By the end of January 1966, 43 States had won final approval of their adult basic education plans and received their funds. Six States were notified that their plans were in substantially approvable form while the plans of four additional States were under review.

A county-by-county survey of State education agencies revealed that as of the end of 1965, 197,000 persons were enrolled in State programs. Based on estimates from the States, total fiscal year 1966 enrollment is projected at over 258,000, more than triple the expected response to the program. These figures indicate that the States' share of program expenditures will exceed the 10-percent matching requirement.

4. Level of operations. (See table 1.)

Program: Adult basic education.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—Level of operations or performance, fiscal years 1964-67

[Dollar amounts in millions]

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (classes).....		2 1,900	15,216	20,000
(b) Applicants or participants: State educational agencies.....		15	55	55
(c) Federal finances:				
Unobligated appropriations available ²		\$19	\$30.4	\$30
Obligations incurred ²		\$4.2	\$30.4	\$50
Allotments or commitments made.....		\$18.6	\$29.6	\$29.2
(d) Matching or additional expenditures.....		2 \$ 4	\$4.8	\$3
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (man-years administering).....		4.9	20	31
(f) Non-Federal Government personnel employed (persons).....		20	19,793	20,000
(g) Other measures of level or magnitude of performance (trainees).....		37,991	258,000	300,000

¹ Not applicable.

² Estimated.

³ Includes funds for program administration.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Funds for this program are appropriated to the Office of Economic Opportunity which transfers them to the Office of Education.

Operating responsibility for the program is assigned to the Division of Adult Education Programs of the Bureau of Adult and Vocational Education. The Division works with other Bureau elements administering the MDTA program to effect a coordinated approach to adult training programs.

Staff review of the program is exercised by the Office of Disadvantaged and Handicapped which serves as a central point within OE for information, advisory services, and liaison with OEO with respect to educational components of economic opportunity programs.

On the broad question of aid to undereducated adults, members of the Division of Adult Education Programs are working with an inter-agency coordinating committee from OEO and the Department of Labor. The goal is to coordinate all resources and assure their most efficient use.

In administering grants, the Division deals with State education agencies.

8. Laws and regulations

Title II-B of the Economic Opportunity Act of 1964, enacted on August 20, 1964, as Public Law 88-425. (See Compendium of Statutes, pages 285-315.) Public Law 89-253, enacted on October 9, 1965, amended the act.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The initial funding of an adult basic education program did not take place until March 1965, and only 14 State programs were funded by the close of that fiscal year. The normal length of a program is approximately 8 months per level, with three levels being included in most programs. Accordingly, information about the program's benefits and economic effects is not available.

A data collection system is being developed by the Office of Education and the Office of Economic Opportunity to gather personnel information about participants in the State programs. It is hoped that this information will permit an evaluation of the adult basic education program in terms of the items listed in question 9.

In general, it can be assumed that the program will improve the economic standing of individuals completing basic education courses since it will increase their chances of getting and retaining employment.

10. Economic classification of program expenditures. (See table 2.)

Program: Adult basic education.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:	
Purchases of goods and services.....	¹ 0. 1
Grants to State and local governments.....	3. 3
Total, Federal expenditures.....	3. 4
Non-Federal expenditures financed by: State and local governments.....	. 4
Total expenditures for program.....	3. 8

¹ Estimated.

LIBRARY SERVICES AND CONSTRUCTION

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To extend and improve public library services and to aid in the construction of public libraries.

2. Operation

The Library Services and Construction Act program is a direct Federal operation, consisting of grants to the States, administered by the Library Services Branch at the Office of Education headquarters. Professionally trained and experienced librarians, in the position of library extension specialists, work out of Washington to provide the State library administrative agencies with guidance and technical assistance. State plans for the use of funds for services and for construction are submitted to the U.S. Commissioner of Education for approval.

Each State receives an allotment of Federal funds based on its population. This allotment must be matched by the State with funds from State or local sources. The required matching ratio is determined by the State's per capita income, with a maximum Federal share of total expenditures being 66 percent, the minimum being 33 percent. Allotted funds that are not required by any State may be reallocated by the Commissioner to States which require additional Federal funds.

3. History

State library extension agencies reported in 1956 that 75 percent of the U.S. population was considered to have either inadequate or no local public library service.¹ Although the need for greatly expanded and improved public library service existed at all population levels, the needs of rural areas were the greatest.

In recognition of this need, the Congress responded with the passage of the Library Services Act in 1956. This program authorized a maximum of \$7.5 million in Federal funds for each of 5 years to enable the States and territories to extend and improve public library services in areas under 10,000 population. The Library Services Act was extended through fiscal 1966, and between 1956 and 1964 \$50.6 million in Federal funds were made available. State and local expenditures for the same period totaled \$114.1 million.

During the 8-year Library Services Act program the intended goal of stimulating "the States and local communities to increase library services available to rural Americans"² was realized. All regions of the country reported increases in local and State funds, ranging from 99 percent in the Southeast to 156 percent in the North Atlantic.

Despite the substantial gains made by the rural grant programs, public libraries continued to lag behind the demands placed upon them. Even the large, well-established urban libraries were unable to cope with the new, heavier, and more complex demands on their resources.

¹ The U.S. Department of Health, Education, and Welfare. Office of Education. "State Library Extension Services; A Survey of Resources and Activities of State Library Administrative Agencies, 1955-56." Washington: U.S. Government Printing Office, 1960 (OE-15009, miscellaneous No. 37) pp. 3, 23.

² President Eisenhower, at the signing of the library services bill, June 19, 1956;

Of particular concern was the obsolete and dilapidated condition of most public libraries. Estimates from the States in 1964 indicated an immediate need of 20 million square feet of new public library construction.

Therefore, in 1964 the original act was amended to encompass all areas, whether rural or urban, which had no library service or which had inadequate service. A new title for the construction of public libraries was added. The amended Library Services and Construction Act began operating in fiscal 1965 with \$25 million for services under title I, and \$30 million for construction under title II.

4. *Level of operations.* (See table 1.)

Program: Library services and construction.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimated	Fiscal year 1967 estimated
(a) Magnitude of the program:				
Services (millions of books added).....	2.4	3.9	6.5	7
Construction of library space (millions of square feet added).....		5.4	5.4	5.4
(b) Applicants or participants:				
State library administrative agencies.....	1 54	1 54-2 52	55	55
Local communities.....		363	400	400
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$7.5	\$55	\$55	\$57.5
Obligations incurred (millions).....	\$7.4	\$54.9	\$55	\$57.5
Allotments or commitments made (millions).....	\$7.5	\$55	\$55	\$57.5
(d) Matching or additional expenditures (millions).....	\$20.6	\$150.2	\$189.2	\$195
(e) Number of Federal Government employees admin- istering, operating, or supervising the activity (man-years administering).....	4.7	9.5	9.5	9.5
(f) Non-Federal Government personnel employed.....	86	3 674	705	710
(g) Other measures of level or magnitude of performance.....				

¹ Agencies submitting plans for library services.

² Agencies submitting plans for library construction.

³ Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination required is effected by the Division of Library Services and Educational Facilities of the Bureau of Adult and Vocational Education. The Division also administers the college library assistance program authorized by the Higher Education Act of 1965. In arranging for grants, the Division deals with State library administrative agencies.

The advisory committee on the library services program has been created to provide the Commissioner with advice and recommendations pertaining to this program.

8. *Laws and regulations*

The two main pieces of legislation affecting the program are the Library Services Act, enacted on June 19, 1956, as Public Law 84-597, and a later amendment adding construction to the act, enacted on

February 11, 1964, as Public Law 88-269. For amendments and text of the current act, see the Compendium of Statutes, pages 197-204.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The salaries paid at the State and local levels to the over 600 professional librarians who are engaged in the full operation of the Library Services and Construction Act equal or exceed the prevailing levels of comparable positions within the State. The wages spent in the States help to increase consumption of goods and services.

Improved public library services help individuals prepare themselves for better jobs by providing aid in the selection of books and materials necessary for further class study and by exposing individuals to new ideas and techniques which stimulate them to seek retraining.

This particular aspect of "exposure" is being increasingly emphasized in the culturally and economically deprived areas of the Nation, in the Appalachian States as well as in the poverty-stricken neighborhoods of our metropolitan areas. Efforts are being made not only to provide better service to people coming into the libraries, but to go out into the communities to determine needs and means of satisfying them. A nonreading, uneducated public is not a productive public, but one which drains the country's resources. The contribution that these programs are having on national economic development is difficult to measure statistically.

Building activity has been stimulated in 48 States and 3 territories through the construction part of the program. Approximately \$60 million (including expenditures from States and local communities) is being made available annually for this purpose.

A breakdown of the State allotments under the fiscal year 1966 program appears in table 2.

TABLE 2.—*Federal allotments and required matching expenditures from State and local sources*

[The Library Services and Construction Act, fiscal year 1966 (Public Law 88-269)]

States and outlying parts	Title I, public library services		Title II, public library construction		Matching ratio	
	Federal allotment	State and local matching	Federal allotment	State and local matching	Federal percentage	State percentage
Total.....	\$25,000,000	\$26,132,581	\$30,000,000	\$31,581,237	-----	-----
Alabama.....	454,452	234,111	543,258	279,860	66.00	34.00
Alaska.....	124,540	173,047	112,073	155,724	41.85	58.15
Arizona.....	241,289	194,802	264,660	213,670	55.33	44.67
Arkansas.....	293,816	151,360	333,312	171,706	66.00	34.00
California.....	1,805,367	2,824,966	2,308,865	3,612,820	38.99	61.01
Colorado.....	290,309	304,952	328,728	345,309	48.77	51.23
Connecticut.....	375,081	697,498	439,523	817,335	34.97	65.03
Delaware.....	148,424	297,829	143,289	287,526	33.26	66.74
District of Columbia.....	182,892	371,326	188,337	382,381	33.00	67.00
Florida.....	637,260	487,643	782,183	598,546	56.65	43.35
Georgia.....	527,841	311,200	639,175	376,840	62.91	37.09
Hawaii.....	168,658	174,910	169,734	176,027	49.09	50.91
Idaho.....	172,392	114,450	174,615	115,925	60.10	39.90
Illinois.....	1,193,838	1,805,755	1,509,614	2,283,366	39.80	60.20
Indiana.....	605,896	604,443	741,191	739,414	50.06	49.94
Iowa.....	399,202	345,856	471,043	408,100	53.58	46.42
Kansas.....	336,386	294,259	388,950	340,240	53.34	46.66
Kentucky.....	429,650	244,416	510,842	290,605	63.74	36.26

TABLE 2.—Federal allotments and required matching expenditures from State and local sources—Continued

States and outlying parts	Title I, public library services		Title II, public library construction		Matching ratio	
	Federal allotment	State and local matching	Federal allotment	State and local matching	Federal percentage	State percentage
Louisiana.....	\$453,397	\$254,373	\$541,880	\$304,015	64.06	35.94
Maine.....	205,168	143,579	217,452	152,176	58.83	41.17
Maryland.....	436,435	558,629	519,710	665,220	43.86	56.14
Massachusetts.....	658,637	917,427	810,122	1,128,432	41.79	58.21
Michigan.....	948,841	981,660	1,189,411	1,230,550	49.15	50.85
Minnesota.....	470,415	423,061	564,122	507,335	52.65	47.35
Mississippi.....	336,335	173,263	388,883	200,334	66.00	34.00
Missouri.....	508,713	587,208	692,595	715,119	49.20	50.80
Montana.....	173,214	140,921	175,689	142,934	55.14	44.86
Nebraska.....	253,134	231,426	280,141	256,116	52.24	47.76
Nevada.....	130,954	259,138	120,455	238,362	33.57	66.43
New Hampshire.....	165,853	149,337	166,068	149,530	52.62	47.38
New Jersey.....	758,265	1,138,821	940,533	1,412,264	39.97	60.03
New Mexico.....	203,189	133,942	214,865	141,699	60.27	39.73
New York.....	1,920,933	3,120,886	2,459,907	3,996,542	38.10	61.90
North Carolina.....	594,357	342,523	726,111	418,452	63.44	36.56
North Dakota.....	168,622	117,178	169,687	117,918	59.00	41.00
Ohio.....	1,153,175	1,196,887	1,456,469	1,511,676	49.07	50.93
Oklahoma.....	352,626	240,421	410,175	279,658	59.46	40.54
Oregon.....	291,908	300,919	330,818	341,031	49.24	50.76
Pennsylvania.....	1,328,187	1,636,180	1,685,205	1,685,346	49.85	50.15
Rhode Island.....	193,257	192,101	201,884	200,676	50.15	49.85
South Carolina.....	358,519	184,691	417,877	215,270	66.00	34.00
South Dakota.....	173,838	118,180	176,504	119,992	59.53	40.47
Tennessee.....	457,040	273,604	585,851	329,112	64.03	35.97
Texas.....	1,139,425	851,185	1,438,499	1,074,602	57.24	42.76
Utah.....	196,436	151,270	206,300	158,704	56.52	43.48
Vermont.....	142,303	108,142	135,289	102,812	56.82	43.18
Virginia.....	530,427	380,490	642,555	460,922	58.23	41.77
Washington.....	409,583	435,789	484,616	515,624	48.45	51.55
West Virginia.....	301,862	186,192	343,827	212,077	61.85	38.15
Wisconsin.....	528,780	502,181	640,403	608,189	51.29	48.71
Wyoming.....	135,813	140,066	126,807	130,722	49.24	50.76
American Samoa.....	27,176	14,000	22,843	11,768	66.00	34.00
Guam.....	32,274	16,626	29,508	15,201	66.00	34.00
Puerto Rico.....	354,933	182,844	413,190	212,855	66.00	34.00
Virgin Islands.....	28,483	14,673	24,552	12,648	66.00	34.00

10. Economic classification of program expenditures. (See table 3.)

Program: Library services and construction.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 3.—Economic classification of program expenditures for fiscal year 1965

(In millions of dollars)

Federal Government:

Purchases of goods and services.....	10.5
Grants to State and local governments.....	26.1

Total, Federal expenditures.....	26.6
----------------------------------	------

Non-Federal expenditures financed by State and local governments.....	78.3
---	------

Total expenditures for program.....	104.9
-------------------------------------	-------

1 Estimated wages, salaries.

EDUCATIONAL TELEVISION FACILITIES

(Public Law 87-447)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To assist (through matching grants) in the construction of educational television broadcasting facilities.

2. Operation

Eligible recipients under the program (public school system, college or university, State educational television agency, or nonprofit corporation) apply directly to the Secretary of Health, Education, and Welfare for grants for the acquisition and installation of transmission equipment for educational television broadcasting. Grants for activation of new stations are made on a 50-50 matching basis; those for expansion of existing stations are made on the same basis, except that credit for 25 percent of the cost of existing facilities may be given. No more than \$1 million may be granted to any one State. Not more than 15 percent of any grant may be used to connect two or more stations. The Secretary of HEW approves all applications, but he has delegated the technical processing of applications to the Office of Education.

3. History

This program was established by Public Law 87-447 on May 1, 1962, and the first appropriation was made on May 17, 1963. Since that time over \$29 million of the \$32 million authorized through fiscal year 1967 has been appropriated. A total of \$13,917,510 has been obligated to construct 37 new stations and to expand 36 existing ones. Applications totaling \$9,140,223 are currently pending. Applications which exceed the \$1 million statutory limitation have been received from five States.

Total applications received represent 43 States (including Washington, D.C., and Puerto Rico). The 73 grants approved (to date) were made in a total of 35 States (including Washington, D.C., and Puerto Rico). Through the grant program seven States were able to activate their first educational television stations.

By the end of fiscal year 1966, 50 percent more ETV stations will be in operation as a result of this program than were operating prior to passage of Public Law 87-447. The following table reflects other comparative results of the program:

	1963 (June 30)	1965 (Dec. 1)
Number of ETV stations in operation.....	79	112
Total population in reception area.....	(1)	128,000,000
Number of students in reception area (all levels of instruction).....	2 25,000,000	35,000,000
Number of States having at least 1 ETV station.....	33	40

¹ Less than 100,000,000.

² Approximately.

4. Level of operations. (See table 1.)

Program: Educational television facilities.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 esti- mate	Fiscal year 1967 esti- mate
(a) Magnitude of the program (ETV equipment grants) ¹ -----	33	29	48	50
(b) Applicants or participants:-----				
State government agencies-----	3	4	19	3
Local school districts-----	8	6	5	20
Nonprofit community corporations-----	11	6	14	24
Institutions of higher education-----	11	13	10	3
(c) Federal finances: ² -----				
Unobligated appropriations available (millions)-----	\$7.84	\$12.90	\$15.41	\$3.30
Obligations incurred (millions)-----	\$5.33	\$5.26	\$15.41	\$3.30
Allotments or commitments made-----				
(d) Matching or additional expenditures (millions)-----	\$3.63	\$4.30	\$9.10	\$7.74
(e) Number of Federal Government employees administering, operating, or supervising the activity (administering)-----	13	13	13	13
(f) Non-Federal Government personnel employed-----				
(g) Other measures of level or magnitude of performance-----				

¹ For breakdown by grantee, see (b) Applicants or participants.

² Includes funds for program administration.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination and cooperation with other programs and agencies are implicit in the bifurcated administration of the ETV facilities program and can be summarized as follows:

(a) *Within the Department of Health, Education, and Welfare.*—Processing of all applicants is done in the Educational Television Branch of OE's Bureau of Adult and Vocational Education. This processing requires frequent liaison with the Office of General Counsel and the Financial Standards Section, Finance Branch. Recommendations with respect to grant action, policy determinations, and working procedures are transmitted from the Branch, through the Associate Commissioner, BAVE, to the Commissioner of Education for transmittal to the Secretary. Final grant approvals are made by the Secretary, HEW, and postgrant administration is again referred to the ETV Facilities Branch.

(b) *With other Federal agencies.*—

(1) Federal Communications Commission: Each applicant must be processed in close cooperation with the FCC to coordinate with that agency's regulatory requirements on broadcasting. Recommendation to award an HEW grant is contingent on award of a construction permit or other authorization by the FCC.

(2) Appalachian Regional Commission: Procedures are currently under development to provide for interagency cooperation with respect to applicants who request supplemental grants for ETV projects under section 214 of the Appalachian Regional Development Act.

(3) National Aeronautics and Space Administration: The Applied Technology Section of NASA is being consulted on the possible use of satellite relay for ETV interconnection.

(c) *With State agencies.*—The ETV branch cooperates with designated State ETV agencies in the review of applications under provisions of State educational television planning.

(d) *With other groups.*—In processing applications and performing postgrant administration, the ETV branch deals with colleges and universities and nonprofit foundations and associations engaged in educational television broadcasting.

In addition, program administrators seek cooperation of and rely on information supplied by the National Association of Educational Broadcasters on such matters as program progress, development of needs for educational television, and future expansion needs of ETV.

8. *Laws and regulations*

Part IV of title III of the Communications Act of 1934, enacted on May 1, 1962, as Public Law 87-447. (See Compendium of Statutes, pp. 19-22.)

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

With the exception noted below, it is not possible to describe the effects of the educational television facilities program in "economic" terms. Information normally available in administration of the program does not relate to such factors as personal income, placement or productivity of workers, or employment factors.

The only identifiable economic impact of the ETV facilities program is in the construction and manufacturing sectors. Expenditure of the full authorization provided under the act plus matching amounts from State and local sources will result in the purchase of goods and services in these two sectors totaling \$64 million, spread throughout the United States and the territories.

Through its use as a medium of communication and instruction educational television, itself, not only aids the educational process (which, in turn, has a beneficial effect on the economy) but also enables a more efficient use of limited educational resources. It can be expected that with the expansion and improvement of educational television throughout the Nation the great potential of this medium for providing vocational and technical training for the general public will be increasingly exploited with economic benefits accruing to individuals and the Nation as a whole.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Educational television facilities.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]	
Federal Government:	
Purchases of goods and services.....	¹ 0.2
Grants.....	² 2.7
Total, Federal expenditures.....	2.9
Non-Federal expenditures financed by:	
State and local governments.....	.7
Individuals and nonprofit organizations.....	.9
Others.....	2.7
Total expenditures for program.....	7.2

¹ Estimated wages and salaries.

² Includes grants to State ETV agencies and local school districts.

COMMUNITY SERVICE AND CONTINUING EDUCATION

(The Higher Education Act of 1965—Title I)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by strengthening community service programs of colleges and universities.

2. *Operation*

Allotments are made to States on the basis of population. Any State desiring to participate in the program must designate a State agency or institution to develop and administer a State plan, which must be approved by the Commissioner of Education. Each State allocates Federal funds to institutions of higher education in the State to provide new, expanded, or improved community service programs. In fiscal years 1966 and 1967, Federal funds may be used to pay 75 percent of the cost of developing and carrying out a State plan. Federal funds may be used to pay 50 percent of such costs in fiscal years 1968, 1969, and 1970.

3. *History*

The program was initiated by title I of the Higher Education Act of 1965, enacted on November 8, 1965. Ten million dollars have been appropriated for title I for fiscal year 1966.

4. *Level of operations.* (See table 1.)

Program: Community services and continuing education.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Adult and Vocational Education.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[Dollar amounts in millions]

Measure and unit	Fiscal year 1964 ¹	Fiscal year 1965 ¹	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (projects supported).....	-----	-----	400	800
(b) Applicants or participants: State agencies.....	-----	-----	55	55
(c) Federal finances:				
Unobligated appropriations available.....	-----	-----	\$10	\$20
Obligations incurred.....	-----	-----	\$10	\$20
Allotments or commitments made.....	-----	-----	\$10	\$20
(d) Matching or additional expenditures.....	-----	-----	\$3.3	\$6.7
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years administering).....	-----	-----	10	20
(f) Non-Federal Government personnel employed ²	-----	-----	-----	-----
(g) Other measures of level or magnitude of performance:				
Colleges and universities participating (institutions).....	-----	-----	200	250
Adults participating in programs (persons).....	-----	-----	100,000	200,000

¹ Not applicable.² Not available.5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Coordination of the program's operations will be effected by the Bureau of Adult and Vocational Education.

Since the projects which may be carried out under title I may be concerned with a wide range of community problems and university extension or continuing education offerings, it is expected that there will be many opportunities for coordination and cooperation as indicated below.

(a) *Within the Office of Education.*—Purposes and operations of the program might be coordinated with adult education programs, vocational and technical education programs, manpower development and training programs, area redevelopment programs, and programs for the handicapped, construction of educational facilities, work-study, and research.

No specific devices have been developed to date to promote such coordination.

(b) *With other units of the Department of Health, Education, and Welfare.*—Program operations might be coordinated with the Public Health Service, Water Pollution Control Administration, and Vocational Rehabilitation Administration.

No specific devices have been developed to date to promote such coordination.

(c) *With other Federal Government departments or agencies.*—Recent legislation has provided several other Government departments and agencies with activities closely related to title I. Therefore, it is expected that this program will be conducted with coordination and cooperation of at least the following departments or agencies: Agriculture, Commerce, Defense, Labor, Interior, State, Housing and Urban Development, and the Office of Economic Opportunity.

The need for coordination and cooperation was taken into consideration by the Congress in establishing the National Advisory Council on Extension and Continuing Education, which was directed to provide the Commissioner of Education with advice in the preparation of regulations and policy matters arising in the administration of title I. The Council is also required to review the administration and effectiveness of all federally supported extension and continuing education programs.

(d) *With State governments or their instrumentalities.*—Coordination and cooperation will be maintained in each participating State with a State agency or institution which has been designated by State authorities to develop and administer the State plan for carrying out the program.

(e) *With other groups.*—The cooperation of communities, non-profit organizations, and institutions of higher education will also be needed to fulfill the purposes of this new program.

8. *Laws and regulations*

Title I of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

Regulations have not yet been issued.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

This program is specifically directed toward the solution of community problems. Improved conditions within a community are expected to result in a corresponding improvement in its economy. In addition, through continuing education programs adults can upgrade their skills or learn new ones and, thus, improve their economic security. There is, however, no basis for estimating the specific economic effects resulting from this program.

10. *Economic classification of program expenditures*

Not applicable. The program was not in operation in fiscal year 1965.

V. PROGRAMS FOR EDUCATIONAL RESEARCH

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To broaden the knowledge and improve the quality of education by stimulating and supporting research, survey, demonstration, and dissemination projects in the field of education.

2. *Operation*

Research programs of the Office of Education are administered by the Bureau of Research. The Bureau receives proposals from colleges, universities, organizations, State educational agencies, and individuals for extramural research and research-related projects and programs. Proposals are evaluated by Bureau staff and by field readers and consultants outside the Office of Education. After approval by the Commissioner, a grant or contract is negotiated and awarded. Projects are monitored by the Bureau of Research. Projects and programs conducted through educational laboratories will be directed by laboratory staffs in conjunction with the Office of Education and within established program guidelines.

The Bureau of Research also stimulates research projects or programs in those areas which it has identified as needing special attention or development.

3. *History*

The educational research program is composed of a variety of smaller programs, each of which was established by a specific legislative authorization.

The first program began in 1954 with the enactment of the Cooperative Research Act (Public Law 83-531) which authorized the Commissioner of Education to enter into cooperative arrangements with colleges, universities, and State educational agencies for research, surveys, and demonstrations in the field of education. For its first 4 years, the program supported only basic and applied research and emphasized the area of mental retardation. Subsequently, the program was enlarged to include field demonstrations, developmental projects, curriculum study centers, a small contracts program, and a curriculum improvement program.

With the passage of title IV of the Elementary and Secondary Education Act of 1965 (Public Law 89-10), the cooperative research program was broadened to provide for grants as well as contracts, extend the eligibility for support, authorize the development and support of training programs for research, give the program authority to disseminate the results of research, and authorize funds over a 5-year period for constructing and equipping educational research facilities. Based on this expanded authority, a national program of educational laboratories was created. These laboratories are new institutions which, through the initiative and cooperative planning of scholars, school personnel, and representatives of various other groups interested in education, conduct research and research-related activities, and assure educational improvements by implementation of research.

The National Defense Education Act of 1958 (Public Law 85-864), as amended, provides authorization for other research programs. Title VI (sec. 602) authorizes research in more effective methods of teaching modern foreign languages and related area studies, and development of specialized materials for use in such teaching. Part A of title VII authorizes research and experimentation in the educational uses of television, radio, motion pictures, and other communications media. Part B of the same title complements part A by authorizing studies on and the production of materials for dissemination of information regarding the new media.

Public Law 85-905 (amended by Public Law 87-715), "Captioned Films for the Deaf," provides for research in the use of educational and training films for the deaf, for the production and distribution of training films and captioned films, for the training of persons in the use of films for the deaf, and for the operation of a loan service of captioned films.

Public Law 88-164 increased the commitment to improved education for handicapped children. Title III, section 302, of this law authorizes the award of grants for research and demonstration projects relating to the education of mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or otherwise health-impaired children. Public Law 89-105 provides for the construction, equipping and operation of a facility for research, research training, surveys, and demonstrations in the field of handicapped children, and for the dissemination of information derived from such research and related activities.

The Vocational Education Act of 1963 (Public Law 88-210) authorizes grants for research and training programs and for experimental, developmental, or pilot programs designed to meet the special vocational educational needs of youth, particularly those in economically depressed communities.

Title V, section 503(a)(4) of the Elementary and Secondary Education Act of 1965 allows the State departments of education to identify research as one of their needs and therefore to use part of their title V allotment for conducting, sponsoring, or cooperating in educational research and demonstration programs and projects. Title V broadens the possibilities for State agencies to engage in research since the funds may be used for research specifically aimed at a State need.

The Higher Education Act of 1965 (Public Law 89-329), title II, part B, section 224, authorizes the Commissioner to make grants to

institutions of higher education and other public or private nonprofit agencies, institutions, and organizations for research and demonstration projects relating to the improvement of libraries or of training in librarianship, and for the dissemination of information derived from such research and demonstrations. The Commissioner is also authorized to provide by contracts with public or private agencies, organizations, or institutions for the conduct of such activities.

In addition to its other support programs, the Office also administers a program in certain foreign countries for research of significance to American education. Excess foreign currencies generated from the sale of surplus commodities abroad are used for this purpose. The program is authorized by Public Law 83-480.

Under the authority of the legislative acts cited above, a variety of research activities aimed at the improvement of the whole educational process are now being supported, as follows:

Individual research projects are producing new teaching methods and more meaningful textbooks and instructional materials which encourage self-directed learning in all subject areas, especially in English, mathematics, foreign languages, and science.

To permit further expansion of research, training grants, institutes, workshops, and program development grants are being awarded which will increase the number of educational researchers, strengthen the research resources of small institutions, bring about a broader geographical distribution of research capability, and encourage better balanced research activities in those institutions already engaged in research efforts.

Nine research and development centers, federally supported but university operated, have so far been established, each concentrating its efforts in a particular area of educational research such as teacher training, urban education, the effects of psychological and cultural differences on the learning process, and the organization of higher education.

The educational laboratories now being established will carry on comprehensive programs of research, development, and dissemination serving the educational needs of the Nation as well as of the region in which they are located.

The relationships between educational research and development and other educational agencies are being strengthened so that each can aid the other in formulating and executing their responsibilities.

Out of these efforts, some continuing from previous years, others initiated this past year, a new kind of educational system is emerging. It is designed to recognize obsolescence and to incorporate innovation on a continuing basis. This system is drawing upon some of the best educational, scientific, cultural, and other resources of the Nation. All parts of the education community will eventually participate in this new system. Once a commitment to quality has been made, and once the means of achieving that goal have been identified, research in education will be pursued and informed by all parts of the intellectual community and by every discipline within that community.

4. Level of operations. (See table 1.)

Program: Educational research.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Educational Research.

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (projects approved) ¹	716	1,090	1,528	1,695
(b) Applicants or participants:				
State educational agencies (projects approved).....	55	96	166	175
Local school districts (projects approved).....	7	16	141	155
Individuals (projects approved).....	28	26	19	30
Institutions of higher education (projects approved).....	579	899	1,177	1,305
Other (projects approved).....	47	53	25	30
(c) Federal finances:				
Unobligated appropriations available (millions).....	\$20.1	\$38.2	\$101	\$117.7
Obligations incurred (millions).....	\$19.7	\$36.1	\$101	\$117.7
Alloftments or commitments made.....				
(d) Matching or additional expenditures (millions).....	\$2.8	\$8.2	\$12.6	\$14.1
(e) Number of Federal Government employees administering, operating, or supervising the activity (man-years).....	47	136	260	280
(f) Non-Federal Government personnel employed (persons).....	3,526	6,843	12,578	15,000
(g) Other measures of level or magnitude of performance:				
Proposals submitted.....	1,746	2,692	4,619	5,230
Regional labs supported.....			8	12
Research centers supported.....	2	4	9	11

¹ For breakdown, see participants listed under item (b).

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within the Bureau of Research.*—The Bureau of Research is organized to encourage coordination and cooperation among its internal units and with the other bureaus of the Office of Education. Three of the divisions of the Bureau of Research correspond directly to the Bureaus of Elementary and Secondary Education, Higher Education, and Adult and Vocational Education. Thus, the exchange of information about research programs is greatly facilitated between the operating programs of these bureaus and the Bureau of Research.

To assure internal coordination the programs of each of the divisions are reviewed weekly by division directors and Bureau staff personnel meeting as a committee. Special units assigned to the Office of the Associate Commissioner circulate information about proposal allocations, procedures, fiscal and budget matters, and other related items to all Bureau units.

(b) *Within the Office of Education.*—An internal review committee works to assure interbureau coordination and cooperation. This committee consists of a representative from each of the four bureaus of the Office of Education as well as the division directors of the Bureau of Research. A representative from the Office of the Commissioner also is a member of the committee. The internal review committee is responsible for making final recommendations to the Commissioner regarding specific research and research-related projects and programs to be supported, as well as formulating and recommending new policies and procedures.

(c) *With other Federal agencies.*—The Bureau of Research exchanges with the National Science Foundation information and recommenda-

tions on programs and on individual projects which may be of interest to either agency.

Coordination of programs between the Office of Education and the Office of Economic Opportunity is provided by Bureau of Research staff members who work closely with research components of OEO on project formulation, proposal review, and joint funding of programs of mutual interest.

Research programs in vocational education are coordinated with those of the Office of Manpower, Automation, and Training, Department of Labor, by an interchange of research proposals and a continuing dialog between the members of the two staffs.

The Bureau of Research conducts research in foreign countries with funds from the Public Law 480 excess foreign currency program. These projects are coordinated both through the State Department and the local embassy in the country in which the research is conducted.

The Inter-Agency Committee on Education includes, among its concerns, matters of research coordination.

Another interdepartmental committee, the Foreign Area Research Coordinate Group, coordinates Government-sponsored research in foreign areas and international education.

(d) *With State governments.*—The largest single program of the Bureau, the cooperative research program, has encouraged and supported the research activities of State educational agencies, including, for example, the funding of 151 research projects conducted by State departments of education in the last 3 years. Information from the vocational education part of the Bureau's programs is regularly exchanged with State boards of vocational education. Twenty-three State vocational education research coordinating units have been established through this program.

(e) *With local governments.*—The national program of educational laboratories which is now being developed includes provisions for communities and local school districts, among others, to participate in the activities of the laboratories. In addition to this participation, local communities or organizations may make application to the research programs of the Bureau of Research.

(f) *With nonprofit organizations.*—Nonprofit organizations and institutions are eligible for grants or contracts as appropriate. The Bureau of Research maintains contact with such organizations through professional associations and other channels.

(g) *With business enterprises.*—Business enterprises are eligible to participate, through contracts, in the research programs of the Bureau. The increasing interest and contributions of business to education make contacts with them an important area which receives special attention through bulletins, speeches, special purpose meetings, etc.

(h) *With other groups.*—Various advisory groups aid the educational research program as follows:

(1) The Research Advisory Council is the major advisory group on the long-range policy of the cooperative research program. Under the council, panels have been established for arts and humanities, reading, curriculum improvement, demonstration, educational processes, English, environment, psychological processes, and research and development centers. Members of the panels evaluate research proposals in their area as to the soundness of the design, the possibilities

of securing productive results, and their relationship to similar educational research already completed or in process.

(2) The Advisory Committee on New Educational Media, established by title VII of the National Defense Education Act of 1958, makes recommendations to the Commissioner on research projects and other matters relating to the utilization or adaptation of television, radio, motion pictures, or related media of communication for educational purposes.

(3) The Advisory Committee on Research and Demonstration in the Education of Handicapped Children, established by Public Law 85-926, advises the Commissioner as to criteria for evaluating proposals, areas in which research and demonstration need to be stimulated and encouraged, and distribution of funds between the areas of the handicapped and between research and demonstration. Panels of consultants have been created for the following areas: crippled and special health, deaf, emotionally disturbed, mentally retarded, speech impaired and hard of hearing, and visually handicapped.

8. *Laws and regulations*

Legislative authority for the Office of Education's research program is shown below in order of enactment. Except where noted, the laws along with their legislative histories and amendments are included in the Compendium of Statutes.

(a) Agricultural and Trade Development and Assistance Act of 1954, enacted on July 10, 1954, as Public Law 480, 83d Congress. (For amendments and extensions see Compendium of Statutes, pp. 119-122.)

(b) Cooperative Research Act, enacted on July 26, 1954, as Public Law 531, 83d Congress (Compendium of Statutes, pp. 7-10).

(c) Titles VI and VII of the National Defense Education Act of 1958, enacted on September 2, 1958, as Public Law 85-864 (Compendium of Statutes, pp. 182-183).

(d) Captioned Films for the Deaf, enacted on September 2, 1958, as Public Law 85-905 (Compendium of Statutes, pp. 81-82). Amended by Public Law 89-258, 79 Stat. 983, on October 19, 1965.

(e) Title III of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, enacted on October 31, 1963, as Public Law 88-164 (Compendium of Statutes, pp. 86-87).

(f) Title V of the Elementary and Secondary Education Act of 1965, enacted on April 11, 1965, as Public Law 89-10 (Compendium of Statutes, p. 35).

(g) Title II-B of the Higher Education Act of 1965, enacted on November 8, 1965, as Public Law 89-329.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

There are compelling economic and social reasons for investing in educational research. Few economists, for example, would dispute the fact that money spent on research and development is the key to product improvement. Education is one of the most productive investments a society can make, but research and planning in this field will increase its yield even more and, in the long run, affect all sectors of the economy and result in increased GNP.

While there is common agreement among experts as to the long-run value and need for research in education, tools for measuring the effects of research or even isolating the effects so that they can be measured have yet to be developed. Moreover, since the research programs of the Office of Education were established less than 10 years ago and research expenditures have been relatively small, the economic effects have not yet had a large nationwide impact. Even if economists could account for "other things being equal" outside the sphere of educational expenditures, it would still be difficult to determine which kinds of educational expenditures are causally related to specific economic results. (Will the size of a pupil's future salary be related to his studying the new math developed through research, going to school in a modern building, or being able to attend college on a Federal loan, or all three, or none?)

Leaving aside the problem of measurement, it is possible to point out some of the relationships between educational research and the economy. One aspect of this is the growing interplay between research and industrial firms which promises to be of mutual benefit to both business and education. Increasingly the private industrial sector is recognizing all parts of education, not only technical or vocational, as being directly relevant to its interests. Private enterprise is also increasing its interest in the market which education offers for a spectrum of products, all of which are designed to contribute to better education. The interchange of information and interests, and the coordination of these efforts, will alter the pattern of research in education which has previously been directed and conducted almost exclusively by professional educators. The ingenuity and talents of the private sector, both stimulated and utilized by educational research, are developing new materials and new devices which augur a significant change in educational practices.

The most important economic contribution of educational research is, of course, its development of more efficient uses of human resources. As a result of advances through research, children are already learning more at earlier ages. For example, first graders are now learning fundamentals of economics and algebra, and fifth graders are studying mathematical logic usually taught in college. Ideally, research efforts to provide each child with individualized instruction tailored to his own needs and talents will result in each child learning as much as he can, as soon as he can, and as quickly as he can.

The Office's research program, in particular the educational research laboratories now being established, will result in continued improvement in the efficiency of the Nation's educational system. The interest in, and the ability to cope with, the problems which are being researched means that for the first time every level of American education will have available to it the means to effect its own improvement and renewal. Efforts such as these will create a new and more effective partnership in the improvement of American education. The fact that colleges and universities, State educational agencies, and local schools may be both beneficiary and participant in this effort will make the administration of research much more responsive to the needs of education and should result in more rapid improvement in education, contributing to the greater economic and social progress of the Nation.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Educational research.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Office of Education; Bureau of Educational Research.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:

Purchase of goods and services:

Wages and salaries.....¹ 10.9

Other.....² 19.5

Total, Federal expenditures..... 20.4

Non-Federal expenditures.....³ 8.0

Total expenditures for program..... 28.4

¹ Estimated.

² Includes payments for research work performed on contract and grants to State and local governments, institutions of higher education, and nonprofit organizations.

³ Includes some expenditures by State and local governments as well as by individuals and nonprofit organizations.

Vocational Rehabilitation Administration

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The Vocational Rehabilitation Administration is the focal point in the Department of Health, Education, and Welfare for administration of programs to achieve the vocational rehabilitation of physically and mentally disabled persons and their greater utilization in suitable, gainful employment.

The overall objective is to provide the leadership and the means for furnishing vocational rehabilitation services to all the disabled who need and can be expected to benefit from such services.

Within this objective these are the five main missions of the Vocational Rehabilitation Administration:

To build State vocational rehabilitation agency programs of services for the disabled;

To increase rehabilitation knowledge and techniques and their application to practice;

To increase the Nation's supply of trained rehabilitation manpower which will continue to be in severe shortage;

To increase and improve the physical plants for serving the disabled, including rehabilitation facilities and workshops, training settings, specialized clinics, and other special facilities; and

To educate the general public and specific publics—such as employers, researchers, public and voluntary agencies, and the disabled themselves—about vocational rehabilitation of the disabled and to disseminate available rehabilitation knowledge.

The Vocational Rehabilitation Administration estimates that among the millions of our citizens who are disabled, there are over 3.5 million persons of working age who could be rehabilitated to employment. Each year an additional 450,000 people join the group who are disabled and who could be restored to useful activity and work through vocational rehabilitation services. With the added authority and opportunities provided by the Vocational Rehabilitation Act Amendments of 1965, there is a strengthened commitment to press forward to the

central objective of furnishing rehabilitation services to all who need and can use them.

2. Operation

The Vocational Rehabilitation Administration is a Federal agency in the Department of Health, Education, and Welfare. The agency has a headquarters staff and regional staff in the nine HEW regional offices. The Vocational Rehabilitation Administration staff has responsibility for exercising leadership in vocational rehabilitation and for administering the various authorities provided in the Vocational Rehabilitation Act as amended.

Specialist staff of the Vocational Rehabilitation Administration, including regional staff who are supervised by headquarters staff, provide technical assistance to applicants and grantees, the bulk of which are State vocational rehabilitation agencies and nonprofit public and voluntary organizations such as universities, rehabilitation centers, and sheltered workshops.

At the core of the Vocational Rehabilitation Administration's responsibility is the program of grants to States to support the provision of a wide range of vocational rehabilitation services to disabled persons and a program for licensing blind persons to operate vending stands on Federal and other property. Basic support grants are distributed to the State vocational rehabilitation agencies under a statutory formula. Starting in fiscal year 1966, States also receive project grants for special innovation efforts. States have been receiving grants for extension and improvement projects which will be phased out, to be supplanted by the innovation project grants provided under the new 1965 legislation.

The Vocational Rehabilitation Administration also administers a program of grants to support research, demonstration, and training to improve rehabilitation knowledge and techniques and to increase the supply of professionally trained rehabilitation personnel. It carries responsibility for research, research training, and the interchange of rehabilitation experts and other special rehabilitation activities overseas.

The Vocational Rehabilitation Administration also cooperates with the Social Security Administration in disability determinations and determinations of vocational rehabilitation potential under the Social Security Act and in providing rehabilitation services to disabled applicants and beneficiaries; with the Bureau of Employees' Compensation, Department of Labor, in providing rehabilitation services for disabled Federal employees; and with the Public Health Service in the administration of grants for rehabilitation facilities under the Hill-Burton Medical Facilities Survey and Construction Act.

In addition, the Vocational Rehabilitation Administration maintains continuing liaison with numerous agencies of the Federal Government; with the Department of Labor in connection with the selective placement activities of the Employment Service and with the manpower development and training program; with the President's Committee on Employment of the Handicapped; with the Office of Economic Opportunity; and with the various other agencies in the Department of Health, Education, and Welfare, with regard to all activities involving the disabled and their vocational rehabilitation, such as special education, vocational education, health, welfare, and social insurance.

3. History

The program for vocational rehabilitation of the disabled, now 45 years old, is one of the oldest grants-in-aid programs for providing services to individuals. The program had its start in 1920 when President Wilson signed the Smith-Fess Act. This first act provided for services limited to counseling, job training, artificial limbs and other prosthetic appliances, and job placement. The initial appropriation of \$750,000 for payments to States cooperating in vocational rehabilitation of persons disabled in industry was raised to \$1 million for the fiscal years 1922-24. The Federal Board of Vocational Education was responsible for this program.

Authorization for the program was temporary, requiring renewal in succeeding years. The first permanent authorization for this program came with the Social Security Act in 1935, which recognized the importance of rehabilitation in a program for economic security. The Social Security Act also included authorization for appropriations to extend and strengthen the Federal-State program of vocational rehabilitation by providing for both increased grants to States and increased support for Federal administration.

World War II forced reexamination of this essentially small-scale program, and in 1943 major amendments to broaden the program were passed. Vocational rehabilitation then for the first time could provide (1) medical, surgical, and other physical restoration services to eliminate or reduce disabilities; and (2) services for persons whose disability was mental illness or mental retardation. This law also brought into the vocational rehabilitation program for the first time the separate State agencies serving the blind. The concept of rehabilitation was significantly broadened by this law's definition of vocational rehabilitation services as "any services necessary to render a disabled individual fit to engage in a remunerative occupation."

The cost of rehabilitation services under the 1943 act was shared under an arrangement whereby the Federal Government paid (1) the full cost of rehabilitating the war disabled, (2) half the cost of rehabilitating other disabled persons and (3) the full cost of administering the program, including guidance and placement services. This system replaced the 50-50 sharing arrangement previously in effect.

By the early 1950's it had become apparent that the program was being held back, partly by the financing system and partly by lack of authority for supporting research, training of professional staff, and development of rehabilitation facilities. In 1954 the legislative authority was overhauled to remedy these deficiencies. New financing provisions with variable matching were designed to give greater financial support to States with relatively large population and relatively small per capita income. The Federal share varied from 50 percent to 70 percent, and the national average was about three Federal dollars to two State dollars.

The 1954 amendment authorized grants to encourage support of research into better rehabilitation and demonstration projects through which new knowledge could be applied in communities across the country. These grants go to public and private nonprofit organizations such as State rehabilitation agencies, voluntary organizations, universities and rehabilitation facilities.

Training grants to increase the supply of trained manpower in the professional fields involved in rehabilitation were also authorized by the 1954 amendments.

These amendments also initiated use of Federal grant funds to support establishment of rehabilitation facilities and workshops, i.e., alteration of existing buildings and equipment, and—in the case of rehabilitation facilities—initial staffing.

The next major forward step was the 1965 Vocational Rehabilitation Act Amendments, which had three major emphases:

1. The new provisions in the Vocational Rehabilitation Act Amendments, in concert, are designed to put the public vocational rehabilitation program on a scale of operation which it should attain in this coming decade.

2. The new provisions aim to strengthen the program's ability to tackle and solve the problems of rehabilitating the very difficult cases, the severely disabled.

3. These provisions also are drawn to make possible a direct drive to build more rehabilitation facilities and workshops and, equally important, to strengthen those now operating.

More specifically, the 1965 revisions of the Vocational Rehabilitation Act provide for:

- (a) The broadening of the base of the Federal-State program to take into the program not only more of the disabled, but also a greater spread of the severe disabilities.

- (b) The liberalization of Federal financial support of certain portions of the program to match State money more favorably with Federal funds so as to put State vocational rehabilitation agencies in better position to secure State appropriations for their programs.

- (c) A multifaceted, comprehensive program of grants to improve and strengthen the workshops of the Nation.

- (d) A rehabilitation facilities construction program directed primarily to construction of vocationally oriented facilities.

- (e) A concerted effort to remove and prevent architectural barriers which impede the rehabilitation of the handicapped.

- (f) Special projects grants to allow quick, responsive focus on particular program areas, such as the mentally retarded, the victims of heart disease, cancer and stroke, cerebral palsy, and similar groups of the disabled, and for statewide planning.

- (g) Extended training of professional rehabilitation staff.

- (h) The establishment of intramural programs of rehabilitation research and data assembling and dissemination.

The Vocational Rehabilitation Administration also has new responsibility under the 1965 medicare provisions, which included new authority making funds available to the State vocational rehabilitation agencies to pay for rehabilitation services for OASDI beneficiaries and restore them to work and to effect savings for the trust funds.

The Correctional Rehabilitation Study Act of 1965, provides authority for the Vocational Rehabilitation Administration to grant Federal funds to help finance a 3-year coordinated study and report on manpower needs in the correctional field.

4. *Level of operations.* (See tables 1.1 through 1.13.)

Because of the different activities encompassed in the vocational rehabilitation program, the answer to this question has been divided into segments in order to give a clearer picture of the total program.

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[Dollar amounts in thousands]

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Vocational Rehabilitation Administration.

TABLE 1.1.—*Program: Sections 2 and 3 of the Vocational Rehabilitation Act*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 ¹	Fiscal year 1967 estimate
(a) Magnitude of program (people rehabilitated).....	119,708	134,859	168,500	207,500
(b) Applicants or participants:				
State Government agencies (participants).....	90	90	91	91
(c) Federal finances (annual appropriations):				
Unobligated appropriations available.....	\$88,788	\$100,100	\$163,500	\$239,000
Obligations incurred.....	\$86,778	\$99,285	\$163,500	\$239,000
(d) Matching or additional expenditures for program.....	\$53,319	\$61,486	\$76,000	\$79,000
(e) Number of Federal employees ²	7,155	8,250	11,000	13,600
(f) Non-Federal personnel (employees).....				
(g) Other measures or level of magnitude of performance (number of people served).....	399,852	441,338	562,000	690,000

¹ Includes pending supplemental appropriation.² See statement on salaries and expenses, table 1.12.TABLE 1.2.—*Program: Expansion of rehabilitation services*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (number of projects).....			60	100
(b) Applicants or participants: State government agencies and other nonprofit institutions and agencies ¹ (grantees).....				
(c) Federal finances:				
Unobligated appropriations available.....			\$3,000	\$6,300
Obligations incurred.....			\$3,000	\$6,300
(d) Matching or additional expenditures for the program.....			\$333	\$700
(e) Number of Federal employees ²				
(f) Non-Federal personnel ³				
(g) Other measures or level of magnitude of performance ³				

¹ New program; information not available for breakdown between these 2 categories.² See statement on salaries and expenses, table 1.12.³ Information not available.TABLE 1.3.—*Program: Statewide planning grants for development of comprehensive vocational rehabilitation programs in each State*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (number of projects).....			21	33
(b) Applicants or participants: State vocational rehabilitation agencies or other designee appointed by the Governor (grantees).....			21	33
(c) Federal finances:				
Unobligated appropriations available.....			\$2,000	\$3,200
Obligations incurred.....			\$2,000	\$3,200
(d) Matching or additional expenditures for the program.....			(¹)	(¹)
(e) Number of Federal employees ²				
(f) Non-Federal personnel ³				
(g) Other measures or level of magnitude of performance ³				

¹ Not applicable.² See statement on salaries and expenses, table 1.12.³ Information not available.

TABLE 1.4.—Program: Construction grant program

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program:				
Construction grants.....				40
State planning grants for rehabilitation facilities.....			20	54
(b) Applicants or participants: State government agencies and other nonprofit institutions and agencies ¹ (grantees).....				
(c) Federal finances:				
Unobligated appropriations available.....			\$1,500	\$4,500
Obligations incurred.....			\$1,500	\$4,500
(d) Matching or additional expenditures for the program ²				
(e) Number of Federal employees ³				
(f) Non-Federal personnel ⁴				
(g) Other measures or level of magnitude of performance ⁴				

¹ New program; information not available.² New program; information not available. Federal matching rate varies by program.³ See statement on salaries and expenses, table 1.12.⁴ Information not available.

TABLE 1.5.—Program: Workshop improvement program

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (workshop improvement projects).....			50	160
(b) Applicants or participants: State and public and other nonprofit institutions and agencies ¹				
(c) Federal finances:				
Unobligated appropriations available.....			\$1,310	\$4,000
Obligations incurred.....			\$1,310	\$4,000
(d) Matching or additional expenditures for the program ²				
(e) Number of Federal employees ³				
(f) Non-Federal personnel ⁴				
(g) Other measures or level of magnitude of performance ⁴				

¹ New program; information not available.² New program; information not available. Federal share of cost up to 90 percent.³ See statement on salaries and expenses, table 1.12.⁴ Information not available.

TABLE 1.6.—Program: Training service projects to workshops and rehabilitation facilities

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (number of workshops and rehabilitation facilities assisted).....				35
(b) Applicants or participants: State and public and other nonprofit institutions and agencies (grantees).....				35
(c) Federal finances:				
Unobligated appropriations available.....				\$2,000
Obligations incurred.....				\$2,000
(d) Matching or additional expenditures for the program ¹				
(e) Number of Federal employees ²				
(f) Non-Federal personnel ³				
(g) Other measures or level of magnitude of performance ³				

¹ New program; information not available. Federal share of cost of each project is 90 percent.² See statement on salaries and expenses, table 1.12.³ Information not available.

TABLE 1.7.—*Program: Research and demonstration activities under section 4 of the Vocational Rehabilitation Act*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 estimate
(a) Magnitude (projects).....	371	385	437	449
(b) Applicants:				
State (projects).....	75	77	87	90
Other (projects).....	296	308	350	359
(c) Federal finances:				
Appropriations available.....	\$15,180	\$17,070	\$20,570	\$21,850
Obligations incurred.....	\$15,179	\$17,069	\$20,570	\$21,850
(d) Matching.....	\$6,038	\$5,150	\$5,760	\$5,500
(e) Number of Federal employees ¹				
(f) Non-Federal personnel ²				
(g) Other measures or level of magnitude of performance ²				

¹ See statement on salaries and expenses, table 1.12.² Information not available.TABLE 1.8.—*Program: Training activities under sections 4 and 7 of the Vocational Rehabilitation Act*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program: ¹				
Long-term:				
Teaching grants.....	409	399	444	479
Traineeships.....	3,236	3,722	4,520	5,173
(b) Applicants or participants (grantees):				
State government agencies ²	66	75	86	80
Other nonprofit institutions and agencies.....	203	218	249	235
(c) Federal finances:				
Unobligated appropriations available.....	\$16,565	\$19,810	\$24,800	\$29,800
Obligations incurred.....	\$16,528	\$19,770	\$24,800	\$29,800
(d) Matching or additional expenditures for the program ³	\$3,374	\$3,865	\$4,007	\$4,920
(e) Number of Federal employees ⁴				
(f) Non-Federal personnel ⁵				
(g) Other measures or level of magnitude of performance ⁵				

¹ Excludes short-term training activities.² Includes State agencies for the blind.³ These are estimated figures. It is estimated that grantee's share of the total cost of project averages 45 percent of the teaching grant except State agency inservice training grants for which the State agency's share is 10 percent.⁴ See statement on salaries and expenses, table 1.12.⁵ Information not available.TABLE 1.9.—*Program: Research and training center program*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (centers).....	6	15	17	17
(b) Applicants or participants:				
State Government agencies ¹ (grantees).....		3	3	3
Other nonprofit institutions and agencies (grantees).....	6	12	14	14
(c) Federal finances:				
Unobligated appropriations available.....	\$2,965	\$4,085	\$7,575	\$8,575
Obligations incurred.....	\$2,965	\$4,084	\$7,575	\$8,575
(d) Matching or additional expenditures for the program.....	\$1,760	\$2,236	\$3,266	\$3,619
(e) Number of Federal employees ²				
(f) Non-Federal personnel ³				
(g) Other measures or level of magnitude of performance ³				

¹ In conjunction with universities.² See statement on salaries and expenses, table 1.12.³ Information not available.

TABLE 1.10.—*Program: International activities—Special foreign currency program*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of program:				
Projects.....	65	79	99	117
Experts to and from United States.....	1 29	1 58	1 82	1 87
Trainees (in United States) and visitors.....	104	125	135	140
(c) Federal finances:				
Unobligated appropriations available ²	\$4,426	\$3,662	\$3,503	\$4,000
Obligations incurred.....	\$2,768	\$2,209	\$3,503	\$4,000
Domestic support foreign currency program ³	\$100	\$100	\$100	\$100
(e) Number of Federal employees ⁴				

¹ Rehabilitation research experts from United States for consultation or projects: 1964, 14; 1965, 30; 1966, 40; 1967, 41.

² Foreign currencies.

³ U.S. dollars.

⁴ See statement on salaries and expenses, table 1.12.

TABLE 1.11.—*Program: Correctional Rehabilitation Study Act*

Measure	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (project) ¹			1	1
(b) Applicants or participants: Other nonprofit institution.....			1	1
(c) Federal finances:				
Unobligated appropriations available.....			\$500	\$800
Obligations incurred.....			\$500	\$800
(d) Matching or additional expenditures for the program.....			\$128	\$272
(e) Number of Federal employees ²				
(f) Non-Federal personnel ³				
(g) Other measures or level of magnitude of performance ³				

¹ 1st and 2d year of 3-year study.

² See statement on salaries and expenses, table 1.12.

³ Information not available.

TABLE 1.12.—*Program: Salaries and expenses*

Measure	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967
(c) Federal finances:				
Unobligated appropriations available.....	\$2,905	\$3,232	\$4,050	\$5,381
Obligations incurred.....	\$2,800	\$3,107	\$4,050	\$5,331
(e) Number of permanent Federal employees ¹	250	268	351	414

¹ Includes all permanent employees of the VRA. It is not feasible to provide a breakdown of these employees among the several VRA programs.

TABLE 1.13.—*Program: Rehabilitation of disability beneficiaries—Paid from social security trust funds*

Measure and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate
(a) Magnitude of the program (rehabilitants).....	-----	-----	6,500	7,500
(b) Applicants or participants (grantees):	-----	-----	-----	-----
State government.....	-----	-----	-----	-----
Agencies.....	-----	-----	-----	-----
(c) Federal finances:	-----	-----	-----	-----
Transfer from Social Security Administration	-----	-----	-----	-----
trust funds.....	-----	-----	\$6,000	\$14,000
Obligations incurred.....	-----	-----	\$6,000	\$14,000
(d) Matching or additional expenditures for the pro-	-----	-----	-----	-----
gram.....	-----	-----	-----	-----
(e) Number of Federal employees ¹	-----	-----	-----	-----
(f) Non-Federal personnel ²	-----	-----	-----	-----
(g) Other measures or level of magnitude of per-	-----	-----	-----	-----
formance ³	-----	-----	-----	-----

¹ Not applicable.² See statement on salaries and expenses, table 1.12.³ Information not available.5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) *Within your bureau, division, or office.*—Within the Vocational Rehabilitation Administration, coordination and cooperation among the divisions is assured through the following means: close supervision of activities by division chiefs; direct coordination of interdivisional activities by the Assistant Commissioners; and finally, direct review and supervision of all activities in the Office of the Commissioner. Maximum utilization is made of advisory committees and outside consultation where required.

(b) *With other units of your department or agency.*—There follow some examples of coordination and cooperation between the Vocational Rehabilitation Administration and other parts of the Department of Health, Education, and Welfare:

1. In the areas of services to individuals—Welfare Administration (Children's Bureau): As early as 1943, a cooperative agreement was developed with the Children's Bureau and issued to States as a guide to collaboration in serving crippled children approaching the age for vocational planning. The Vocational Rehabilitation Administration participation in the Interdepartmental Committee on Children and Youth alerts States to developing needed programs. States are afforded an opportunity to learn of major anticipated developments of import for vocational rehabilitation and are encouraged to collaborate with State crippled children's programs to assure optimum vocational adjustment for disabled youths.

Bureau of Family Services: Methods used include cooperating agreements and guides for States, State plan requirements, cooperative projects, inservice training for State and local staff, advising States of recent national developments and plans, and active liaison in operational and policy matters. Inservice training: VRA has supported training workshops to increase the skills of State and/or

local public welfare and vocational rehabilitation personnel in cooperative planning and services. Liaison on operations and policies: Active staff liaison includes consultation in handling of operational questions and in development of policies affecting vocational rehabilitation of public assistance recipients.

Office of Education: Both the Vocational Rehabilitation Administration and the Office of Education recognize the fact that the two agencies have a joint responsibility in seeing that handicapped children and youth are provided necessary rehabilitation services. This cooperative relationship has been strengthened by legislative programs affecting both agencies. The Vocational Education Amendments of 1963 provide additional and improved training programs for both youth and adults, including the disabled, in need of vocational skills. The Elementary and Secondary Education Act of 1965 provides among other things for the identification of many more handicapped children and thus sets the stage for increasing cooperation between vocational rehabilitation and special education programs.

At the present time, interagency conferences are being held to establish written guidelines so as to emphasize and blueprint procedures to effect an extension of special education-vocational rehabilitation programs at the State and local boards of education and the State divisions of vocational rehabilitation to incorporate joint programming as a regular and ongoing policy, and to extend these services to all handicapped youth.

A summary of regional reports relative to vocational rehabilitation-special education cooperative programs for the first quarter of fiscal year 1965 indicates that 33 States involving some 287 individual school districts have such an agreement. Planned expansion should result in new programs in an additional six States in the next few months and in all States in the near future.

U.S. Public Health Service, military rejectees: Utilizing funds transferred to the Department of Health, Education, and Welfare from the Office of Economic Opportunity, the Vocational Rehabilitation Administration and the Public Health Service jointly developed and implemented a program of screening, referral, and followup services to young men rejected for medical reasons at the 73 Armed Forces examining stations. The program was designed by State and Federal health and rehabilitation personnel based on experience gathered in pilot projects sponsored by both VRA and PHS. A joint staff, composed of personnel from both agencies, is responsible for orientation and training of field personnel and for program surveillance.

The Vocational Rehabilitation Administration is also participating with the Department of Defense, the Selective Service System, the Department of Labor, and the Public Health Service in an interdepartmental Committee on Military Rejectees. This committee was formed to coordinate all Federal programs for young men rejected for military service.

Mentally retarded: Vocational Rehabilitation Administration collaborates with the Division of Hospital and Medical Facilities, Public Health Service, in implementing the grant programs authorized under Public Law 88-164 for the construction of university-affiliated facilities for the mentally retarded. This has involved formal review of grant applications and participation in site visits to university applicants.

At both the regional and central office levels, the Vocational Rehabilitation Administration staff cooperate with the Public Health Service's Mental Retardation Branch in implementing the program of grants to States for comprehensive planning in mental retardation authorized under Public Law 88-156 and the Social Security Amendments of 1965. VRA personnel serve on the committees which review the grant applications, and provide critical comment on those aspects of the plans which concern rehabilitation. VRA also joins in site visits to selected States to assist PHS in consulting with State officials on planning.

Migrant labor: The Public Health Service initially convened this committee to develop improved interagency programs to serve the migrant worker and his family. Later, as the Migrant Health Branch was developed to administer the migrant health grants this group served in a consultant and supportive capacity. VRA staff have had a continuing involvement on this advisory group and have demonstrated by research and demonstration projects the vocational rehabilitation needs and medical deficits of migrants. State vocational rehabilitation agencies have been encouraged wherever possible to provide vocational rehabilitation services to migrants.

Social Security Administration: The Vocational Rehabilitation Administration maintains a continuous liaison with Social Security Administration in two program areas. The first relates to the SSA disability insurance program which was established by the Social Security Amendments of 1954, and under which State vocational rehabilitation agencies (in all but five States) by agreement with SSA make determinations of disability in the cases of individuals applying for disability benefits. All persons applying for disability benefits by law, also must be referred for necessary vocational rehabilitation services. The purpose of the liaison function is to insure coordination in relationships with the State agencies in the interests of advancing Federal program objectives in both of these activities.

The second program, as authorized by the Social Security Amendments of 1965, relates to payments from the trust funds for the cost of providing vocational rehabilitation services to social security disability beneficiaries.

2. In research: An informal system of communication is maintained between relevant parts of VRA, the National Institutes of Health and the Bureau of State Services of the Public Health Service. The abstracts of projects on rehabilitation topics are routinely supplied to the study sections of VRA by the Science Information Exchange which also supplies VRA abstracts to relevant study sections in NIH. In this way the same or similar projects submitted to different study sections are identified and sources of overlap discovered.

In addition, there is regular contact between the various VRA study sections, the PHS Bureau of State Services, and NIH study sections, including those on cardiovascular disease, health services research, neurology, general medicine, and surgery. The executive secretaries of NIH study sections are always invited to appropriate VRA study section meetings. Also invited are the Medical Director of the Neurological and Sensory Disease Service Branch of the Bureau of State Services; the Chief of Research Grants of the Division of Chronic Diseases, Bureau of State Services; and the Chief of Grants Programing and Coordination in the same Division. The VRA study

sections executive secretaries are in turn invited to meetings of those parts of PHS.

There have been several interagency projects. Currently, a project approved for support by both PHS and VRA is one at the Barrow Neurological Institute of St. Joseph's Hospital in Phoenix, Ariz., on a regional program for the habilitation and rehabilitation of patients with epilepsy and related neurological disabilities. The project is to be handled as two complementary separately funded parts, both contributing to the functioning of a regional center for the rehabilitation of the epileptic and other neurological disorders. The VRA contribution is focused on the vocational rehabilitation aspects.

(c) Some examples of coordination and cooperation with other governmental agencies:

1. In the area of service to individuals—Veterans' Administration: As early as 1946 a joint statement of principles of cooperation was developed between the Veterans' Administration and the Office of Vocational Rehabilitation, applicable to the vocational rehabilitation of veterans not covered by VA legislation.

Civil Service Commission: Vocational Rehabilitation Administration collaborates closely with the Director, Employment Program for the Handicapped and other key staff of the Civil Service Commission and its regional offices in implementing the program of Federal employment of the handicapped. This collaborative relationship is particularly vital to the program for Federal employment of the mentally retarded, which is jointly operated by the Civil Service Commission and the State-Federal program of vocational rehabilitation.

Department of Housing and Urban Development: VRA and the Public Housing Administration are jointly planning for ways of broadening collaboration by local public housing authorities and State vocational rehabilitation agencies.

Bureau of Indian Affairs: A cooperative relationship agreement was developed with the Office of Indian Affairs, Department of the Interior, in 1947. A revised agreement with the Bureau of Indian Affairs was effected in 1962 for the guidance of State rehabilitation agencies in meeting the disability problems of Indians.

Department of Labor: Cooperative programs involving the VRA and the U.S. Department of Labor are based on the interest of both agencies in the training and employment of handicapped persons. Written agreements, liaison, and cooperative working relationships have been developed between VRA and the Department of Labor, between VRA and individual bureaus within the Department of Labor, and between their State and local constituents. Such relationships are in operation between the Vocational Rehabilitation Administration and the following:

A. Office of Manpower, Automation, and Training. This office was established after passage of the Manpower Development and Training Act of 1962. Arrangements have been made whereby VRA reviews and furnishes comments to OMAT on all MDTA projects involving handicapped persons.

B. The Bureau of Apprenticeship and Training. Cooperative relationships have been established between the BAT and the State vocational rehabilitation programs. Most recently, we have developed joint projects involving employment of the mentally retarded in

industrial laundries and retail chainstores. We have also cooperated with the BAT in developing programs for the placement and training of personnel employed in rehabilitation facilities.

C. Bureau of Employment Security. The Vocational Rehabilitation Administration has a written agreement with the Bureau of Employment Security to increase the number of handicapped persons placed in productive employment. The Vocational Rehabilitation Administration issued as early as 1956 a detailed plan for all State vocational rehabilitation agencies to implement national policies and procedures established between the VRA and the Bureau of Employment Security. We are currently negotiating with BES to review and update these agreements.

D. Bureau of Employees Compensation. The VRA also has a long-standing agreement with the Bureau of Employees Compensation. Of particular significance is the provision for the prompt referral of disabled civil employees of the United States and disabled individuals who apply for benefits under the Longshoreman's and Harbor Workers Compensation Act. Copies of this agreement have been furnished by VRA to all State agencies.

E. President's Committee on Employment of the Handicapped. The VRA Act contains the appropriation authority for support of the activities of the President's Committee on Employment of the Handicapped and provides that the Secretary of Labor, Secretary of HEW, and the Chairman of the President's Committee shall cooperate in developing and recommending methods to assure maximum utilization of services in promoting job opportunities and placement for handicapped persons. On the national level all three agencies maintain a continuing close liaison in the development of national plans and the preparation of procedural guidelines and informational materials for use by State and local affiliates. At the State level, State vocational rehabilitation and employment service agencies have written cooperative agreements which include provision for direct involvement of Governors and local committees in the employment of the handicapped.

2. In the area of training: The Division of Training maintains close liaison with similar programs in other Federal Government departments or agencies, for example, those in the Office of Education, the Children's Bureau, the National Institute of Mental Health and other divisions within the Public Health Service, the Department of Justice and the Labor Department. There are no formal agreements but there is a constant exchange of information and frequently joint planning and implementation of a training program. Training programs for personnel have been planned jointly with the U.S. Bureau of Prisons and short-term training courses have been cosponsored and jointly financed by the Public Health Service and the Vocational Rehabilitation Administration, for example, the National Stroke Conference, a conference on cardiac work evaluation units and an institute on the rehabilitation of the narcotic addict.

3. In research: In cases where another Federal department or agency has common interests with VRA, liaison is maintained and information exchanged between the two agencies. The Research and Demonstration Division, for example, maintains contact with the Office of Manpower, Automation and Training of the Department of Labor, offering consultation on OMAT projects of interest to VRA. Close contact is

maintained with the U.S. Bureau of Prisons in that a number of VRA projects are being initiated to study the vocational rehabilitation of Federal public offenders.

4. In the area of rehabilitation facilities and workshops: The Rehabilitation Facilities Division maintains close liaison with the Wage and Hour and Public Contracts Division of the Department of Labor relative to certification of sheltered workshops. There is also a recurring relationship with the President's Committee on Employment of the Handicapped concerning problems of workshop employment and architectural barriers. Since residential facilities for the handicapped may be constructed adjacent to sheltered workshops, this Division also coordinates with the Federal Housing Administration.

5. In the area of international activities: The program of the VRA Division of International Activities works cooperatively with the Department of State and the International Office of the Department of Labor. The approval of rehabilitation research projects and communications relating to project operation pass through the Office of the Science Adviser, Department of State, where purposes are determined to be in accord with U.S. foreign policy. The Division receives rehabilitation trainees from other countries whose support is provided by the United Nations fellowship program and the foreign training program of the Agency for International Development. These trainees are referred by the Department of State through its Agency for International Development. The Division cooperates also with the Bureau of Educational and Cultural Exchange of the Department of State by arranging or participating in arranging the programs for leaders and specialists brought by the Bureau of the United States to study and observe rehabilitation activities. The Division also cooperates through the exchange of information on rehabilitation activities of mutual interest with the International Labor Organization, as well as the World Health Organization. Evidences of this cooperation are seen in the ILO recommendation 99 endorsed by the International Labor Conference of 1955 and the companion resolution of the International Labor Conference in June 1965 reporting on 10 years of activity under resolution 99.

(d) Under the Vocational Rehabilitation Act, the program must be administered through the vocational rehabilitation agency. Thus, the major focus of all of our efforts is directed to help each State vocational rehabilitation agency build the strongest possible program.

(e) The Vocational Rehabilitation Administration has no direct responsibility for working with local community agencies except as they may qualify as a grantee under one of our programs or as we may provide assistance through the State vocational rehabilitation agencies to expand and strengthen local rehabilitation programs.

(f) *With Foreign Governments or International Organizations.*—The Vocational Rehabilitation Administration, with the assistance of and through the American Embassies, maintains on-the-spot negotiations when indicated with members of the Ministries, Departments or other appropriate parts of the national governments of other countries in relation to the initiation and operation of international rehabilitation research projects. For example, VRA has planned projects with the Ministry of Social Affairs of the United Arab Republic and assisted representatives of the Ministry in interpreting proposed research undertakings to selected sponsors, such as the orthopedic department

of the University of Cairo, and the ophthalmological department of EinShams University.

In Poland, the cooperation of project sponsors is achieved through primary planning with the Coordinating Council in the ministry of Health and Social Welfare, and in India through the India Council of Medical Science.

(g) *Voluntary Agencies.*—The Vocational Rehabilitation Administration has developed relationships with many voluntary organizations devoted to problems of specific illness and disability. These relationships include provision for joint research procedures, training and research grants, the provision for films and educational materials, and cooperative in-service training programs.

An example of this cooperative relationship is the agreement between the Vocational Rehabilitation Administration and the American Heart Association.

(i) *With Other Organizations.*—The Vocational Rehabilitation Administration maintains cooperative working arrangements with a number of international voluntary organizations through such activities as the regular exchange of information, participation in programs, special undertakings, and when appropriate, through the payment of membership dues. The Vocational Rehabilitation Administration staff takes part in the annual or special meetings of international organizations and calls upon international organizations to participate in the training programs of foreign nationals. Some principal international organizations with which the Vocational Rehabilitation Administration maintains cooperative working relationships are the Bureau of Social Affairs, United Nations; the International Society for Rehabilitation of the Disabled, the World Rehabilitation Fund, Inc.; the American Foundation for the Overseas Blind; and the World Veterans Foundation.

8. Laws and regulations

The two lists below include (1) the major Federal laws in effect which relate to the Federal-State program of vocational rehabilitation and (2) all Federal laws relating to this program from its inception to the present.

List I: Current Federal legislation.—The major Federal laws currently in effect which relate to the Federal-State program of vocational rehabilitation are:

1. Vocational Rehabilitation Act (29 U.S.C. ch. 4) as amended by:

(a) Section 2 of Public Law 565, 83d Congress (Vocational Rehabilitation Amendments of 1954):

Section 2—grants to States for basic support of vocational rehabilitation services.

Section 3—grants to States for the extension and improvement of vocational rehabilitation services.

Section 4—grants for research, demonstration, and training.

(b) Amendments to the Vocational Rehabilitation Act since 1954:

Act of August 1, 1956, section 16 of Public Law 896, 84th Congress, 2d session, extension of provisions of Vocational Rehabilitation Act to Guam.

Public Law 85-198, amendments to exempt physicians enrolled in residency training program in physical medicine

and rehabilitation from the 2-year limitation on receipt of a Vocational Rehabilitation Administration traineeship and permit them to receive a traineeship for as long as 3 years.

Public Law 86-70, Alaska Omnibus Act, in connection with Alaska's statehood, amendments of financing provisions for Alaska's basic support program under section 2 of the Vocational Rehabilitation Act.

Public Law 86-624, Hawaii Omnibus Act, in connection with Hawaii's statehood, amendments of financing provisions for Hawaii's basic support program under section 2 of the Vocational Rehabilitation Act. Section 47g of this law affected Alaska's basic support program during the fiscal years 1962 through 1965.

Public Law 88-605 (appropriation act) amendment to authorize as State funds for matching purposes, contributions of funds made by private organizations or individuals to a State to assist in meeting the cost of establishment of a public or other nonprofit workshop or rehabilitation facility, where the contributor imposes a condition limiting the use of such funds to establishment of such workshop or facility.

(c) Public Law 89-333 which provides for an improved and expanded program of services for handicapped individuals under liberalized Federal financing. It also provides for increased and expanded Federal financial participation in research and training and project development. Attention is also given to special problems such as architectural barriers, and correctional rehabilitation.

2. International Health Research Act of 1960 (22 U.S.C. ch. 30): Public Law 86-610 and section 104(k), Agricultural Trade Development and Assistance Act of 1954 as amended (7 U.S.C. 1704 foreign currency program)—legislation in connection with administration of an international research program for the purpose of enhancing rehabilitation research within the United States and over the world.

3. Randolph-Sheppard Vending Stand Act: Public Law 732, 74th Congress, as amended (20 U.S.C. ch. 6A)—provides that qualified blind persons licensed by a designated State agency shall be given preference to operate vending stands on Federal and other property.

4. Rehabilitation facilities construction provisions of title VI of the Public Health Service Act as amended by section 3(A) of Public Law 88-413, Hospital and Medical Facilities Amendments of 1964 (42 U.S.C. ch. A, subch. IV)—in connection with construction and modernization of hospital and other medical facilities, authorized appropriations for construction of public or other nonprofit rehabilitation facilities.

5. Disability benefits provisions of the Social Security Act as amended (42 U.S.C. 421, 422)—in connection with the disability determination provisions of the Social Security Act, authorized agreements whereby responsibility is assigned to State vocational rehabilitation agencies for evaluating the disability and rehabilitation potential of each person who applies for disability benefits under OASDI and also requires referral of such persons to the State agency for necessary vocational rehabilitation services.

6. Public Welfare Amendments of 1962 (42 U.S.C. 303, 603, 1203, 1323, 1383)—use of State vocational rehabilitation agencies by State

welfare agencies in furnishing vocational rehabilitation services to assistance recipients or applicants.

7. Prohibition of Discrimination, title VI, Civil Rights Act of 1964, Public Law 88-352 (78 Stat. 241)—requires that no person in the United States shall, on the grounds of race, color, or national origin, be subject to discrimination under any program or activity receiving Federal financial assistance. Any program or activity supported by grants from the Vocational Rehabilitation Administration, like every program or activity receiving financial assistance from the Department of Health, Education, and Welfare, must be operated in compliance with this law.

8. Public Law 97 of 1965—provides for the payment of costs of rehabilitation services for qualified individuals from certain trust funds administered under the Social Security Act.

The Vocational Rehabilitation Administration has also been delegated the Secretary's functions under section 9 of the Federal Employees' Compensation Act, as amended (5 U.S.C. 759).

List II: All Federal legislation relating to Federal-State program, 1920-65.—The basic enabling legislation is to be found in four legislative enactments:

1. The first Vocational Rehabilitation Act of 1920 which provided grants to States for limited services in vocational training, counseling, and placement. (The authority for the program was renewed several times until it was made "permanent" as title V, part 4 of the Social Security Act of 1935.)

2. Public Law 113 of 1943, which broadened the concept of rehabilitation to include the provision of physical restoration services to remove or reduce disabilities and to include services to the mentally handicapped. Under this law, for the first time, the separate State agencies serving the blind came into the Federal-State program.

3. Public Law 565 of 1954, which gave great impetus to the cooperative Federal-State program. These amendments were designed to help provide for specialized rehabilitation facilities, for more comprehensive services to individuals, and for other administrative improvements to increase the program's overall effectiveness.

4. Public Law 89-333 which provides for an improved and expanded program of services for handicapped individuals under liberalized Federal financing. It also provides for increased and expanded Federal financial participation in research and training and project development. Attention is also given to special problems, such as architectural barriers and correctional rehabilitation.

Complete list of Federal laws relating to the Federal-State vocational rehabilitation programs, 1920-65

Act of June 2, 1920, Public Law 236, 66th Congress: Provision for an appropriation of \$750,000 for the fiscal year 1921 and \$1 million a year for fiscal years 1922 to 1924, for payments to States cooperating in vocational rehabilitation of persons disabled in industry. Federal funds were to be matched by the States, and funds were not to be used for institutions for handicapped persons except for special training of individuals entitled to benefits of the act, as determined by the Federal Board of Vocational Education.

Supplemental acts:

Act of March 10, 1924, Public Law 35, 68th Congress: Extended provisions of several grant-in-aid programs, including vocational rehabilitation to Hawaii.

Act of June 5, 1924, Public Law 200, 68th Congress: Authorized appropriations of \$1 million a year for fiscal years 1925 to 1930, for payments to States under similar conditions.

Act of February 23, 1929, Public Law 801, 70th Congress: Provided for a program of vocational rehabilitation in the District of Columbia to be administered by the agency which administered the Federal grants to the States, rather than a District agency.

Act of June 9, 1930, Public Law 317, 71st Congress, and act of June 30, 1932, Public Law 222, 72d Congress: Authorized appropriations of \$1 million a year for fiscal years 1931 to 1937 for payments to States under similar conditions, except that funds were for persons disabled in industry or otherwise. (Executive Order 6166 of June 10, 1933, transferred the functions of the Federal Board for Vocational Rehabilitation Education to the Department of the Interior, where the functions were administered by the Office of Education.)

Act of March 3, 1931, Public Law 791, 71st Congress: Extended provisions of Vocational Rehabilitation Act to Puerto Rico.

Other changes occurred after the 1931 amendment that affected the law as materially as an amendment of the act. The Social Security Act provided for increased aid to vocational rehabilitation in recognition of the importance of such work in a permanent program for economic security. The Social Security Act did not amend the Vocational Rehabilitation Act. Rather it authorized certain appropriations to be made in order to extend and strengthen the cooperative programs of vocational rehabilitation and "to continue to carry out the provisions and purposes" of the National Vocational Rehabilitation Act of 1920, as amended. The Social Security Act included a permanent authorization, increased grants, and increased support of Federal administration.

Social Security Act, Public Law 271, 74th Congress: The Social Security Act authorized additional appropriations of \$841,000 for fiscal years 1936 and 1937 and an additional appropriation of \$1,938,000 thereafter.

Social Security Amendments of 1939, Public Law 379, 76th Congress: The social security amendments increased the authorized annual appropriations of \$3,500,000 for grants to the States, set the minimum allotment for any State at \$20,000, and authorized \$150,000 a year to be appropriated for Federal administration. Also, provided that Puerto Rico should share in the grants for vocational rehabilitation on the same basis as a State.

(NOTE.—The basic rehabilitation legislation remained the Vocational Rehabilitation Act of 1920, as amended in 1924, 1930, and 1932, although the authorization for grants under such basic legislation expired in 1937).

Vocational Rehabilitation Act Amendments of 1943, Public Law 113, 78th Congress, amended and superseded the act of 1920, as amended: Payments to States with approved plans for vocational rehabilitation were authorized for (1) the entire expense for vocational rehabilitation of the war disabled; (2) half the expense of vocational rehabilitation of other disabled persons, the remainder to be

State financed; and (3) the entire expense of administration including guidance and placement services. This law placed the 48 States, Alaska, Hawaii, and Puerto Rico on the same footing with respect to Federal grants. The law also significantly broadened the concept of rehabilitation, to define "vocational rehabilitation services" as "any services necessary to render a disabled individual fit to engage in a remunerative occupation."

The effect was to authorize the provision of physical restoration services to remove or reduce disabilities and to make the mentally handicapped eligible for vocational rehabilitation services. In addition, separate State agencies serving the blind came into the Federal-State program for the first time.

Vocational Rehabilitation Amendments of 1954: Vocational Rehabilitation Act (29 U.S.C. ch. 4), as amended by section 2 of Public Law 565, 83d Congress:

Section 2—Grants to States for the basic support of vocational rehabilitation services.

Section 3—Grants to States for the extension and improvement of vocational rehabilitation services.

Section 4—Grants for research, demonstration, and training.

Amendments to the Vocational Rehabilitation Act since 1954:

Act of August 1, 1956, section 16, Public Law 896, 84th Congress, extension of provisions of Vocational Rehabilitation Act to Guam.

Public Law 937, 84th Congress (now expired—extended expansion grants program through fiscal year 1957).

Public Law 85-198, amendments to exempt physicians enrolled in residency training program in physical medicine and rehabilitation from the 2-year limitation on receipt of Vocational Rehabilitation Administration traineeship and permit them to receive a traineeship for as long as 3 years.

Public Law 85-213 (now expired—an extension relating to expansion grant projects).

Public Law 86-70, Alaska Omnibus Act—in connection with Alaska's statehood, amendments of financing provisions for Alaska's basic support program under section 2 of the Vocational Rehabilitation Act.

Public Law 86-624, Hawaii Omnibus Act—in connection with Hawaii's statehood, amendments of financing provisions for Hawaii's basic support program under section 2 of the Vocational Rehabilitation Act.

Public Law 88-605, Appropriations Act, amendment to authorize as State funds for matching purposes, contributions of funds made by private organizations or individuals to a State to assist in meeting the costs of establishment of a public or other nonprofit workshop or rehabilitation facility, where the contributor imposes a condition limiting the use of such funds to establishment of such workshop or facility.

Public Law 89-333 which provides for an improved and expanded program of services for handicapped individuals under liberalized Federal financing. It also provides for increased and expanded Federal financial participation in research and training and project development. Attention is also given to special problems such as architectural barriers and correctional rehabilitation. Randolph-Sheppard Vending Stand Act, as amended (20, U.S.C. ch.

6a)—This act provides that qualified blind persons licensed by a designated State agency shall be given preference to operate vending stands on Federal and other property. Heads of Federal departments and agencies in control of Federal property are required to prescribe regulations designed to assure that such preference is given. The Secretary of this Department designates the State Commission for the Blind in each State (or, where there is no such commission, some other State agency) as the agency for licensing blind persons to operate vending stands on Federal and other property in such State. In any State having an approved plan under the Vocational Rehabilitation Act, the licensing agency to be designated shall be that which administers vocational rehabilitation of the blind.

Rehabilitation facilities construction provisions of title VI of the Public Health Service Act as amended by section 3A of Public Law 88-413, Hospital and Medical Facilities Amendments of 1964 (42 U.S.C. ch. A, subchapter IV)—in connection with construction and modernization of hospital and other medical facilities, authorizes appropriations for construction of public or other nonprofit rehabilitation facilities.

Disability benefits provisions of the Social Security Act, as amended (42 U.S.C. 421, 422)—in connection with the disability determination provisions of the Social Security Act, authorizes agreements whereby responsibility is assigned to State vocational rehabilitation agencies for evaluating the disability and rehabilitation potential of each person who applies for disability benefits under OASDI and also requires Federal referral of such persons to the State agency for necessary vocational rehabilitation services.

International Health Research Act of 1960 (22 U.S.C. ch. 30) Public Law 86-610 and section 104(k), Agricultural Trade Development and Assistance Act of 1954 as amended (7 U.S.C. 1704) foreign currency program—legislation in connection with administration of an international research program for the purpose of enhancing rehabilitation research within the United States and over the world.

Public Welfare Amendments of 1962 (42 U.S.C. 303, 603, 1203, 1353, 1383)—use of State vocational rehabilitation services to assistance recipients or applicants.

Civil Rights Act of 1964 Public Law 88-352—title VI requires that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

The Vocational Rehabilitation Administration has also been delegated the Secretary's function under section 9 of the Federal Employees' Compensation Act, as amended (5 U.S.C. 759).

The regulations, carrying out the foregoing acts are in Title 45 of the Code of Federal Regulations, chapter 4, as follows:

Part 401—The State vocational rehabilitation programs.

Part 402—Project grants and assistance for workshops and rehabilitation facilities.

Part 403—Research and training.

Part 404—Vending stand program for the blind on Federal and other property.

Part 405—Correctional rehabilitation study.

Part 406—The National Commission on Architectural Barriers to Rehabilitation of the Handicapped.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The economic aim of the State-Federal vocational rehabilitation program is to enable disabled persons to participate in the Nation's economic activity to the greatest possible degree. Although the effect on the economy as a whole due to vocational rehabilitation may not be great because of the relatively small number of persons involved, the economic gains to rehabilitated persons are nevertheless considerable. Some of these economic gains realized by the rehabilitation of 138,583¹ persons in the regular State-Federal program and through research and demonstration projects during fiscal 1965 are as follows:

The annual rate of earnings of these 138,583 rehabilitated persons at the time they were accepted for vocational rehabilitation was \$50 million. By the time of rehabilitation closure the earnings rose to \$300 million—a sixfold gain.

These successful clients were contributing at acceptance 40 million man-hours of work to the economy on an annual basis and 190 million man-hours at closure—nearly a fivefold increase.

More than 100,000 of these persons were not working at the time of acceptance. This group constituted nearly three-quarters of all rehabilitated persons in fiscal 1965.

The State agencies created State-managed business enterprises for about 500 persons while another 100 persons who needed rehabilitation were already in such enterprises at acceptance.

The number of those who were self-employed rose from 3,100 at acceptance to 8,400 at closure.

There were about 24,000 persons who, at acceptance, were either on public assistance or were residing in tax-supported public institutions. About 6,700 of these persons were residing in tax-supported public institutions. The cost of their support is estimated to be about \$16 million. The remaining 17,300 persons were drawing public assistance payments at an annual rate of \$20 million. At closure, 7,200 persons were on public assistance, drawing \$7 million. Thus, a net savings of about \$13 million was effected.

The persons rehabilitated in fiscal 1965 are expected to pay in taxes a little over half a billion dollars to the Federal Government during the course of their working lives. Since the Federal Government spent nearly \$100 million on the entire program in fiscal 1965, the eventual return in taxes by last year's rehabilitated persons is thus about \$5 for every \$1 expended. In addition, the return in income taxes to State and local governments by these persons over their working lives is estimated to be about \$35 million.

¹ Of these 138,583 persons, 134,859 were rehabilitated under the State-Federal vocational rehabilitation program and the remainder through research and demonstration projects.

10. *Economic classification of program expenditures.* (See table 2.)TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

Program: Vocational rehabilitation.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Vocational Rehabilitation Administration.

<i>Program</i>	[In thousands of dollars]	<i>Expenditures</i>
1. Grants for rehabilitation services, basic support program, sec. 2:		
Federal Government: Grants to State and local governments..		93,385
2. Innovation of vocational rehabilitation services, sec. 3:		
Federal Government: Grants to State and local governments..		2,276
3. Expansion of rehabilitation services.....		(1)
4. Statewide planning grants for development of comprehensive vocational rehabilitation programs.....		(1)
5. Construction grant program.....		(1)
6. Workshop improvement.....		(1)
7. Training service projects for workshops and rehabilitation facilities.....		(1)
8. Research and demonstration:		
Federal Government:		
Transfer payments to individuals and nonprofit organizations.....		12,742
Grants to State and local governments.....		4,025
Total, Federal expenditures.....		16,767
9. Training activities under secs. 4 and 7:		
Federal Government:		
Transfer payments to individuals and nonprofit organizations.....		16,719
Grants to State and local governments.....		342
Total, Federal expenditures.....		17,061
10. Research and training centers:		
Federal Government: Transfer payments to individuals and nonprofit organizations.....		3,167
11. Special foreign currency program:		
Federal Government: Grant payments to nonresidents in foreign countries.....		1,519
12. Correctional Rehabilitation Study Act.....		(1)
13. Salaries and expenses.....		
Federal Government:		
Purchase of goods and services:		
Wages and salaries.....		2,746
Other.....		402
Total, Federal expenditures.....		3,148
14. Rehabilitation of disability beneficiaries, paid from social security trust funds.....		(1)
Total, Federal expenditures for all vocational rehabilitation programs listed above.....		137,323

¹New program; not in operation in fiscal 1965.

Public Health Service ¹

CONTENTS

BUREAU OF STATE SERVICES—COMMUNITY HEALTH

	Page
Introduction.....	590
Research grant programs.....	594
Division of Accident Prevention.....	597
Division of Chronic Diseases.....	599
Communicable Disease Center.....	601
Division of Community Health Services.....	603
Division of Dental Health.....	605
Division of Nursing.....	607
Division of Hospital and Medical Facilities Research and Demonstration.....	609
Fellowship program.....	611
Health professions student loan program.....	612
Nursing student loan program.....	614
Formula grant programs:	
Introduction.....	616
Cancer control.....	617
Chronic illness and aged.....	619
Dental health.....	621
General health.....	623
Heart disease control.....	625
Home health services.....	627
Tuberculosis control.....	629
General statement.....	631
Training grants:	
Research training.....	639
Public health traineeship program (sec. 306, Public Health Service Act).....	640
Public health training—Schools of public health.....	644
Graduate public health training grants (sec. 309, Public Health Service Act).....	646
Dental auxiliary utilization grants program.....	649
Traineeships for advanced training of professional nurses.....	650
Partial reimbursement to diploma schools for costs attributable to Nurse Training Act.....	653
Improvement of nurse training.....	655
Project grants:	
Introduction.....	658
Cancer control and demonstration.....	659
Neurological and sensory disease.....	662
Community health.....	665
Mental retardation.....	668
Immunization.....	671
Migrant health.....	674
Tuberculosis control.....	677
Venereal disease.....	679
Construction grants:	
Introduction.....	682
Hospital and medical facilities construction (Hill-Burton program).....	683
Construction of teaching facilities, health professions and nurses.....	688
University-affiliated facilities for the mentally retarded.....	692
Community facilities for the mentally retarded.....	695
Hospital and medical facilities construction (Appalachian program).....	698
Direct operations.....	701
Supplementary reply from the Office of the Surgeon General.....	716

¹ Public Health Service responses were prepared before Reorganization Plan No. 3 of 1966 became effective. Consequently they do not reflect organizational changes which were in progress during late 1966.

BUREAU OF STATE SERVICES—ENVIRONMENTAL HEALTH

Research and training in environmental health (Office of Resource Development).....	Page 720
Office of Pesticides.....	723
Division of Air Pollution.....	725
Division of Environmental Engineering and Food Protection:	
Introduction and summary of Division activities.....	729
Research grants.....	731
Food protection activities:	
Milk and food program.....	733
National shellfish sanitation program.....	739
Interstate carrier programs: A and B:	
A. Construction and operation.....	745
B. Water supply program.....	747
Special engineering services program.....	749
Solid waste disposal program.....	752
Urban environmental health planning.....	754
Division of Occupational Health.....	755
Division of Radiological Health.....	766

BUREAU OF MEDICAL SERVICES

Division of Hospitals: Medical care for Federal beneficiaries.....	771
Division of Foreign Quarantine.....	775
Division of Indian Health.....	780

NATIONAL INSTITUTES OF HEALTH

The research program.....	792
The training program.....	807
Mental health services.....	811
Community research and services branch program.....	815
Mental health grant-in-aid program.....	820
Community mental health centers program.....	823
Grants for construction of health research facilities.....	826
Regional medical programs.....	829
General answers for National Institutes of Health.....	832

NATIONAL CENTER FOR HEALTH STATISTICS

National Center for Health Statistics.....	841
--	-----

NATIONAL LIBRARY OF MEDICINE

National Library of Medicine.....	844
-----------------------------------	-----

OFFICE OF THE SURGEON GENERAL

Disaster health program.....	848
------------------------------	-----

BUREAU OF STATE SERVICES—COMMUNITY HEALTH

INTRODUCTION

"The Health of the people is really the foundation upon which all their happiness and all their prowess as a State depend." That statement, almost a hundred years old, is as true today as it was when it was written. The reverse is also true: the ultimate price of inadequate health protection is the destruction of national, as well as individual strength and vitality.

The concern of the American people over matters affecting their health and their access to health services is already great and is increasing. So, too, is their financial investment in activities related to health.

Federal health programs represent only a modest portion of total health expenditures; those which are the peculiar responsibility of the Bureau of State Services—Community Health, an even smaller part. Nonetheless, the public investment in health is already sizeable, and it continues to grow because there are more people in need of protection, because our understanding of what adequate health protection entails has deepened, and because our ability to undertake effective action has grown.

The entire system of personal health services in this country is based on the treatment of the patient by the individual physician and dentist, and will continue to be. But we know today how complex and varied are the activities which must first be undertaken to prepare for that meeting between doctor and patient and to make it as productive and effective as possible.

We must have further knowledge of the process of disease and of its prevention and control. This requires a massive effort both in the basic research which provides such knowledge and particularly in the applied research which will make it possible to put such knowledge to work for the benefit of the people.

We must educate a great many more physicians and dentists and the other professional people who assist them—the nurses, the laboratory technicians, the dental hygienists—than ever before. This obviously demands extensive systems of undergraduate and graduate schools. But it also demands far greater attention than we have yet given to the development of systems of effective continuing education to keep professionals abreast of the latest advances. Ways must be found to overcome current problems of maldistribution—to attract doctors to work in under-manned sections of the country. Where we cannot achieve adequate distribution, we must find other ways to bring care to people. Further, we must attract and train more doctors for those medical fields which do not now enlist enough to meet growing needs for treatment—mental illness and chronic illness, to name but two.

We must work to remove other artificial barriers separating the people from necessary health care. This means helping people themselves to understand the values of health services—not only personal health services but those more broadly based, such as wide-scale preventive measures. We must emphasize the critical importance of coordinating the planning of health services and treatment facilities, not just for a single community but for a complex of communities, even for several counties or for an entire region.

Ways must be developed for reducing the cost barrier to care and methods devised to take adequate treatment and rehabilitation services to groups such as the homebound, who cannot be treated in routinely available facilities.

A great many of the things which must be undertaken today to protect a nation's health would not have been considered standard activities for a health agency even a generation ago. But the statistical tools which have made it possible for us to gauge the future needs more accurately, and the medical advances which have made so much

possible in the way of prevention and treatment, have made the broadening of the base of action not only desirable but necessary. The programs of the Bureau of State Services—Community Health reflect this diversity and variation. Because the mission of the Bureau is to facilitate the delivery of high quality health services to the people who need them, its programs emphasize the practical application of knowledge, and their setting is the community in which people live. The Bureau's programs range from the construction of schools, hospitals and long-term treatment facilities, to demonstrations in treatment and diagnostic techniques for the practitioner, to education programs for the public, to experiments in the design of comprehensive community programs for the chronically ill and aged, to wide-scale preventive activities, such as the vaccination programs.

A summary showing the amounts expended by the Bureau of State Services—Community Health on all intramural and extramural activities appears in table 1. Major examples of the type of programs which result from these expenditures are given in the narrative supplied by each of the Divisions within the Bureau. Many of our programs are carried on in cooperation with the Social Security Administration, the Office of Education, and other components of the Department. Other programs are complemented by the activities of different government agencies, such as the Office of Economic Opportunity and the Department of Labor. The majority are centered in State and local health agencies and other organizations at the community level, with the Bureau supplying financial support and expert consultation. Indeed, health matters are so closely interwoven with the total economic and cultural fabric of American life that any agency concerned with social improvement will undoubtedly have programs which supplement or strengthen Bureau efforts to achieve better health.

It is difficult to measure, in economic terms, the benefits the American people derive from their investment in health protection.

We cannot precisely estimate the cost of disease itself. However, with regard to cancer and cardiovascular diseases, for example, the President's Commission on Heart Disease, Cancer, and Stroke estimates that in 1962, the direct costs of prevention, treatment, rehabilitation, facilities, etc., amounted to \$4.3 billion and the costs of estimated losses in the gross national product traceable to death and disability caused by these diseases was \$38.8 billion. These estimates do not cover hidden costs—special diets, special housing facilities, additional household help, etc.—much less the pain and grief diseases and death cause.

Because we cannot precisely measure the cost of disease, we cannot state the exact monetary value of prevention, control or cure. We can say that, in humanitarian terms, it is beyond price.

Another example can be found in a program like that conducted under the Nurse Training Act. The goal of the program is to produce more nurses in a time of shortage and, therefore, to assure higher standards of nursing care. These goals will be accomplished. But there are additional benefits. It opens the door to a health profession for girls who otherwise might never have had such an opportunity. It gives them a chance to exercise their skills at the highest possible level. It can mean a higher economic status, not only for the individual, but for her family as well.

Whatever the difficulties of precise economic evaluation, the return the American people have received on their investment is impressive. Our progress against some of the major communicable diseases suggests how impressive:

Malaria and smallpox, still two of the world's most serious disease problems, are eradicated in the United States.

Polio is all but eliminated—122 cases in 1964 as against 38,476 cases in 1954.

The toll of tuberculosis is drastically reduced.

We now have a measles vaccine—a new tool against the communicable disease with currently the highest number of reported cases.

Add to these examples the less dramatic but important fact that we are steadily improving our training capacity and increasing our general and long-term treatment facilities, that we are beginning to make headway in such fields as continuing education and the more effective use of auxiliaries, that individual demands for health services are rising, that in spite of the shortages of basic resources and the resulting difficulties in providing adequate care of the general population, we are nonetheless finding ways to reach special problem groups, such as migrant workers and the mentally retarded or physically disabled.

The Nation is closer than it has ever been to the goal of adequate health protection for all its citizens and to realizing the benefits, economic and humanitarian, which will inevitably accrue. The Bureau of State Services—Community Health has a crucial role to play in reaching this goal.

TABLE 1.—*Amounts expended by Bureau of State Services—Community Health on all intramural and extramural activities, fiscal years 1964–67*

[In thousands of dollars]

Community health programs	Obligations			
	Fiscal year 1964 actual	Fiscal year 1965 actual	Fiscal year 1966 estimated	Fiscal year 1967 estimated
Total.....	1 \$369, 326	1 \$486, 573	1 \$677, 791	1 \$802, 042
A. Grants.....	1 320, 682	1 426, 509	1 593, 788	1 709, 622
1. Research grants.....	13, 590	13, 082	25, 937	24, 272
A. Regular.....	10, 113	10, 636	14, 187	17, 672
B. Hospital and medical facilities.....	3, 477	2, 446	11, 750	6, 600
1. Experimental construction.....	(1, 500)		(6, 900)	
2. Extramural research.....	(1, 977)	(2, 446)	(4, 850)	(6, 600)
2. Fellowships.....	309	362	562	762
3. Student loans.....		13, 289	24, 500	21, 225
4. Formula grants.....	38, 886	34, 672	48, 300	46, 000
5. Training grants.....	17, 851	22, 839	43, 411	74, 759
A. Research training.....	284	564	1, 330	1, 730
B. Public health traineeships.....	4, 188	4, 415	7, 000	8, 000
C. Grants to schools of public health.....	1, 900	2, 436	3, 500	3, 500
D. Project grants for graduate public health training.....	1, 994	2, 498	4, 000	5, 000
E. Auxiliary utilization (dental).....	2, 160	2, 269	2, 399	2, 399
F. Continuing education (dental).....				100
G. Nurse traineeships.....	7, 325	7, 879	9, 000	10, 000
H. Payment to diploma schools of nursing.....		788	2, 500	6, 000
I. Improvement of nurse training.....		1, 990	3, 000	4, 000
J. Scholarships.....			200	4, 030
K. Educational improvement grants.....			10, 482	30, 000

See footnote at end of table, p. 594.

TABLE 1.—Amounts expended by Bureau of States Services—Community Health on all intramural and extramural activities, fiscal years 1964-67—Continued

[In thousands of dollars]

Community health programs	Obligations			
	Fiscal year 1964 actual	Fiscal year 1965 actual	Fiscal year 1966 estimated	Fiscal year 1967 estimated
A. Grants.—Continued				
6. Project grants.....	¹ \$34, 195	¹ \$45, 956	¹ \$61, 750	¹ \$72, 229
A. Cancer.....	4, 489	5, 268	13, 933	15, 000
B. Neurological and sensory.....	2, 432	2, 744	2, 750	3, 500
C. Other chronically ill and aged.....	6, 957	6, 985	10, 000	10, 000
D. Mental retardation project grants.....	503	699	4, 500	4, 500
E. Mental retardation planning and implementation.....	1, 140	¹ 1, 060	2, 750	2, 750
F. Community immunization.....	¹ 9, 712	¹ 15, 679	¹ 8, 888	¹ 9, 100
G. Migrant health services.....	1, 500	2, 336	3, 000	7, 200
H. Control of tuberculosis.....	1, 575	4, 991	9, 700	13, 950
I. Control of venereal disease.....	5, 887	6, 194	6, 229	6, 229
7. Construction grants.....	¹ 215, 851	¹ 296, 409	¹ 389, 328	¹ 470, 375
A. Areawide planning.....		1, 879	3, 000	5, 000
B. Public Health Service Act.....	¹ 213, 351	¹ 204, 099	¹ 247, 759	¹ 262, 000
C. Mental retardation facilities.....			¹ 13, 500	¹ 14, 000
D. Mental retardation, university affiliated facilities.....		¹ 7, 223	¹ 15, 277	¹ 10, 000
E. Demonstration and health facilities (Appalachian).....			¹ 1, 500	¹ 19, 375
F. Teaching facilities for physicians, dentists, etc.....		¹ 83, 208	¹ 91, 792	135, 000
G. Teaching facilities for nurses.....			15, 000	25, 000
H. Construction of multiservice facilities.....			1, 500	0
I. George Washington University Hospital construction.....	2, 500			
B. Direct operations.....	48, 644	60, 064	84, 003	92, 420
1. All divisions.....	48, 632	60, 048	83, 985	92, 398
2. BSS-CH management fund.....	(1, 198)	(1, 998)	(2, 288)	(2, 829)
2. Gift funds.....	12	16	18	22

¹ Includes funds carried over from previous year.

NOTE.—Total Federal obligations for community health programs (excluding hospital construction activities of the Hill-Burton program) are \$282,473,000 in fiscal year 1965. Actual Federal expenditures for these same programs in fiscal 1965 are \$167,058,000. Information is not readily available to permit a precise economic classification of the expenditure data by program as requested in question 10. A breakdown is shown for obligations. It is assumed that expenditures and obligations are very close for purchases of goods and services and that most of the lag is in the categories of grants to State and local governments and transfer payments to nonprofit institutions.

RESEARCH GRANT PROGRAMS

PART I. DESCRIPTION OF THE PROGRAM

Following is the information requested by the Joint Economic Committee of Congress concerning the Research Grant Programs of seven of the Divisions making up the Bureau of State Services—Community Health. The newly-established Division of Medical Care Administration is not represented because a research program has not yet been established within that division.

1. Objectives

The research and research training programs of this Bureau are relatively new, being in their third and second fiscal years, respectively. They are designed to improve the effectiveness and availability of medical care and other health services. The technical health goals which the research program seeks to achieve include: Improve-

ment of community medical care and other health services for those with chronic diseases, and the reduction of the occurrence of chronic and communicable diseases through more effective control measures; improvement of the dental health of the whole population; the reduction of accidental injuries which result in disability or death; improvement of techniques for the academic training and continuing education of doctors, dentists, nurses, and other professionals in the health field; development of the higher professional role of the trained nurse in the increasingly scientific pattern of medical care; development of professional guidelines and medical criteria for use in administration of the Medicare and other national health programs; the creation of more efficient hospitals and other health facilities; the better understanding of the economics of the health industry; and the development of knowledge which can be used for more effective organization and coordination of total health services in communities.

2. Operation

Five divisions of the Bureau of State Services-Community Health make grants to colleges and universities to support research training. These grants enable colleges and universities to start, or give more emphasis to, programs for training graduate students in the scientific knowledge necessary to conduct the type of research described above. Research training grants provide funds for support of faculty and stipends and tuition for a limited number of graduate students selected by the recipient schools. Research training grants therefore have the dual effect of supporting existing teaching faculty, and supporting graduate students who are training for future careers of research and for university teaching in fields related to the Bureau mission.

The factor of broad geographic spread of institutions and agencies conducting research and research training has a definite scientific pertinence in certain types of health services research. For example, research concerned with organizational, economic, geographic, social, and cultural factors affecting health and health services often must be conducted in localities where samples of these variables are found, including the less-developed areas of the United States.

3. History

The research and research training programs of the Bureau of State Services-Community Health are directed toward problems which arise in what may be called the "health industry"—the sum total of health services rendered by doctors, dentists, nurses, and others working in hospitals, private offices, clinics, official and voluntary health agencies, and other health facilities. Besides being the means through which we all obtain medical care, the health industry is also a major part of the national economy.

The health services industry in 1960 employed about 2.6 million persons.

The health industry of the United States must increase rapidly in size as the national population increases. Any program of research which helps the industry to grow in a more orderly way and to utilize medical manpower, money, and other scarce resources in a more efficient manner will thereby contribute much to the economy of the country, as well as to its health. An informed opinion in the health professions is to the effect that improved health of a nation is reflected in the increased level and quality of its economic output.

4. *Level of operations.* (See table 1.)

Program: Research grant programs (including hospital and medical facilities demonstration grants), all divisions, Bureau of State Services—Community Health.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure (see committee inquiry for definitions) and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimates)	Fiscal year 1967 estimates ¹
(a) Magnitude of the program, number of grant projects.....	306	314	392	470
(b) Applicants or participants:				
State government agencies.....	23	17	34	38
Local communities or governments.....	8	12	14	18
Individual or families.....		2	1	1
Other ²	275	283	343	413
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred, thousand dollars.....	\$13,590	\$13,082	\$25,937	\$24,272
Allotments or commitments made (no date available re additional expenditures by grantees).....				
(d) Matching or additional expenditures.....				
(e) Number of Federal employees, man-years.....	37	39	41	41
(f) Non-Federal personnel, persons.....	³ 1,535	³ 1,610	2,015	2,345
(g) Other measures of performance.....				

¹ President's budget.

² Universities, hospitals, and other nonprofit institutions.

³ Estimated.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

See answers for specific divisions.

8. *Laws and regulations*

See answers for specific divisions.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

See answers for specific divisions.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Total research grant program, all divisions, Bureau of State Services—Community Health.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[Thousands of dollars]

Federal Government: ¹

 Grants to State and local governments..... 1,126

 Transfer payments to individuals and nonprofit organizations..... 11,956

 Total Federal expenditures..... 13,082

¹ Expenditures here refer to obligations.

NOTE.—No data available on additional expenditures by grantees.

DIVISION OF ACCIDENT PREVENTION RESEARCH GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

Research grants are made by the Division of Accident Prevention for the purpose of:

- a. Studying basic causes and conditions associated with or leading to accidental injuries or fatalities in man.
- b. Developing, improving, and evaluating protective measures and means of preventing accidents.
- c. Minimizing the consequences of accidental impacts, poisonings, burns, or other injurious encounters.

Scientific information is sought on all types of accidental injuries occurring on the highway, in the home, at work, at play, or elsewhere.

2. *Operation*

Within the research grants framework, support is provided for research that is *not directed* by the Federal government. A research proposal is initiated and generated by an independent investigator and submitted to the Public Health Service by his institution (occasionally the investigator submits it as an individual). The system for reviewing applications, making awards, and administering the grant projects is the same as that used by the institutes in the National Institutes of Health and by the other Divisions in the Bureau of State Services.

3. *History*

In 1951 the Public Health Service first supported research in accident prevention through the research grants program of its National Institutes of Health. During the period fiscal year 1951 through 1961, 44 projects were supported at a cost of over \$4 million; of this number, 30 projects were concerned with motor vehicle traffic accidents.

Increasing interest in accidents as a public health problem led to the establishment in 1961 of the Division of Accident Prevention in the Bureau of State Services. An integral part of this Division is the Research Grants Branch with budget and administrative responsibility for research grants in the broad areas of accident prevention research. During the period fiscal year 1962 through fiscal year 1965, 68 additional projects were supported at a cost of over 7 million dollars.

The large proportion of projects in the area of traffic accidents is not the result of any deliberate decision of the Public Health Service nor of the reviewers but simply reflects the interest of those who have applied for grants.

4. *Level of operations.* (See table 1.)

Program: Division of Accident Prevention, Research grants program.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure and unit ¹	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate ²
(a) Magnitude of the program (grant projects)	42	44	44	53
(b) Applicants or participants:				
State government agencies (grant projects)	2	2	2	3
Local communities or governments (grant projects)		³ 1		
Individuals or families				
Other (grant projects)	⁴ 40	⁵ 41	42	50
(c) Federal finances:				
Unobligated appropriations available				
Obligations incurred (thousands)	\$1,860	\$1,691	\$1,785	\$2,014
Allotments or commitments made				
(d) Matching or additional expenditures ⁶				
(e) Number of Federal employees (man-years)	6	6	6	6
(f) Non-Federal personnel (persons)	⁷ 220	⁷ 220	⁷ 220	⁷ 240
(g) Other measures of performance				

¹ See committee inquiry for definitions.² President's budget.³ Public school.⁴ 29 colleges and universities, 7 research institutions, 2 foundations, 1 laboratory, 1 museum.⁵ 30 colleges and universities, 8 research institutions, 1 foundation, 1 laboratory, 1 museum.⁶ No data available regarding additional expenditures by grantees.⁷ Estimated.*5. Estimated magnitude of program in 1970*

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Research in the motor vehicle accident area is related to other Division of Accident Prevention areas; emergency medical services, childhood accidental injury, injury of the aging population, and recreational accidents. The Division is in continual contact with the following agencies and organizations, with which the Division shares information and co-sponsors conferences and action programs:

Bureau of Public Roads, Department of Commerce
 American Association of Motor Vehicle Administrators
 Automotive Safety Foundation
 Department of Labor
 National Safety Council
 Institute for Highway Safety

8. Laws and regulations

Authority to make research grants is contained in Section 301(d) of the Public Health Service Act as amended (42 U.S.C. 241).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects. (See discussion included under "Direct Operation," below.)*10. Economic classification of program expenditures.* (See table 2 above for "Research Grant Programs.")

DIVISION OF CHRONIC DISEASES RESEARCH GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The objective of the Research Grant Program of the Division of Chronic Diseases is to develop the research necessary to provide the information, knowledge, and techniques to expedite the translation of medical knowledge into health services for the chronically ill and aged in the communities of the Nation. This type of research is generally of a highly practical or applied nature and may involve field or survey research, operations research, and systems development. The Research Training Program has as its objective, to develop investigators who have the competency to carry out the needed research.

The ultimate objective is to develop community health services which are oriented to prevention of chronic diseases; provision of the best therapy; and for advanced cases of chronic disease the latest methods of rehabilitation or restoration to a functional state of health.

In terms of an "investment in people," the entire program can be considered this type of investment. The program seeks to insure through the use of the latest medical knowledge that individuals live a healthy life free from the disability associated with chronic diseases.

2. Operation

The program operates as a grant-in-aid program to non-profit institutions which are capable of performing research in chronic disease problems. The proposal for a project is the idea of an independent investigator. He describes his idea in an application which is reviewed for scientific merit by his peers who are scientists acting as consultants to the Public Health Service. The projects with the highest priorities are paid as the funds allow.

3. History

The Study Group on Mission and Organization of the Public Health Service recommended in 1960 that the Bureau of State Services—Community Health should provide a focus for research on the application of fundamental observation in the biological and medical sciences, and on the organization, financing, and delivery of comprehensive health services.¹

In order to implement this recommendation it was suggested that the authority to support research grants should be extended to the Divisions of the Bureau.

In fiscal year 1963, a group of 36 separate research projects which had been previously supported at the National Institutes of Health were transferred to the Division of Chronic Diseases. These grants had been identified as applied chronic disease research rather than basic medical research. The total funds to support those grants in the fiscal year 1963 was \$1,158,633.

Since the transfer of the original group of grants, the program has sought to develop needed areas of research and has supported 9 new grants in fiscal year 1964 and 18 new grants in fiscal year 1965.

¹ Final Report of Study Group on Mission and Organization of the Public Health Service, 1960, p. 31.

4. *Level of operations.* (See table 1.)

Program: Division of Chronic Diseases research grants program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure ¹ and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate ²
(a) Magnitude of the program (grant projects).....	31	46	84	108
(b) Applicants or participants:				
State government agencies (grant projects).....	1	-----	4	6
Local communities or governments (grant projects).....	-----	1	3	4
Individuals or families (grant projects).....	-----	-----	-----	-----
Other ³ (grant projects).....	30	45	77	98
(c) Federal finances:				
Unobligated appropriations available.....	-----	-----	-----	-----
Obligations incurred (thousands).....	\$1, 218	\$1, 790	\$3, 551	\$4, 839
Allotments or commitments made.....	-----	-----	-----	-----
(d) Matching or additional expenditures ⁴	-----	-----	-----	-----
(e) Number of Federal employees (man-years).....	5	5	6	6
(f) Non-Federal personnel ⁵ (persons).....	165	235	380	540
(g) Other measures of performance.....	-----	-----	-----	-----

¹ See committee inquiry for definitions.

² President's budget.

³ Universities, colleges, research foundations, hospitals professional organizations, other agencies

⁴ No data available regarding additional expenditures by grantees.

⁵ This is not an actual count but an estimate.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

(a) Bureau, Division or Office:

The Research Grant Program is carefully coordinated with the other funded programs of the Division of Chronic Diseases. These consist of formula grants, demonstration grants and contract activities. The program also is integrated into the total activities of each of the Branches through the designation of a Research Officer in each Branch. The research which is supported is complementary to the overall program service efforts of the Division.

There is an interchange of information and meetings with other Divisions of the Bureau to insure broad application of research findings and to develop common approaches to support of necessary research. There is a monthly meeting of research grant personnel sponsored by the Bureau of State Services—CH for this purpose.

(b) Other Units of Department or Agency:

The division personnel of the program are in continuing contact with the individual Institutes of the National Institutes of Health and the Division of Research Grants which is the central administrative unit for research grants in the Public Health Service. The objective is to allow a smooth transition from basic research findings to application in a community and the development of clear functional guidelines to program activities. The program is also in close liaison with the Vocational Rehabilitation Administration, the Children's

Bureau in the Welfare Administration and the Social Security Administration.

(c) Other Federal Government:

The Division has had occasion to work with other Federal agencies in several instances. The interests of the Veterans Administration and the Department of Defense in medical research quite often offer opportunities to compare research efforts. The interests of the Public Housing Administration in housing for the aged and the provision of health services has been the subject of interagency meetings attended by representatives of each agency.

The Science Information Exchange which is part of Smithsonian Institution provides information upon request about research in specific areas supported by other agencies. The Division uses this mechanism rather frequently to learn of other research and to seek cooperation in mutually beneficial areas.

Cooperation with other types of institutions in the U.S. and throughout the world is an essential part of the operation of the research grant program. State health departments, local health departments, community agencies, professional associations, academic institutions and in some cases under sub-contracts, profit-making organizations, are the types of institutions which must plan, perform and carry out community research. The staff of the Research Grant Program seeks to expand relationships with these types of institutions and to provide the leadership to point out needed areas of research.

8. Laws and regulations

The Research Grant Program of the Division of Chronic Diseases is carried out under the Public Health Service Act, Section 301 (d), as amended. The Regulations—Grants for Research Projects, Code of Federal Regulations, Title 42—Public Health, Chapter 1—Public Health Service, Department of Health, Education, and Welfare, Subchapter D, Part 52 also pertains to the program.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from the Office of the Surgeon General.)

10. *Economic classification of program expenditures.* (See table 2, above summary of "Research Grant Programs" for all divisions.)

COMMUNICABLE DISEASE CENTER RESEARCH GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The Communicable Disease Center research grants program is intended to support extramural research of a generally practical or applied nature in areas leading to communicable disease control. As such, it does not fund so-called basic research, but instead makes possible the conversion of existing basic knowledge into useful health practices, techniques, or technology, through research.

2. Operation

Investigators supported represent medical schools, universities, hospitals, and health departments, and apply for support through regular Public Health Service channels. Technical and policy reviews of applications are made by study sections and advisory committees. The staff of the Communicable Disease Center is responsible for programming support areas and selective grants to be supported from among those recommended for approval. This staff also negotiates actual costs of projects with investigators and works closely with the latter in the management of grants.

3. History

The program was initiated by a "comparative transfer" of funds in fiscal year 1964 from the National Institutes of Health, at an initial level of \$1,712,000. Since that time, projects transferred from the National Institutes of Health have been supported by appropriations to the Communicable Disease Center until they expire, and are replaced by more recently submitted proposals. Current level (fiscal year 1966) of funding is \$1,921,000.

4. Level of operations. (See table 1.)

Program : Communicable Disease Center Research Grants Program.

Department or agency, and office or bureau : Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—Level of operations or performance, fiscal years 1964–67

Measure ¹ and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate ²
(a) Magnitude of the program (grant projects).....	68	56	57	60
(b) Applicants or participants:				
State government agencies (grant projects).....	9	7	10	11
Local communities or governments ³ (grant projects).....	2	2	3	4
Individuals or families.....				
Educational institutions (grant projects).....	57	47	44	45
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred (thousands).....	\$1, 711	\$1, 739	\$1, 921	\$2, 188
Allotments or commitments made.....				
(d) Matching or additional expenditures ⁴				
(e) Number of Federal employees (man-years).....	4	4	4	4
(f) Non-Federal personnel (persons).....	\$ 300	\$ 325	\$ 350	\$ 365
(g) Other measures of performance.....				

¹ See committee inquiry for definitions.

² President's budget.

³ Local health departments.

⁴ No data available regarding additional expenditures by grantees.

⁵ Estimated.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Not answered.

8. Laws and regulations

The Research Grant Program of the Communicable Disease Center is carried out under the Public Health Service Act, Section 301(d)

as amended. The Regulations—Grants for Research Projects, Code of Federal Regulations, Title 42—Public Health, Chapter 1—Public Health Service, Department of Health, Education, and Welfare, Subchapter D, part 52 also pertain to the program.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from the Office of the Surgeon General.)
10. *Economic classification of program expenditures.* (See table 2, above, summary of research grant programs for all divisions.)

DIVISION OF COMMUNITY HEALTH SERVICES RESEARCH GRANTS

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

Research grants supported by the Division of Community Health Services provide funds to qualified researchers to seek answers to a wide variety of questions relating to all aspects of health in the community. These grants support studies seeking knowledge regarding better methods of planning, organizing, delivering, financing and evaluating personal health services on a community wide basis. They also support studies into the characteristics, attitudes, values, and other socio-economic and political factors in the community having significance for the delivery and acceptance of health service.

There is an increasing amount of new medical information available. The problems of applying the knowledge are immense. Research is needed to provide additional knowledge in diverse areas, such as—

- standards of quality for personal health services and quality factors in medical care programs and practices

- consolidation of fragmented health services, through such methods as regionalization and metropolitan organization

- areas of health insurance leading to the development of new benefits and methods of payment most conducive to effective utilization and quality of care

- roles and relationships of resources within the community and their coordination and utilization through a variety of mechanisms

- integration of special programs dealing with particular community groups, such as the agricultural migrants or school children, or with particular disease conditions, such as alcoholism, with existing community programs

- health education of the public to enhance the individual's understanding of the available opportunities for care and of his own responsibility for the protection of his health and the management of disease

- redefinition of the role of law in the strengthening of health services and for urban and suburban planning as it applies to health services

productivity of health personnel and organizations, including experimentation with new professional and paramedical categories

data recording, transmission, storage, retrieval, and analysis techniques serving professional and administrative needs of personnel health services programs

recruitment, training, and continuing education of health services personnel

socio-economic, cultural, political, and behavioral factors in relation to health status and the provision and acceptance of health services

types of community settings, such as rural, metropolitan, depressed and transitional areas, and the attendant health needs of the population

relation of health and health services to the national economy and to productivity in general

2. Operation

The Research Grant Program operates by the submission of applications by qualified researchers, review by two non-Federal scientific advisory groups, and funding of those applications approved by the dual review process.

3. History

Although research grants for these purposes had been approved and funded for some time by the National Institutes of Health review process, it was not until 1964 that a specific appropriation for research in community health areas was established. Since then the number and quality of applications in these areas have continued to increase.

4. Level of operations. (See table 1.)

Program: Division of Community Health Services research grants program.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

Measure ¹ and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate ²
(a) Magnitude of the program (grant projects).....	47	51	68	95
(b) Applicants or participants:				
State government agencies (grant projects).....	2	2	4	5
Local communities or governments (grant projects).....	1	2	3	4
Individuals or families (grant projects).....	0	2	1	1
Universities and other nonprofit (grant projects).....	44	45	60	85
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred (thousands).....	\$2,696	\$2,680	\$3,816	\$5,194
Allotments or commitments made.....				
(d) Matching or additional expenditures ³				
(e) Number of Federal employees (man-years).....	8	8	8	8
(f) Non-Federal personnel (persons).....	4 220	4 220	315	390
(g) Other measures of performance.....				

¹ See committee inquiry for definitions.

² President's budget.

³ No data available regarding additional expenditures by grantees.

⁴ Estimated.

5. Estimated magnitude of program in 1970

Not answered.

6. *Prospective changes in program orientation*

The problems in these areas of community health are known: the increasing population, the continued urbanization and suburbanization, the increasingly fragmented delivery of health services, the difficulties of transmitting new knowledge to those currently practicing, the lack of trained manpower, the problems of health education of the population, etc. As the population continues to expand, each of these problems will become more pressing.

7. *Coordination and cooperation*

There are a wide variety of sources of funds for health research, many within the Government and many outside. Most of these granting organizations have their own areas of interest in research, their own forms and regulations. There is informal contact between these groups by such mechanisms as having representatives of the major organizations with parallel interests sitting on the review committees of the Public Health Service.

In specific answer to the question of coordination within the Public Health Service and its component parts, there is good coordination. All of the research parts are governed by one grants policy manual. Coordination with other health related granting programs in the Department and in other Federal agencies is less well defined. This subject is currently under study by the Public Health Service. All of the other agencies mentioned [in the inquiry] are potential grantees and the question is not applicable to them.

8. *Laws and regulations*

This program is authorized under section 301 of the Public Health Service Act (42 USC 241) and the fiscal year 1966 Department of Health, Education, and Welfare Appropriation Bill. It is governed by regulations published in 42 CFR 52.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from the Office of the Surgeon General.)

10. *Economic classification of program expenditures.* (See table 2, above, summary of research grant programs for all divisions.)

DIVISION OF DENTAL HEALTH RESEARCH GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The purpose of this program is to support, by means of grants to investigators employed by universities and other private and public non-profit institutions, research which will aid in the accomplishment of the Division's mission. This mission is, essentially, to develop and improve methods for the application of basic dental health knowledge to the public through organized community effort.

The Division's research program is directed toward four major health areas: (1) preventive dentistry, (2) continuing education for practicing dentists, (3) the development of paradental auxiliary pro-

fessions, and (4) developing dental educators. In programming research grants, including the stimulation of interest among psychologists, sociologists, economists, engineers, mathematicians, and other nondentists as well as dentists of various specialties, the staff of the Research Grants Program has found it useful to adopt the following classification for our past, ongoing, and future grants: (1) The evaluation of existing and development of new techniques, equipment, methods, and programs for rendering therapeutic and preventive dental services to the public, including application of disease control procedures and related epidemiologic studies, (2) The recruitment and education of dentists and auxiliary personnel, (3) The attitudes, behavior patterns and other characteristics of individuals and groups related to public health dental problems, (4) The supply, distribution and organization of dental manpower, and (5) Methods of financing dental services. This provides a focus for discussions with investigators in planning for research in the areas identified by the Division.

2. Operation

The research grants program is administered by the Research Grants Unit, a component of the Office of the Division Chief. Programming of grant proposals is conducted by the professional staff of the unit, consisting of one dentist and one research psychologist, by the Regional dental representatives and by personnel of the Division's seven program Branches.

This program is one of the two dozen research grants programs of the Public Health Service. As such, receipt, referral, and initial review of applications is the responsibility of the Division of Research Grants, attached to the National Institutes of Health. The National Advisory Community Health Committee makes the final review and recommendations for the Surgeon General, Public Health Service.

3. History

The program began official operation in fiscal year 1964 with the transfer of 22 active grants from NIH, specifically, in this case, from the National Institute of Dental Research. During the first year, five new applications were approved and one additional grant transferred in, to make a total of 28 active projects in fiscal year 1964. In fiscal year 1965, 10 new grants were approved and funded. An additional 8 applications were approved, for which there were not sufficient funds in the 1965 appropriation to pay. These have been carried over into fiscal year 1966.

The staff of the program has remained at approximately its original level during this time. This consists of two professionals, one grants assistant, and one secretary, augmented periodically by clerk-typists employed on a part-time basis.

4. Level of operations. (See table 1.)

Program: Division of Dental Health research grants program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure ¹ and unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 estimate ²
(a) Magnitude of the program (grant projects).....	19	25	31	36
(b) Applicants or participants:				
State government agencies (grant projects).....	5	5	7	5
Local communities or governments (grant projects).....				
Individuals or families (grant projects).....				
Other ³ (grant projects).....	14	20	24	31
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred (thousands).....	\$659	\$784	\$944	\$1,207
Allotments or commitments made.....				
(d) Matching or additional expenditures ⁴				
(e) Number of Federal employees (man-years).....	3	3	4	4
(f) Non-Federal personnel (persons).....	⁵ 140	⁵ 150	210	270
(g) Other measures of performance.....				

¹ See committee inquiry for definitions.² President's budget.³ Universities, voluntary-nonprofit institutions.⁴ No data available regarding additional expenditures by grantees.⁵ Estimated.5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Formal liaison is maintained with the National Institute of Dental Research and other pertinent groups of the National Institutes of Health. Informal contacts are also maintained with personnel managing extramural research programs of the Environmental Health Divisions. Both formal and informal contacts are maintained with the extramural research programs of the other Community Health Divisions. In addition, various elements of the staff have liaison with staff of the Children's Bureau dental program in order to facilitate to the maximum possible extent community dental programs planned in conjunction with other health and welfare activities. The Division maintains one or more representatives in each HEW Regional Office in order to provide consultation to local officials interested in providing dental services in conjunction with planned activities related to urban renewal, housing for the aged, and other emerging programs dealing with special population groups.

8. *Laws and regulations*

Section 301 of the Public Health Service Act.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from the Office of the Surgeon General.)10. *Economic classification of program expenditures.* (See table 2, above, summary of research grant programs for all divisions.)

DIVISION OF NURSING RESEARCH GRANT PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The purposes of research grants in nursing are to encourage and support research, and investigations in medical and allied health

research related to nursing, with emphasis upon research important to the improvement of patient care.

Research grants also support studies of the development and utilization of nursing services, facilities, and resources.

Research grants in nursing are intended to expand research activities throughout the country, and to encourage nurse and non-nurse investigators to undertake research in health fields important to nursing.

2. Operation

Through extensive programing efforts, the professional nursing staff of the branch provides consultation to potential investigators throughout the United States and in selected international areas prior to the submission of research grant applications. New research areas are identified and stimulated to encourage research needed immediately and in the next five to ten years.

Under the authority of the Public Health Service Act, research grants are made in support of research related to nursing in universities, colleges, medical and nursing schools, schools of public health, hospitals, laboratories, State and local health departments, and other non-profit institutions, such as regional and national nursing organizations.

3. History

The Division of Nursing's research project grants program was started in 1955 under the Division of General Medical Sciences (now the National Institute of General Medical Sciences). Both Divisions shared the administrative responsibility for the program.

In 1963, the total program was transferred to the Division of Nursing, Bureau of State Services (Community Health).

4. Level of operations. (See table 1.)

Program: Division of Nursing research grant program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[Dollars in thousands—estimates]

Measure ¹	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 ²
(a) Magnitude of the program (number of grant projects).....	64	55	63	63
(b) Applicants or participants:				
State government agencies.....	1			
Local communities or governments ³	4	4	1	1
Individuals or families.....				
Other ⁴	59	51	62	62
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred.....	\$1,980	\$1,952	\$2,170	\$2,230
Allotments or commitments made.....				
(d) Matching or additional expenditures.....	(⁵)	(⁵)	(⁵)	(⁵)
(e) Number of Federal employees (man-years).....	3	3	3	3
(f) Non-Federal personnel.....	315	275	315	315
(g) Other measures of performance.....				

¹ See committee inquiry for definitions.

² President's budget.

³ Visiting nurses associations, city research organizations.

⁴ Colleges, universities, research institutions, hospitals, schools of nursing, National and regional nursing organizations.

⁵ No data available regarding additional expenditures by grantees.

⁶ Estimates.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

The staff of the Division of Nursing grants research program works very closely with all of the Institutes of the National Institutes of Health, the Office of Education, Vocational Rehabilitation Administration, Children's Bureau, Veterans' Administration, Army, Navy, other military units, research foundations such as the American Nurses' Association, and with other regional bodies such as Western Interstate Commission for Higher Education.

8. *Laws and regulations*

Section 301 of the Public Health Service Act. Code of Federal Regulations, title 42, part 52.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Grants are made to universities and colleges; medical, dental, and nursing schools; schools of public health; laboratories; hospitals; State and local health departments; other public or private nonprofit institutions; and individuals. Federal institutions which may be awarded grants are hospitals of the Public Health Service, St. Elizabeths Hospital in Washington, D.C., and the Bureau of Prisons of the Department of Justice.

10. *Economic classification of program expenditures.* (See table 2, above, summary of research grant programs for all divisions.)

DIVISION OF HOSPITAL AND MEDICAL FACILITIES RESEARCH AND DEMONSTRATION GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objective*

The objective of this program is the development of scientific information through research, experiment, and demonstration relating to the effective development, utilization, and coordination of hospital services, facilities, and resources.

2. *Operation*

(a) Administers extramural research project and demonstration grant programs related to the social, administrative, clinical organizational and physical structural aspects of hospitals and other patient care facilities.

(b) Fosters the application of the findings of extramural grant-supported and intramural research and studies.

(c) Provides consultation to grant applicants and scientific design and related services to Division staff engaged in research and associated studies.

3. History

The authorizing legislation for the research and demonstration grant program was enacted in 1949. Appropriations were first made available in 1956. From 1956 to 1961 the appropriation authorization was \$1.2 million annually.

In 1961, the Community Health Services and Facilities Act increased the appropriation authorization to \$10 million annually and provided authority to make grants for experimental construction grants. Since 1956 this Division has supported 172 projects at a total expenditure of \$24,631,852. Of these, 105 projects have been completed, and 67 projects are currently active.

4. Level of operation. (See table 1.)

Program: Division of Hospital and Medical Facilities research and demonstration grants program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—Level of operations or performance, fiscal years 1964–67

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 ¹
(a) Magnitude of the program.....	Number of grants; projects.....	35	37	45	55
(b) Applicants or participants:					
State government agencies.....	do.....	3	1	7	8
Local communities or governments.....	do.....	1	2	4	5
Individuals or families.....	do.....				
Other ²	do.....	31	34	34	42
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....	Thousands of dollars.....	3, 477	2, 446	11, 750	6, 600
Allotments or commitments made.....					
(d) Matching or additional expenditures.....	(³).....	(³)	(³)	(³)	(³)
(e) Number of Federal employees.....	Man-years.....	8	10	10	10
(f) Non-Federal personnel.....	Persons.....	4 175	4 185	225	225
(g) Other measures of performance.....					

¹ President's budget.

² Universities, hospitals, and other private and nonprofit institutions.

³ No data available regarding additional expenditures by grantees.

⁴ Estimated.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

This program coordinates closely with the National Institutes of Health, particularly the Division of Research Grants and the National Institute of Mental Health, with other programs of the Bureau of State Services and, particularly in the area of mutual problems relative to medicare legislation, with the Social Security Administration.

8. Laws and regulations

This program's legislative and appropriation authorizations are (a) Public Law 81-380, to conduct research, experiments, and demonstrations relating to the effective development and utilization of hospital facilities, services, and resources and makes grants-in-aid

to governmental and nonprofit groups for these same purposes; and (b) Public Law 87-395, to make grants for experimental or demonstration construction or equipment projects.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from Office of the Surgeon General.)

10. *Economic classification of program expenditures.* (See table 2, above, summary of research grant programs for all divisions.)

FELLOWSHIP PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

Three divisions of the Bureau of State Services award fellowships to individual students who are preparing for careers in research and/or university teaching in fields related to the Bureau mission. Fellowships are granted directly to the individual student and provide a stipend and tuition. Fellows may be supported for predoctoral, postdoctoral, or special training. Predoctoral fellows are enrolled in appropriate university graduate programs; postdoctoral and special fellows may take training in academic or other appropriate institutions.

2. Operation

See "Objectives," above.

3. History

Not answered.

4. Level of performance. (See table 1.)

Program: Fellowship program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 ¹
(a) Magnitude of the program.....	Number of fellows...	60	65	102	129
(b) Applicants or participants:					
State government agencies.....	do.....	60	65	102	129
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....	Thousands of dollars..	\$309	\$362	\$462	\$762
Obligations incurred.....					
Allotments or commitments made.....					
(d) Matching or additional expenditures.....					
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ President's budget.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

Not answered.

8. *Laws and regulations*

Not answered.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Not answered.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Fellowship program.

Department or agency and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[Thousands of dollars]

Federal Government: ¹

Transfer payments to individuals..... 362

Total Federal expenditures..... 362

Expenditures here refer to obligations.

HEALTH PROFESSIONS STUDENT LOAN PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To increase the opportunities for the training of physicians, dentists, and optometrists, through the establishment of loan funds in professional schools from which low-interest loans may be made to students in need thereof to pursue their courses of study.

2. *Operation*

Appropriated moneys are allocated to eligible schools of medicine, dentistry, and optometry for the establishment of loan funds. Each participating school must contribute a matching amount equal to one-ninth of the Federal moneys allocated. The schools have the responsibility of selecting recipients, making and collecting the loans within conditions prescribed by the act and regulations. No loans are made directly by the Federal Government.

3. *History*

The Health Professions Educational Assistance Act of 1963 was enacted September 24, 1963 and amended by Public Law 88-654 October 13, 1964, to include schools and students of optometry. The program was established in fiscal year 1965 when the first appropriations were made available. Allocation of funds was made to 147 schools which were eligible and wished to participate. A total of \$10,200,000 was allocated for the establishment of loan funds. Approx-

imately 11,450 students borrowed a total of \$10,276,000 at an average of about \$900 each.

In fiscal year 1966 the appropriation was \$15,600,000. The final allocation of funds was made in September 1965 to 147 participating schools which requested approximately \$20,900,000 in Federal funds to meet the needs of an estimated 18,500 borrowers.

It is planned that invitation to participate during fiscal year 1967 will be extended to 152 eligible schools.

4. *Level of operations.* (See table 1.)

Program: Health Professions Student Loan Program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 estimates ¹
(a) Magnitude of the program.....	Borrower ²		11,431	18,500	21,000
(b) Applicants or participants:					
State government agencies.....					
Local communities or governments.....					
Individuals or families.....					
Other public and private non-profit schools.....	Schools ³		147	147	225
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....			\$10,200	\$15,600	\$12,725
Allotments or commitments made.....					
(d) Matching or additional expenditures.....			\$1,123	\$1,680	\$1,160
(e) Number of Federal employees.....	Man-years.....		8	8	10
(f) Non-Federal personnel.....	Individuals ⁴		441	441	675
(g) Other measures of performance.....					

¹ President's budget.

² Indirect recipients who receive loans from the established loan funds.

³ Direct recipients of Federal moneys to establish loan funds.

⁴ Estimated number of persons required in the schools to assume responsibilities in the loan program. These persons consider applicants, make loans, maintain records of notes and the funds, and are responsible for collection of the loans when they become due and payable—activities which require an estimated minimum of 13 years of continuing responsibility for each participating school.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation*

The delegation of authority from the Office of the Secretary indicated the need for close coordination and cooperation between the health professions student loan program and the national defense student loan program. Since the same schools are involved in many instances it was necessary to develop the programs as similarly as possible. These efforts have been maintained between the Division of Community Health Services, Division of Nursing, Office of Education, Office of General Counsel, and the participating schools.

8. *Laws and regulations*

Title VII Public Health Service Act as amended (42 U.S.C., ch. 6A).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Students in schools of medicine, dentistry, osteopathy, and optometry have borrowed from established funds to enhance personal resources. The additional financial assistance has enabled students to pursue or continue to pursue their chosen courses of study, which would increase the manpower available for the health professions.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Health Professions Student Loan program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[Thousands of dollars]	
Federal Government ^{1 2}	
Grants to State and local governments.....	10, 108
Transfer payments to nonprofit institutions.....	92
Total Federal expenditures.....	10, 200
Non-Federal expenditures financed by individuals and nonprofit organizations.....	1, 123
Total expenditures for the program.....	11, 323

¹ Grants are made to public and nonprofit schools which in turn make loans to students within the guidelines set forth in the act.

² Expenditures here refer to obligations.

NURSING STUDENT LOAN PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The purpose of this program is to increase the opportunities for the training of nurses through stimulating and assisting in the establishment of loan funds in accredited professional schools of nursing from which low-interest loans may be made to students in need thereof to pursue their courses of study.

2. *Operation*

Annually, eligible schools desiring to participate in the program are required to submit a request for Federal funds for the establishment of a nursing student loan fund and a signed agreement to operate the fund in accordance with the Nurse Training Act of 1964 and the regulations issued pursuant thereto. As prescribed in the act, Federal funds are allocated to the participating schools for nine-tenths of the working capital of their nursing student loan fund; the school is required to contribute the remaining one-tenth. Schools that are unable to raise their share of the fund may borrow from the Federal Government. The schools are responsible for the administration of the funds, including making and collecting loans, and for reporting to the Public Health Service on the operation of the fund. Upon request, technical assistance is provided to the schools from the Division of Community Health Service.

3. History

The Nurse Training Act of 1964 was enacted on September 4, 1965. Federal funds in the amount of \$3.1 million were allocated to 402 eligible institutions that applied for participation in the program and the individual schools were notified of the amount of their award on December 26, 1965. In fiscal year 1965, the schools loaned \$1.6 million to approximately 3,650 nursing students. For fiscal year 1966 \$8.9 million was appropriated for the establishment of nursing student loan funds, and in October this amount was allocated among 559 eligible applicants. These schools requested \$9.7 million of Federal funds to meet the needs of 16,900 borrowers. Invitations to participate in the program during fiscal year 1967 will be mailed to approximately 1,100 schools of nursing in February 1966.

4. Level of operations. (See table 1.)

Program: Nursing Student Loan Program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—Level of operations or performance, fiscal years 1964-67

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 ¹
(a) Magnitude of the program.....	Borrower ²		3,650	16,900	23,000
(b) Applicants or participants:					
State government agencies.....					
Local communities or governments.....					
Individuals or families.....					
Other—Public and non-profit private schools.....	Schools ³		402	559	700
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....			3,089	8,900	8,500
Allotments or commitments made.....					
(d) Matching or additional expenditures.....			340	990	935
(e) Number of Federal employees.....	Man-years		13	13	15
(f) Non-Federal personnel.....	Individuals ⁴		1,206	1,777	2,100
(g) Other measures of performance.....					

¹ President's Budget.

² Indirect recipients who receive loans from the established loan funds.

³ Direct recipients of Federal moneys to establish loan funds.

⁴ Number of persons required in the schools to assume responsibilities in the loan program. These persons consider and select applicants, make loans, maintain records and are responsible for the collection of the loans when they become due and payable—activities which require an estimated minimum of 11 years of continuing responsibility for each participating school.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

The delegation of authority from the Office of the Secretary indicated the need for close coordination and cooperation between the nursing student loan program and the National Defense Education Act program. Since the same schools are involved in many instances it is necessary to develop the programs as similar as possible. These efforts have been maintained between the Division of Community

Health Services, Division of Nursing, Office of Education, Office of General Counsel, and the participating schools.

8. Laws and regulations

Title VIII, Public Health Service Act as amended (title 42, United States Code, ch. 6A).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The benefits of the program are twofold: Students who, for financial reasons find it difficult or impossible to continue their education are enabled to do so and the Nation will be provided with a much needed increase in the number of professional nurses.

10. Economic classification of program expenditures. (See table 2.)

Program: Nursing student loan program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of expenditures for fiscal year 1965*

[In thousands of dollars]	
Federal Government: ¹	
Grants to State and local governments.....	1, 018
Transfer payments to nonprofit organizations.....	2, 061
Loans.....	10
Total Federal expenditures.....	3, 089
Non-Federal expenditures financed by individuals and nonprofit organizations.....	340
Total expenditures for program.....	3, 429

¹ Expenditures here refer to obligations.

FORMULA GRANT PROGRAMS

Assistance to State and local governments is an important part of many programs of the Public Health Service, particularly in the broad fields of community health. Frequently the Federal assistance takes the form of cash grants, but various other types of aid also are extensively used, such as technical assistance, consultations, investigations of special problems, field demonstration, and personnel training.

In the formula grants, the aid usually is given to State departments of public health and partly transmitted by them to local public health agencies. Annual Federal allotments establish the amounts available for each State for particular purposes. Application for Federal payments of formula grants must be supported by formal State plans. Federal approval of the State plan and State or local government compliance with other requirements of Federal law and regulations are prerequisites to Federal payment of allotted amounts. Each formula grant is subject to matching from State or local government sources. The matching requirements of each program are outlined for the following programs:

Cancer control.

Chronic illness and aged.

Dental health.

General health.
Heart disease control.
Home health services.
Tuberculosis control.

The individual programs are discussed separately with the exception of question 7, relating to coordination and cooperation, and question 4 (e) and (f), relating to staffing. These questions are answered for all the programs at the end of the section.

Program: Formula grants, Bureau of State Services—Community Health (summary).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67: Summary*

[Dollar amounts in thousands (estimates)]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967 ¹
(a) Magnitude of the program.....	² 54	\$355,327	\$367,499	\$404,010	\$417,940
(b) Applicants or participants:					
State government agencies.....					
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....		38,886	34,572	48,300	46,000
Allotments or commitments made.....					
(d) Matching or additional expenditures ³		316,441	332,927	355,710	371,940
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ President's budget.

² Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

³ Matching and other State and local expenditures.

Program: Formula grants, Bureau of State Services—Community Health (summary).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965: Summary*

[In thousands of dollars]

Federal Government: ¹ Grants to State and local governments.....	34,572
Total Federal expenditures.....	34,572
Non-Federal expenditures financed by State and local governments....	332,927
Total expenditures for program.....	367,499

¹ Expenditures here refer to obligations.

CANCER CONTROL PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

To assist States in initiating and furthering programs to reduce morbidity and mortality from cancer.

2. Operation

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. History

Formula grants for the prevention, control, and eradication of cancer were initially appropriated in fiscal year 1948 in the amount of \$2,500,000. Because of the existing opportunities for prevention and control, major attention is directed at strengthening services relating to cervical and lung cancers. Studies have recently been initiated to seek ways in which coordination of voluntary and governmental programs at the State level might be improved.

4. Level of operations. (See table 1.) See additional information at the end of this section.

Program: Cancer control program—formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[In thousands of dollars]

Measure ¹	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimate)	Fiscal year 1967 ² (estimate)
(a) Magnitude of the program.....	³ 54	\$22,216	\$23,265	\$24,000	\$25,600
(b) Applicants or participants:					
State government agencies.....	54				
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....		3,431	3,447	3,500	3,500
Allotments or commitments made.....					
(d) Matching or additional expenditures ⁴		18,785	19,818	20,900	22,100
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ See committee inquiry for definitions.

² President's budget.

³ Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

⁴ Matching and other State and local expenditures for the cancer control program.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation. (See general statement at end of this section.)

8. Laws and regulations

Formula grants for the control of cancer are authorized in the annual appropriation act for fiscal year 1966, Public Law 89-156. General authority for cooperation with State health agencies is contained in section 402(f) of the Public Health Service Act, as amended (42 U.S.C. 282(f)). No allotment formula or procedure is prescribed

by law. Sections 51.1(c), 51.1(i), and 51.2(e) of the Public Health Service regulations (42 CFR) define the basic factors used in the formula. Section 51.3(f) prescribes the range of percentage distribution for each factor. Section 51.9(c) prescribes that matching ratio.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Data available on formula grants do not readily provide information for specific response to this type of question. However, the level of support for the program by the expenditure of State and local funds clearly indicates increases in the employment of personnel and services to people. Federal appropriations have risen from \$2.5 million in 1948 to only \$3.5 million in fiscal 1966. During this period the State and local funds used to match the Federal funds increased from slightly less than \$2 million to almost \$20 million. In fiscal year 1964 when the combined Federal, State and local funds totaled slightly over \$22 million for preventive and outpatient services, over \$9.5 million was utilized for diagnostic clinics and casefinding, and over \$5 million for local health services. Not included in these totals is an additional reported expenditure of State and local funds amounting to more than \$9.5 million for hospitalization of cancer patients.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Cancer control program—formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹ Grants to State or local governments.....	3, 447
Total Federal expenditures.....	3, 447
Non-Federal expenditures financed by: State or local governments.....	19, 818
Total expenditures for program.....	23, 265

¹ Expenditures here refer to obligations.

CHRONIC ILLNESS AND AGED

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist States to increase the availability and improve the quality of health services for the chronically ill and aged.

2. *Operation*

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. *History*

Formula grants for this program were authorized for fiscal year 1962 under new authority granted by the Community Health Services

and Facilities Act of 1961. During the two previous fiscal years, 1960 and 1961, the Congress in appropriating increased general health grant funds emphasized the need for improvement of the scope and quality of nursing home services. Consequently, \$2 million of the general health grant was devoted to this objective. This initial assistance to improve services for the chronically ill and aged became, in fiscal year 1962, a part of the new categorical grant. Emphasis in the use of the new grant is placed on the development and improvement of nursing care of the sick at home, homemaker services, coordinated home care, information and referral services, health appraisal, and nursing home care. Major developments to date include:

(a) A marked increase in the number of States where the collection of fees for services by local official agencies was established or authorized, thereby increasing the total resources available to provide health services to the chronically ill and aged.

(b) A marked increase in the number of States programing within the State on a project basis, thereby involving local communities and agencies, and increasing their interest, services, and financial contribution.

(c) A noticeable increase in the types of ancillary health personnel effectively utilized in community programs for the chronically ill and aged.

4. *Level of operations.* (See table 1.) See additional information at the end of this section.

Program: Chronic illness and aged formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[In thousands of dollars]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (Estimates)	Fiscal year 1967 ¹ (Estimates)
(a) Magnitude of the program.....	2 54	\$30, 098	\$31, 614	\$35, 500	\$38, 700
(b) Applicants or participants:					
State government agencies.....	54				
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....	}	12, 246	11, 293	12, 300	12, 300
Obligations incurred.....					
Allotments or commitments made.....					
(d) Matching or additional expenditures ²		17, 852	20, 321	23, 200	26, 400
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ President's budget.

² Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

³ Matching and other State and local expenditures for the chronic illness and aged program.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation.* (See general statement at end of this section.)

8. *Laws and regulations*

Formula grants to States are authorized in section 314(c) of the Public Health Service Act, as amended (42 U.S.C. 146(c)). Public Law 87-395 requires separate matching of any earmarked section 314(c) funds. The 1966 Appropriation Act (Public Law 89-156) earmarked funds for these grants.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Data available on formula grants do not readily provide information for specific response to this type of question even though this program received its own initial grant as recently as fiscal year 1962. The level of support by State and local funds and the developments described under the brief history are indications of its impact. In fiscal year 1964 the Federal appropriation of \$13 million was matched by nearly \$18 million in State and local funds for a total program expenditure of almost \$31 million. Of this total, over \$14 million supported local health services, \$3.1 million was used for nursing and home care services, and nearly \$2 million for alcoholism. Not included in these totals is an additional reported expenditure of State and local funds in the amount of \$11,246,714 for hospitalization.

10. *Economic classification of program expenditures*

Program: Chronic illness and aged formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹ Grants to State and local governments.....	11, 293
Total Federal expenditures.....	11, 293
Non-Federal expenditures financed by State or local governments.....	20, 321
Total expenditures for program.....	31, 614

¹ Expenditures here refer to obligations.

DENTAL HEALTH

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To stimulate the development of adequate State and local resources to combat the increasing dental health problem of the Nation.

2. *Operation*

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. History

Although this program was not initiated until midway through fiscal year 1965, 49 States submitted approvable plans and budgets and launched dental health programs in the last half of the year. The appropriation for this program was increased by the Congress from \$520,000 to \$1 million for fiscal year 1966.

4. Level of operations. (See table 1.) (See additional information at the end of this section.)

Program: Dental health formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[In thousands of dollars]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimated)	Fiscal year 1967 ¹ (estimated)
(a) Magnitude of the program.....	² 54	(³)	\$1,580	\$3,200	\$3,500
(b) Applicants or participants:					
State government agencies.....	54	(³)			
Local communities or governments.....		(³)			
Individuals or families.....		(³)			
Other.....		(³)			
(c) Federal finances:					
Unobligated appropriations available.....		(³)			
Obligations incurred.....	54	(³)	448	1,000	1,000
Allotments or commitments made.....		(³)			
(d) Matching or additional expenditures ⁴		(³)	⁵ 1,132	⁶ 2,200	⁶ 2,500
(e) Number of Federal employees.....		(³)			
(f) Non-Federal personnel.....		(³)			
(g) Other measures of performance.....		(³)			

¹ President's budget.

² Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

³ Program not initiated until mid fiscal year 1965.

⁴ Matching and other State and local expenditures for the dental health program.

⁵ Budget estimate provided by State agencies.

⁶ Rough estimate arrived at by projecting the fiscal year 1965 budget estimate.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation. (See general statement at end of this section.)

8. Laws and regulations

Formula grants for dental health are authorized in the annual appropriation act for fiscal year 1966 (Public Law 89-156). Authority is included in section 314(c) of the Public Health Service Act as amended (42 U.S.C. 246). Section 314(d) of the Public Health Service Act, as amended, cites the basic allotment factors of population, financial need, and extent of the problem. Sections 51.1(c), 51.1(i), and 51.2(h) of the Public Health Service Regulations define these factors and section 51.3(i) describes the allocation. Section 51.9(a) prescribes the matching ratio.

9. *Economic effects*

Although the program was begun too recently to provide any detailed response to this item, there is no question but that it will provide employment to additional personnel and increase the availability of dental care and supportive services, including the provision of preventive and restorative services for both children and adults, and the establishment of demonstrations of more effective methods of providing treatment services. Such groups as the indigent, handicapped, geographically isolated, chronically ill and aged, and homebound will receive priority.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

10. *Economic classification of program expenditures.* (See table 2.)

Program: Dental Health Formula Grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*
[Thousands of dollars]

Federal Government: ¹ Grants to State and local governments.....	448
Total Federal expenditures.....	448
Non-Federal expenditures financed by: State and local governments.....	1, 132
Total expenditures for program.....	1, 580

¹ Expenditures here refer to obligations.

GENERAL HEALTH

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The general health grant was started in 1936 as title VI of the Social Security Act to provide financial assistance and stimulation to the nationwide development and improvement of State and local public health services for the prevention and control of disease, disability, and premature death. It was conceived that the mass protection of the population through these services would prolong the productive life of individuals, reduce the costs of medical and hospital care, lower welfare costs resulting from dependency due to loss of personal income, protect against the interstate spread of disease, and generally promote the health and welfare of the people. Authority for the general health grant was included with relatively little change in the Public Health Service Act of 1944.

2. *Operation*

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. *History*

While the basic purposes of the grant have remained unchanged since its inception, two factors have influenced the major emphasis of

programs which it helps to support. The first of these has been the initiation at later dates of grant programs for various categories of diseases (e.g., tuberculosis, heart disease, poliomyelitis) that have provided funds for the specialized costs of programs and services for certain disease control programs. The second factor has been the remarkable advancements in scientific knowledge that have made possible the initiation through the general health grant of new programs and services for the control on a community public health basis of diseases and conditions for which there were formerly no preventive or control measures. Underlying these developments, however, the basic purpose of the grant has continued to be the strengthening and improvement of a nationwide network of basic local public health organizations, staff, and services through which the more specialized disease control programs can operate effectively.

4. *Level of operations.* (See table 1.) See additional information at the end of this section.

Program: General health formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[In thousands of dollars]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 ¹	Fiscal year 1967 ^{1 4}
(a) Magnitude of the program.....	2 54	\$239, 101	\$253, 897	\$266, 410	\$280, 270
(b) Applicants or participants:					
State government agencies.....	54				
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....		13, 999	9, 997	10, 000	10, 000
Allotments or commitments made.....					
(d) Matching or additional expenditures ²		225, 102	243, 900	256, 410	270, 270
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ President's budget.

² Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

³ Matching and other State and local expenditures for the general health program.

⁴ Estimates.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation.* (See general statement at end of this section.)

8. *Laws and regulations*

Formula grants for general health are authorized in the annual appropriation act for fiscal year 1966 (Public Law 89–156). Authority is included in section 314(c) of the Public Health Service Act as amended (42 U.S.C. 246). Section 314(d) cites the basic factors of population, financial need and extent of the problem. Sections

51.1(c), 51.1(i), and 51.2(c) of the Public Health Service Regulations (42 C.F.R.) define these factors and section 51.3(c) prescribes the range of percentage distribution for each factor. Section 51.9(a) prescribes the matching ratio.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Data available on formula grants do not readily provide information for specific response to this type of question. However, a review of the purpose and history of the general health grant program (above) and the vast sustained increase in State and local fund expenditures, despite the decrease in Federal funds, are a clear indication of this program's impact in terms of additional people employed and additional people receiving health services. In the initial year (1936), the Federal appropriation totaled \$3,330,000 and slightly over \$15 million of State funds were expended. During the next 25 years the Federal appropriation increased to \$17 million while State expenditures increased to over \$200 million. In fiscal years 1962 and 1963 the Federal grant was reduced to \$15 million and in fiscal 1965 to \$10 million. These Federal reductions notwithstanding, it is estimated the final reports will reveal that States expended about \$250 million in State and local funds in fiscal 1965.

10. *Economic classification of program expenditures.* (See table 2.)

Program: General health formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]	
Federal Government: ¹	
Grants to State and local governments-----	9, 997
Total Federal expenditures-----	9, 997
Non-Federal expenditures financed by State and local governments----	243, 900
Total expenditures for program-----	253, 897

¹ Expenditures here refer to obligations.

HEART DISEASE CONTROL

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist the States in establishing and maintaining organized community programs for heart disease control.

2. *Operation*

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. The legislation for this grant provided for submission of a plan by a political subdivision of a State or any public or nonprofit agency if the State health authority has not submitted a plan prior to August 1 of any fiscal year, but the plan must be submitted through the State health authority and have its approval.

To date, only one such agency has participated in the program; at present all formula grant heart disease control programs are administered by the State health authorities.

3. History

The grant for community programs for heart disease control was authorized by the National Heart Act, approved June 16, 1948, by amendment to section 314 of the Public Health Service Act. In 1949, the initial year of the grant, only \$130,000 was made available for grants to States. Because this small amount did not permit a formula allocation to all States, grants were made to seven States for demonstration projects. The first year of operation under an allocation for all States was 1950.

State and local funds expended for heart disease control continue to increase annually; the overall expenditures for preventive and outpatient services increased almost 18 percent between fiscal years 1962 and 1963, and for the latter year States reported approximately 43 percent of the total funds as supporting local heart disease control activities.

The supplemental fiscal year 1966 appropriation authorized an increase of \$2.5 million in the heart disease control formula grant to States for the purposes of carrying out the recommendations of the President's Commission on Heart, Cancer, and Stroke for establishing and maintaining coordinated statewide laboratory facilities. The establishment or expansion of laboratory services primarily for cardiovascular diseases through this program should help in forming a coordinated Statewide program of chronic disease control.

4. Level of operations. (See table 1.) See additional information at the end of this section.

Program: Heart disease control formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[In thousands of dollars]

Measure ¹	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 ²	Fiscal year 1967 ^{2 3}
(a) Magnitude of the program.....	⁴ 54	\$18, 350	\$19, 422	\$23, 500	\$24, 500
(b) Applicants or participants:					
State government agencies.....	54	-----	-----	-----	-----
Local communities or governments.....	-----	-----	-----	-----	-----
Individuals or families.....	-----	-----	-----	-----	-----
Other.....	-----	-----	-----	-----	-----
(c) Federal finances:					
Unobligated appropriations available.....	-----	-----	-----	-----	-----
Obligations incurred.....	54	6, 312	6, 467	9, 500	9, 500
Allotments or commitments made.....	-----	-----	-----	-----	-----
(d) Matching or additional expenditures ⁵	-----	12, 038	12, 955	14, 000	15, 000
(e) Number of Federal employees.....	-----	-----	-----	-----	-----
(f) Non-Federal personnel.....	-----	-----	-----	-----	-----
(g) Other measures of performance.....	-----	-----	-----	-----	-----

¹ See committee inquiry for definitions.

² President's budget.

³ Estimates.

⁴ Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

⁵ Matching and other State and local expenditures for the heart disease control program.

5. Estimated magnitude of program in 1970.

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation.* (See general statement at end of this section.)

8. *Laws and regulations*

Formula grants for heart disease control are authorized in the annual appropriation act for fiscal year 1966 (Public Law 89-156). Authority is included in section 314(e) of the Public Health Service Act as amended (42 U.S.C. 246(e)). Section 314(e) cites the basic factors of population and financial need for the allocation of funds. Sections 51.1(c) and 51.1(i) of the Public Health Service Regulations (42 CFR) define these factors. Section 51.3(e)(1) is in the process of amendment. Section 51.9(a) prescribes the matching ratio.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Data available on formula grants do not readily provide information for specific response to this type of question. Federal appropriations for this program have increased steadily from \$2 million in 1950 to \$9.5 million for fiscal 1966. The support level for the program continues to rise commensurately with \$2 of State and local funds being expended for each \$1 of Federal money. In fiscal 1964 slightly over 40 percent of the total expenditures were for local health services and almost 23 percent were used for diagnostic clinics and casefinding for preventive and outpatient services.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Heart disease control formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹	
Grants to State and local governments.....	6,467
Total Federal expenditures.....	6,467
Non-Federal expenditures financed by State and local governments.....	12,955
Total expenditures for program.....	19,422

¹ Expenditures here refer to obligations.

HOME HEALTH SERVICES

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist States and communities to develop, improve, or expand the capacity of new or existing public or private agencies which meet the qualifying conditions for participation in the health insurance program to provide home health services throughout each State.

2. *Operation*

The program will operate with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to

the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. History

This is a new program for which the President has submitted to the Congress a supplemental budget request for fiscal year 1966 of \$9 million. At this writing, action is pending in Congress.

4. Level of operations. (See table 1.) See additional information at the end of this section.

Program: Home health services formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[In thousands of dollars]

Measure ¹	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimates)	Fiscal year 1967 ² (estimates)
(a) Magnitude of the program.....	³ 54	None	None	\$9,900	\$7,370
(b) Applicants or participants:					
State government agencies.....	54				
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....	54	None	None	9,000	6,700
Allotments or commitments made.....					
(d) Matching or additional expenditures ⁴				\$ 900	\$ 670
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ See committee inquiry for definitions.

² President's budget.

³ Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

⁴ Matching and other State and local expenditures for the home health services program.

⁵ Based on requirement of 1 local and/or State dollar for each 10 Federal dollars.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation (See general statement at end of this section.)

8. Laws and regulations

The House completed action on a supplemental appropriation bill under section 314(c) of the Public Health Service Act to provide funds for a new home health services formula grant for fiscal year 1966. Public Health Service regulations, in the process of amendment for this program, will be published in the Federal Register.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Under this program persons aged 65 years and older will be entitled to receive home health services from certified home health agencies which must offer, as a minimum, skilled nursing services and one other therapeutic service. Currently there are not sufficient agencies on a nationwide basis to assure services to the potential 19 million beneficiaries of the health insurance benefits program. This grant program is aimed at insuring that there will be an adequate number of such home health agencies.

10. *Economic classification of program expenditures*

Program not in operation in 1965.

TUBERCULOSIS CONTROL

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

To assist States in establishing and maintaining adequate measures for the prevention, treatment, and control of tuberculosis and to provide basic tuberculosis control services such as laboratory services, and record and statistical services, and to insure the continuation of direction, coordination and planning.

2. *Operation*

The program operates with formula grant-in-aid funds which are allocated by the Public Health Service through its regional offices to the health departments of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

3. *History*

The tuberculosis control grant was approved in 1944. This grant program was the outgrowth of Public Health Service case-finding programs during fiscal years 1943 and 1944 that were designed to prevent an increase in tuberculosis as a result of war conditions. The case-finding programs had been carried out chiefly in war industries, through the operation and loan to State and local governments of mobile X-ray units. The development during this period of a portable 35-millimeter X-ray unit and of a 4- by 5-inch photofluorographic X-ray unit made possible chest X-ray examinations of large groups of people at a nominal expenditure of materials and personnel. Thus a national program for tuberculosis control was feasible.

In order to focus attention on the need for case-finding, Congress in the 1955 Appropriation Act restricted the use of the Federal grant and State and local matching funds for direct expenses of prevention and case-finding activities. The use of grant funds was further restricted in fiscal year 1965 in keeping with the recommendations of the Surgeon General's Task Force on Tuberculosis Control.

4. *Level of operations.* (See table 1.) See additional information at the end of this section.

Program: Tuberculosis control formula grants.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[In thousands of dollars]

Measure ¹	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimate)	Fiscal year 1967 ² (estimate)
(a) Magnitude of the program.....	³ 54	\$45,562	\$37,721	\$41,100	\$38,000
(b) Applicants or participants:					
State government agencies.....	54				
Local communities or governments.....					
Individuals or families.....					
Other.....					
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....		2,898	2,920	3,000	3,000
Allotments or commitments made.....					
(d) Matching or additional expenditures ⁴		42,664	34,801	38,100	35,000
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ See committee inquiry for definitions.

² President's budget.

³ Includes 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

⁴ Matching and other State and local expenditures for the tuberculosis control program.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program orientation*

Not answered.

7. *Coordination and cooperation.* (See general statement at end of this section.)

8. *Laws and regulations*

Formula grants for the control of tuberculosis are authorized in the annual Appropriation Act for fiscal year 1966 (Public Law 89-156). Authority is included in section 341 (b) of the Public Health Service Act as amended (42 U.S.C. 246). Section 314(b) cites the basic factors of population, financial need, and extent of the tuberculosis problem to be considered in allotting funds. Sections 51.1(c), 51.1(i), and 51.2(b) of the Public Health Service Regulations (42 CFR) define these factors, and section 51.3(b) prescribes the range of percentage distribution for each factor. Section 51.9(b) prescribes the matching ratio for the formula grant.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Data available on formula grants do not readily provide information for specific response to this type of question. For this program, however, the level of support through expenditure of State and local funds clearly indicates increases in the employment of personnel and services to people. Federal appropriations, beginning with \$1,370,000 in 1945, rose to \$6,790,000 in 1948-50 and then decreased gradually to \$3 million in fiscal years 1965 and 1966. Meanwhile, the State and local funds used to match the Federal funds increased from \$902,000 in 1945 to \$42,199,506 in fiscal year 1964. The combined Federal, State, and local expenditures for 1964 totaled \$45,132,913 for preventive and outpatient services; of this total 60.1 percent was spent for local health services. Not included in this total is an additional reported expenditure of State and local funds amounting to \$77,255,485 for hospitalization of tuberculosis patients.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Tuberculosis control formula grants.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures*

(In thousands of dollars)

Federal Government: ¹ Grants to State and local governments.....	2, 920
Total Federal expenditures.....	2, 920
Non-Federal expenditures financed by: State, local governments.....	34, 801
Total expenditures for program.....	37, 721

¹ Expenditures here refer to obligations.

GENERAL STATEMENTS ON FORMULA GRANT PROGRAMS

4(e) *Number of Federal Government employees administering, operating or supervising activities*

Because of the organizational structure of the Bureau of State Services (CH) it is almost impossible to report how many personnel are working in the various programs supported by Federal formula grants. For example, the immediate Bureau staff provides administrative guidance to all activities in which the Bureau is engaged, the Office of Grants Management provides services related to fund control and disbursement, including the development of policies and procedures, and as an example within an example, the Division of Chronic Diseases in the Bureau is responsible for three formula grant programs, four project demonstration programs and is also engaged in contracts for services and training grants. This latter example is also true for the other divisions within the Bureau. Because of this multiplicity of program responsibility it would be impossible to

identify what each employee does for each program unless we maintained a rather elaborate system of time keeping records which we are not doing at the present. Of course we could single out certain program specialists, but to do this would to no measurable degree, provide an indicator of how many individual employees are engaged in the various programs and activities administered by the community health portion of the Bureau of State Services. To further complicate the situation, the Public Health Service, as is true for all of DHEW, is decentralized into nine regional offices. Here again personnel are responsible for multiple activities and are not assigned to a single program area from the standpoint of the several formula grants. We have found this method of personnel administration to be more economical than to have categorical specialists assigned to individual programs.

4(f) Non-Federal personnel employed in the programs

The Federal formula grant funds described in this section of the report, are allocated to the 50 states, the District of Columbia, the Virgin Islands, Guam, Puerto Rico and two separate State cancer agencies. Because the funds are split into so many segments, we have never requested State or local health departments to report to us how many personnel are engaged in each of the various programs supported by these funds nor from required State and/or local matching expenditures. Our main objective, from the standpoint of improving the level of health in the Nation and its territories is, and continues to be, the numbers and kinds of services provided to people. We feel this, so long as the quality is good, and the quantity meets the needs of the majority of the population, to be more important than a listing of numbers of people separately engaged in each of the programs conducted at the State and local level. We do however receive on an annual basis from States, and biennially from local health departments, a listing of the number of employees engaged in the health industry. While these reports segment the number of physicians, nurses, sanitarians, clerks and other classifications, it is our opinion that the best indicator of progress is not the increase in the number in each classification or program, but the total overall increase from one period to another. In this connection our records reveal there were 17,674 personnel working in State health departments in 1952. By 1964 this total had climbed to 19,909. This to us is both significant and gratifying. During the same period local health personnel rose from 35,997 in 1952 to 51,632 in 1964.

To supplement these personnel statistics, please see the following tables. Here again we feel this increase represents progress in furthering our objectives of bringing more and better public health service to all of our citizens. We feel confident this trend will continue.

Comparison of total number of full-time public health workers of different classifications reported by State and local health departments for designated years¹

Class of personnel	1964	1962	1960	1958	1956	1955	1954	Difference, 1964-54
All types.....	70,641	65,744	62,575	59,742	55,392	54,810	54,255	16,386
Physicians.....	2,277	2,166	2,082	2,088	2,095	2,065	2,085	192
Public health nurses.....	16,927	15,894	15,471	15,223	14,273	14,052	13,802	3,125
Clinic nurses.....	902	922	735	743	663	665	654	248
Dentists.....	566	493	484	423	393	378	358	208
Dental hygienists.....	554	483	451	450	417	422	411	143
Engineers.....	1,294	1,263	1,185	1,028	1,037	1,032	1,030	264
Professional sanitarians and other sanitation personnel.....	10,734	10,304	9,075	8,973	8,139	8,211	8,037	2,697
Veterinarians.....	260	290	299	343	347	342	363	-103
Laboratory.....	3,704	3,393	3,385	3,149	2,931	2,895	2,968	736
Health educators.....	594	544	527	496	490	490	494	100
Nutritionists.....	323	300	281	260	245	234	233	90
Medical and psychiatric social workers.....	918	699	607	523	395	385	340	578
Psychologists.....	225	205	157	137	91	87	74	151
Analysts and statisticians.....	637	543	483	443	426	375	364	273
Public health investigators.....	880	727	712	622	607	574	688	192
X-ray technicians.....	602	584	623	665	641	626	633	-31
Physical therapists.....	331	234	219	224	186	168	162	169
Administrative management per- sonnel.....	1,923	1,546	1,330	1,217	1,116	1,045	1,063	860
Clerks.....	10,367	18,099	17,147	16,403	15,173	15,035	14,843	4,524
Maintenance, custodial, and serv- ice.....	4,820	4,157	4,252	3,639	3,803	3,719	3,636	1,184
Others.....	2,803	2,898	2,460	2,693	1,924	2,010	2,017	786

¹ Includes the 50 States, District of Columbia, and the territories.

Source: State health department personnel, joint form 5. Local health department personnel—Report of public health personnel.

State and local public health workers, by professional categories and by States, Jan. 1, 1964

State	Total		Physicians		Public health nurses		Clinic nurses		Dentists		Dental hygienists		Engineers		Sanitarians	
	State ¹	Local ²	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local
Total.....	70,641	19,009	51,632	609	1,068	869	16,058	61	841	164	402	58	496	830	464	688
Alabama.....	1,001	344	747	7	25	10	233	3	1	2	1	6	15	4	11	114
Alaska.....	1,245	158	1,087	4	3	3	47	1	1	1	1	1	2	2	1	1
Arizona.....	570	153	417	4	13	12	95	21	2	2	1	1	5	2	3	77
Arkansas.....	561	246	315	10	6	7	132	1	1	1	1	1	12	2	15	61
California.....	6,362	1,377	5,485	254	19	1,503	248	10	4	17	11	11	90	21	114	876
Colorado.....	728	210	518	13	12	14	216	7	3	3	1	5	11	2	11	106
Connecticut.....	949	477	472	22	20	22	209	3	2	2	1	3	15	3	3	62
Delaware.....	258	111	147	5	4	4	84	1	2	2	1	1	3	3	4	29
District of Columbia.....	881	84	881	41	4	4	84	34	3	3	16	23	6	6	4	4
Florida.....	2,759	758	2,001	24	50	706	21	16	3	3	18	1	33	16	11	375
Georgia.....	2,165	637	1,528	38	28	582	44	8	1	1	1	8	18	24	15	188
Hawaii.....	617	157	460	14	9	7	50	2	1	1	2	1	4	4	4	15
Idaho.....	246	121	125	4	6	6	55	1	1	1	1	1	3	3	3	8
Illinois.....	2,373	641	1,732	12	46	32	445	2	3	5	57	1	39	28	18	99
Indiana.....	1,166	365	801	10	10	6	275	6	2	2	2	1	33	10	25	245
Iowa.....	355	137	218	5	7	7	107	1	1	1	1	1	11	10	3	38
Kansas.....	535	213	322	873	11	38	11	306	6	2	2	2	16	2	13	176
Kentucky.....	1,429	556	873	9	20	18	251	8	1	1	1	2	13	31	31	198
Louisiana.....	1,354	457	897	9	3	6	87	1	1	1	1	3	4	4	4	15
Maine.....	313	164	149	3	2	1	563	10	1	1	6	3	23	12	13	186
Maryland.....	1,877	449	1,428	9	38	11	565	36	2	2	38	5	39	14	39	217
Massachusetts.....	2,092	641	1,451	20	30	27	595	21	4	4	4	2	46	22	6	229
Michigan.....	2,763	693	2,070	8	17	20	526	30	6	6	6	3	11	6	5	72
Minnesota.....	753	277	486	20	31	11	256	1	0	1	9	4	4	4	18	106
Mississippi.....	937	278	659	12	8	22	16	249	1	1	1	3	10	26	10	148
Missouri.....	1,372	244	1,128	8	22	14	30	1	0	1	1	1	8	3	3	8
Montana.....	152	102	50	3	3	4	43	1	1	1	1	1	4	4	3	38
Nebraska.....	269	119	150	2	2	2	15	16	1	1	1	1	4	4	6	15
Nevada.....	168	107	61	5	2	4	14	20	4	4	4	1	4	4	3	3
New Hampshire.....	155	111	44	4	1	1	14	20	4	4	4	1	4	4	4	24
New Jersey.....	2,115	526	1,589	16	12	21	575	30	4	7	4	4	24	4	24	243
New Mexico.....	346	143	203	3	8	10	81	3	5	5	2	212	55	6	5	33
New York.....	8,349	1,741	7,141	53	201	23	1,841	51	4	41	2	2	22	19	4	565
North Carolina.....	1,908	407	1,501	14	62	11	584	22	21	31	2	2	27	5	19	251
North Dakota.....	188	104	84	3	6	6	44	1	1	1	1	1	2	1	1	14
Ohio.....	2,755	392	2,363	6	80	14	853	1	27	4	5	20	17	3	8	526
Oklahoma.....	686	232	454	7	9	17	169	1	4	4	2	1	10	1	1	18
Oregon.....	222	222	440	12	22	13	165	11	4	4	2	1	11	1	11	118
Pennsylvania.....	3,789	769	2,409	30	41	20	694	11	64	2	26	1	30	68	11	67
Rhode Island.....	321	216	105	12	9	17	49	2	2	2	1	10	7	2	7	331
South Carolina.....	323	611	27	1	22	37	224	14	16	3	1	3	9	2	10	20
South Dakota.....	106	79	27	1	8	8	7	7	1	3	2	2	6	6	2	122

State	Other sanitation personnel		Laboratory personnel (professional and technical)		Health educators		Nutritionists		Medical and psychiatric social workers		Psychologists		Analysts and statisticians	
	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local
Tennessee.....	1,492	492	1,000	38	20	346	12	9	4	2	1	20	5	11
Texas.....	2,746	731	2,015	45	24	476	27	1	5	2	7	37	18	47
Utah.....	356	160	196	8	9	90	3	1	3	2	7	5	5	8
Vermont.....	161	161	(3)	7	44	(3)	2	1	(3)	2	(3)	3	(3)	7
Virginia.....	1,896	478	1,418	52	19	494	12	23	29	1	1	23	1	14
Washington.....	1,144	245	899	31	17	315	49	1	1	1	1	11	1	15
West Virginia.....	1,509	321	1,188	6	18	124	3	2	1	1	13	2	14	80
Wisconsin.....	1,301	230	1,071	39	8	449	3	1	4	4	4	22	7	7
Wyoming.....	65	57	(3)	2	7	3	1	1	(3)	5	(3)	4	6	4
Guam.....	74	74	2	(3)	20	(4)	6	1	23	1	3	7	8	(9)
Puerto Rico.....	3,401	1,126	2,275	27	36	447	6	1	(3)	2	(3)	1	1	20
Virgin Islands.....	179	179	(3)	(3)	22	(3)	(3)	4	(3)	(3)	(3)	(3)	(3)	(3)
Total.....	350	2,188	2,158	1,546	233	301	146	177	230	688	69	156	387	250
Alabama.....	7	81	61	8	2	2	3	1	3	6	3	3	5	2
Alaska.....	3	6	26	1	6	1	2	1	3	6	1	1	2	1
Arizona.....	3	6	23	2	6	1	2	3	8	9	1	1	2	2
Arkansas.....	67	121	97	232	15	70	8	19	11	131	2	30	115	78
California.....	10	17	72	17	2	2	3	4	10	6	1	3	2	1
Colorado.....	2	4	9	3	1	1	1	1	12	5	1	4	1	1
Connecticut.....	2	4	9	3	1	1	1	1	3	5	1	1	1	1
Delaware.....	41	62	152	37	7	9	5	2	4	84	1	16	9	14
District of Columbia.....	7	33	63	17	12	3	3	6	10	61	4	23	9	2
Florida.....	2	3	3	26	4	4	2	2	4	9	2	8	9	2
Georgia.....	3	6	15	6	1	1	2	2	8	26	2	6	3	4
Hawaii.....	2	3	15	3	1	1	2	2	4	7	2	2	2	2
Idaho.....	6	153	96	87	3	19	6	14	1	24	2	6	12	11
Illinois.....	10	14	45	12	12	6	4	5	1	2	3	6	3	3
Indiana.....	14	14	11	11	4	1	3	1	2	1	2	2	5	2
Iowa.....	6	6	37	5	8	5	8	3	1	1	1	2	2	2
Kansas.....	36	20	34	10	9	3	13	11	10	2	3	2	12	2
Kentucky.....	7	6	37	5	8	5	8	3	1	1	1	2	2	2
Louisiana.....	14	14	11	11	4	4	1	1	1	1	1	4	4	4
Maine.....	3	3	17	1	1	1	2	1	1	22	1	10	13	7
Maryland.....	66	41	4	4	4	4	2	3	4	4	4	10	26	7
Massachusetts.....	7	50	144	36	14	10	6	10	6	10	4	5	6	5
Michigan.....	135	94	40	4	4	4	4	4	4	4	4	2	6	1
Minnesota.....	13	13	38	8	4	4	2	1	1	2	1	2	6	1
Mississippi.....	137	137	15	42	5	10	1	2	7	34	4	7	3	2
Missouri.....	7	1	9	9	9	9	3	1	1	1	1	1	2	2
Montana.....	1	1	10	9	9	9	3	1	1	1	7	7	1	2
Nebraska.....	7	1	9	9	9	9	3	1	1	1	7	7	1	2
Nevada.....	1	1	10	9	9	9	3	1	1	1	7	7	1	2

See footnotes at end of table, p. 637.

State and local public health workers, by professional categories and by States, Jan. 1, 1964—Continued

State	Other sanitation personnel		Laboratory personnel (professional and technical)		Health educators		Nutritionists		Medical and psychiatric social workers		Psychologists		Analysts and statisticians			
	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local		
New Hampshire.....	8	7	19	3	4	7	2	3	5	6	1	1	1	1		
New Jersey.....	8	85	67	48	1	1	1	1	2	2	3	4	4	16		
New Mexico.....	15	265	171	334	9	44	10	32	3	73	4	18	52	5		
New York.....	3	20	56	30	7	14	4	2	1	10	6	5	1	1		
North Carolina.....	5	17	17	3	4	4	1	1	1	3	3	5	5	5		
North Dakota.....	9	112	41	48	4	20	2	2	4	6	1	1	3	3		
Ohio.....	1	10	28	16	1	1	1	1	1	1	3	6	4	4		
Oregon.....	2	12	26	6	4	3	1	1	1	1	3	6	9	1		
Pennsylvania.....	6	101	37	69	6	21	4	4	3	21	2	5	13	13		
Rhode Island.....	4	10	25	2	4	4	1	1	2	18	1	2	2	2		
South Carolina.....	10	16	33	10	2	6	4	4	5	1	1	1	1	1		
South Dakota.....	8	13	8	3	3	3	5	1	1	4	1	2	2	2		
Tennessee.....	36	164	61	106	23	9	4	6	3	15	1	12	6	6		
Texas.....	1	3	22	4	3	1	1	1	2	7	1	2	4	4		
Utah.....	1	(4)	16	(4)	1	(4)	2	(4)	2	(4)	3	(4)	1	(4)		
Vermont.....	34	59	42	51	4	3	3	1	6	6	1	2	6	4		
Virginia.....	3	39	26	37	3	3	2	1	6	15	1	8	2	2		
West Virginia.....	3	2	22	8	5	9	2	8	1	3	2	1	4	4		
Wisconsin.....	5	74	19	44	1	1	2	1	3	3	1	1	1	1		
Wyoming.....	(4)	(4)	3	(4)	1	(4)	(4)	(4)	3	(4)	6	(4)	6	(4)		
Guam.....	19	247	4	23	6	30	10	18	50	34	2	19	6	(4)		
Puerto Rico.....	9	(4)	56	(4)	2	(4)	2	(4)	2	(4)	2	2	2	(4)		
Virgin Islands.....			4													
State	Veterinarians		Public health investigators		X-ray technicians		Physical therapists		Administrative management personnel		Clerical		Maintenance, custodial, and service		Other personnel	
	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local
Total.....	51	209	337	543	222	380	82	249	1,128	795	7,733	11,634	1,677	3,143	927	1,876
Alabama.....		4		5	11	1			14	4	128	189	38	44	12	13
Alaska.....					1	2			9		62	57	1	1	2	2
Arizona.....	1	2	4	8	2	6	1	1	6	5	69	98	1	50	5	1
Arkansas.....	2	1	2	5	4				14	1	103	88	17	13	22	1
California.....	4	12	94	2	43	43	4	88	49	88	518	1,314	122	133	85	102
Colorado.....	1	4	2	2	2	2	1	1	8	9	70	92	15	13	19	18
Connecticut.....		1	11	1	1	4	6	1	35	3	172	86	35	4	24	4

7. Coordination and cooperation

After allocating all of the categorical formula grants to official State agencies, the only authorized recipient under the law, we work closely with States to coordinate and cooperate in the administration of the Federal funds. This includes such items as budget and plan development, proper expenditures of the formula grant, and the required State and local matching, and the periodic reporting to the Public Health Service of program and expenditure experiences. There are close working relationships between the various community health divisions within the Bureau of State Services, as it relates to fund administration, program execution, adequate reporting of accomplishments by State health agencies and as needed, policy and procedure changes directed toward improving effectiveness and efficiency in utilizing the Federal formula grant funds at the State and local level. We coordinate our programs with other units in the Department as well as other Federal Government agencies which also allocate funds to States to support health programs or kindred activities. As examples, we work very closely with the Bureau of State Service's environmental health section in radiological health, water pollution, and air pollution. Currently we are providing the grants management requirements necessary to administer their formula grants. We also work closely with the community mental health program of National Institute for Mental Health. Here again we provide the grants management function in order to better coordinate the administration of all Public Health Service formula grant funds appropriated by Congress to support health and health-like activities. We have coordinated our efforts so closely with the Children's Bureau in welfare administration that for the past several years we have been using a health grants administrative manual which was jointly and cooperatively developed by Children's Bureau and Public Health Service personnel. This manual continues to be used and is updated and revised as legislative changes become effective. We also coordinate and cooperate with the poverty program, the Office of Economic Opportunity, the Appalachian Regional Commission, the Social Security Administration, the Department of Labor, and the Office of Education. Because our formula grant funds can only be allocated to official State health agencies, we do not cooperate to any significant extent with foreign governments, international organizations, nonprofit organizations and institutions, and business enterprises except to occasionally exchange information. Even though the formula grants are allocated only to States, we do attempt to cooperate with local city and county health departments. The regulations in our health grants manual have purposely been designed to permit the reallocation of a portion of the individual State's share of the formula grant funds to local health units. The technique has resulted in a closer working relationship between State and local health officials and as a consequence there has been a gradual increase, over the last 15 years, of both the level of program activity and the amount of funds available for expenditures to support health programs. On occasion, and as the need exists, we have also assigned specially trained public health personnel to States for use at either the State or local level. Such assignments are made on the basis of need, inability to recruit, and

availability of qualified personnel. The assignment cannot exceed 2 years. The salary and related costs are paid, in lieu of cash, from one of the categorical grants associated with the type of work to be performed. This type of cooperation has been very helpful to the State, the local health unit and the Public Health Service.

TRAINING GRANTS

RESEARCH TRAINING

For narrative description of the research training grants, see section on research grant programs.

4. Level of operations. (See table 1.)

Program: Research training grants: Bureau of State Services—Community Health (summary).
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67: Summary*

[Dollars amounts in thousands]

Measure (see committee inquiry for definitions)	Unit	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 ¹	Fiscal year 1967 ^{1 2}
(a) Magnitude of the program.....	Grants.....	5	10	20	27
(b) Applicants or participants:					
State government agencies.....	Trainees..	30	91	176	242
Local communities or governments.....					
Individuals or families.....					
Other—Universities.....	Grants.....	5	10	20	27
(c) Federal finances:					
Unobligated appropriations available.....					
Obligations incurred.....		\$284	\$564	\$1,330	\$1,730
Allotments or commitments made.....		(3)	(3)	(3)	(3)
(d) Matching or additional expenditures.....					
(e) Number of Federal employees.....					
(f) Non-Federal personnel.....					
(g) Other measures of performance.....					

¹ President's budget.

² Estimates.

³ Not available.

10. Economic classification of program expenditures.—(See table 2.)

Program: Research training grants: Bureau of State Services—Community Health (summary).
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹	
Grants to State and local governments.....	125
Transfer payments to nonprofit organizations.....	439
Total Federal expenditures.....	564

¹ Expenditures here refer to obligations.

PUBLIC HEALTH TRAINEESHIP PROGRAM (SECTION 306, PUBLIC HEALTH SERVICE ACT)

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The objectives of the program are to increase the number of trained public health personnel and to bring new professional health workers into the field through the opportunities for graduate or specialized formal public health training that are provided. The program also seeks to increase the competence of professional health personnel and to decrease the lag between the discovery of new knowledge and its effective application in public health practice through short-term continuing education public health training.

2. Operation

The program supports graduate or specialized training in public health by providing traineeship support to individuals who plan to pursue careers in this field. Traineeships provide a monthly or daily stipend to the trainees, tuition and fees, and an allowance for travel to the training institution. Traineeships are awarded by several methods:

A. General purpose traineeship grants to schools of public health accredited by the American Public Health Association to award the master of public health degree.

B. Special purpose traineeship grants to support trainees in high-priority training program areas designated by the Public Health Service.

C. Grants to schools of nursing accredited by the National League for Nursing to prepare registered nurses for first-level positions in public health nursing.

D. Environmental health traineeship grants to schools providing graduate public health training in the environmental health sciences.

E. Traineeship grants to accredited residency programs in preventive medicine and dentistry.

F. Traineeships awarded directly by the Public Health Service to individuals pursuing public health training in programs or institutions not receiving support under the above mechanisms.

G. Apprenticeship traineeship grants to public or nonprofit private institutions for the support of medical, dental, and osteopathic students engaged in preceptor-guided public health training.

H. Short-term traineeship grants to public or nonprofit private institutions providing continuing education in public health for professional health personnel.

3. History

Title I of the Health Amendments Act of 1956 authorized public health traineeships which support "professional health personnel" in "graduate or specialized training in public health." In 1959 and again in 1964 the Congress extended the program for an additional 5 years.

Traineeships in schools of nursing have been awarded since the beginning of the program. In addition, traineeships to support

students in the 12 schools of public health originally were awarded directly to individuals and in a few instances through institutional grants. Beginning in fiscal 1963 all such traineeships are awarded through these institutions under general-purpose traineeship grants. The Public Health Service also initiated at that time the special-purpose traineeship grants mechanism, the environmental health and short-term traineeship grants listed above. In fiscal year 1965 the apprenticeship traineeship grants were established under the program and residency traineeship grants were first awarded in fiscal year 1966. A total of 6,311 trainees received traineeship support for long-term public health training and 10,575 received traineeship awards for short-term public health training from fiscal year 1957 through fiscal year 1965. Appropriations for the program increased from \$1 to \$4.5 million during this period as shown below.

Fiscal year:	Appropriation	Fiscal year—Continued	Appropriation
1957-----	\$1, 000, 000	1963-----	\$4, 000, 000
1959-----	2, 000, 000	1964-----	4, 195, 000
1961-----	2, 000, 000	1965-----	4, 500, 000
1962-----	2, 000, 000		

4. Level of operations. (See table 1.)

Program: Public health traineeship program (sec. 306, PHS Act).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—Level of operations or performance, fiscal years 1964–67

[Dollars in thousands]

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimate)	Fiscal year 1967 ¹ (estimate)
a) Magnitude of the program (trainees) -----	4, 527	* 6, 540	9, 460	12, 430
(b) Applicants or participants:				
State government agencies ² -----	11	24	48	70
Local communities or governments ³ -----	9	10	20	30
Individuals or families (trainees) -----	4, 527	* 6, 540	9, 460	12, 430
Other academic institutions (schools) -----	137	175	208	240
(c) Federal finances:				
Unobligated appropriations available -----				
Obligations incurred -----	\$4, 418	\$4, 415	\$7, 000	\$8, 000
Allotments or commitments made -----				
(d) Matching or additional expenditures -----	⁴ None			
(e) Number of Federal employees (man-years) -----	14. 0	16. 5	18. 5	18. 5
(f) Non-Federal personnel ⁵ (national) -----	(⁶)	(⁶)	(⁶)	(⁶)
(g) Other measures of performance -----				

¹ President's budget.

² Estimated upon the basis of fiscal year 1965 grants which are still active.

³ Agencies receiving short-term apprenticeship, and residency traineeship grants under which individual trainees were supported. Such agencies do not receive funds under these grants, except for tuition for short courses, but provide the training.

⁴ Many State, local, and voluntary health agencies support individuals pursuing public health training but no supplemental support of trainees under the public health traineeship program is currently allowed.

⁵ Considerable faculty and preceptor time is required to train the recipients supported under this program but estimates in this regard have not been made. ²⁴ non-Federal members of advisory groups devote considerable time to these activities.

⁶ Part-time, unknown.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

(a) The operation of the public health traineeship program is closely coordinated with other training grant programs of the Bureau of State Services (community health) and Bureau of State Services (environmental health), particularly those of the Division of Chronic Diseases, Division of Nursing, and Division of Water Supply and Pollution Control, which are closely related and meshed through day-to-day contact of the staff administering these programs. In addition, there is regular contact and referral of applications with the Public Health Service research fellowship and training grant programs (primarily administered through the Division of Research Grants, National Institutes of Health) and the Public Health Service mental health training grant programs. The recently adopted Public Health Service Training Grants Manual has facilitated this process.

(b) Relevant applications under this program are occasionally referred to the Children's Bureau and there is direct contact concerning such matters between Children's Bureau staff and the staff administering the public health traineeship program. On occasion, similar contact and discussion is held with the Office of Education and the Vocational Rehabilitation Administration staff.

(c) The only instances in which training activities to date under the public health traineeship program have been related to programs in other departments have involved the National Science Foundation, the Agency for International Development, and the Atomic Energy Commission. No formal arrangements for coordination at the division level have seemed indicated, but a few informal conversations concerning the possible eligibility of individual applications have been held.

(d) Program staff are in regular contact with training officers of State health departments and the directors of residencies, apprenticeship programs, and continuation education in these and comparable agencies. Such agencies routinely receive program materials and some officials of these agencies serve as consultants on the statutory National Advisory Committee on Public Health Training and the Preventive Medicine and Dentistry Review Panel.

(e) Information is routinely distributed to local health departments and community health agencies through regional office staff and State agencies. Some of these agencies receive traineeship grants.

(f) No Division of Community Health Service contacts exist with foreign governments but program staff occasionally clarify program policies and other matters informally with staff of the Pan American Health Organization.

(g) Representatives of organizations such as the American Public Health Association and the National League for Nursing have served on the National Advisory Committee on Public Health Training. Since public or nonprofit institutions and agencies are eligible to participate under section 306 of the Public Health Service Act, some short-term traineeship grants have been awarded to hospitals, voluntary health organizations, and professional organizations. Of course, the bulk of the program's activities deal with academic institutions and there are regular contacts with the representatives of such schools (for example, Public Health Service staff attend public meetings of the Association of Schools of Public Health).

8. Laws and regulations

Section 306 of the Public Health Service Act (42 U.S.C. 242d) as amended by Public Law 88-497.

Prior to fiscal year 1965 there was no limitation on the amount authorized for this program. Appropriations are now authorized and ceilings established for each fiscal year through June 30, 1969 (legislative authorization will expire at that time).

Fiscal year:	Authorization
1957 to 1964-----	(1)
1965-----	\$4, 500, 000
1966-----	7, 000, 000
1967-----	8, 000, 000
1968-----	10, 000, 000
1969-----	10, 000, 000

¹ No limitation

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

Studies have been done on the efficacy of stipend support in enabling individuals to pursue graduate study, but no comprehensive study on the public health traineeship program has been conducted. A survey for a national conference in 1963 did suggest that over one-half of these recipients did not believe they would have completed the training without these awards. Nonetheless, over 60 percent of the respondents sustained a loss of income, over 30 percent consumed a significant amount of savings at the effective stipend level (\$200 baccalaureate, \$250 post-bachelors, \$300 post-masters, and \$400 post-doctoral, plus \$30 per dependent).

Graduate public health training is often required in merit system criteria for positions in public health and completion of such training enables recipients to advance. Nonetheless, salaries in public health employment for many categories are substantially below those paid to the same professional groups in the private sector of the economy (that is physicians, engineers, etc.).

A sizable portion of the student bodies of schools of public health, and some other professional schools, are supported under this program and curtailment would inevitably cause a major reduction in the size and employment of those institutions.

The delivery of effective health services throughout the Nation, including home care services to the aged, preventive health programs of official agencies, programs for the abatement of environmental pollution, and the U.S. commitment to provide technical assistance in the area of public health to other countries are directly dependent upon the number of public health personnel being trained. This program supports a significant portion of that training.

Current analyses of the distribution of trainees by State and the distribution of short-term training courses by State are in process. A report on long-term trainees by State of residence for the first 7 years of program operations is included in the report of the Second National Conference on Public Health Training. (Table 17, p. 56.)

10. Economic classification of program expenditures

Federal obligations for the public health traineeship program in fiscal 1965 were \$4,415,000. The program provides stipends to trainees, and these would be classified as a transfer payment to individuals. The stipends are administered by private nonprofit colleges and universities and also by State and local universities.

Support under this program is limited to individual stipends, tuition fees, and a travel allowance. No indirect costs (overhead) are paid. The institutions benefit only to the extent that they are compensated through tuition.

Although many State, local, and voluntary health agencies support public health training, supplementation of trainees is not currently allowed. Faculty of schools, preceptors in State and voluntary agencies, and members of non-Federal advisory groups and panels make a sizable contribution to the operation of this program, but no attempt has been made to estimate the cost of these contributions.

PUBLIC HEALTH TRAINING—SCHOOLS OF PUBLIC HEALTH

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The Surgeon General is authorized to make grants for the provision of comprehensive professional training, specialized consultative services, and technical assistance in the fields of public health to public or nonprofit schools of public health accredited by a body recognized by the Surgeon General. The educational institutions which meet the legal qualifications at the present time are the 12 schools of public health accredited by the American Public Health Association for the granting of the degree of master of public health. These schools are the University of Minnesota, University of North Carolina, University of Michigan, University of California (Berkeley), University of California (Los Angeles), University of Puerto Rico, Yale University, Johns Hopkins University, Harvard University, Columbia University, Tulane University, and the University of Pittsburgh. These schools, together with other schools specializing in such fields as nursing and engineering, perform an essential role in the training of professional public health personnel for Federal, State, and local government and voluntary organizations.

These grants are intended to support the provision of public health training in schools of public health by offsetting a portion of the deficit which occurs as a result of the disparity between income from tuition and the cost of instruction of federally sponsored students. The effect of the grants is to expand and improve the public health training offered by these schools and to enable them to accept increased enrollments.

2. Operation

Public Law 85-544 authorized utilization of \$1 million of the annual appropriation to carry out the purposes of section 314(c) of the Public Health Service Act. Enactment of Public Law 87-395 increased the authorization to \$2,500,000 for fiscal years 1962 through 1968. The following table shows the amounts authorized, appropriated, and expended for this program.

Fiscal year	Authoriza- tion	Appropri- ation	Federal ex- penditures ¹
1959 -----	\$1,000,000	\$450,000	\$442,300
1960 -----	1,000,000	1,000,000	952,498
1961 -----	1,000,000	1,000,000	951,210
1962 -----	2,500,000	² 1,173,000	1,094,608
1963 -----	2,500,000	1,900,000	1,863,573
1964 -----	2,500,000	1,900,000	1,900,000
1965 -----	2,500,000	2,500,000	-----

¹ Obligations.² Amount available.

Method of distribution.—One-third of the funds are allotted equally among eligible schools and the remaining two-thirds on a 3-year average of the number of federally sponsored students. Funds are available after approval of an application from eligible schools showing the purposes for which the funds will be used.

Data are collected annually from each school of public health concerning the number of federally sponsored students enrolled.

The listing of institutions accredited for granting the degree of master of public health is used to determine eligibility under this program.

Matching requirements.—None.

Who may receive Federal aid.—Grant funds are made available to schools of public health.

3. History

Not answered.

4. Level of operations. (See table 1.)

Program: Public health training (grants to school of public health).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

(Dollar amounts in thousands)

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 (estimate)	Fiscal year 1967 ¹ (estimate)
(a) Magnitude of the program -----	-----	-----	-----	-----
(b) Applicants or participants: -----	-----	-----	-----	-----
State government agencies -----	-----	-----	-----	-----
Local communities or governments -----	-----	-----	-----	-----
Individuals or families -----	-----	-----	-----	-----
Other—Public and nonprofit private -----	-----	-----	-----	-----
schools (number of schools) -----	13	13	13	13
(c) Federal finances: -----	-----	-----	-----	-----
Unobligated appropriations available -----	-----	-----	-----	-----
Obligations incurred -----	\$1,900	\$2,436	\$3,500	\$3,500
Allotments or commitments made -----	-----	-----	-----	-----
(d) Matching or additional expenditures -----	-----	-----	-----	-----
(e) Number of Federal employees (man-years) -----	0.5	0.5	0.5	0.5
(f) Non-Federal personnel -----	-----	-----	-----	-----
(g) Other measures of performance -----	-----	-----	-----	-----

¹ President's budget.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. *Coordination and cooperation*

Not answered.

8. *Laws and regulations*

Section 314(e) of the Public Health Service Act, as amended (42 U.S.C. 246a).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from Office of the Surgeon General.)

10. *Economic classification of program expenditures.* (See table 2.)

Program: Public health training grants to schools of public health.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[Thousands of dollars]

Federal Government: ¹

Grants to State and local governments.....	1, 335
Transfer payments to individuals and nonprofit organizations.....	1, 101
Total Federal expenditures.....	2, 436

¹ Expenditures here refer to obligations.

GRADUATE PUBLIC HEALTH TRAINING GRANTS

(Sec. 309, PHS Act)

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

Graduate public health training grants are available for strengthening or expanding graduate public health training in eligible schools of public health, nursing, and engineering and the teaching of preventive medicine and dentistry in schools of medicine, osteopathy, and dentistry. For purposes of this program graduate public health training is defined as the specialized training in public health offered at the post-baccalaureate or post-professional registration level.

2. *Operation*

The program supports graduate or specialized training by awarding grants to eligible schools of public health, nursing, engineering, medicine, dentistry, and osteopathy. Grant funds may be expended for salaries of professional and supportive personnel, consultant fees, equipment, supplies, travel, rental of space, and minor renovations.

Projects are supported for periods of up to 7 years, and at that time grants are renewable.

3. *History*

Public Law 86-720, enacted in 1960, authorized project grants for graduate training in public health to be awarded to schools of public health, engineering, and nursing. The Graduate Public Health Amendments of 1964 extended the authorization through June 30, 1969, and extended the eligibility for grants to all public and private

nonprofit institutions providing graduate or specialized training in public health. For administrative purposes the Public Health Service administratively limited the extension of eligibility to schools of medicine, dentistry, and osteopathy, but it is anticipated that eligibility will be extended after June 30, 1966.

Grants have been awarded to schools of public health, engineering, and nursing since 1960; the first grants to schools of medicine, dentistry, and osteopathy were awarded in 1965. Appropriations for the program have been as follows:

Fiscal year:	Appropriation	Fiscal year—Continued	Appropriation
1961-----	\$1, 435, 000	1964-----	2, 000, 000
1962-----	2, 000, 000	1965-----	2, 500, 000
1963-----	2, 000, 000	1966-----	4, 000, 000

4. Level of operations. (See table 1.)

Program: Graduate public health training grants (sec. 309, PHS Act).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 ¹ estimates
(a) Magnitude of the program (funded projects).....	80	91	135	165
(b) Applicants or participants:				
State government agencies.....				
Local communities or governments.....				
Individuals or families.....				
Other (schools).....	53	67	95	110
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred.....	\$1, 994	\$2, 498	\$4, 000	\$5, 000
Allotments or commitments made.....				
(d) Matching or additional expenditures.....	(²)	(²)	(²)	(²)
(e) Number of Federal employees (man-years).....	2.0	2.5	4.0	4.0
(f) Non-Federal personnel (National Advisory Committee).....				
(g) Other measures of performance (Project directors).....				

¹ President's Budget.

² No matching funds are required; many of the projects also receive support from other sources. There are not sufficient data available on which to base an estimate of the amount of this support.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

The operation of the graduate public health training grant program is coordinated with other training programs within the Branch, Division, and Bureau, including the public health traineeship program (especially special purpose traineeships, residencies in preventive medicine, short-term traineeships, and apprenticeship training) and the training grant programs of the Division of Nursing and the Office of Resource Development, Bureau of State Services (Environmental Health). The traineeship mechanisms often give support to students enrolled in programs of study supported by a training

grant, and it is often helpful to refer to materials received from such grantees by the public health traineeship program. Our areas of interest often are closely related to those of the Office of Resource Development and the Division of Nursing, and we often refer applications we receive to these offices for review and consideration.

(b) We occasionally refer applications to one of the various grant programs of the National Institutes of Health for consideration if this is indicated.

(c) through (i): None.

8. *Laws and regulations*

Section 309 of the Public Health Service Act as amended by Public Law 88-497.

Appropriations have been authorized as follows:

Fiscal year:	Authorization	Fiscal year—Continued	Authorization
1961.....	\$2, 000, 000	1966.....	\$4, 000, 000
1962.....	2, 000, 000	1967.....	5, 000, 000
1963.....	2, 000, 000	1968.....	7, 000, 000
1964.....	2, 000, 000	1969.....	9, 000, 000
1965.....	2, 500, 000		

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Salaries of a number of professional and clerical personnel are paid from grant funds, but it is difficult to say whether these persons have higher incomes because of these grants.

Graduate public health training is often required in merit system criteria for positions in public health, and completion of such training enables people in public health occupations to advance.

The delivery of effective health services throughout the Nation, including home care services to the aged, preventive health programs of official agencies, programs for the abatement of environmental pollution, and the U.S. commitment to provide technical assistance in the area of public health to other countries are directly dependent upon the number of well-trained public health personnel. This program supports a significant portion of this training.

As would be expected, the States receiving the largest amounts of funds are Puerto Rico and the 10 States which have schools of public health. In fiscal year 1965 over half of the grant funds were awarded to schools of six States. In order, they were California, Massachusetts, North Carolina, Michigan, Pennsylvania, and Maryland. Puerto Rico was seventh. Fewest grants were awarded to institutions in the South, the Southwest, and the Rocky Mountain area.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Graduate public health training grants (sec. 309, PHS Act).

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government:¹

Grants to State and local governments.....	1, 464
Transfer payments to individuals and nonprofit organizations.....	1, 034
Total Federal expenditures.....	2, 498

¹ Expenditures here refer to obligations.

DENTAL AUXILIARY UTILIZATION GRANTS PROGRAM

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The ratio of dentists to population has been falling for a generation. Efforts are directed to increasing dental professional manpower and to improving the productivity of the dentists.

2. Operation

The Division provides grants to 46 dental schools in the United States so that they can include instruction in the use of dental assistants in their curriculum.

3. History

The program was begun as a small pilot project in the 1950's to demonstrate the use of dental chairside assistants. In 1961, the present grant program was authorized under the appropriation of the National Institute of Dental Research. This program was transferred to the Bureau of State Services in 1964.

It has become a major factor in extending the arm of the dentist and enabling him to care for more patients in better fashion in a given period of time.

4. Level of operation. (See table 1.)

Program: Dental auxiliary utilization grants program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—Level of operations or performance, fiscal years 1964–67

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 ¹ estimates
(a) Magnitude of the program (dental students).	5,200	5,200	5,200	5,700
(b) Applicants or participants:				
State government agencies				
Local communities or governments				
Individuals or families				
Other—Dental schools	46	46	46	46
(c) Federal finances:				
Unobligated appropriations available				
Obligations incurred	\$2,160	\$2,269	\$2,399	\$2,399
Allotments or commitments made				
(d) Matching or additional expenditures				
(e) Number of Federal employees (man-years)	(2) ²	(2) ²	(2) ²	(2) ²
(f) Non-Federal personnel				
(g) Other measures of performance				

¹ President's budget.

² Unknown.

5. Estimated magnitude of program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

The Division maintains and promotes close working relationships with other dental activities of the Service, particularly with the National Institute of Dental Research.

The Division also actively seeks and promotes its dental health activities in cooperation with professional dental organizations and societies, dental programs of State and local health departments, educational institutions, professional organizations related to health, dental practitioners and dental scientists.

8. *Laws and regulations*

This program is authorized in accordance with section 422(f) of the PHS Act, as amended, Public Law 410, 78th Congress, (58 Stat. 682).

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects.* (See overall statement from the Office of the Surgeon General.)

10. *Economic classification of program expenditures.* (See table 2.)

Program: Dental auxiliary utilization grants program.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

(In thousands of dollars)	
Federal Government: ¹	
Grants to State and local governments.....	1, 203
Transfer payments to individuals and nonprofit organizations.....	1, 066
Total Federal expenditures.....	2, 269

¹ Expenditures here refer to obligations.

TRAINEESHIPS FOR ADVANCED TRAINING OF PROFESSIONAL NURSES

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The purpose of the professional nurse traineeship program is to increase the number of nurses qualified as nurse specialists, as teachers in schools of nursing of all types, and in schools of public health, and as administrators and supervisors of nursing service in institutions and community health agencies. The program offers professional nurses traineeships for full time academic study and short-term intensive training.

Long-term traineeships which provide stipends, costs of transportation to the school, tuition and fees, and dependency allowances accelerate the increase in the number of nurses for leadership positions by enabling them to secure the necessary academic preparation more quickly.

Short-term traineeships providing stipends and cost of tuition enable nurses in leadership positions to update their knowledge, skills, and understanding of new developments in patient care and community health practices.

2. *Operation*

The program is administered by the Public Health Service. Traineeships are awarded to public and to nonprofit private institutions and agencies providing the training. Trainees are selected by the institutions or agencies.

Academic institutions eligible for long-term grants are approved in conformity with policies of the Public Health Service.

A non-Federal professional committee, appointed by the Surgeon General, reviews requests for grants for short-term training and recommends approval or disapproval.

3. History

The professional nurse traineeship program was originally authorized for 3 years under the Health Amendments Act of 1956 for the purpose of increasing the number of professional nurses prepared as administrators, supervisors, and teachers in all fields of nursing. It was extended in 1959 for 5 years. The Nurse Training Act of 1964, Public Law 88-581, continued the program through June 30, 1969, and expanded it to include professional nursing specialties.

4. Level of operations. (See table 1.)

Program: Traineeships for Advanced Training of Professional Nurses
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 ¹ estimates
(a) Magnitude of the program (awards) -----	160	168	161	165
(b) Applicants or participants (trainees) -----	² 6,261	² 7,230	² 6,300	² 6,400
State government agencies ³ (units) -----	82	100	101	103
Local communities or governments ⁴ (units) -----	3	2	2	2
Individuals or families -----	75	66	58	60
Other ⁵ (units) -----				
(c) Federal finances: -----				
Unobligated appropriations available -----				
Obligations incurred -----	\$7,325	\$7,879	\$9,000	\$10,000
Allotments or commitments made -----				
(d) Matching or additional expenditures -----				
(e) Number of Federal employees (man-years) -----	7	7	7	7
(f) Non-Federal personnel (man-years) -----	0.2	0.2	0.4	0.4
(g) Other measures of performance -----				

¹ President's budget.

² Breakdown not available.

³ State government agencies, State-supported schools of nursing.

⁴ Local communities or governments—community owned school of nursing.

⁵ Other—Private, nonprofit schools of nursing.

5. Estimated magnitude of the program in 1970

Not answered.

6. Prospective changes in program orientation

Not answered.

7. Coordination and cooperation

Policies and procedures for the administration of the traineeship grants were established with the advice of an Advisory Committee appointed by the Surgeon General.

The policies governing professional nurse traineeships are coordinated with other training grant policies of the Public Health Service to maintain consistency and prevent overlapping and duplication.

Cooperation with institutions and agencies who are applicants or potential applicants for traineeship grants is essential in order to expedite administrative procedures with the greatest degree of simplicity.

These agencies or institutions may be private or nonprofit public health agencies, colleges and universities, professional organizations and others.

8. *Laws and regulations*

Traineeships for professional nurses under this program are authorized under section 821 of the Nurse Training Act of 1964, Public Law 88-581. (Title VIII, Public Health Service Act, as amended, 42 U.S.C. 296-298.)

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

A. This program increases the number of graduate nurses with preparation in teaching, administration, supervision, or in a nursing specialty. Approximately 1,500 nurses annually are direct recipients of \$2,400 to \$3,600 in stipends. The additional training received under this program enables them to earn an estimated additional \$2,500 to \$3,500 per year.

Moreover, since this program involves leaders and teachers of others, it can conservatively be estimated that each of the 1,500 annual recipients of traineeships after graduating has a multiplier effect on the salary of about 30 students and subordinates by increasing their skill and earning capacity by about \$2,000 for an effect of about \$95 million each year.

Since the recipients of traineeships are distributed among the 50 States and their students are similarly distributed, this increase of income is felt in all States.

B. Not only is the productivity of the trainees and their students and subordinates increased, but this increased skill and commitment has probably contributed to the increased length of working life of all nurses from 15 years a few years ago, to 20 years today.

This contributes to an added 5 years of earnings for approximately 582,000 nurses.

C. There is no doubt that the production of nurse leaders from this program has improved the quality of nursing education by providing prepared faculty, has improved patient care by providing competent administrators and supervisors for institutions and community health agencies and has assisted the development of the nurse specialist for critical clinical areas.

D. The graduate education provided under this program has enabled nurse leaders to become academically equivalent members of the university community and this has had the effect of pushing up salary levels for deans of schools of nursing and professors of nursing. Since there is a tendency for higher educated personnel to stay longer in the labor force, this program has tended to help stabilize the nurse work force and smooth the peaks and valleys of labor force participation of this occupation.

E. The entire Nation benefits from this program for nursing leaders, since these leaders return to the field of education, to the hospital field, to public health nursing, and other fields of nursing thereby making their impact felt wherever the public has a requirement for nursing services.

F. During 1964 fiscal year, 1,956 long-term traineeships were used by the 96 participating programs in 38 States and territories.

G. Assuming that each one of the estimated 1,500 annual trainees have an increase of \$3,000 per year and each assist 30 other students or subordinates to increase their salary an average of \$2,000, this would have an impact of \$94,500,000 on the gross national product.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Traineeships for Advanced Training of Professional Nurses
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government: ¹	
Grants to State and local governments.....	3, 930
Transfer payments to individuals and nonprofit organizations.....	3, 949
Total Federal expenditures.....	7, 879

¹ Expenditures here refer to obligations.

PARTIAL REIMBURSEMENT TO DIPLOMA SCHOOLS FOR COSTS
ATTRIBUTABLE TO NURSE TRAINING ACT

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The Nurse Training Act of 1964 authorizes the payment of grants to eligible public and nonprofit private diploma schools of nursing to help defray a portion of the cost of training students whose enrollment in such schools can be reasonably attributed to the provisions of this act.

The purpose of such grants is to prevent further attrition of these schools and to promote their development.

2. *Operation*

This is a federally administered program of direct entitlement for payments to eligible schools. Grants are paid to eligible public and to nonprofit private diploma schools of nursing on a formula basis. Each fiscal year each qualifying school is entitled to an amount equal to the product of \$250 and the sum of (1) the number of students enrolled in the school on a full-time basis, who during that year received a loan of \$100 or more under this legislation, and (2) the number by which the full time enrollment in the school exceeds the average of the enrollment totals during the 3 fiscal years of 1962, 1963, and 1964. The date for counting the federally sponsored students and for determining the school enrollment for each year is February 15. In no case may a school, for any year, receive more than the product of \$100 and the total full time enrollment in the school for that year.

3. *History*

Payments to diploma schools of nursing were included in the Nurse Training Act, Public Law 88-581, as a result of testimony from members of the American Hospital Association and from individual administrators of hospitals that conduct diploma programs in nursing.

The purpose of these moneys is to help relieve the hospital of some of the costs that accrue as a result of the training of students whose enrollment in such schools can be reasonably attributed to the pro-

visions of the Nurse Training Act. The first funds under this legislation were paid in June 1965.

4. *Level of operations.* (See table 1.)

Program: Partial reimbursement to diploma schools for costs attributable to Nurse Training Act.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service—Bureau of State Services (Community Health).

TABLE 1.—*Level of operations or performance, fiscal years 1964–67*

[Dollar amounts in thousands]

Measure (see committee inquiry for definitions)	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 ¹ estimates
(a) Magnitude of the program (number of schools).....		190	303	300
(b) Applicants or participants:				
State government agencies.....				
Local communities or governments.....				
Individuals or families.....				
Other—Diploma schools of nursing.....		190	303	300
(c) Federal finances:				
Unobligated appropriations available.....				
Obligations incurred.....		\$788	\$2,500	\$6,000
(d) Allotments or commitments made.....				
(e) Matching or additional expenditures.....				
(f) Number of Federal employees.....				
(g) Non-Federal personnel.....				
(g) Other measures of performance.....				

¹ President's budget.

5. *Estimated magnitude of program in 1970*

Not answered.

6. *Prospective changes in program in 1970*

Not answered.

7. *Coordination and cooperation*

The authorization for the distribution of annual sums appropriated for partial reimbursement to diploma schools requires the applicant institutions to provide selected information regarding the increase in enrollment and the number of students on federally sponsored loans. These data provide the basis for the distribution of funds and do not require coordination with other organizational units within the department, service, or bureau, or other governmental agencies.

The information provided in the application has been independently determined as of February 15 of each fiscal year and is not subject to review by organizational elements not specifically charged with the administration of the act.

Coordination is essential within the controlling institution of diploma programs and with professional nursing and hospital elements necessary to the administration of this legislation.

8. *Laws and regulations*

Payments to diploma schools of nursing are authorized under section 806 of the Nurse Training Act of 1964, Public Law 88-581. (Title VIII, Public Health Service Act, as amended, 42 U.S.C. 296-298.)