

MENTAL RETARDATION FACILITIES AND  
COMMUNITY MENTAL HEALTH CENTERS  
CONSTRUCTION ACT OF 1963

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REPORT  
OF THE  
COMMITTEE ON INTERSTATE AND  
FOREIGN COMMERCE  
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

S. 1576

A BILL TO PROVIDE ASSISTANCE IN COMBATING MENTAL  
RETARDATION THROUGH GRANTS FOR CONSTRUCTION  
OF RESEARCH CENTERS AND GRANTS FOR FACILITIES  
FOR THE MENTALLY RETARDED AND ASSISTANCE IN  
IMPROVING MENTAL HEALTH THROUGH GRANTS FOR  
CONSTRUCTION AND INITIAL STAFFING OF COMMUNITY  
MENTAL HEALTH CENTERS, AND FOR OTHER PURPOSES



August 21, 1963.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed

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Mr. HARRIS, from the Committee on Interstate and Foreign  
Commerce, submitted the following

R E P O R T

[To accompany S. 1576]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 1576) to provide assistance in combating mental retardation through grants for construction of research centers and grants for facilities for the mentally retarded and assistance in improving mental health through grants for construction and initial staffing of community mental health centers and for other purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass. The amendment to the text of the bill is a complete substitute, and is printed as appendix C to this report. The amendment to the title of the bill changes the title to conform to the changes in the text of the bill.

SUMMARY

The bill, as reported by the committee, would authorize financial assistance (a) in the construction of research centers and facilities related to the mentally retarded; (b) in the construction of community mental health centers; and (c) in the training of teachers of children who are mentally retarded or mentally ill as well as other handicapped children. The construction provisions are based on the patterns established in the Hill-Burton Hospital and Medical Facilities Survey and Construction Act, and the Health Research Facilities Construction Act.<sup>1</sup>

<sup>1</sup> Titles VI and VII of the Public Health Service Act.

*Title I.—Construction of Research Centers and Facilities for the Mentally Retarded*

Part A would authorize the appropriation of \$20 million over the 3-year period beginning with the fiscal year 1964 for project grants to pay for a maximum of 75 percent of the costs of constructing research centers that would develop new knowledge for preventing and combating mental retardation.

Part B would authorize the appropriation of \$22.5 million over the 3-year period beginning with the fiscal year 1964 for project grants to pay for a maximum of 75 percent of the costs of constructing college or university associated facilities for the mentally retarded.

Part C would authorize the appropriation of \$27.5 million over the 2-year period beginning with the fiscal year 1965 for formula grants to be allocated among the States to pay 33½ to 66½ percent of the costs of constructing public and other nonprofit facilities for the care of the mentally retarded.

*Title II.—Construction of Community Mental Health Centers*

This title would authorize the appropriation of \$115 million during the 2-year period beginning July 1, 1965, for formula grants to be allocated among the States to pay 33½ to 66½ percent of the costs of constructing public and other nonprofit community mental health centers.

The provisions of the Senate-passed bill authorizing Federal grants for initial staffing of these centers were deleted by the committee.

*Title III.—Training of Teachers of Mentally Retarded and Other Handicapped Children*

This title would authorize the appropriation of \$47 million over the 3 years beginning fiscal year 1964, to extend and strengthen the existing programs for training teachers of mentally retarded children and deaf children and to expand these programs to include the training of teachers of other handicapped children such as the visually handicapped, the speech impaired, and the emotionally disturbed. The committee would expect that this expanded program would be pointed toward providing more classroom teachers for all handicapped children.

This title would also authorize the appropriation of \$6 million over the 3 years beginning fiscal year 1964 to finance grants for research or demonstration projects relating to the education of the handicapped.

*Title IV.—General*

This title includes general provisions and definitions.

## HEARINGS

The Subcommittee on Public Health and Safety conducted hearings on H.R. 3688, the proposed Community Mental Health Centers Act of 1963, and H.R. 3689, the proposed Mental Retardation Facilities Construction Act of 1963, on March 26, 27, and 28, 1963. The provisions of these bills have been incorporated in S. 1576, the proposed Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

Further hearings were held by the subcommittee on S. 1576 on July 10 and 11, 1963.

The committee has heard testimony or received communications favorable to the bill from the Governors of 22 States, the major professional organizations and public interest groups in the field, as well as numerous expressions from individual citizens.

**COST OF THE BILL**

As passed by the Senate, S. 1576 authorized construction grant appropriations over a 5-year period, staffing grants over an 8-year period, and grants for teacher training and demonstrations over a 3-year period with authorizations aggregating \$850 million.

The authorization for appropriations under the amended bill covers the fiscal years 1964 through 1966—a 3-year period. The total authorization amounts to \$238 million with a maximum authorization of \$117.5 million for any single year. The table below shows the year-by-year authorizations for titles I, II, and III:

*Authorization for appropriations for fiscal years 1964-66 under proposed Mental Retardation Facilities and Community Mental Health Centers Act of 1963*

[In millions of dollars]

Program	1964	1965	1966	Total
Mental retardation:				
Research centers.....	6.0	8.0	6.0	20.0
Facilities:				
University grants.....	5.0	7.5	10.0	22.5
State grants.....		12.5	15.0	27.5
Subtotal, title I.....	11.0	28.0	31.0	70.0
Mental health centers: Construction.....		50.0	65.0	115.0
Subtotal, title II.....		50.0	65.0	115.0
Teachers of handicapped:				
Training grants.....	13.0	14.5	19.5	47.0
Research and demonstrations.....	2.0	2.0	2.0	6.0
Subtotal, title III.....	15.0	16.5	21.5	53.0
Grand total.....	26.0	94.5	117.5	238.0

**THE APPROACH OF THE BILL**

In large measure the provisions of titles I and II of the bill provide construction grant authorizations specifically directed toward mental retardation and mental health facility construction in lieu of general authorizations for construction of health research and hospital facility construction now in the statutes. In this respect the bill follows a trend of providing authorizations directed at specific health problems that has characterized most Federal health grant programs over the last several decades.

For example, when the Hill-Burton hospital construction program was first established in 1946, it provided one grant authorization to provide financial assistance for all types of hospital needs. As it became apparent that special attention needed to be given to the construction of chronic disease hospitals, nursing homes, rehabilitation facilities, and diagnostic and treatment centers, the Congress in 1954 authorized separate special grants for each of these special purposes.

In the health research field a comparable development has taken place. Beginning first with a general authorization to conduct research and award research grants, the Public Health Service Act has been amended over the years to authorize the establishment of specialized institutes and the awarding of categorical research grants for various high priority diseases and health conditions. Starting with authorization for special research attention to the cancer problem, the organizational and research grant developments in the National Institutes of Health have been characterized by a series of laws designed to create new Institutes and new grant programs in order to promote and encourage research in additional specialized health problems. Illustrative of such actions are the National Mental Health Act of 1946, the National Heart Act of 1948, and the National Dental Research Act of 1948. The latest of these actions took place only last year with the enactment of Public Law 87-838 authorizing the establishment of the new Institute of Child Health and Human Development and the new Institute of General Medical Sciences. A similar pattern was followed in the Vaccination Assistance Act of 1962 (Public Law 87-868).

The result of this common trend from generalized to specialized authorization has been to focus nationwide attention on high priority health problems. Through such actions, the Congress has charted the course of Federal Government action toward meeting those national health problem needs which from time to time emerge as susceptible to solution through coordinated National, State, and local action.

The reported bill follows this same general pattern. The bill provides a framework for coordinated National, State, and local action, and puts in one place all authority for grants to aid in the construction of facilities for research into the problem of mental retardation, of university-associated facilities for the mentally retarded, and of State and local facilities for the mentally retarded, and to aid in construction of community mental health centers.

#### RELATIONSHIP OF THE BILL TO EXISTING LAW AND PREVENTION OF OVERLAPS AND DUPLICATION OF AUTHORITY

*Part A of title I (mental retardation research facilities).*—Under existing law (title VII of the Public Health Service Act), \$50 million annually is authorized for grants to meet up to 50 percent of the cost of construction of health research facilities. Among the types of facilities that can be constructed under this authorization are facilities for research into problems involving mental retardation; however, applications for such centers must, under existing law, compete with applications for all types of health research facilities.

Part A of title I of the committee amendment specifically earmarks \$20 million over a 3-year period, with Federal matching funds up to 75 percent of the cost of construction of research facilities, in order to stimulate effort in the field of research into mental retardation and related aspects of human development. The committee amendment adds a proposed new section 763(b) to the Public Health Service Act, to provide that during the period covered by the bill, no grant may be made under any other provision of the Public Health Service Act for the construction of any such facility.

*Part B of title I (university-affiliated facilities).*—Part B of title I of the committee amendment specifically earmarks \$22,500,000 over a 3-year period for grants for the construction of facilities for the mentally retarded which are associated with a college or university, providing for (1) clinical facilities providing a full range of services for the mentally retarded; (2) facilities for demonstration of specialized services for diagnosis and treatment, training, or care of the mentally retarded; and (3) facilities which will aid in the clinical training of physicians and other specialized personnel. To a limited degree, funds can be made available under the Hill-Burton program (title VI of the Public Health Service Act) for the construction of some of these facilities; however, relatively few projects of this nature have received Hill-Burton aid, and this limited assistance does not help with the improvement and expansion of the educational, training, and residential services to be provided in these facilities.

In order to eliminate any overlap or duplication of authority in this area, the committee amendment, in section 125 of the bill, provides that no grant may be made during the period covered by the bill under any provision of the Public Health Service Act for construction of any facility described in this part B.

*Part C of title I (State and local facilities for the mentally retarded).*—Part C of title I authorizes appropriations totaling \$27,500,000 over a 2-year period for the construction of public and nonprofit facilities for the mentally retarded.

Under existing law, the Hill-Burton program can be utilized for the construction of some of the types of facilities that would qualify for assistance under this provision; however, as is the case with the university-affiliated facilities, existing authority is not adequate to cover the entire range of services sought to be provided in these facilities, which will cover diagnosis, treatment, education, training, and custodial care for the mentally retarded, including facilities for training specialists and sheltered workshops.

In order to prevent any overlap or duplication, the committee amendment provides, in section 137 of the bill, that for the period covered by the bill, no grant may be made under any provision of the Public Health Service Act for construction of any facility described in this part C.

*Title II (community mental health centers).*—Title II provides for grants, following the Hill-Burton pattern, to assist in the construction of community mental health centers, which will provide a full range of services for the mentally ill. It is contemplated that community mental health centers will provide, at a minimum, diagnostic services, inpatient care, outpatient care, and day and night care. Other facilities could include activities related to the prevention of mental illness, counselling services, rehabilitation activities, such as sheltered workshops and foster-home care, and other services. It is planned that the community mental health centers will transfer the care of the mentally ill from State custodial institutions to community facilities and services comparable to the facilities and services provided at the community level for those who are physically ill.

Funds available under the Hill-Burton program are available for the construction of some of these facilities; however, this assistance is not available for the full range of facilities embraced in community health centers.

In order to eliminate overlaps and duplication of authority, the committee added a new section 207 to provide that, for the period covered by the bill, no grant may be made under any provision of the Public Health Service Act for the construction of any facility described in this title.

While mental health facilities have been eligible for support under the Hill-Burton program, the demand for general health facilities, principally community general hospitals, has been so large that only 3 percent of the grants funds appropriated under this program have been used for mental health facilities. There is a clear need for special funds for the construction of mental health facilities. The bill as recommended by the committee is consistent with the successful Hill-Burton pattern in terms of the requirement for State plans, the allocation of funds to the States, and the extent of Federal participation in project costs. However, the committee is convinced that the bill is different in an essential respect from the Hill-Burton program in that it is designed to provide facilities for the furnishing of a continuum of services. Thus not only is it appropriate that there should be separate administration of this program from the Hill-Burton program, but the two programs should be separately administered so that projects are eligible for support from only one program.

#### RELATIONSHIP OF THE BILL TO OTHER MEASURES PENDING IN THE CONGRESS

S. 1576, as passed by the Senate, and referred to the Committee on Interstate and Foreign Commerce contains three of four proposals made by the administration dealing with mental retardation and mental health. These three proposals deal with (1) construction assistance for facilities for the mentally retarded, (2) construction assistance and staffing grants for community mental health centers, and (3) grants to help in the training of special educators for the mentally retarded and for other handicapped children.

The fourth proposal is set out in H.R. 7544, recently reported from the Committee on Ways and Means. Since a number of questions have been raised concerning the relationship between that bill and S. 1576, as reported by the Committee on Interstate and Foreign Commerce, it is necessary to explain the bill in some detail.

H.R. 7544 expands existing statutory authority, and provides new statutory authority, to help the States in their efforts to prevent and combat mental retardation.

H.R. 7544 would expand the existing programs of maternal and child health and crippled children's services by increasing the \$25 million presently authorized annually for each of these programs in steps of \$5 million until the authorized amounts reach \$50 million for 1970 and subsequent years for each program. It authorizes a new 5-year program of project grants to provide necessary health care for expectant mothers who have or are likely to have conditions associated with child bearing that increase hazards to the health of mothers or their infants and who, because of low income or other reasons beyond their control, will not receive such care. The authorization would be \$5 million for 1964 and reach \$30 million by 1966. The Federal grant would not exceed 75 percent of the cost of the project. It authorizes grants, contracts, or jointly financed cooperative arrange-



ments for research projects related to maternal and child health and crippled children's services that show promise of substantial contribution to the advancement of these programs. Such research would be directed toward the evaluation of programs and improving their development, management, and effectiveness. Appropriations could not exceed \$8 million for any fiscal year. The bill also authorizes a one-time appropriation of \$2.2 million to help States in developing awareness of problems of mental retardation, coordinating existing resources, and planning other activities relating to the prevention, treatment, or amelioration of mental retardation. The Federal grant could not exceed 75 percent of the cost.

There is no duplication between S. 1576 and H.R. 7544 as it was reported from the Committee on Ways and Means. As it relates to mental retardation, H.R. 7544 is essentially concerned with health measures to reduce the incidence of mental retardation through preventive measures, with applied research directed to the evaluation and improvement of programs, and with State planning to develop public awareness of the problems of mental retardation, to coordinate existing resources, and to establish programs of State and local action to combat mental retardation. H.R. 7544 does not provide for any construction. S. 1576, on the other hand, provides for the construction of research centers and facilities for the mentally retarded.

#### TITLE I—CONSTRUCTION OF RESEARCH CENTERS AND FACILITIES FOR THE MENTALLY RETARDED

##### BACKGROUND

On October 17, 1961, the President appointed a 27-member panel of outstanding consultants with the mandate of preparing a national plan to combat mental retardation. The report of the panel was submitted to the President on October 16, 1962, after a year-long intensive study of the problem of mental retardation.

The report of the panel, "A Proposed Program for National Action To Combat Mental Retardation," outlines the size and scope of the problem in this country and provides a blueprint for a comprehensive program for action to prevent mental retardation and minimize the effects of mental retardation on human development. Titles I and III of this bill would carry out a number of the recommendations resulting from urgent needs discovered by the panel.

Public concern for the plight of the mentally retarded has expanded sharply over the past decade and this concern is reflected by the establishment of a citizen's group, the National Association for Retarded Children, that was founded with a membership of 1,000 in 1950. The association now has a membership of 80,000 and 1,000 State and local chapters.

The concern of the public stems from the lack of adequate facilities, the absence of a coordinated program of services for the retarded, and the paucity of our research resources being devoted to mental retardation. These deficiencies intensify the impact of mental retardation on the individual, his family, and our country.

State and local governments are now spending about \$400 million each year for the care of the mentally retarded in institutions. The care is largely of a custodial nature in crowded facilities. The cost of

caring for mentally retarded persons in institutions is 3 to 4 times the cost of rearing and educating normal children.

The States and local governments also spend a total of \$150 million each year for special education and other services for retarded individuals outside of public institutions.

The Federal Government now spends about \$164 million for the mentally retarded. Of this total, more than three-fourths represents income maintenance payments through public assistance and social security programs. The remaining one-fourth is accounted for by research, training, and special services.

#### OUR LACK OF KNOWLEDGE

Our present body of knowledge in the field of mental retardation is so limited that we can ascribe precise causes for the condition in only 15 to 25 percent of the cases. For the majority of the retarded individuals—from 75 to 85 percent of the cases—it is not yet possible to identify a specific cause for the retardation.

There are a great many diseases and conditions which affect the brain and result in retardation, including infections or poisons in the mother's system during pregnancy, infection of the central nervous system during infancy, injuries to the brain at birth, head injuries in childhood, metabolic disorders determined by heredity, and abnormal brain growths.

Despite our lack of understanding with respect to the specific causes of mental retardation, we have made dramatic progress in research and this progress greatly encourages the further pursuit of new knowledge.

We have found perhaps a dozen treatable causes of mental retardation<sup>1</sup> but these account for a very small percentage of the mentally retarded. Medical science is now successful in averting brain damage in mental retardation due to RH blood factor incompatibility in practically all instances, but the effect on the total situation is comparatively small because this cause accounted for about only 1 percent of the new admissions to institutions for the retarded.

The scope of the broad classifications of the causes of mental retardation presents an area of scientific inquiry that is so comprehensive and complex that universities and existing research institutions have neither the physical facilities, the funds, nor the personnel to meet the problem. But unless we launch broadly based inquiries, we will have little success in adding to the knowledge that is essential to carry out an effective program aimed at the prevention of mental retardation and the amelioration of its effects.

The urgency of dispelling the scientific ignorance in the field of mental retardation is such that this committee has recommended that Congress approve the authorization of \$20 million over a 3-year period, beginning with the fiscal year 1964, to pay up to 75 percent of the costs of constructing research centers that would be operated by public and other nonprofit institutions to carry out research and research training related to human development and its biological,

<sup>1</sup> Phenylketonuria, galactosemia, maple sirup urine disease, tyrosine disease, fructose intolerance, leucine intolerance, hyperglycemia, and cretenism are conditions occurring as a result of errors in body chemistry; hydrocephalus is a condition characterized by abnormal accumulation of fluid in the cranial vault, atrophy of the brain, and mental weakness.

medical, social, and behavioral aspects. Institutions of higher education and other qualified institutions would serve as sponsoring agencies for the research centers.

#### NEED FOR FACILITIES FOR THE MENTALLY RETARDED

Although an aggressive research program offers great promise in the long-range approach to combating mental retardation, it is essential that in the immediate future we mobilize existing knowledge and resources against mental retardation.

To attack the problem of mental retardation the States require a comprehensive program of services including diagnosis, treatment, residential care, day care, education, training, and rehabilitation. Sheltered workshops can be of great assistance as part of a comprehensive center organized to restore the mentally retarded to the maximum degree of normal living in his community. In the absence of a coordinated program of services the mentally retarded person is denied the opportunity to develop most fully his potential for contributing to our society.

Approximately 5 percent of the mentally retarded require residential care but our present facilities are obsolete and crowded. Based on 1960 data, about 160,000 of the mentally retarded are in 108 residential institutions specifically designated for their care. Another 10,000 are in private institutions and the remaining 43,000 of the mentally retarded are cared for in public hospitals for the mentally ill. The population of State residential facilities ranges from a few hundred to in excess of 6,000; on the average, each institution is caring for 350 patients over stated capacity and has a waiting list of more than 300.

The population of mentally retarded children is increasing in size, in part as a result of the large increase in the population of our growing country and to some extent because medical science is saving the lives of many young children who are severely handicapped at birth and who might not have survived in past times. Many of these are the more severely retarded children who require residential care.

The concept of providing facilities for the day care of the mentally retarded is relatively new in this country, but we have ample evidence that such facilities are a critically important part of comprehensive services. Day care is available in very few communities. Only rarely can parents make plans for their mentally retarded child with this valuable facility included as part of the program.

If day care facilities and related community services were available it would be possible to eliminate the need for placing many of the mentally retarded in residential institutions.

#### FACILITIES FOR MENTALLY RETARDED PROVIDED UNDER THE BILL

To assist the States and communities in providing adequate facilities for the mentally retarded, the committee has authorized the appropriation of \$22.5 million over a 3-year period beginning with the fiscal year 1964, to pay up to 75 percent of the costs of constructing college or university associated public or other nonprofit facilities for the mentally retarded. These facilities would offer a complete range of services for the mentally retarded and would aid in demonstrating

programs of specialized services for the diagnosis and treatment, education, training, and care of the mentally retarded. These facilities would also provide for the clinical training of physicians and other specialized personnel needed for research, diagnosis, training, or care of the mentally retarded.

In addition, the committee has approved the authorization of \$27.5 million in appropriations for a period of 2 years, beginning with the fiscal year 1965, to be allocated among the States to pay from 33½ to 66½ percent of the costs of constructing public and other nonprofit facilities for the mentally retarded. These facilities would provide for the diagnosis, treatment, education, training, or care of the mentally retarded, including facilities for training specialists and sheltered workshops for the mentally retarded, if such workshops are part of facilities with comprehensive services for the mentally retarded.

The following table shows the allotments that would be made to the States under the bill:

*Allotments to States for construction of mental retardation facilities according to S. 1576*

State	Fiscal year 1965	Fiscal year 1966	State	Fiscal year 1965	Fiscal year 1966
Total.....	\$12,500,000	\$15,000,000	Nebraska.....	\$100,000	\$110,813
Alabama.....	273,401	336,581	Nevada.....	100,000	100,000
Alaska.....	100,000	100,000	New Hampshire.....	100,000	100,000
Arizona.....	100,000	116,491	New Jersey.....	318,777	392,445
Arkansas.....	153,546	189,030	New Mexico.....	100,000	100,000
California.....	855,726	1,053,479	New York.....	849,424	1,045,719
Colorado.....	109,455	134,749	North Carolina.....	365,186	449,579
Connecticut.....	128,728	153,477	North Dakota.....	100,000	100,000
Delaware.....	100,000	100,000	Ohio.....	579,130	712,963
District of Columbia.....	100,000	100,000	Oklahoma.....	162,822	200,448
Florida.....	337,421	415,395	Oregon.....	108,484	133,555
Georgia.....	309,780	381,368	Pennsylvania.....	659,832	812,315
Hawaii.....	100,000	100,000	Rhode Island.....	100,000	100,000
Idaho.....	100,000	100,000	South Carolina.....	210,736	259,436
Illinois.....	533,313	656,559	South Dakota.....	100,000	100,000
Indiana.....	286,517	352,730	Tennessee.....	279,434	344,009
Iowa.....	174,880	215,293	Texas.....	660,964	813,709
Kansas.....	137,757	169,592	Utah.....	100,000	100,000
Kentucky.....	237,402	292,264	Vermont.....	100,000	100,000
Louisiana.....	254,173	312,911	Virginia.....	281,309	346,317
Maine.....	100,000	100,000	Washington.....	171,673	211,345
Maryland.....	180,659	222,408	West Virginia.....	132,617	163,264
Massachusetts.....	277,143	341,188	Wisconsin.....	247,381	304,549
Michigan.....	472,814	582,077	Wyoming.....	100,000	100,000
Minnesota.....	219,133	269,773	Guam.....	6,484	7,982
Mississippi.....	216,442	266,460	Puerto Rico.....	246,519	303,488
Missouri.....	255,297	314,295	Virgin Islands.....	3,446	4,242
Montana.....	100,000	100,000	American Samoa.....	2,195	2,702

## TITLE II—CONSTRUCTION OF COMMUNITY MENTAL HEALTH CENTERS

### BACKGROUND

In 1955 Congress approved the Mental Health Study Act (Public Law 182 of the 84th Cong.) to authorize an intensive, long-range study of the Nation's resources for coping with the mental health problem and requested recommendations for a national mental health program. A 6-year study was carried out by the Joint Commission on Mental Illness and Health, an organization comprising 36 national organizations representing the principal scientific and professional

associations concerned with health, education, and welfare and the major nonprofessional citizens' organizations interested in many aspects of our Nation's welfare.

The report of the Joint Commission provides realistic concepts and plans for carrying out badly needed reforms in the treatment of mental illness. The report recognizes our lack of progress in the field of treating the mentally ill and sets forth a series of recommendations that includes emphasis on research, the training of additional manpower, and a mobilization of treatment resources so that comprehensive mental health services can be made available to the mentally ill.

#### THE MAGNITUDE OF THE PROBLEM OF MENTAL ILLNESS

That mental illness is our most serious health problem can be seen by the fact that the direct cost of caring for the mentally ill, mostly in State mental institutions, is about \$2 billion annually, that half of our hospital beds are occupied by mental patients and that at various times in their lives about 1 in 10 persons is so severely mentally ill as to need—but not often obtain—professional help. The wages and productivity lost as a result of mental illness are great and yet even these additional billions are minor when viewed in the light of the anguish and suffering of the afflicted and their families.

Throughout our national history, those suffering from mental disorders have been rejected by society and isolated, first in jails and poorhouses, later in State institutions built especially for the confinement of these patients. While an increasing number of people are being admitted to the State mental institutions, it has been possible to release patients in much shorter periods of time and thereby actually achieve modest reductions in the total population of these institutions. This more rapid turnover of patients and the declining population of State institutions is attributable primarily to the development of new techniques of treatment, including more effective drugs, an increasing public awareness of the nature of mental illness, and a larger number of psychiatric beds in general hospitals. At the present time, however, the treatment of mental illness takes two major forms. For those few who can afford it, there is private psychiatry, and for the great masses there is the State mental hospital. Because the latter is the principal means of care, it is important to consider some of the salient characteristics of State mental hospitals.

#### STATE MENTAL INSTITUTIONS

Almost 20 percent of the 278 State mental institutions are fire and health hazards by the standards of their own States. This percentage, which is constantly increasing, reflects the fact that more than half of these institutions were opened before the beginning of this century.

Only a small percentage of the institutions can be said to be therapeutic and not merely custodial. In 1959, there were less than 1,000 psychiatrists employed in caring for the more than half a million people in State mental institutions—or less than 1 psychiatrist for 500 patients. According to the standards of the American Psychiatric Association, the State mental institutions are only 20 percent adequately staffed with nurses, 35 percent with social workers, 65 percent with psychologists, and 45 percent with psychiatrists.

The average expenditure per patient day in State mental institutions is about \$4.50 as compared with \$12 in the Veterans' Administration psychiatric hospitals and about \$32 per day in community general hospitals.

Patients suffering from schizophrenia, the most common of the severe mental disturbances, stay in State mental institutions an average of nearly 11 years, despite the fact that it is possible to rehabilitate as many as four out of five such patients in a much shorter period of time.

It is quite clear that unless other alternatives are developed, the general growth in the Nation's population will result in adding to the more than half million people now in State mental institutions, thereby nullifying the reductions made possible in recent years.

#### OTHER INSTITUTIONS FOR THE MENTALLY ILL

Contrasted with the dismal picture of most State mental institutions are the successes of those few institutions which are truly therapeutic rather than merely custodial and the benefits to the patient who is treated in his own local community—in an outpatient clinic or in the psychiatric ward of a general hospital.

Figures from 11 selected programs indicate that 7 out of 10 schizophrenic patients were discharged within a year of admission.

In one program, the average length of stay in the psychiatric unit of a general hospital was 16 days. In other similar programs, the length of stay averaged about 3 weeks.

In another program, half of the psychotic patients who would have been admitted to the State mental institution were treated in community facilities. A large portion of the patients treated close to their homes returned to the job within 6 weeks, whereas the average length of stay of the hospitalized patients was 6 months.

#### THE COMMUNITY MENTAL HEALTH CENTER

The evidence seems clear. Either we must develop the quantity and quality of community services which will ultimately replace these institutions or we will have to undertake a massive program to strengthen the State mental hospitals. The committee believes that the development of new methods of treatment, the impressive evidence of the possibilities for rehabilitating the mentally ill, and a lessening of our disposition to reject and isolate the sufferers, all argue strongly for the treatment of mental illness in the community. This will require a major effort because at the present time only \$1 is being spent on community mental health services for every \$10 being spent for care in State institutions. Waiting lists at community clinics are long and many communities have no program at all. It is a rare community in the Nation where a citizen can, through a single point of contact, have access to the full range of diagnostic, therapeutic, and rehabilitation services, both inpatient and outpatient, for mental illness.

The bill would assist in the development of the comprehensive community mental health centers by providing Federal matching grants to States for the construction of such centers, in accordance with State plans. The authorization would be limited to 2 years for construction grants. The patient services included in such a center would include an emergency psychiatric unit, inpatient services, outpatient services, day and night care, foster home care, rehabilitation programs, and general diagnostic and evaluation services. In addition, the center would offer consultative services to other community agencies and organizations such as information programs in schools and through other public and private agencies.

The community mental health center would build on and be a part of the existing resources and programs of the community—both public and private—rather than be isolated from them. For example, the psychiatric ward of a general hospital would be the major focus of the center in many communities. Existing outpatient mental health clinics might also form the nucleus of a center. Each community would have a major voice in determining the basic pattern of services to be offered through its own mental health center.

It is the strong belief of the committee that Federal support is necessary to assist in the creation of community mental health services, but such Federal support should be so tailored as not to result in the Federal Government assuming the traditional responsibility of the States, localities, and the medical profession for the care and treatment of the mentally ill. The committee believes that title II accomplishes this objective.

A problem involved in the bill is the extent to which manpower will be available for the staffing of these centers. H.R. 12, already passed by the House, would help meet this problem, on a long-range basis, by providing assistance in the construction of new medical schools, or the expansion of such existing schools. The following table shows current estimates by the Department of Health, Education, and Welfare, of the mental health personnel available:

*1960 estimates for mental health personnel and projections for 1965 and 1970*

Field	Estimated total number		
	1960	1965	1970
Psychiatry.....	13,000	17,800	23,504
Clinical psychology.....	9,000	13,505	20,560
Psychiatric social work.....	7,200	11,294	16,557
Psychiatric nursing.....	15,000	17,021	25,885
Total.....	44,200	59,620	86,506

The following table shows the allotments that would be made to the States for mental health centers under the bill as reported:

*Allotments to States for construction of mental health facilities according to S. 1576*

State	Fiscal year 1965	Fiscal year 1966	State	Fiscal year 1965	Fiscal year 1966
Total.....	\$50,000,000	\$65,000,000	Nebraska.....	\$393,259	\$511,797
Alabama.....	1,149,710	1,496,259	Nevada.....	100,000	100,000
Alaska.....	100,000	100,000	New Hampshire.....	169,116	220,090
Arizona.....	411,414	535,424	New Jersey.....	1,423,441	1,852,500
Arkansas.....	654,229	851,429	New Mexico.....	298,859	388,942
California.....	3,808,074	4,955,918	New York.....	3,854,616	5,016,489
Colorado.....	475,745	619,146	North Carolina.....	1,537,644	2,001,126
Connecticut.....	569,263	740,852	North Dakota.....	205,045	264,247
Delaware.....	100,000	129,567	Ohio.....	2,507,854	3,263,780
District of Columbia.....	165,887	215,889	Oklahoma.....	710,706	924,930
Florida.....	1,512,989	1,969,053	Oregon.....	474,048	616,937
Georgia.....	1,308,391	1,702,771	Pennsylvania.....	2,888,915	3,759,703
Hawaii.....	173,957	226,392	Rhode Island.....	222,531	289,606
Idaho.....	206,422	268,643	South Carolina.....	869,920	1,132,134
Illinois.....	2,329,436	3,031,584	South Dakota.....	216,639	281,940
Indiana.....	1,222,544	1,591,048	Tennessee.....	1,190,561	1,549,424
Iowa.....	750,376	976,557	Texas.....	2,822,322	3,673,036
Kansas.....	594,856	774,160	Utah.....	271,786	353,708
Kentucky.....	1,005,954	1,309,172	Vermont.....	112,222	146,048
Louisiana.....	1,059,335	1,378,644	Virginia.....	1,205,371	1,568,699
Maine.....	290,023	377,443	Washington.....	746,999	972,162
Maryland.....	774,654	1,008,153	West Virginia.....	551,542	717,789
Massachusetts.....	1,217,069	1,583,922	Wisconsin.....	1,064,244	1,385,033
Michigan.....	2,005,502	2,610,007	Wyoming.....	100,000	119,822
Minnesota.....	930,074	1,210,421	Guam.....	25,943	33,761
Mississippi.....	902,901	1,175,057	Puerto Rico.....	987,250	1,284,831
Missouri.....	1,114,731	1,450,737	Virgin Islands.....	14,327	18,646
Montana.....	194,808	253,527	American Samoa.....	8,486	11,045

### TITLE III—HANDICAPPED CHILDREN

#### INTRODUCTION

Titles I, II, and IV of S. 1576, as passed by the Senate, embrace in general the provisions of H.R. 3688 and H.R. 3689, bills introduced by Chairman Harris at the request of the administration, on which hearings were held before the Subcommittee on Public Health and Safety. Title III of S. 1576, as passed by the Senate, embraces in general provisions contained in H.R. 3000, introduced at the request of the administration and referred to the Committee on Education and Labor. After S. 1576 was referred to the House Committee on Interstate and Foreign Commerce, further hearings were held, and information was developed on title III, as well as additional information on titles I, II, and IV.

The committee believes the program set forth in title III of the bill, as passed by the Senate, is reasonably complementary to the program for the mentally retarded contemplated in title I of the bill, and urges its adoption. By letter of June 17, 1963, the Department of Health, Education, and Welfare urged favorable consideration of S. 1576 in its entirety.

The programs established under title III are designed to assist in meeting the needs of mentally retarded and other handicapped children through providing for training of persons who will furnish these children a blend of rehabilitative, therapeutic, and educational activities. In this regard the program established by this title overlaps the fields of health and of education.



HANDICAPPED CHILDREN

There are 5 million school-age handicapped children in the Nation in need of special programs designed to meet their unique needs in the fields of education and training. Approximately one-fourth of these are enrolled in special programs in local public school systems and in public and private residential schools. They include children who are blind, partially blind, deaf, hard of hearing, speech impaired, crippled, emotionally disturbed, mentally retarded, and children who have special health problems.

SPECIAL EDUCATORS

About 200,000 special educators of handicapped children are needed in the United States. Such persons are needed to instruct and supervise children, direct programs, and teach in colleges and universities that are training special educators to meet the unique needs of the handicapped. About 50,000 to 60,000 such persons are available. This lack of qualified personnel is the chief obstacle in the development of special education programs in the Nation.

*Estimates of the number of school-age handicapped children in the United States who will need special education in 1963 and the number of special education teachers that will be needed*

Handicap	Estimates of prevalence (percent)	Estimated number of handicapped children	Average teacher-pupil ratio	Estimated total number of teachers required
Total	12.5	5,136,438		213,403
Blind	.033	16,192	1 to 8	2,024
Partially seeing	.06	29,441	1 to 15	1,963
Deaf	.075	36,801	1 to 10	3,680
Hard of hearing	.5	245,340	1 to 35	7,610
Speech impaired	3.5	1,717,380	1 to 100	17,174
Crippled	1.0	490,680	1 to 15	32,712
Special health problems	1.0	490,680	1 to 20	24,534
Emotionally disturbed	2.0	981,360	1 to 20	49,068
Mentally retarded	2.3	1,128,564	1 to 15	75,238

The Department of Health, Education, and Welfare has two specialized programs of financial aid related to the education and rehabilitation of handicapped children. One is the fellowship program providing leadership personnel for the education and training of mentally retarded children; the other is the scholarship program in the field of the deaf for the purpose of preparing classroom teachers of deaf children. Such aid is needed in all other areas for the education and training of handicapped children.

An example of the slow rate at which the Nation is moving to meet the problem of the shortage of those qualified to teach handicapped children is reflected in the fact that only 2,000 degrees were granted to persons in this field during 1959-60.

COLLEGES AND UNIVERSITIES PREPARING SPECIAL EDUCATORS OF HANDICAPPED CHILDREN

There has been an increase in the number of colleges offering professional preparation for special educators of handicapped children.

However, the institutions of higher learning are hampered in their efforts to extend and improve these programs mainly by lack of funds and a shortage of qualified persons to conduct programs of professional preparation.

Under the graduate fellowship program for the preparation of leadership personnel in the education of mentally retarded children, a total of 69 fellowship grants have been awarded to 23 colleges and universities for the academic year 1962-63 for the purpose of preparing college instructors for teacher training programs in the field of education of the mentally retarded.

Under the program for the preparation of teachers of the deaf, which was initiated to alleviate the severe shortage of classroom teachers needed in schools and classes for the deaf throughout the country, a total of 938 scholarships have been awarded to 46 colleges and universities for the academic years 1962-63 and 1963-64. It will be necessary to continue this program, which terminated June 30, 1963, if we are to meet the need for qualified teachers of the deaf.

On April 15, 1963, the Council on Education of the Deaf conducted a survey by mail requesting data pertinent to the need for teachers of the deaf in schools, classes, and clinics in the United States.

As of April 30, 1963, there were 234 respondents of a possible total of 427 schools, classes, and speech and hearing clinics with classes for the deaf.

Although the actual number of returns represents only 54 percent of the total, it is felt that because of the nature and size of the schools responding, these figures adequately represent about 70 percent of the expected need. The greater portion of those not responding are small clinic programs and individual classes.

*Reported needs assumed to reflect 70 percent of total*

	70 percent	30 percent	Estimated total
Teachers needed to complete staff for September 1963.....	675	202	877
Number of replacements employed.....	366	110	476
Number of positions unfilled.....	309	93	402
If trained teachers were available, how many positions would be needed to complete staff to meet school or community needs (additional positions only).....	367	110	477
Number of present staff not fully qualified.....	559	168	727

*Report from 40 schools for the deaf cooperating with teacher training programs*

	1961	1962	1963 <sup>1</sup>
Number of inquiries from college students.....	788	1,279	1,191
Number of formal applications.....	269	546	599
Number accepted.....	167	370	288
Number rejected.....	81	171	197

<sup>1</sup> Incomplete as of April 1963.

The doubling of inquiries, applications, and acceptances for 1962 as compared to 1961 gives evidence of the stimulus provided the education of the deaf by Public Law 87-276.

*Teachers in training, January 1963*

	1952-53	1958-59	1959-60	1960-61	1961-62	1962-63
Number of training centers.....	20	22	25	31	32	1 47
Total number of teachers finishing training.....	93	129	177	231	202	1 470
Students in training under Public Law 87-276.....						370
Number of training centers under Public Law 87-276.....						43

<sup>1</sup> Substantial increase in number of students and centers due to Public Law 87-276.

RESEARCH AND DEMONSTRATION PROJECTS

Perhaps second only to the need for qualified personnel is the need for new knowledge to further improve educational opportunities for handicapped children. The program provided in this bill would do much to focus research attention on major problems of national concern and hasten the application of this new knowledge in the field of education of handicapped children.

The bill authorizes appropriations aggregating \$6 million over 3 fiscal years beginning with the fiscal year ending June 30, 1964, for grants to States, to State or local educational agencies, or to public and nonprofit private institutions for research or demonstration projects relating to education for mentally retarded and other handicapped children. Such grants shall be made after evaluation of projects by a panel of experts appointed by the Commissioner of Education. The Commissioner is also authorized to appoint special or technical advisory committees to advise him on matters of general policy relating to particular fields of education of handicapped children or to special services necessary thereto or special problems involved therein.

SECTION-BY-SECTION ANALYSIS

The first section of the reported bill contains a short title, the "Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963", by which the entire bill may be referred to. The remainder of the bill is divided into four titles:

Title I—Construction of Research Centers and Facilities for the Mentally Retarded.

Title II—Construction of Community Mental Health Centers.

Title III—Training of Teachers of Mentally Retarded and Other Handicapped Children.

Title IV—General.

TITLE I—CONSTRUCTION OF RESEARCH CENTERS AND FACILITIES FOR THE MENTALLY RETARDED

*Section 100. Short title*

This section provides that title I of S. 1576 may be cited as the "Mental Retardation Facilities Construction Act."

PART A—GRANTS FOR CONSTRUCTION OF CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT

*Section 101*

This section would amend title VII of the Public Health Service Act to include the existing provisions in a part A ("Grants for Construction of Health Research Facilities"), and would add a new part to that title ("Centers for Research on Mental Retardation and Related Aspects of Human Development") containing the following provisions:

*Section 761. Authorization of appropriations.*—This section would authorize appropriations of \$6 million for the fiscal year ending June 30, 1964, \$8 million for fiscal 1965, and \$6 million for fiscal 1966, to establish a program of grants to public or other nonprofit institutions to assist in the construction of centers for research, or research and related purposes, in the field of mental retardation and related aspects of human development.

*Section 762. Applications.*—This section would specify the terms under which the Surgeon General might approve an application for a grant under the part. Under subsection (a), an applicant would be required to be a public or nonprofit institution competent to engage in the research for which the facility was to be constructed, and would be required to support its application with reasonable assurances that the facility would be used for not less than 20 years for the purposes for which constructed, that sufficient funds will be available for meeting the non-Federal share of its construction and for effective use of the facility after construction is completed, and that laborers and mechanics employed in the construction of the facility would be paid at rates not less than those prevailing in the locality and not less than those determined in accordance with the Contract Work Hours Standards Act. Subsection (b) would require the Surgeon General, in acting on grant applications, to take into consideration the relative effectiveness of the proposed facilities in expanding national research capacity in the field of mental retardation, and such other factors as he may prescribe by regulation (after consulting the appropriate national advisory councils) to assure that the facilities constructed will best serve the purpose of advancing knowledge in the area. Among the factors that the committee expects to be taken into account in determining the location of these centers will be the desirability of obtaining an equitable geographic distribution of these centers, the supply of research personnel in the various areas, and the other resources available in these areas.

*Section 763. Amount of grants; payments.*—This section would limit the total grants with respect to any project to 75 percent of cost. Payments of grants could be in advance, by way of reimbursement, in such installments consistent with construction progress as the Surgeon General might determine. No grant may be made under any provision of Public Health Service Act other than this part, for any of the 3 fiscal years, 1964–66, for construction of any facility described in this part.

*Section 764. Recapture of payments.*—This section provides for Federal recovery of a share of the current value of any facility aided under this part, which is in the same proportion to such value as the cost of construction paid for by the Federal Government was to the total cost

of construction, if the applicant or other owner of the facility ceases to be a public or nonprofit institution or the facility ceases to be used for research, or research and related purposes, for which it was constructed. The Surgeon General could, however, for good cause, release the applicant or owner from this latter condition.

*Section 765. Noninterference with administration of institutions.*—This section would bar any department, agency, officer, or employee of the United States from exercising any direction, supervision, control over, or imposing any requirement or condition with respect to, the research or related purposes aided under this part, except as otherwise specifically provided.

*Section 766. Definitions.*—This section defines “construction” and “cost of construction” so as to include (1) the expansion, remodeling and alteration of existing buildings, but not the acquisition of land, and (2) equipping new and existing buildings, whether or not expanded, remodeled, or altered.

PART B—PROJECT GRANTS FOR CONSTRUCTION OF UNIVERSITY-AFFILIATED FACILITIES FOR THE MENTALLY RETARDED

*Section 121. Authorization of appropriations*

This section would authorize the appropriation of \$5 million for the fiscal year ending June 30, 1964, \$7,500,000 for the first fiscal year thereafter, and \$10 million for the second fiscal year thereafter for project grants by the Secretary of Health, Education, and Welfare for construction of public and other nonprofit facilities for the mentally retarded which are associated with a college or university. These appropriations would be for the purpose of assisting in the construction of (1) clinical facilities providing, as nearly as practicable, a full range of services, both inpatient and outpatient, for the mentally retarded; (2) facilities which will aid in demonstrating provision of specialized services for diagnosis and treatment, education, training, or care of the mentally retarded; and (3) facilities which will aid in the clinical training of physicians and other specialized personnel needed for such work or for research in connection with the mentally retarded.

*Section 122. Applications*

This section would specify the terms under which the Secretary of Health, Education, and Welfare might approve an application for a grant under this part. In order for an application to be approved, the facility with respect to which it is submitted would have to be associated, to the extent prescribed in the Secretary's regulations, with a college or university hospital or with some other part of a college or university which the Secretary might find appropriate in the light of the purposes of this part. Hospitals affiliated with a college or university would be considered the same as a college or university hospital for this purpose. In addition, there would have to be assurances provided by the applicant that the plans and specifications for the facility are in accord with the Secretary's regulations prescribed under section 133(3) of the bill. These regulations would specify general standards of construction and equipment for the facilities. Also there would have to be assurances as to the vesting of title to the site for the project, assurances that there will be adequate financial support to meet the non-Federal share of the cost of construction and operation of the project, and assurances that

laborers and mechanics employed in the construction of the project will be paid at rates not less than those prevailing in the locality and not less than those determined in accordance with the Contract Work Hours Standards Act.

*Section 123. Amount of grants; payments*

This section would limit the total grants with respect to any project to 75 percent of cost. Payments of grants could be made in advance, by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Secretary may determine.

*Section 124. Recovery*

This section provides for Federal recovery of a share of the current value of any facility aided under this part, which is in the same proportion to such value as the cost of construction paid for by the Federal Government was to the total cost of construction, in case the facility is, within 20 years after completion, sold or transferred to an ineligible person, agency, or organization or in case it ceases to be a public or other nonprofit facility for the mentally retarded. The Secretary could, however, for good cause, release the applicant or owner from this latter condition.

*Section 125. Nonduplication of grants*

This section stipulates that no grant may be made under any provision of Public Health Service Act, for any of the 3 fiscal years, 1964-66, for construction of any facility described in this part.

PART C—GRANTS FOR CONSTRUCTION OF FACILITIES FOR THE MENTALLY RETARDED

*Section 131. Authorization of appropriations*

This section would authorize the appropriation of \$12,500,000 for the fiscal year ending June 30, 1965, and \$15 million for the fiscal year ending June 30, 1966. These funds would be used for grants for construction of public and other nonprofit facilities for the mentally retarded.

*Section 132. Allotments to States*

Subsection (a) of this section would provide for the allotment of appropriated funds among the States on the basis of population, extent of need for the facilities, and the financial need of the States, with a minimum of \$100,000 for any State (other than the Virgin Islands, American Samoa, and Guam). Allotted funds would remain available to the States for obligation in the next succeeding year.

Subsection (b) would authorize the Secretary, at the request of a State, to add a portion of the State's allotment to the allotment of another State for the purpose of meeting a portion of the Federal share (as defined in sec. 401(h)) of the cost of a project in the latter State, provided that the project would meet needs of the requesting State.

Subsection (c) would authorize the transfer of a portion of a State's allotment under this part to its allotment under title II (construction of public and other nonprofit community mental health centers), upon request of the State, provided that the State agency certifies that there have been no approvable applications for that portion under this part, or the State makes a showing that its need for com-

munity mental health centers is substantially greater than for facilities for the mentally retarded.

### *Section 133. Regulations*

This section would require the Secretary to prescribe by general regulations, applicable uniformly to all the States, within 6 months after the enactment of this legislation and after obtaining the approval of the Federal Hospital Council, the kinds of services needed for mentally retarded residents of a State; the general manner, on the basis of relative area needs, in which the State agency shall determine the priority of projects to be approved, giving special consideration to facilities which will provide comprehensive services for a particular community or group of communities; and general standards of construction and equipment for facilities of different classes and in different types of location. The Secretary would also have to require that the State plan provide for adequate facilities to be available to all State residents, including persons unable to pay for them, and would be authorized to require that the State receive assurances that a reasonable volume of services to such indigent persons would be available, where financially feasible, before approving an application for the construction of a facility.

### *Section 134. State plans*

This section would provide for the submission to the Secretary of a State plan, after issuance of the regulations provided for in section 133. The plan would be required to (1) designate a single State agency to administer or supervise the administration of the plan; (2) contain satisfactory evidence of the agency's authority to carry out the plan; (3) provide for the designation of a State advisory council which would include, among others, representatives of consumers of the services provided by the facilities; (4) set forth a construction program, conforming with the requirements of this part, which would be based on a statewide inventory of existing facilities and survey of need; (5) set forth the relative need for the projects included in the program, and provide for their construction, insofar as possible, in the order of such relative need; (6) provide for methods of administration, including personnel standards on a merit basis, that are necessary for the proper and efficient operation of the plan; (7) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of facilities aided under this part; (8) provide for affording every applicant an opportunity for hearing before the State agency; (9) provide for the maintenance and availability of necessary records; and (10) provide for State review of its State plan no less often than annually. The Secretary would have to approve any plan meeting these requirements and could not finally disapprove of a plan without affording reasonable notice and opportunity for hearing to the State.

### *Section 135. Approval of projects*

This section provides that for each State-approved project there shall be submitted to the Secretary through the State agency an application setting forth a description of the site; plans for the project; reasonable assurances that title will vest in the applicant or the agency which is to operate the facility, that adequate financial support will be available for the construction, maintenance, and operation

of the project, that laborers and mechanics employed in the construction of the facility will be paid at rates not less than those prevailing in the locality and not less than those determined in accordance with the Contract Work Hours Standards Act; and certification by the State agency of the Federal share (as defined by sec. 401(h) for the project.)

Subject to the availability of funds, the Secretary would be required to approve the project application if the application conforms to these requirements, and to those of the State plan (and applicable regulations); contains an assurance that the facility will be operated in conformity with that plan, and with State standards for its operation and maintenance; and is entitled to priority over other projects within the State as determined under the State priority system established pursuant to the State plan. No application would be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing. Amendment of an approved application would be subject to approval in the same manner as an original application.

*Section 136. Withholding of payments*

This section would authorize the Secretary to withhold payments to a State completely, or with respect to the specific projects affected, upon his finding, after reasonable notice and opportunity for hearing to the State agency, that the State agency is not complying with the State plan or with regulations, that the assurances required of applicants are or cannot be carried out, that the plans and specifications approved by the Secretary have not been carried out, or that adequate State funds are not being provided for the direct administration of the State plan. Payments may be withheld until the grounds for the Secretary's action have been removed or, if this is impossible, until repayment of Federal moneys to which the recipient was not entitled.

*Section 137. Nonduplication of grants*

This section stipulates that no grant may be made under any provision of Public Health Service Act, for the 2 fiscal years, 1965 and 1966, for construction of any facility described in this part.

## TITLE II—CONSTRUCTION OF MENTAL HEALTH CENTERS

*Section 200. Short title*

This section provides that title II of S. 1576 may be cited as the "Community Mental Health Centers Act."

*Section 201. Authorization of appropriations*

This section would authorize appropriations of \$50 million for the fiscal year ending June 30, 1966, and \$65 million for the fiscal year ending June 30, 1967, for grants for construction of public and other nonprofit community mental health centers.

*Section 202. Allotments to States*

Subsection (a) of this section would provide for the allotment of appropriated funds among the States, on the basis of population, extent of need for the facilities, and the financial need of the States, with a minimum of \$100,000 for any State (other than the Virgin Islands, American Samoa, and Guam). Allotted funds would remain available to the States for obligation in the next succeeding year.

Subsection (b) would authorize the Secretary, at the request of a State, to add a portion of the State's allotment to the allotment of another State for the purpose of meeting a portion of the Federal



share of the cost of a project in the latter State, provided that the project would meet needs of the requesting State.

Subsection (c) would authorize the transfer of a portion of a State's allotment under this title to its allotment under part C of title I (construction of public and other nonprofit facilities for the mentally retarded), upon request of the State, provided that the State agency certifies that there have been no approvable applications for that portion under this title, or the State makes a showing that its need for facilities for the mentally retarded is substantially greater than for community mental health centers.

### *Section 203. Regulations*

This section would require the Secretary to prescribe by general regulations applicable uniformly to all the States, within 6 months after the enactment of S. 1576, and with the approval of the Federal Hospital Council, the kinds of services needed to provide adequate mental health services for residents of a State; the general manner, on the basis of relative area needs, in which the State agency shall determine the priority of projects to be approved, giving special consideration to community mental health centers which (alone or in conjunction with affiliated facilities) will provide comprehensive services for a particular community or group of communities; and general standards of construction and equipment for centers of different classes and in different types of location. The Secretary would also have to require that the State plan provide for adequate community mental health centers to be available to all State residents, including persons unable to pay for them, and would be authorized to require that the State receive assurances that a reasonable volume of services to such indigent persons would be available, where financially feasible, before approving an application for the construction of a facility.

The committee anticipates that persons able to pay for services furnished by community mental health centers will be required to pay for such services, and hopes that private insurance programs can meet, or be expanded to meet, part of the cost of these services. Because so much psychiatric care is given in tax-supported State mental institutions, and because of the long-term care needed for a serious psychiatric illness, nonprofit and commercial insurance have tended not to provide full coverage for mental diseases. The committee was informed, however, that of 83 Blue Cross plans, 57 provide some benefits for mental illness under basic certificates, and 64 under comprehensive basic certificates. As more and more psychiatric illnesses are treated in community hospitals and clinics, benefits for them will probably come to be included as part of realistic prepayment plans and insurance benefits. A recent survey indicates that 69 percent of U.S. general hospitals have the same charges for psychiatric and nonpsychiatric patients. Only 10 percent charge psychiatric patients more than nonpsychiatric patients; and 21 percent charge less.

### *Sections 204, 205, and 206. State plans; approval of projects; withholding of payments*

These sections are substantially identical with the corresponding sections—134, 135, 136—of title I, part C. It should be noted, however, that approval of applications for projects would be limited to those for construction of community mental health centers which (alone or together with affiliated facilities) would provide services as

part of programs providing, principally for persons in the community or nearby, at least those essential elements of comprehensive mental health services which are prescribed by the Secretary of Health, Education, and Welfare in accordance with regulations.

### TITLE III—TRAINING OF TEACHERS OF MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

Title III of the bill would amend the act of September 6, 1958 (Public Law 85-926), which authorizes grants by the Commissioner of Education to institutions of higher learning for training personnel who can, in turn, train teachers of mentally retarded children, as well as grants to State educational agencies to assist them in providing training of teachers of mentally retarded children and supervisors of such teachers. This title would also authorize grants for research and demonstration projects in education of handicapped children.

#### *Section 301. Training of teachers of handicapped children*

This section would amend the act of September 6, 1958, to extend it to all handicapped children, and to extend the grants to the institutions to include grants for training teachers (and supervisors of teachers) of all handicapped children along with other specialized and research personnel for work in this area. For the fiscal year ending June 30, 1964, however, the act of September 6, 1958, would not include any grants with respect to teachers of deaf children. Instead, the act of September 22, 1961 (Public Law 87-276), would be extended from its present expiration date of June 30, 1963, to June 30, 1964. Effective July 1, 1964, the act of September 6, 1958, would apply in the case of deaf children as well as other handicapped children and would further be amended to authorize grants to institutions of higher learning for scholarships for training teachers of the deaf.

The \$1 million per year authorization of appropriations for carrying out the act of September 6, 1958, would be replaced by an authorization for \$11.5 million for the fiscal year ending June 30, 1964, \$14,500,000 for the fiscal year ending June 30, 1965, and \$19,500,000 for the fiscal year ending June 30, 1966.

#### *Section 302. Research and demonstration projects in education of handicapped children*

This section of the bill would authorize appropriations for the fiscal year ending June 30, 1964, and each of the next 2 fiscal years, of \$2 million for grants by the Commissioner of Education to States and public and nonprofit private educational or research agencies and organizations for research or demonstration projects relating to education of mentally retarded, hard of hearing, deaf, speech-impaired, visually handicapped, emotionally disturbed, and other health-impaired children. It would also authorize the Commissioner of Education to appoint special or technical advisory committees to advise him on matters of general policy in particular fields of education of handicapped children. The committee would expect the Commissioner to follow the pattern now set in Public Law 87-276 for the use of advisory committees to review all applications for grants in aid in the various special areas of education for handicapped children. It would also authorize the Commissioner to appoint panels of experts to evaluate the various types of research or demonstration projects aided

under this section. The advice and recommendations of such a panel would have to be secured before making a grant in the particular field in which the experts were competent. Members of any advisory committee or panel could be paid up to \$50 per day plus allowances for travel expenses, including per diem in lieu of subsistence.

The Commissioner of Education would also be authorized to delegate any of his functions under this section to any officer or employee of the Office of Education. This authority would not, however, extend to promulgation of regulations.

#### TITLE IV—GENERAL

##### *Section 401. Definitions*

This section would define the terms "State," "facility for the mentally retarded," "community mental health center," "nonprofit facility for the mentally retarded," "nonprofit community mental health center," "nonprofit private institution of higher learning," "construction," "cost of construction," "title," "Federal share," and "Secretary."

The term "State" would be defined so as to permit the participation of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia in the benefits of the programs established by the bill.

The term "facility for the mentally retarded" would be defined as a facility designed for diagnosis, treatment, education, training, or custodial care of the mentally retarded and would include facilities for training specialists. It would also include sheltered workshops for the mentally retarded when they are part of comprehensive service facilities for the mentally retarded.

The term "community mental health center" would be defined as a facility providing services for the prevention or diagnosis of all types of mental disorders, or care and treatment or rehabilitation of mentally ill patients, but only if the services are principally for persons residing in a particular community or communities in or near which the facility is situated.

The term "construction" would include alteration of existing buildings, and initial equipment of buildings, including medical transportation facilities, but would not include acquisition of land. The term "initial equipment" would include necessary educational equipment where appropriate to the purpose of the facility being constructed.

##### *Section 402. State standard for variable Federal share*

Section 402 would authorize the inclusion, in a State plan approved under part C of title I or under title II, of standards for determining the Federal share of the cost of projects approved in the State under such part or title, as the case may be. Under such standards, which would base variations on economic status of areas and other relevant factors, the Federal share could vary between 33⅓ and 66⅔ percent of the cost of the construction of a project. If a State plan contains such standards at the time that a project application is approved, section 401(h)(i)(j) would provide that the Federal share of the project would be the amount determined under them.

If a State plan did not contain such standards, the Federal share would be the proportion of project cost established by the State agency for all projects in the State. This share could not be less than

33½ percent nor more than the lower of 66½ percent or the "Federal percentage." The Federal percentage for a State, determined by the Secretary as soon as possible after the enactment of this act on the basis of data for the three most recent consecutive years for which such data are available from the Department of Commerce, would be determined as follows: The ratio of the per capita income of the State (as numerator) to the per capita income of the 50 States and the District of Columbia (as denominator) would be multiplied by 50 percent. The resulting percentage would then be subtracted from 100 percent to arrive at the Federal percentage. The Federal percentage for Puerto Rico, Guam, American Samoa, and the Virgin Islands would be fixed at 66½ percent.

#### *Section 403. Payments for construction*

This section would direct the Secretary to make payments from a State allotment, under part C of title I or under title II of the bill, upon appropriate certification by the State agency that a payment is due by reason of work performed or purchases made. Payments would be made to the State, or would be made directly to the applicant if the State were not authorized by law to make such payments. Payment could be withheld, upon notice of opportunity for hearing, if the Secretary had reason to believe that action under section 136 or 206 (withholding of payments) were required. In cases in which an amendment to an approved application is approved, or the estimated project cost is revised, additional payments may be made from the applicable State allotment for the fiscal year in which such amendment or revision is approved.

#### *Section 404. Judicial review*

This section would provide for judicial review of the Secretary's refusal to approve any project application under section 135 or 205, or to approve a State plan (sec. 134(b) or 204(b)), or of his action withholding of payments (sec. 136 or 206), by filing a petition with the U.S. court of appeals for the circuit in which the State is located within 60 days after the action. The court would have jurisdiction to affirm the Secretary's action or to set it aside, in whole or in part. The findings of the Secretary as to the facts, if supported by substantial evidence, would be conclusive, although the court could remand the case to the Secretary for the taking of further evidence. The judgment of the court would be subject to final review by the Supreme Court on certiorari or certification. Commencement of judicial proceedings, however, would not operate as a stay of the Secretary's action in the absence of a court order to that effect.

#### *Section 405. Recovery*

Under this section, the United States would be entitled to recover the value of its interest in a facility for the mentally retarded constructed with assistance under part C of title I or a community mental health center if, within 20 years after the completion of construction, the facility or center were transferred to an agency not qualified to file a project application under section 135 or 205 (i.e., other than the State or a political subdivision, or a public or other nonprofit agency), or an agency not approved as a transferee by the applicable State agency or the facility ceased to be a public or nonprofit facility for the mentally retarded or community mental health center, subject to such exceptions as might be made by the Secretary, in accordance

with regulations, for good cause. The amount recoverable would be a proportion of the then value of so much of the facility or center as had constituted an approved project. This proportion would be equal to the ratio that the amount of the Federal participation in the project bore to the cost of the project.

*Section 406. State control of operations*

This section would bar Federal officials from exercising any supervision or control over the operation of any facility for the mentally retarded or community mental health center aided under the bill, except as otherwise specifically provided.

*Section 407. Conforming amendment*

This section would enlarge the Federal Hospital Council, established by section 633(b) of the Public Health Service Act, from 8 to 12 members. The additional four members would be equally divided between professional or expert personnel and representatives of consumers. One of the six professional persons would be required to be an authority in matters relating to the mentally retarded, and one an authority in matters relating to mental health, and, as at present three would be required to be authorities on the operation of medical facilities. Terms of the four additional members who first take office under the bill would be staggered between 1 and 4 years.

It is the feeling of the committee that the increased emphasis on communities' responsibility and leadership in the development of community mental health centers could be further demonstrated by representation of local elected officials on the Federal Hospital Council.

The raising of the local share of the construction cost of public facilities will largely be the responsibility of locally elected officials as will the continuing financial support and administration of the facilities. The committee feels that the Secretary should keep these facts in mind in appointing members to the Federal Hospital Council.

## APPENDIX A

### AGENCY REPORTS

The reports of the agencies of the executive branch on the bills before the committee are set forth below. The Department of Health, Education, and Welfare has reported on S. 1576; the other agency reports are directed to H.R. 3688, which is set out in titles II and IV of the reported bill, and H.R. 3689, which is set out in titles I and IV of the reported bill.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
*Washington, June 17, 1963.*

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of June 6, 1963, for a report on S. 1576, a bill to provide assistance in combating mental retardation through grants for construction of research centers and grants for facilities for the mentally retarded and assistance in improving mental health through grants for construction and initial staffing of community mental health centers, and for other purposes.

Title I of the bill contains three construction grant authorizations for facilities relating to mental retardation: Part A would authorize aggregate appropriations of \$30 million over a 5-year period for project grants to assist in constructing special centers for research relating to mental retardation; part B would authorize appropriations of \$42.5 million over a 5-year period for project grants for college or university associated facilities for the mentally retarded; and part C would authorize \$67.5 million over a 4-year period for grants to the States to aid in constructing public or nonprofit facilities for the mentally retarded.

Title II includes two new grant authorizations relating to the establishment of community mental health centers. The first, contained in part A, would permit appropriations totaling \$230 million over a 4-year period for grants to the States to help construct public and nonprofit facilities for such community centers. The second, contained in part B, relates to grants—totaling \$427 million over an 8-year period—for the initial staffing of comprehensive centers constructed with grants pursuant to part A.

Title III of the bill would authorize appropriations of \$47 million over a 3-year period to extend and strengthen existing programs for training teachers of mentally retarded children and deaf children and to expand these programs to include training for teachers of other handicapped children. In addition, this title would authorize the appropriation of \$6 million over a 3-year period for grants for research or demonstration projects relating to the education of the handicapped.

Title IV of the bill includes a series of definitions and other general provisions relating to the several program authorizations in the preceding titles.

Except for the provisions of title III, which will be discussed later in this report, the provisions of S. 1576 represent a consolidation, with certain modifications, of proposals originally included in two separate bills to carry out certain legislative recommendations in the President's February 5, 1963, message to the Congress on mental illness and mental retardation. In the House of Representatives these proposals were embodied in H.R. 3688 and H.R. 3689, and several identical bills, on which your Subcommittee on Public Health and Safety held public hearings in March of this year.

Apart from the structural differences resulting from the consolidation per se, the substantive provisions of S. 1576 differ from those of H.R. 3688 and H.R. 3689 in several significant particulars:

1. S. 1576 includes (in part B of title I) a separate project grant authorization for construction grants for university associated facilities for the mentally retarded, whereas under the provisions of H.R. 3689 aid for the construction of such facilities would be provided through the earmarking of a portion of the appropriations authorized for grants to the States. After further consideration of these alternative approaches to the same objective, we believe the project grant approach contained in S. 1576 lends itself more readily to the emphasis which the President indicated should be accorded to this category of facilities.

2. The program authorizations in S. 1576 for formula grants to the States for constructing mental retardation facilities (pt. C of title I) and for constructing community mental health centers (pt. A of title II) would each be limited to 4 years, whereas the corresponding

authorizations in H.R. 3688 and H.R. 3689 are for 5-year periods. These changes would have the effect of providing a uniform terminal date for all of the new construction grant authorizations proposed, which might facilitate subsequent congressional review of these programs and of the merits of program extensions or modifications. We would therefore have no objection to these changes.

3. Specific annual appropriations ceilings are included in all of the new grant program authorizations in S. 1576, whereas the only corresponding authorization in the related House bills pertains to the grants for the construction of mental retardation research centers (included in H.R. 3689). In all cases, however, the ceilings included in S. 1576 parallel (with minor deviations resulting from substantive adjustments in the proposals) the cost projections developed in this Department for our original legislative proposals. Therefore, if the Congress should prefer the approach of specific annual authorizations to the more flexible authorizations which we originally proposed, the provisions of S. 1576 in this respect would be in accord with our estimates of program costs.

4. The provisions of S. 1576 (sec. 407) expanding the membership of the Federal Hospital Council differ from the corresponding provisions of H.R. 3688 and H.R. 3689 in that they would retain the present balance between professional and lay members of the Council rather than increase only the professional membership. We are in complete accord with this modified provision.

5. The definition of a "community mental health center" in section 401(c) of S. 1576 specifically provides that such centers may include facilities for the provision of services for narcotic addicts. While no corresponding provision is included in H.R. 3688, we believe that the provisions of the House bill could be so construed. We therefore believe that the language of S. 1576 is consistent with our original proposal in this respect.

As indicated above, the provisions of title III of S. 1576 have no counterpart in H.R. 3689. These provisions would carry out certain of the President's recommendations in the area of education of handicapped children. They are the same as the provisions in the administration's proposals on this subject included in H.R. 3000 and other identical bills.

These provisions of the Senate-passed bill include amendments to the act of September 6, 1958 (Public Law 85-926) which now authorizes (1) grants to institutions of higher learning for training personnel who can, in turn, train teachers of mentally retarded children, and (2) grants to State educational agencies to assist them to provide training of teachers of mentally retarded children and supervisors of such teachers. The amendments would extend this legislation to all handicapped children, and the grants to the institutions would be expanded to include grants for training teachers (and supervisors of teachers) of handicapped children and other specialists and research personnel for work in this area.

Public Law 85-926 authorizes \$1 million annually for training teachers of the mentally retarded; a similar program for training teachers of the deaf (Public Law 87-276) authorizes \$1.5 million annually. The latter program, scheduled to expire June 30, 1963, would be extended 1 year as a transitional measure by S. 1576. In total, appropriations for training of teachers of the handicapped would

be increased by S. 1576 from the current level of \$2.5 million annually to \$13 million in 1964, \$14.5 million in 1965, and \$19.5 million in 1966.

Finally, the Senate-passed bill authorizes appropriation of \$2 million per year for the fiscal year ending June 30, 1964, and each of the next 2 years for grants for research and demonstration projects relating to education of handicapped children.

In summary, the provisions of S. 1576 are designed to carry out a number of legislative proposals relating to mental illness and mental retardation that have been recommended by the President. While its provisions deviate in some particulars from related proposals on which we have previously submitted supporting testimony to your committee, none of these deviations represents any conflict of program objectives or approaches, and in some instances we believe the provisions of S. 1576 represent legislative improvements. Therefore we would urge favorable consideration of S. 1576 at the earliest possible date.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

ANTHONY J. CELEBREZZE, *Secretary.*

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EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington, D.C., March 22, 1963.*

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on H.R. 3688, a bill to provide for assistance in the construction and initial operation of community mental health centers, and for other purposes.

This bill would authorize appropriations for Federal grants to assist in the construction and initial operation of comprehensive community mental health centers. The bill would carry out recommendations of the President pertaining to mental illness in his special message to the Congress on mental illness and mental retardation. As the President indicated in his message, if a broad new mental health program such as he has suggested is enacted, it will be possible within a decade or two to reduce the number of patients now under custodial care in State mental institutions by 50 percent or more. Accordingly, the major purpose of the President's proposals is to encourage the development of comprehensive community mental health centers "which will return mental health to the mainstream of American medicine."

You are advised that enactment of H.R. 3688 would be in accord with the President's program.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*



EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., March 19, 1963.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on H.R. 3689, a bill to assist States in combating mental retardation through construction of research centers and facilities for the mentally retarded.

H.R. 3689 would authorize appropriations for the construction of research centers on mental retardation and related aspects of human development; and the construction of facilities for the mentally retarded. As the President indicated in his special message to the Congress on mental illness and mental retardation, we have an obligation to prevent mental retardation, whenever possible, and to ameliorate it when it is present. The President has recommended a comprehensive program to attack this affliction. This bill, together with other actions taken or recommended under existing and proposed legislation, would carry out the President's recommendations.

You are advised that the enactment of H.R. 3689 would be in accord with the President's program.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*

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DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, March 27, 1963.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN HARRIS: This is in further reply to your request for our comments on H.R. 3688, a bill to provide for assistance in the construction and initial operation of community mental health centers, and for other purposes; and H.R. 3689, to assist States in combating mental retardation through construction of research centers and facilities for the mentally retarded.

We wholeheartedly favor enactment of these bills which are designed to stimulate action at all levels of government in combating mental illness and retardation. As the President pointed out in his special message to the Congress on February 5, 1963, "We as a nation have long neglected the mentally ill and the mentally retarded. The neglect must end, if our Nation is to live up to its own standards of compassion and dignity and achieve the maximum use of its manpower."

We note with approval that the bills contain adequate labor standards protection for laborers and mechanics employed on the federally assisted construction projects which they authorize.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Yours sincerely,

W. WILLARD WIRTZ,  
*Secretary of Labor.*

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COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington, March 29, 1963.*

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives.*

DEAR MR. CHAIRMAN: Your letter of February 22, 1963, acknowledged February 25, transmitted copies of H.R. 3688 for our comments. The bill is to provide assistance in the construction and initial operation of community mental health centers.

Title I of the bill provides in accordance with the format of the Public Health Service Act, authorization for grants by the Secretary of Health, Education, and Welfare for the purpose of assisting public and nonprofit agencies in a program of constructing community mental health centers. The grant program authorized is for the 5-year period beginning July 1, 1964, and ending June 30, 1969. Title II of the bill authorizes grants for the establishment and initial operation of comprehensive community health centers to public and nonprofit agencies or organizations who have constructed such facilities under grants made under title I. These grants specifically are to assist in meeting the cost of initial staffing of community mental health centers and are to be in reducing amounts for each year of operation for a total period of 4 years and 3 months after commencement of operations.

This Office has no special information concerning the subject matter of the proposed legislation and, therefore, we have no recommendation to make on the merits of the bill.

In our review of the proposed legislation, however, we observed certain matters which we feel should be brought to the attention of the committee. Section 102(c) provides that, at the request of any State, a specific portion of its allotment under title I of the proposed bill may be added to the allotment of the State under title II of the Mental Retardation Facilities Construction Act of 1963 (H.R. 3689) if certain conditions are met. This authority could result in weakening the effectiveness of the budgetary and appropriation processes because substantial Federal grants could be used by the States in amounts that might vary considerably from the amounts that would be included in the Federal appropriation for each program. Consideration should be given to the placing of specific limitation on the amounts of allotments eligible for transfer between the two programs. Also we should like to point out that this subsection, by its reference to title II of the Mental Retardation Facilities Construction Act of 1963, which referenced "act" is presently in bill form, would be without effect in the event the referenced "act" failed of enactment. We are making similar comments in our report to your committee on S. 3689 respecting like provisions.

Title II of the bill provides for grant assistance to meet the costs of initial staffing of the comprehensive community mental health centers the construction of which is to be assisted under title I of the bill. However, the bill does not define "initial staffing" in terms of the types of costs that would be eligible for Federal assistance nor does it indicate the extent to which fees received by the operators of the centers are to reduce the Federal grants for initial staffing. We suggest that these matters be specifically covered in the bill.

The proposed legislation providing grant assistance for construction of centers under title I does not appear to embrace any community mental health centers already under construction. Additionally the grants provided under title II for the initial staffing costs appear to cover only agencies which have received Federal assistance under title I and would not benefit agencies otherwise operating mental health centers.

No provision is made in the bill nor in legislation applicable to other grant programs now authorized by the Public Health Service Act, as amended, to require a grantee to keep adequate cost records of the projects to which the Federal Government makes financial contributions, or specifically authorizing the Secretary of Health, Education, and Welfare or the Comptroller General to have access to the grantee's records for purposes of audit and examination. In view of the increase in grant programs over the last several years we feel that in order to determine whether grant funds have been expended for the purpose for which the grant was made the grantee should be required by law to keep records which fully disclose the disposition of such funds. We also feel that the agency as well as the General Accounting Office should be permitted to have access to the grantee's records for the purpose of audit and examination. We therefore suggest that consideration be given to amending the bill to include such requirements with respect to the proposed new program, or preferably to an amendment of the Public Health Service Act to cover all grant programs therein authorized. The latter could be accomplished by the following language:

#### "RECORDS AND AUDIT

"(a) Each recipient of assistance under this Act shall keep such records as the Secretary of Health, Education, and Welfare shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this Act."

In administering the above provision we do not contemplate making a detailed examination of the books and records of every recipient of a grant, or even a major part of them. However, selective checks

may be made to provide reasonable assurance that grant funds are being properly applied or expended.

Sincerely yours,

JOSEPH CAMPBELL,  
*Comptroller General of the United States.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington, March 29, 1963.*

B-74254.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives.*

DEAR MR. CHAIRMAN: Your letter of February 22, 1963, acknowledged February 25, transmitted copies of H.R. 3689 for our comments. The bill is to assist States in combating mental retardation through construction of research centers and facilities for the mentally retarded.

Title I would amend title VII of the Public Health Service Act by designating the present provisions as part A and adding part B which would provide grant authority in the Surgeon General of the United States to assist in meeting costs of constructing centers for research on mental retardation and related purposes. This grant authority would cover the period from July 1, 1963, to June 30, 1968.

Title II would authorize project grants by the Secretary of Health, Education, and Welfare for construction of public and other nonprofit facilities for the mentally retarded with stated amounts being for the purpose of assisting public and nonprofit agencies in constructing facilities for the mentally retarded which are associated with a college or university hospital or other appropriate part of a college or university. The grant program authorized is for the 5-year period beginning July 1, 1964, and ending June 30, 1969.

This Office has no special information concerning the subject matter of the proposed legislation and therefore, we have no recommendation to make on the merits of the bill.

In our review of the proposed legislation we observed certain matters which we feel should be brought to the attention of the committee. Title I of S. 3689 adds a new part B to title VII of the Public Health Service Act. The present provisions of law in this title, which under the proposed bill have been redesignated as part A, authorize grants for the construction of facilities for research in the sciences related to health. The following explanations and qualifications are contained therein:

(a) Under subsection (a) of section 706, title VII, Public Health Service Act, as amended, 42 U.S.C. 292e(a) grants are authorized for construction of facilities "to be used for research, or research and purposes related thereto (including research training)."

(b) The subsection also provides the formula for determining the proportionate part of the Federal grants, when applied to the construction of multipurpose facilities, which relates to use of the facility for health research.

(c) Subsection (c) of this section provides in determining the amount of the grant, that there should be excluded from the

cost of construction other Federal grants made with respect to construction of the same facility and the non-Federal matching funds required as a condition of the other Federal grants.

The proposed legislation which covers a similar type grant program contains none of these qualifying provisions. We suggest that your committee may wish to consider the advisability of including similar provisions with respect to the subject legislation.

Section 707, title VII, Public Health Service Act (42 U.S.C. 292f), also provides for the recapture of a certain portion of the Federal payments if, within 10 years, (1) the applicant of the facility ceases to be a public or nonprofit installation, and (2) the facility shall cease to be used for the research purposes for which it was constructed. We feel that a similar provision should be included in title I of H.R. 3689.

Section 202(c) provides that, at the request of any State, a specified portion of its allotment under title II of the proposed bill may be added to the allotment of the State under title I of the Community Health Center Act of 1963 (H.R. 3688) if certain conditions are met. This authority could result in weakening the effectiveness of the budgetary and appropriation processes because substantial Federal grants could be used by the States in amounts that might vary considerably from the amounts that would be included in the Federal appropriation for each program. Consideration should be given to the placing of specific limitations on the amounts of allotments eligible for transfer between the two programs. Also we should like to point out that this subsection, by its reference to title I of the Community Health Center Act of 1963, which referenced "act" is presently in bill form, would be without effect in the event the referenced "act" failed of enactment. We have made similar comments in our report to your committee on S. 3688 respecting like provisions.

No provision is made in the bill nor in legislation applicable to other grant programs now authorized by the Public Health Service Act, as amended, to require a grantee to keep adequate cost records of the projects to which the Federal Government makes financial contributions, or specifically authorizing the Secretary of Health, Education, and Welfare or the Comptroller General to have access to the grantee's records for purposes of audit and examination. In view of the increase in grant programs over the last several years we feel that in order to determine whether grant funds have been expended for the purpose for which the grant was made, the grantee should be required by law to keep records which fully disclose the disposition of such funds. We also feel that the agency as well as the General Accounting Office should be permitted to have access to the grantee's records for the purpose of audit and examination. We therefore suggest that consideration be given to amending the bill to include such requirements with respect to the proposed new program, or preferably to an amendment of the Public Health Service Act to cover all grant programs therein authorized. The latter could be accomplished by the following language:

"RECORDS AND AUDIT

"(a) Each recipient of assistance under this Act shall keep such records as the Secretary of Health, Education, and Welfare shall prescribe, including records which fully disclose the amount and dis-

position by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this Act."

In administering the above provision we do not contemplate making a detailed examination of the books and records of every recipient of a grant, or even a major part of them. However, selective checks may be made to provide reasonable assurance that grant funds are being properly applied or expended.

Sincerely yours,

JOSEPH CAMPBELL,  
*Comptroller General of the United States.*

## APPENDIX B

### CHANGES IN EXISTING LAW MADE BY THE BILL, S. 1576, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

### PUBLIC HEALTH SERVICE ACT

\* \* \* \* \*

#### TITLE VI—CONSTRUCTION OF HOSPITALS

\* \* \* \* \*

#### PART D—MISCELLANEOUS

\* \* \* \* \*

#### FEDERAL HOSPITAL COUNCIL; ADMINISTRATION OF TITLE

SEC. 633. (a) The Surgeon General is authorized to make such administrative regulations and perform such other functions as he finds necessary to carry out the provisions of this title. Any such regulations shall be subject to the approval of the Secretary.

(b) In administering this title, the Surgeon General shall consult with a Federal Hospital Council consisting of the Surgeon General, who shall serve as Chairman *ex officio*, and [eight] *twelve* members appointed by the Secretary. [Four of the eight] *Six of the twelve* appointed members shall be persons who are outstanding in fields pertaining to [hospital] *medical facility* and health activities, [three of whom] *and three of these six* shall be authorities in matters relating to the operation of hospitals or other medical facilities, *one of them shall be an authority in matters relating to the mentally retarded and one of them shall be an authority in matters relating to mental health,* and the

other [four] *six* members shall be appointed to represent the consumers of [hospital] services *provided by such facilities* and shall be persons familiar with the need for [hospital] *such* services in urban or rural areas. Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, two at the end of the first year, two at the end of the second year, two at the end of the third year, and two at the end of the fourth year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms but shall be eligible for reappointment if he has not served immediately preceding his reappointment. The Council is authorized to appoint such special advisory and technical committees as may be useful in carrying out its functions. Appointed Council members and members of advisory or technical committees, while serving on business of the Council, shall receive compensation at rates fixed by the Secretary, but not exceeding \$50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence. The Council shall meet as frequently as the Surgeon General deems necessary, but not less than once each year. Upon request by three or more members, it shall be the duty of the Surgeon General to call a meeting of the Council.

(c) In administering the provisions of this title the Surgeon General, with the approval of the Secretary, is authorized to utilize the services and facilities of any executive department in accordance with an agreement with the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon between the Secretary and the head of the executive department furnishing them.

## TITLE VII—HEALTH RESEARCH FACILITIES

### PART A—GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

#### DECLARATION OF POLICY

SEC. 701. (a) The Congress hereby finds and declares that (1) the Nation's economy, welfare, and security are adversely affected by many crippling and killing diseases the prevention and control of which require a substantial increase, in all areas of the Nation, of research activities in the sciences related to health, and (2) funds for the construction of new and improved non-Federal facilities to house such activities are inadequate.

(b) It is therefore the purpose of this [title] *part* to assist in the construction of facilities for the conduct of research in the sciences related to health by providing grants-in-aid on a matching basis to public and nonprofit institutions for such purpose.

## DEFINITIONS

SEC. 702. As used in this [title] part—

(1) the term "Council" means the National Advisory Council on Health Research Facilities established by section 703;

(2) the terms "construction" and "cost of construction" include (A) the construction of new buildings and the expansion, remodeling and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or off-site improvements, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered;

(3) the term "nonprofit institution" means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

(4) the term "sciences related to health" includes medicine, osteopathy, dentistry, and public health, and fundamental and applied sciences when related thereto.

## NATIONAL ADVISORY COUNCIL ON HEALTH RESEARCH FACILITIES

SEC. 703. (a) There is hereby established in the Public Health Service a National Advisory Council on Health Research Facilities, consisting of the Surgeon General of the Public Health Service, who shall be Chairman, and an official of the National Science Foundation designated by the National Science Board, who shall be ex officio members, and twelve members appointed by the Secretary without regard to the civil-service laws. Four of the appointed members shall be selected from the general public and eight shall be selected from among leading medical, dental, or scientific authorities who are skilled in the sciences related to health. In selecting persons for appointment to the Council, consideration shall be given to such factors, among others, as (1) experience in the planning, constructing, financing, and administration of institutions engaged in the conduct of research in the sciences related to health, and (2) familiarity with the need for research facilities in all areas of the Nation.

(b) The Council shall—

(1) advise and assist the Surgeon General in the preparation of general regulations and with respect to policy matters arising in the administration of this [title] part; and

(2) consider all applications for grants under this [title] part and make to the Surgeon General such recommendations as it deems advisable with respect to (A) the approval of such applications, and (B) the amount which should be granted to each applicant whose application, in its opinion, should be approved.

(c) The Surgeon General is authorized to use the services of any member or members of the Council, and where appropriate, any member or members of the Federal Hospital Council, the National Advisory Health Council or the other national advisory councils referred to in section 217 of this Act, in connection with matters related to the administration of this [title] part, for such periods, in addition to conference periods as he may determine. The Surgeon General shall, in addition, make appropriate provision for consultation between and coordination of the work of the Council, the Federal Hospital



Council, the National Advisory Health Council, and such other national advisory councils, with respect to matters bearing on the purposes and administration of this [title] part.

(d) Appointed members of the Council, while attending conferences or meetings of the Council or while otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding \$50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 704. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1957, and for each of the nine succeeding fiscal years, not to exceed \$50,000,000, for making grants-in-aid for the construction of facilities for research, or research and related purposes, in the sciences related to health; and any sums appropriated pursuant to this section shall remain available until expended.

#### APPROVAL OF APPLICATIONS

SEC. 705. (a) Applications for grants under this [title] part shall be made not later than June 30, 1965.

(b) To be eligible to apply for a grant under this [title] part, the applicant must be a public or nonprofit institution, determined by the Surgeon General, after consultation with the Council, to be competent to engage in the type of research for which the facility is to be constructed.

(c) A grant under this [title] part may be made only if the application therefor is recommended for approval by the Council and is approved by the Surgeon General upon his determination that—

(1) the applicant meets the eligibility conditions set forth in subsection (b);

(2) the application contains or is supported by reasonable assurances that (A) for not less than ten years after completion of construction, the facility will be used for the purposes of research, or research and related purposes, in the sciences related to health for which it is to be constructed, (B) subject to subsection (d), sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, and (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the research, or research and related purposes, for which it is being constructed; and

(3) the proposed construction will expand the applicant's capacity for research in the sciences related to health, or is necessary to improve or maintain the quality of the applicant's research in the sciences related to health.

(d) Within such aggregate monetary limit as the Surgeon General may prescribe, after consultation with the Council, applications which (solely by reason of the inability of the applicants to give the assurance required by clause (B) of subsection (c)(2)) fail to meet the requirements for approval set forth in subsection (c) may be approved

upon condition that the applicants give the assurance required by such clause (B) within a reasonable time and upon such other reasonable terms and conditions as he may determine after consultation with the Council.

(e) In acting upon applications for grants, the Council and the Surgeon General shall take into consideration the relative effectiveness of the proposed facilities in expanding capacity for research, or research and related purposes, in the sciences related to health, in improving the quality of such research or related purposes and in promoting an equitable geographical distribution of such research (giving due consideration to population, available scientific research workers, and available research resources in various areas of the Nation).

#### AMOUNT OF GRANT; PAYMENTS

SEC. 706. (a) The amount of any grant made under this [title] *part* shall be that recommended by the Council or such lesser amount as the Surgeon General determines to be appropriate; except that in no event may such amount exceed 50 per centum of the necessary cost of the construction of such facility as determined by him, in the case of a facility which the Surgeon General determines is to be used for research, or research and purposes related thereto (including research training), in the sciences related to health or, in the case of any other multi-purpose facility, 50 per centum of the part of the necessary cost of construction which the Surgeon General determines to be proportionate to the contemplated use of the facility for research, or research and related purposes, in the sciences related to health.

(b) Upon approval of any application for a grant under this [title] *part*, the Surgeon General shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a), and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent with construction progress, as he may determine. Such payments shall be made through the disbursement facilities of the Department of the Treasury. The Surgeon General's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

(c) In determining the amount of any grant under this [title] *part*, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this [title] *part*, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

#### RECAPTURE OF PAYMENTS

SEC. 707. If, within ten years after completion of any construction for which funds have been paid under this [title] *part*—

(a) the applicant or other owner of the facility shall cease to be a public or nonprofit institution, or

(b) the facility shall cease to be used for the research purposes, or research and related purposes, for which it was constructed,

unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

#### NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

SEC. 708. Except as otherwise specifically provided in this [title] *part*, nothing contained in this [title] *part* shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the research or related purposes conducted by, and the personnel or administration of, any institution.

#### REGULATIONS

SEC. 709. (a) Within six months after the enactment of this [title] *part*, the Surgeon General, after consultation with the Council and with the approval of the Secretary, shall prescribe general regulations covering the eligibility of institutions, and the terms and conditions for approving applications.

(b) The Surgeon General is authorized to make, with the approval of the Secretary, such administrative and other regulations as he finds necessary to carry out the provisions of this [title] *part*.

#### REPORTS

SEC. 710. On or before January 15, 1957, and annually thereafter, the Surgeon General, in consultation with the Council, shall prepare an annual report and submit it to the President for transmission to the Congress summarizing the activities under this [title] *part* and making such recommendations as he may deem appropriate. The report to be submitted on or before January 15, 1958, shall include an appraisal of the current program under this [title] *part* in the light of its adequacy to meet the long-term needs for funds for the construction of non-Federal facilities for research in the sciences related to health. Such reports and appraisals shall include minority views and recommendations, if any, of members of the Council.

#### PART D—CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT

##### AUTHORIZATION OF APPROPRIATIONS

SEC. 761. There are authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1964, \$8,000,000 for the fiscal year ending June 30, 1965, and \$6,000,000 for the fiscal year ending June 30, 1966, for project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, whether biological, medical, social, or behavioral, which may assist

*in finding the causes, and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation. Sums so appropriated shall remain available until expended for payments with respect to projects for which applications have been filed under this part before July 1, 1966, and approved by the Surgeon General thereunder before July 1, 1967.*

#### APPLICATIONS

*SEC. 762. (a) Applications for grants under this part with respect to any facility may be approved by the Surgeon General only if—*

*(1) the applicant is a public or nonprofit institution which the Surgeon General determines is competent to engage in the type of research for which the facility is to be constructed; and*

*(2) the application contains or is supported by reasonable assurances that (A) for not less than 20 years after completion of construction, the facility will be used for the research, or research and related purposes, for which it was constructed; (B) sufficient funds will be available for meeting the non-Federal share of the cost of constructing the facility; (C) sufficient funds will be available, when the construction is completed, for effective use of the facility for the research, or research and related purposes, for which it was constructed; and (D) all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the center will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at rates not less than the rates determined in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have with respect to the labor standards specified in this clause (D) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).*

*(b) In acting on applications for grants, the Surgeon General shall take into consideration the relative effectiveness of the proposed facilities in expanding the Nation's capacity for research and related purposes in the field of mental retardation and related aspects of human development, and such other factors as he, after consultation with the national advisory council or councils concerned with the field or fields of research involved, may by regulation prescribe in order to assure that the facilities constructed with such grants, severally and together, will best serve the purpose of advancing scientific knowledge pertaining to mental retardation and related aspects of human development.*

#### AMOUNT OF GRANTS; PAYMENTS

*SEC. 763. (a) The total of the grants with respect to any project for the construction of a facility under this part may not exceed 75 per centum of the necessary cost of construction of the center as determined by the Surgeon General.*

*(b) Payments of grants under this part shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Surgeon General may determine.*

(c) No grant may be made under any provision of this Act other than this part, for any of the three fiscal years in the period beginning July 1, 1965, and ending June 30, 1966, for construction of any facility described in this part.

#### RECAPTURE OF PAYMENTS

SEC. 764. If, within twenty years after completion of any construction for which funds have been paid under this part—

(1) the applicant or other owner of the facility shall cease to be a public or nonprofit institution, or

(2) the facility shall cease to be used for the research purposes, or research and related purposes, for which it was constructed, unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

#### NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

SEC. 765. Except as otherwise specifically provided in this part, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the research or related purposes conducted by, and the personnel or administration of, any institution.

#### DEFINITIONS

SEC. 766. As used in this part—

(1) the terms "construction" and "cost of construction" include (A) the construction of new buildings and the expansion, remodeling, and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or off-site improvements, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered;

(2) the term "nonprofit institution" means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

## ACT OF SEPTEMBER 6, 1958

AN ACT To encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioner of Education is authorized to make grants to public or other nonprofit institutions of higher learning to assist them in providing training of professional personnel to conduct training of teachers in fields related to education of [mentally retarded children] *mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or other health impaired children (hereinafter in this Act referred to as "handicapped children")*.<sup>1</sup> He is also authorized to make grants to public or other nonprofit institutions of higher learning to assist them in providing professional or advanced training for personnel engaged or preparing to engage in employment as teachers of handicapped children, as supervisors of such teachers, or as speech correctionists or other specialists providing special services for education of such children, or engaged or preparing to engage in research in fields related to education of such children. [Such grants] Grants under this section may be used by such institutions to assist in covering the cost of courses of training or study for such personnel and for establishing and maintaining fellowships or traineeships, with such stipends as may be determined by the Commissioner of Education. The Commissioner is also authorized to make grants to public or other nonprofit institutions of higher learning to assist them in establishing and maintaining scholarships, with such stipends as may be determined by the Commissioner, for training personnel preparing to engage in employment as teachers of the deaf.<sup>2</sup>*

SEC. 2. The Commissioner of Education is also authorized to make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to public or other nonprofit institutions of higher learning, fellowships or traineeships for training personnel engaged or preparing to engage in employment as teachers of [mentally retarded children] *handicapped children* or as supervisors of such teachers. Such grants shall also be available to assist such institutions in meeting the costs of training such personnel.

SEC. 3. Payments of grants pursuant to this Act may be made by the Commissioner of Education from time to time, in advance or by way of reimbursement, on such conditions as the Commissioner may determine. [Such payments shall not exceed \$1,000,000 for any one fiscal year.]

SEC. 4. Each State educational agency and each public or other nonprofit institution of higher education which receives a grant under this Act during a fiscal year shall after the end of such fiscal year submit a report to the Commissioner of Education. Such report shall contain a detailed financial statement showing the purposes for which the funds granted under this Act were expended.

<sup>1</sup> For fiscal year ending June 30, 1964, "handicapped children" would not include deaf children.

<sup>2</sup> This sentence would not be effective until fiscal years beginning after June 30, 1964.

SEC. 5. For purposes of this Act—

(a) The term "nonprofit institution" means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(b) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for State supervision of public elementary and secondary schools in the State.

SEC. 6. The Commissioner of Education is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

[SEC. 7. This Act shall continue in effect until a date ten years after the date of the enactment of this Act.]

*SEC. 7. There are authorized to be appropriated for carrying out this Act \$11,500,000 for the fiscal year ending June 30, 1964, \$14,500,000 for the fiscal year ending June 30, 1965, and \$19,500,000 for the fiscal year ending June 30, 1966.*

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### ACT OF SEPTEMBER 22, 1961

AN ACT To make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to encourage and facilitate the training of more teachers of the deaf, the Commissioner of Education (hereinafter in this Act referred to as the "Commissioner") shall, with the advice and assistance of the Advisory Committee on the Training of Teachers of the Deaf (established by section 5 and hereinafter in this Act referred to as the "Advisory Committee"), establish and conduct a program of grants-in-aid to accredited public and nonprofit institutions of higher education which are approved training centers for teachers of the deaf or are affiliated with approved public and other nonprofit institutions which are approved for the training of teachers of the deaf to assist such institutions in providing courses of training and study for teachers of the deaf and in improving such courses. Such grants-in-aid shall be used by such institutions to assist in covering the cost of such courses of training and study and for establishing and maintaining scholarships for qualified persons who desire to enroll in such courses of training and study, the stipends of any such scholarships to be determined by the Commissioner. The Commissioner shall submit all applications for grants-in-aid under this Act to the Advisory Committee for its review and recommendations, and the Commissioner shall not approve any such application before he has received and studied the recommendations of the Advisory Committee with respect to such application, unless the Advisory Committee shall have failed to submit its recommendations to him after having had adequate time to do so.*

SEC. 2. Payments of grants-in-aid pursuant to this Act shall be made by the Commissioner from time to time and on such conditions as he may determine, including the making of such reports as the

Commissioner may determine to be necessary to carry out the provisions of this Act. Such payments may be made either in advance or by way of reimbursement.

SEC. 3. For the purposes of this Act—

(a) The term "nonprofit", as applied to an institution, means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

(b) The term "accredited", as applied to an institution of higher education, means an institution of higher education accredited by a nationally recognized body or bodies approved for such purpose by the Commissioner; and

(c) The term "approved", as applied to training centers for teachers of the deaf, means centers approved by a nationally recognized body or bodies approved for the purpose by the Commissioner, except that a training center for teachers of the deaf which is not, at the time of its application for a grant under this Act, approved by such a recognized body or bodies may be deemed approved for purposes of this Act if the Commissioner finds, after consultation with the appropriate approved body or bodies, that there is reasonable assurance that the center will, with the aid of such grant, meet the approval standards of such body or bodies.

SEC. 4. The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

SEC. 5. (a) There is hereby established in the Office of Education an Advisory Committee on the Training of Teachers of the Deaf. The Advisory Committee shall consist of the Commissioner, who shall be Chairman, and twelve persons appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. The twelve appointed members shall be selected so as to secure on the Committee a balanced representation from among individuals identified with institutions approved for the training of teachers of the deaf, individuals identified with institutions of higher education which are affiliated with institutions approved for the training of teachers of the deaf, individuals who have responsibilities in the teaching of the deaf, and individuals identified with the general public who have demonstrated an interest in the education of the deaf.

(b) The Advisory Committee shall periodically review the operations of the grants-in-aid program established pursuant to this Act with a view to determining the extent to which such program is succeeding in carrying out the purposes for which it was established. On the basis of such reviews the Advisory Committee shall submit to the Commissioner such recommendations with respect to the operation and administration of the program as it may deem advisable, together with any recommendations for legislation which it may deem necessary or desirable to carry out the purposes for which this Act was enacted. Such recommendations, together with the Commissioner's comments thereon, shall be referred to the Secretary of Health, Education, and Welfare for transmittal by him to the Congress.

(c) The Advisory Committee is authorized to review all applications for grants-in-aid under this Act and recommend to the Commissioner the approval of such applications as, in the opinion of the Advisory



Committee, contribute to the carrying out of the purposes of this Act, and the disapproval of such applications as, in the opinion of the Advisory Committee, do not contribute to the carrying out of such purposes.

(d) The Commissioner may utilize the services of any member or members of the Advisory Committee in connection with matters relating to the provisions of this Act, for such periods, in addition to conference periods, as he may determine.

(e) Members of the Advisory Committee shall, while serving on business of the Advisory Committee or at the request of the Commissioner under subsection (d) of this section, receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, not to exceed \$75 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence, except that any member may waive his right to receive such compensation or allowance, or both. The provisions of section 1003 of the National Defense Education Act of 1958 shall apply to members of the Advisory Committee.

SEC. 6. (a) For the purpose of carrying out the provisions of this Act there are authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1962, and \$1,500,000 for the fiscal year ending June 30, 1963, and \$1,500,000 for the fiscal year ending June 30, 1964. Any grant for training or scholarships made from an appropriation under this Act for any fiscal year may include such amounts for providing such training or scholarships during succeeding years as the Commissioner may determine.

(b) The provisions of this Act shall terminate on June 30, [1963] 1964.

## APPENDIX C

### TEXT OF COMMITTEE AMENDMENTS

The amendment by the committee to the text of the bill strikes out all after the enacting clause and inserts a new text as follows: That this Act may be cited as the "Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963".

## TITLE I—CONSTRUCTION OF RESEARCH CENTERS AND FACILITIES FOR THE MENTALLY RETARDED

### SHORT TITLE

SEC. 100. This title may be cited as the "Mental Retardation Facilities Construction Act".

### PART A—GRANTS FOR CONSTRUCTION OF CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT

SEC. 101. Title VII of the Public Health Service Act is amended by inserting immediately below the heading thereof "PART A—GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES" and by changing the words "this title" to "this part" wherever they appear, and by adding at the end of such title the following new part:

"PART D—CENTERS FOR RESEARCH ON MENTAL RETARDATION  
AND RELATED ASPECTS OF HUMAN DEVELOPMENT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 761. There are authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1964, \$8,000,000 for the fiscal year ending June 30, 1965, and \$6,000,000 for the fiscal year ending June 30, 1966, for project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, whether biological, medical, social, or behavioral, which may assist in finding the causes, and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation. Sums so appropriated shall remain available until expended for payments with respect to projects for which applications have been filed under this part before July 1, 1966, and approved by the Surgeon General thereunder before July 1, 1967.

"APPLICATIONS

"SEC. 762. (a) Applications for grants under this part with respect to any facility may be approved by the Surgeon General only if—

"(1) the applicant is a public or nonprofit institution which the Surgeon General determines is competent to engage in the type of research for which the facility is to be constructed; and

"(2) the application contains or is supported by reasonable assurances that (A) for not less than 20 years after completion of construction, the facility will be used for the research, or research and related purposes, for which it was constructed; (B) sufficient funds will be available for meeting the non-Federal share of the cost of constructing the facility; (C) sufficient funds will be available, when the construction is completed, for effective use of the facility for the research, or research and related purposes, for which it was constructed; and (D) all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the center will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at rates not less than the rates determined in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have with respect to the labor standards specified in this clause (D) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(b) In acting on applications for grants, the Surgeon General shall take into consideration the relative effectiveness of the proposed facilities in expanding the Nation's capacity for research and related purposes in the field of mental retardation and related aspects of human development, and such other factors as he, after consultation with the national advisory council or councils concerned with the field or fields of research involved, may by regulation prescribe in order to assure that the facilities constructed with such grants, severally and

together, will best serve the purpose of advancing scientific knowledge pertaining to mental retardation and related aspects of human development.

“AMOUNT OF GRANTS; PAYMENTS

“SEC. 763. (a) The total of the grants with respect to any project for the construction of a facility under this part may not exceed 75 per centum of the necessary cost of construction of the center as determined by the Surgeon General.

“(b) Payments of grants under this part shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Surgeon General may determine.

“(c) No grant may be made under any provision of this Act other than this part, for any of the three fiscal years in the period beginning July 1, 1963, and ending June 30, 1966, for construction of any facility described in this part.

“RECAPTURE OF PAYMENTS

“SEC. 764. If, within twenty years after completion of any construction for which funds have been paid under this part—

“(1) the applicant or other owner of the facility shall cease to be a public or nonprofit institution, or

“(2) the facility shall cease to be used for the research purposes, or research and related purposes, for which it was constructed, unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

“NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

“SEC. 765. Except as otherwise specifically provided in this part, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the research or related purposes conducted by, and the personnel or administration of, any institution.

“DEFINITIONS

“SEC. 766. As used in this part—

“(1) the terms ‘construction’ and ‘cost of construction’ include (A) the construction of new buildings and the expansion, remodeling, and alteration of existing buildings, including architects’ fees, but not including the cost of acquisition of land or off-site improvements, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered;

“(2) the term ‘nonprofit institution’ means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.”

PART B—PROJECT GRANTS FOR CONSTRUCTION OF UNIVERSITY-AFFILIATED FACILITIES FOR THE MENTALLY RETARDED

AUTHORIZATION OF APPROPRIATIONS

SEC. 121. For the purpose of assisting in the construction of clinical facilities providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded and facilities which will aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training, or care of the mentally retarded or in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$7,500,000 for the fiscal year ending June 30, 1965, and \$10,000,000 for the fiscal year ending June 30, 1966. The sums so appropriated shall be used for project grants for construction of public and other nonprofit facilities for the mentally retarded which are associated with a college or university.

APPLICATIONS

SEC. 122. Applications for grants under this part with respect to any facility may be approved by the Secretary only if the application contains or is supported by reasonable assurances that—

(1) the facility will be associated, to the extent prescribed in regulations of the Secretary, with a college or university hospital (including affiliated hospitals), or with such other part of a college or university as the Secretary may find appropriate in the light of the purposes of this part;

(2) the plans and specifications are in accord with regulations prescribed by the Secretary under section 133(3);

(3) title to the site for the project is or will be vested in one or more of the agencies or institutions filing the application or in a public or other nonprofit agency or institution which is to operate the facility;

(4) adequate financial support will be available for construction of the project and for its maintenance and operation when completed; and

(5) all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at rates not less than the rates determined in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization

Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

#### AMOUNT OF GRANTS; PAYMENTS

SEC. 123. (a) The total of the grants with respect to any project for the construction of a facility under this part may not exceed 75 per centum of the necessary cost of construction thereof as determined by the Secretary.

(b) Payments of grants under this part shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Secretary may determine.

#### RECOVERY

SEC. 124. If any facility with respect to which funds have been paid under this part shall, at any time within twenty years after the completion of construction—

(1) be sold or transferred to any person, agency, or organization which is not qualified to file an application under this part, or

(2) cease to be a public or other nonprofit facility for the mentally retarded, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to continue as such a facility,

the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a facility which has ceased to be a public or other nonprofit facility for the mentally retarded, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of the facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects.

#### NONDUPLICATION OF GRANTS

SEC. 125. No grant may be made under any provision of the Public Health Service Act, for any of the three fiscal years in the period beginning July 1, 1963, and ending June 30, 1966, for construction of any facility for the mentally retarded described in this part.

#### PART C—GRANTS FOR CONSTRUCTION OF FACILITIES FOR THE MENTALLY RETARDED

##### AUTHORIZATION OF APPROPRIATIONS

SEC. 131. There are authorized to be appropriated, for grants for construction of public and other nonprofit facilities for the mentally retarded, \$12,500,000 for the fiscal year ending June 30, 1965, and \$15,000,000 for the fiscal year ending June 30, 1966.

## ALLOTMENTS TO STATES

SEC. 132. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make allotments from the sums appropriated under section 131 to the several States on the basis of (1) the population, (2) the extent of the need for facilities for the mentally retarded, and (3) the financial need of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, and Guam, for any fiscal year may be less than \$100,000. Sums so allotted to a State for a fiscal year for construction and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted to such State for such next fiscal year.

(b) In accordance with regulations of the Secretary, any State may file with him a request that a specified portion of its allotment under this part be added to the allotment of another State under this part for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a facility for the mentally retarded in such other State. If it is found by the Secretary that construction of the facility with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the allotment of the other State under this part, to be used for the purpose referred to above.

(c) Upon the request of any State that a specified portion of its allotment under this part be added to the allotment of such State under title II, and upon (1) the simultaneous certification to the Secretary by the State agency designated as provided in the State plan approved under this part to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion, or (2) a showing satisfactory to the Secretary that the need for the community mental health centers in such State is substantially greater than for the facilities for the mentally retarded, the Secretary shall, subject to such limitations as he may by regulation prescribe, promptly adjust the allotments of such State in accordance with such request and shall notify such State agency and the State agency designated under the State plan approved under title II, and thereafter the allotments as so adjusted shall be deemed the State's allotments for purposes of this part and title II.

## REGULATIONS

SEC. 133. Within six months after enactment of this Act the Secretary shall, with the approval of the Federal Hospital Council (established by section 633 of the Public Health Service Act and hereinafter in this part referred to as the "Council"), by general regulations applicable uniformly to all the States prescribe—

(1) the kinds of services needed to provide adequate services for mentally retarded persons residing in a State;

(2) the general manner in which the State agency (designated as provided in the State plan approved under this part) shall

determine the priority of projects based on the relative need of different areas, giving special consideration to facilities which will provide comprehensive services for a particular community or communities;

(3) general standards of construction and equipment for facilities of different classes and in different types of location; and

(4) that the State plan shall provide for adequate facilities for the mentally retarded for persons residing in the State, and shall provide for adequate facilities for the mentally retarded to furnish needed services for persons unable to pay therefor. Such regulations may require that before approval of an application for a facility or addition to a facility is recommended by a State agency, assurance shall be received by the State from the applicant that there will be made available in such facility or addition a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial viewpoint.

STATE PLANS

SEC. 134. (a) After such regulations have been issued, any State desiring to take advantage of this part shall submit a State plan for carrying out its purposes. Such State plan must—

(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole agency for supervising the administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) hereof will have authority to carry out such plan in conformity with this part;

(3) provide for the designation of a State advisory council which shall include representatives of State agencies concerned with planning, operation, or utilization of facilities for the mentally retarded and of nongovernment organizations or groups concerned with education, employment, rehabilitation, welfare, and health, and including representatives of consumers of the services provided by such facilities;

(4) set forth a program for construction of facilities for the mentally retarded (A) which is based on a statewide inventory of existing facilities and survey of need; (B) which conforms with the regulations prescribed under section 133(1); and (C) which meets the requirements for furnishing needed services to persons unable to pay therefor, included in regulations prescribed under section 133(4);

(5) set forth the relative need, determined in accordance with the regulations prescribed under section 133(2), for the several projects included in such programs, and provide for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, in the order of such relative need;

(6) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance

with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(7) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of facilities which receive Federal aid under this part;

(8) provide for affording to every applicant for a construction project an opportunity for hearing before the State agency;

(9) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(10) provide that the State agency will from time to time, but not less often than annually, review its State plan and submit to the Secretary any modifications thereof which it considers necessary.

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

#### APPROVAL OF PROJECTS

SEC. 135. (a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Secretary through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth—

(1) a description of the site for such project;

(2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 133(3);

(3) reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the facility;

(4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed;

(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at rates not less than the rates determined in accordance with any subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and



(6) a certification by the State agency of the Federal share for the project.

The Secretary shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Secretary finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 133; (C) that the application is in conformity with the State plan approved under section 134 and contains an assurance that in the operation of the facility there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 133(4) for furnishing needed facilities for persons unable to pay therefor, and with State standards for operation and maintenance; and (D) that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 133(2). No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing.

(b) Amendment of any approved application shall be subject to approval in the same manner as an original application.

#### WITHHOLDING OF PAYMENTS

SEC. 136. Whenever the Secretary after reasonable notice and opportunity for hearing to the State agency designated as provided in section 134(a)(1), finds—

(1) that the State agency is not complying substantially with the provisions required by section 134 to be included in its State plan or with regulations under this part;

(2) that any assurance required to be given in an application filed under section 135 is not being or cannot be carried out;

(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 135; or

(4) that adequate State funds are not being provided annually for the direct administration of the State plan,

the Secretary may forthwith notify the State agency that—

(5) no further payments will be made to the State from allotments under this part; or

(6) no further payments will be made from allotments under this part for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph

(1), (2), (3), or (4) of this section,

as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

## NONDUPLICATION OF GRANTS

SEC. 137. No grant may be made under any provision of the Public Health Service Act, for any of the two fiscal years in the period beginning July 1, 1964, and ending June 30, 1966, for construction of any facility for the mentally retarded described in this part.

## TITLE II—CONSTRUCTION OF COMMUNITY MENTAL HEALTH CENTERS

## SHORT TITLE

SEC. 200. This title may be cited as the "Community Mental Health Centers Act".

## AUTHORIZATION OF APPROPRIATIONS

SEC. 201. There are authorized to be appropriated, for grants for construction of public and other nonprofit community mental health centers, \$50,000,000 for the fiscal year ending June 30, 1965, and \$65,000,000 for the fiscal year ending June 30, 1966.

## ALLOTMENTS TO STATES

SEC. 202. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make allotments from the sums appropriated under section 201 to the several States on the basis of (1) the population, (2) the extent of the need for community mental health centers, and (3) the financial need of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, and Guam, for any fiscal year may be less than \$100,000. Sums so allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted for such State for such next fiscal year.

(b) In accordance with regulations of the Secretary, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a community mental health center in such other State. If it is found by the Secretary that construction of the center with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title, to be used for the purpose referred to above.

(c) Upon the request of any State that a specified portion of its allotment under this title be added to the allotment of such State under part C of title I and upon (1) the simultaneous certification to the Secretary by the State agency designated as provided in the State plan approved under this title to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion or (2) a showing satisfactory to the Secretary that the need for facilities

for the mentally retarded in such State is substantially greater than for community mental health centers, the Secretary shall, subject to such limitations as he may by regulation prescribe, promptly adjust the allotments of such State in accordance with such request and shall notify such State agency and the State agency designated under the State plan approved under part C of title I, and thereafter the allotments as so adjusted shall be deemed the State's allotments for purposes of this title and part C of title I.

#### REGULATIONS

SEC. 203. Within six months after enactment of this Act, the Secretary shall, with the approval of the Federal Hospital Council (established by section 633 of the Public Health Service Act), by general regulation applicable uniformly to all the States prescribe—

(1) the kinds of community mental health services needed to provide adequate mental health services for persons residing in a State;

(2) the general manner in which the State agency (designated as provided in the State plan approved under this title) shall determine the priority of projects based on the relative need of different areas, giving special consideration to projects on the basis of the extent to which the centers to be constructed thereby will, alone or in conjunction with other facilities owned or operated by the applicant or affiliated or associated with the applicant provide comprehensive mental health services (as determined by the Secretary in accordance with regulations) for mentally ill persons in a particular community or communities or which will be part of or closely associated with a general hospital;

(3) general standards of construction and equipment for centers of different classes and in different types of location; and

(4) that the State plan shall provide for adequate community mental health centers for people residing in the State, and shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor. Such regulations may require that before approval of an application for a center or addition to a center is recommended by a State agency, assurance shall be received by the State from the applicant that there will be made available in such center or addition a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial viewpoint.

#### STATE PLANS

SEC. 204. (a) After such regulations have been issued, any State desiring to take advantage of this title shall submit a State plan for carrying out its purposes. Such State plan must—

(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole agency for supervising the administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) hereof will have authority to carry out such plan in conformity with this title;

(3) provide for the designation of a State advisory council which shall include representatives of nongovernment organizations or groups, and of State agencies, concerned with planning, operation, or utilization of community mental health centers or other mental health facilities, including representatives of consumers of the services provided by such centers and facilities who are familiar with the need for such services, to consult with the State agency in carrying out such plan;

(4) set forth a program for construction of community mental health centers (A) which is based on a statewide inventory of existing facilities and survey of need; (B) which conforms with the regulations prescribed by the Secretary under section 203(1); and (C) which meets the requirements for furnishing needed services to persons unable to pay therefor, included in regulations prescribed under section 203(4);

(5) set forth the relative need, determined in accordance with the regulations prescribed under section 203(2), for the several projects included in such programs, and provide for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, in the order of such relative need;

(6) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(7) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of centers which receive Federal aid under this title;

(8) provide for affording to every applicant for a construction project an opportunity for hearing before the State agency;

(9) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(10) provide that the State agency will from time to time, but not less often than annually, review its State plan and submit to the Secretary any modifications thereof which it considers necessary.

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

#### APPROVAL OF PROJECTS

SEC. 205. (a) For each project for construction pursuant to a State plan approved under this title, there shall be submitted to the Secretary through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the

application may be filed by one or more of such agencies. Such application shall set forth—

- (1) a description of the site for such project;
- (2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 203(3);
- (3) reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the community mental health center;
- (4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed, including staffing;
- (5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at rates not less than the rates determined in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and
- (6) a certification by the State agency of the Federal share for the project.

The Secretary shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Secretary finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages and overtime pay; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 203; (C) that the application is in conformity with the State plan approved under section 204 and contains an assurance that in the operation of the center there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 203(4) for furnishing needed services for persons unable to pay therefor, and with State standards for operation and maintenance; (D) that the services to be provided by the center, alone or in conjunction with other facilities owned or operated by the applicant or affiliated or associated with the applicant, will be part of a program providing, principally for persons residing in a particular community or communities in or near which such center is to be situated, at least those essential elements of comprehensive mental health services for mentally ill persons which are prescribed by the Secretary in accordance with regulations; and (E) that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 203(2). No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing.

(b) Amendment of any approved application shall be subject to approval in the same manner as an original application.

#### WITHHOLDING OF PAYMENTS

SEC. 206. Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency designated as provided in section 204(a)(1), finds—

(1) that the State agency is not complying substantially with the provisions required by section 204 to be included in its State plan, or with regulations under this title;

(2) that any assurance required to be given in an application filed under section 205 is not being or cannot be carried out;

(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 205; or

(4) that adequate State funds are not being provided annually for the direct administration of the State plan,  
the Secretary may forthwith notify the State agency that—

(5) no further payments will be made to the State from allotments under this title; or

(6) no further payments will be made from allotments under this title for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph (1), (2), (3), or (4) of this section,

as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

#### NONDUPLICATION OF GRANTS

SEC. 207. No grant may be made under any provision of the Public Health Service Act, for any of the two fiscal years in the period beginning July 1, 1964, and ending June 30, 1966, for construction of any facility described in this title.

### TITLE III—TRAINING OF TEACHERS OF MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

#### TRAINING OF TEACHERS OF HANDICAPPED CHILDREN

SEC. 301. (a)(1) The second sentence of the first section of the Act of September 6, 1958 (Public Law 85-926), is amended by striking out "Such grants" and inserting in lieu thereof "Grants under this section" and by striking out "fellowships" and inserting in lieu thereof "fellowships or traineeships".

(2) Such section is further amended by inserting before the second sentence thereof the following new sentence: "He is also authorized to make grants to public or other nonprofit institutions of higher learning to assist them in providing professional or advanced training for

personnel engaged or preparing to engage in employment as teachers of handicapped children, as supervisors of such teachers, or as speech correctionists or other specialists providing special services for education of such children, or engaged or preparing to engage in research in fields related to education of such children.”

(3) The first sentence of such section is amended by striking out “mentally retarded children” and inserting in lieu thereof “mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or other health impaired children (hereinafter in this Act referred to as ‘handicapped children’)”. Section 2 of such Act is amended by striking out “mentally retarded children” and inserting in lieu thereof “handicapped children”.

(4) The second sentence of section 3 of such Act is repealed. Section 7 of such Act is amended to read as follows:

“SEC. 7. There are authorized to be appropriated for carrying out this Act \$11,500,000 for the fiscal year ending June 30, 1964; \$14,500,000 for the fiscal year ending June 30, 1965; and \$19,500,000 for the fiscal year ending June 30, 1966.”

(5) The amendments made by this subsection shall apply in the case of fiscal years beginning after June 30, 1963, except that deaf children shall not be included as “handicapped children” for purposes of such amendments for the fiscal year ending June 30, 1964.

(b) Effective for fiscal years beginning after June 30, 1964, the first section of such Act is amended by adding at the end thereof the following new sentence: “The Commissioner is also authorized to make grants to public or other nonprofit institutions of higher learning to assist them in establishing and maintaining scholarships, with such stipends as may be determined by the Commissioner, for training personnel preparing to engage in employment as teachers of the deaf.”

(c)(1) The first sentence of subsection (a) of section 6 of the Act of September 22, 1961 (Public Law 87-276, 20 U.S.C. 676) is amended by inserting immediately before the period at the end thereof the following: “, and \$1,500,000 for the fiscal year ending June 30, 1964”.

(2) Subsection (b) of such section 6 is amended by striking out “1963” and inserting in lieu thereof “1964”.

#### RESEARCH AND DEMONSTRATION PROJECTS IN EDUCATION OF HANDICAPPED CHILDREN

SEC. 302. (a) There is authorized to be appropriated for the fiscal year ending June 30, 1964, and each of the next two fiscal years, the sum of \$2,000,000 to enable the Commissioner of Education to make grants to States, State or local educational agencies, public and nonprofit private institutions of higher learning, and other public or nonprofit private educational or research agencies and organizations for research or demonstration projects relating to education for mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or other health impaired children (hereinafter in this subsection referred to as “handicapped children”). Such grants shall be made in installments, in advance or by way of reimbursement, and on such conditions as the Commissioner of Education may determine.

(b) The Commissioner of Education is authorized to appoint such special or technical advisory committees as he may deem necessary

to advise him on matters of general policy relating to particular fields of education of handicapped children or relating to special services necessary thereto or special problems involved therein.

(c) The Commissioner of Education shall also from time to time appoint panels of experts who are competent to evaluate various types of research or demonstration projects under this section, and shall secure the advice and recommendations of such a panel before making any such grant in the field in which such experts are competent.

(d) Members of any committee or panel appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of such committee or panel, be entitled to receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, but not exceeding \$50 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) The Commissioner of Education is authorized to delegate any of his functions under this section, except the promulgation of regulations, to any officer or employee of the Office of Education.

## TITLE IV—GENERAL

### DEFINITIONS

SEC. 401. For purposes of this Act—

(a) The term "State" includes Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia.

(b) The term "facility for the mentally retarded" means a facility specially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists and sheltered workshops for the mentally retarded, but only if such workshops are part of facilities which provide or will provide comprehensive services for the mentally retarded.

(c) The term "community mental health center" means a facility providing services for the prevention or diagnosis of mental illness, or care and treatment of mentally ill patients, or rehabilitation of such persons, which services are provided principally for persons residing in a particular community or communities in or near which the facility is situated.

(d) The terms "nonprofit facility for the mentally retarded", "nonprofit community mental health center", and "nonprofit private institution of higher learning" mean, respectively, a facility for the mentally retarded, a community mental health center, and an institution of higher learning which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and the term "nonprofit private agency or organization" means an agency or organization which is such a corporation or association or which is owned and operated by one or more of such corporations or associations.

(e) The term "construction" includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and



initial equipment of any such buildings (including medical transportation facilities); including architect's fees, but excluding the cost of off-site improvements and the cost of the acquisition of land.

(f) The term "cost of construction" means the amount found by the Secretary to be necessary for the construction of a project.

(g) The term "title", when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of construction and operation of the project.

(h) The term "Federal share" with respect to any project means—

(1) if the State plan under which application for such project is filed contains, as of the date of approval of the project application, standards approved by the Secretary pursuant to section 402 the amount determined in accordance with such standards by the State agency designated under such plan; or

(2) if the State plan does not contain such standards, the amount (not less than 33 $\frac{1}{3}$  per centum and not more than either 66 $\frac{2}{3}$  per centum or the State's Federal percentage, whichever is the lower) established by such State agency for all projects in the State: *Provided*, That prior to the approval of the first such project in the State during any fiscal year such State agency shall give to the Secretary written notification of the Federal share established under this paragraph for such projects in such State to be approved by the Secretary during such fiscal year, and the Federal share for such projects in such State approved during such fiscal year shall not be changed after such approval.

(i) The Federal percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that the Federal percentage for Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be 66 $\frac{2}{3}$  per centum.

(j)(1) The Federal percentages shall be promulgated by the Secretary as soon as possible after the enactment of this Act on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1, 1964, and ending June 30, 1966.

(2) The term "United States" means (but only for purposes of this subsection and subsection (i)) the fifty States and the District of Columbia.

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

#### STATE STANDARDS FOR VARIABLE FEDERAL SHARE

SEC. 402. The State plan approved under part C of title I or title II may include standards for determination of the Federal share of the cost of projects approved in the State under such part or title, as the case may be. Such standards shall provide equitably (and, to the extent practicable, on the basis of objective criteria) for variations

between projects or classes of projects on the basis of the economic status of areas and other relevant factors. No such standards shall provide for a Federal share of more than 66 $\frac{2}{3}$  per centum or less than 33 $\frac{1}{3}$  per centum of the cost of construction of any project. The Secretary shall approve any such standards and any modifications thereof which comply with the provisions of this section.

#### PAYMENTS FOR CONSTRUCTION

SEC. 403. (a) Upon certification to the Secretary by the State agency, designated as provided in section 134 in the case of a facility for the mentally retarded, or section 204 in the case of a community mental health center, based upon inspection by it, that work has been performed upon a project, or purchases have been made, in accordance with the approved plans and specifications, and that payment of an installment is due to the applicant, such installment shall be paid to the State, from the applicable allotment of such State, except that (1) if the State is not authorized by law to make payments to the applicant, the payment shall be made directly to the applicant, (2) if the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 136 or section 206, as the case may be, payment may, after he has given the State agency so designated notice of opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing, and (3) the total of payments under this subsection with respect to such project may not exceed an amount equal to the Federal share of the cost of construction of such project.

(b) In case an amendment to an approved application is approved as provided in section 135 or 205 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

#### JUDICIAL REVIEW

SEC. 404. If the Secretary refuses to approve any application for a project submitted under section 135 or 205, the State agency through which such application was submitted, or if any State is dissatisfied with his action under section 134(b) or 204(b) or section 136 or 206, such State, may appeal to the United States court of appeals for the circuit in which such State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may

thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

#### RECOVERY

SEC. 405. If any facility or center with respect to which funds have been paid under section 403 shall, at any time within twenty years after the completion of construction—

(1) be sold or transferred to any person, agency, or organization (A) which is not qualified to file an application under section 135 or 205, or (B) which is not approved as a transferee by the State agency designated pursuant to section 134 (in the case of a facility for the mentally retarded) or section 204 (in the case of a community mental health center), or its successor; or

(2) cease to be a public or other nonprofit facility for the mentally retarded or community mental health center, as the case may be, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to continue as such a facility or center, the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a facility or center which has ceased to be public or other nonprofit facility for the mentally retarded or community mental health center, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the center is situated) of so much of such facility or center as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects. Such right of recovery shall not constitute a lien upon such facility or center prior to judgment.

#### STATE CONTROL OF OPERATIONS

SEC. 406. Except as otherwise specifically provided, nothing in this Act shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility for the mentally retarded or community mental health center with respect to which any funds have been or may be expended under this Act.

#### CONFORMING AMENDMENT

SEC. 407. (a) The first sentence of section 633(b) of the Public Health Service Act is amended by striking out "eight" and inserting in lieu thereof "twelve". The second sentence thereof is amended to read: "Six of the twelve appointed members shall be persons who

are outstanding in fields pertaining to medical facility and health activities, and three of these six shall be authorities in matters relating to the operation of hospitals or other medical facilities, one of them shall be an authority in matters relating to the mentally retarded and one of them shall be an authority in matters relating to mental health, and the other six members shall be appointed to represent the consumers of services provided by such facilities and shall be persons familiar with the need for such services in urban or rural areas."

(b) The terms of office of the additional members of the Federal Hospital Council authorized by the amendment made by subsection (a) who first take office after enactment of this Act shall expire, as designated by the Secretary at the time of appointment, one at the end of the first year, one at the end of the second year, one at the end of the third year, and one at the end of the fourth year after the date of appointment.

The amendment by the committee to the title of the bill is as follows:

Amend the title so as to read: "An Act to provide assistance in combating mental retardation through grants for construction of research centers and grants for facilities for the mentally retarded and assistance in improving mental health through grants for construction of community mental health centers, and for other purposes."

## APPENDIX D

*Expenditures by States over past 10 years to combat mental illness and retardation—compiled August 1963 (data furnished by mental health departments in each State; table prepared by National Association of State Mental Health Program Directors)*

State (time period)	Expenditures on mental illness		Expenditures on retardation		Total expenditures		Total, all mental disorders	Explanatory notes
	Capital	Operating	Capital	Operating	Mental illness	Retardation		
Alabama (see total)-----							\$82,366,063	No breakdown available.
Alaska: 1958; estimate fiscal year 1963.	(1)	(1)	(1)	(1)	(1)	(1)	12,151,692	
Arizona-----	(2)							Breakdown not exact because "retardation" statistics reflect only treatment of children and not retarded adults who are treated with mentally ill.
Arkansas: 1959-63 "last 10 years" ("last 10 years" mental illness and retardation not separated).	\$3,337,441	\$49,574,386	\$2,752,315	\$2,158,775	\$52,911,827	\$4,911,091	57,822,918	
California: Fiscal year 1953-54 through fiscal year 1962-63 (estimated).	80,189,812	786,614,216	40,560,281	217,786,068	866,804,028	258,346,349	1,125,150,377	Includes only hospital expenditures.
Colorado: Fiscal year 1953-54 through fiscal year 1962-63 (estimated).	19,868,521	102,690,711	6,474,938	24,642,267	122,559,232	31,117,205	153,676,437	Includes matching funds to clinics under operating costs.
Connecticut: 1953-62-----	43,192,520	183,835,635	15,429,583	63,963,438	227,028,155	79,393,021	306,421,176	Does not include cost of community services for mental illness.
Delaware: "Last 10 years"-----	3,864,758	21,384,682	1,402,387	8,578,781	25,249,440	9,981,168	35,230,608	
Florida: Fiscal year 1952-53 through fiscal year 1961-62.	34,209,710	102,036,657	11,712,083	31,673,161	136,246,367	43,385,244	179,631,611	No statistics available prior to 1959-60 fiscal year. Statistics before 1959 not available because of recent statehood of Hawaii.
Georgia: Fiscal year 1959-60 through fiscal year 1961-62.	772,486	40,225,476	796,961	5,257,083	40,997,962	6,054,044	47,052,006	Statistics before 1959 not available because of recent statehood of Hawaii.
Hawaii: Fiscal year 1959-60 through fiscal year 1961-62.	754,711	8,872,085	367,376	5,372,257	9,626,796	5,739,633	15,366,429	
Idaho: Fiscal year 1952-53 through fiscal year 1961-62.	2,114,196	18,821,754	2,204,045	10,628,090	20,935,950	12,832,135	33,768,085	Mental illness operating expenditure includes State office operating costs of \$2,226,089.
Illinois: Fiscal year 1952-53 through fiscal year 1961-62.	48,472,357	529,490,559	5,473,306	97,044,975	577,962,916	102,518,282	680,481,198	
Indiana: "Past 10 years"-----	28,554,044	162,543,774	8,431,585	60,497,905	191,097,818	68,929,490	260,027,308	
Iowa-----	7,939,973	72,533,428	3,640,294	35,429,816	80,473,401	39,070,110	119,543,511	
Kansas: Fiscal year 1954 to fiscal year 1963.	21,361,320	113,227,081	8,633,052	45,893,476	134,588,401	54,526,528	189,114,929	

See footnotes at end of table, p. 70.

Expenditures by States over past 10 years to combat mental illness and retardation—compiled August 1963 (data furnished by mental health departments in each State; table prepared by National Association of State Mental Health Program Directors—Continued)

State (time period)	Expenditures on mental illness		Expenditures on retardation		Total expenditures		Total, all mental disorders	Explanatory notes
	Capital	Operating	Capital	Operating	Mental illness	Retardation		
Kentucky: July 1, 1952-June 30, 1962.	\$3, 472, 568	\$74, 567, 130	\$1, 239, 727	\$8, 016, 749	\$78, 039, 698	\$9, 256, 476	\$87, 296, 174	
Louisiana: Fiscal year 1953-54 through fiscal year 1962-63.	12, 500, 000	95, 200, 052	3, 500, 000	21, 658, 979	107, 700, 052	25, 158, 979	132, 859, 031	
Maine: "Past 10 years"-----	6, 651, 729	39, 373, 213	3, 911, 970	18, 043, 397	46, 024, 942	21, 955, 367	67, 980, 309	
Maryland: Fiscal year 1953 to fiscal year 1962.	12, 948, 573	159, 979, 022	4, 158, 850	32, 246, 500	172, 927, 595	36, 405, 350	209, 332, 945	
Massachusetts: "Past 10 years"-----	58, 317, 165	388, 222, 302	11, 100, 350	111, 399, 647	446, 539, 467	122, 499, 997	569, 039, 464	
Michigan: Fiscal year 1953 to fiscal year 1962.	42, 051, 500	363, 039, 937	33, 947, 700	175, 213, 437	405, 151, 437	209, 161, 137	614, 312, 574	
Minnesota: Fiscal year 1952-53 through fiscal year 1961-62.	27, 302, 750	156, 017, 229	31, 707, 373	64, 146, 571	183, 319, 979	95, 853, 944	279, 173, 923	Expenditures for research, training, central office administration, and mental health centers included in mental illness operating expenditure (8,647,864).
Mississippi: "Past 10 years"-----	7, 620, 000	49, 071, 543	2, 594, 169	7, 498, 615	56, 691, 543	10, 092, 784	66, 784, 327	
Missouri: "Past 10 years"-----	(4)	(4)	(4)	(4)	180, 851, 710	44, 313, 152	225, 164, 862	
Montana: 1953-62-----	3, 273, 275	23, 577, 854	2, 816, 459	6, 540, 810	28, 251, 128	9, 357, 269	36, 208, 398	
Nebraska-----	(5)	(5)	(5)	(5)	(5)	(5)	94, 188, 778	
Nevada: "Past 10 years"-----	2, 489, 903	7, 732, 610			10, 222, 513		10, 222, 513	No separate programs for retardation.
New Hampshire: "Past 10 years."-----	1, 692, 522	40, 841, 007	1, 771, 660	11, 345, 715	42, 533, 529	13, 117, 375	55, 650, 904	
New Jersey: 1954-63 (see total)-----							541, 347, 357	No breakdown available.
New Mexico-----	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
New York-----	236, 966, 813	1, 527, 076, 383		292, 898, 911	1, 764, 043, 196	292, 898, 911	2, 056, 942, 107	Capital expenditure on mental illness also includes capital expenditure on retardation.
North Carolina: 1952-53 through 1961-62.	42, 841, 448	127, 830, 545	21, 832, 858	32, 124, 924	170, 671, 993	53, 957, 782	224, 629, 775	
North Dakota: 10 years-----	(6)	(6)	2, 145, 100	5, 483, 861	29, 822, 222	7, 628, 961	37, 451, 183	Total for retardation includes some mental illness and clinics and educational services for retarded.

Ohio.....	67,287,327	406,785,959	14,559,498	95,924,760	474,073,286	110,484,268	584,557,544	Includes \$29,804,527 in non-institutional care in mental illness operating expenditure.
Oklahoma.....	2,471,532	77,523,703	1,651,452	15,933,429	79,995,235	17,584,882	97,580,117	
Oregon: Fiscal year 1953 to fiscal year 1962.	82,960,631	12,732,840	6,226,836	35,385,441	95,693,371	41,612,277	137,305,648	
Pennsylvania: Statistics on operating costs cover 9 years (1 year estimate on mental illness). Capital expenditures cover 10 years.	124,815,457	476,822,907	69,556,759	115,769,076	601,638,364	185,325,835	786,964,199	
Rhode Island: 1953-62.....	6,000,000	48,487,016	4,450,000	13,820,626	54,487,016	18,270,626	72,757,642	
South Carolina: Fiscal year 1952-53 through fiscal year 1961-62.	6,116,846	61,512,832	2,782,097	19,224,521	67,629,678	22,006,618	89,636,296	
South Dakota: Biennium 1953-55 through 1961-63.	2,837,426	19,940,000	1,090,000	9,330,425	22,777,426	10,420,425	33,197,851	
Tennessee: 9 years only, fiscal year 1953-54 through fiscal year 1961-62.	27,374,402	56,813,217	7,445,071	10,286,556	84,187,619	17,731,627	101,919,246	Mental illness capital expenditures include \$6,865,703 Hill-Burton funds.
Texas: 1953-62 ending Aug. 31....	23,641,358	180,486,898	17,325,198	65,998,389	204,128,256	83,323,587	287,451,843	
Utah.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Vermont: 1953-62.....	2,905,189	22,204,335	145,785	6,577,200	25,109,524	8,032,985	33,142,509	
Virginia: July 1952-June 1962.	26,686,818	130,058,020	14,265,066	30,397,237	156,744,838	44,662,304	201,407,142	
Washington: 1954-63.....	9,191,564	114,739,653	4,907,877	59,892,033	123,931,218	64,799,910	188,731,127	Does not include community psychiatric services.
West Virginia: Retardation, fiscal year 1958-59 through fiscal year 1963-64; mental illness, fiscal year 1954-55 through fiscal year 1963-64.	2,878,266	51,879,804	353,900	3,373,671	54,758,070	3,727,571	58,485,641	Prior to 1958, retardation expense included in mental illness.
Wisconsin: fiscal year 1952-53 through fiscal year 1961-62.	35,406,335	201,420,188	15,577,575	60,916,383	236,826,523	76,493,958	313,320,481	Statistics include private and county funds in amount of \$127,121,196.
Wyoming.....	2,231,605	11,551,794	2,952,675	9,590,446	13,783,399	12,543,121	26,326,520	
Total.....	1,103,393,857	7,189,569,330	393,204,216	1,947,964,404	8,503,637,119	2,385,481,767	11,619,172,776	

See footnotes at end of table, p. 70.

*Expenditures by States over past 10 years to combat mental illness and retardation—compiled August 1963 (data furnished by mental health departments in each State; table prepared by National Association of State Mental Health Program Directors)—Continued*

In addition	Mental illness		Total	47 States plus Puerto Rico
	Operating	Capital		
Puerto Rico: Fiscal years 1953-62.....	\$16, 578, 117	\$2, 479, 650	\$19, 057, 767	\$11, 638, 230, 543

<sup>1</sup> Expenditures, all programs: Capital, \$582,964; operating, \$11,568,728 (includes expended transitional grants under Public Law 830, 84th Cong.).

<sup>2</sup> Not available.

<sup>3</sup> Only Arkansas Children's Colony 1959-63 (3 years plus).

<sup>4</sup> Expenditures, all programs: Capital, \$25,193,013; operating, \$199,971,849.

<sup>5</sup> Expenditures, all programs: Capital, \$8,953,604; operating, \$85,235,174.

<sup>6</sup> No breakdown available.

<sup>7</sup> 1953-54 estimate.

<sup>8</sup> Includes Missouri and North Dakota (\$210,673,932) not previously accounted for in totals.

<sup>9</sup> Includes Missouri (\$44,313,152) not previously accounted for in totals.

<sup>10</sup> Includes Alaska, Alabama, Nebraska, New Jersey (\$730,053,890) not previously accounted for in totals.