

HR 4027

CONFIDENTIAL MEMORANDUM ON ACTIVITIES OF SENATE COMMITTEE ON LABOR AND PUBLIC  
WELFARE AS RELATED TO VOCATIONAL REHABILITATION LEGISLATION

As you know, we have been working for several years to get an expansion of vocational rehabilitation services. At our request, you have introduced two or three bills, the last being H.R. 4027. The administration also has a proposal, H.R. 5194. The House Committee reported a modest bill in 1962, very late in the session, and the bill died in the Rules Committee. This year we had every reason to hope, and the administration was confident, that the Vocational Rehabilitation Act Amendments would be considered in plenty of time for action in the Congress. The extended Civil Rights debate in the Senate made it clear, however, that action would have to be initiated in the House. Mrs. Green, Chairman of the Special Education Subcommittee, stated that this legislation had a high priority for this year and that she was sure that she could get to it and report a bill in time for Senate action.

Numerous delays kept the legislation from being considered by the subcommittee until June 22nd. At that time, an executive session was called. It had been decided that it would not be necessary to conduct general hearings since exhaustive hearings had been conducted in 1962. At the meeting of the committee, the legislation embodied in the various proposals was never taken up. Instead, the chairman insisted that a new formula would have to be found for allotting funds and matching funds. No such changes have been contemplated in any of the legislation before the committee. So far as we have been able to find out, the chairman had no particular principles or objectives in mind to be achieved from a new formula, but that there had to be a new formula.

We recognize, of course, that she and others are not too happy with the present "Hill-Burton" formula which is found in a number of pieces of federal legislation, particularly with the high weighting given to per capita income.



The Vocational Rehabilitation Administration was requested to start developing a formula. It was suggested that such factors as the number of handicapped people, unemployment, statistics, etc., might be used as new factors in a formula.

A quorum was not present the second day. Members of the committee to whom I talked stated they saw very little use of going over there and getting involved in the discussion on a formula, when they knew there was really no new formula prepared, and that this would probably result in delay in defeating the whole thing during this session. Incidentally, while several members of the subcommittee may not particularly like the present formula, none of them wanted to use the Vocational Rehabilitation Act as a guinea pig for trying to change. Every other member of the subcommittee would have been perfectly willing to go ahead and report a bill expanding the program and delay until next session consideration of a formula, if the chairman felt that this should be undertaken.

There have been no further meetings of the subcommittee. The Vocational Rehabilitation Administration has prepared a formula. It uses the number of handicapped people in the country in lieu of population and per capita income but does not square per capita income. It is not too bad when it comes to allotments, particularly since Mrs. Green is perfectly willing that no state shall get a smaller allotment under the new formula than it got under the old. ~~When~~ <sup>been</sup> The matching formula that has worked out has used the number of unemployed and per capita income not squared. This results in terrific distortions, and I do not see how such a matching formula could be used effectively. It would be possible, however, to develop a matching formula that included three or four different items, particularly if the federal percentage is raised. I do not think Mrs. Green would be adverse to raising the average federal percentage, but she has not committed herself definitely on this.



During the course of negotiations, I offered a compromise which I hoped would be successful. I suggested that the new programs established in the proposed legislation, rehabilitation facilities, evaluation services, etc., be allotted and matched with a new formula, but that the old formula remain for the basic Section II program. Mr. Brademas got Mr. Cohen on the telephone for me to talk about this, and it ended up with the Administration agreeing to this proposal. It was rejected by Mrs. Green.

This is where we stand. Even if Mrs. Green should hurry things up during the next few days and try to get out a bill of some kind, I think there would be very little point in pressing for action on the floor. Senator Hill was perfectly willing to do everything he possibly could to rush through a non-controversial bill. He would not even take up a controversial bill this late. Now, as you know, he is in the hospital for an operation. The best we can do, I guess, is to put the pressure on to get this thing taken up as one of the very first acts of the respective committees in January.