

**Table 2.—Social welfare expenditures under civilian public programs in relation to gross national product, fiscal years 1950–51 through 1952–53**

Program	Social welfare expenditures as percent of gross national product		
	1952–53	1951–52	1950–51
Total.....	7.2	7.3	7.6
Social insurance.....	1.8	1.7	1.5
Public aid.....	.8	.8	.8
Health and medical services.....	.8	.8	.8
Other welfare services.....	.2	.2	.2
Education.....	2.5	2.5	2.5
Veterans' programs.....	1.2	1.4	1.8

flecting primarily the continued tapering off of the educational benefits program.

Social welfare expenditures under civilian public programs in 1952–53 accounted for about 25 percent of all government expenditures for all purposes; in 1950–51 they had represented 35 percent. Federal funds spent for social welfare took 10 percent of all Federal Government expenditures and 61 percent of State and local government expenditures for all purposes in 1952–53.

**Table 3.—Per capita social welfare expenditures, fiscal years 1950–51 through 1952–53**

Program	1952–53	1951–52	1950–51
Total.....	\$167.58	\$161.75	\$156.35
Social insurance.....	42.55	37.19	31.53
Public aid.....	17.61	16.97	17.12
Health and medical services.....	18.31	17.18	15.87
Other welfare services.....	4.57	4.56	3.53
Education.....	57.29	54.85	51.83
Veterans' programs.....	27.26	31.00	36.46

As in the two previous years, about 60 percent of all social welfare expenditures under civilian public programs came from State and local funds and about 40 percent from Federal funds. Almost all the Federal funds other than those spent for veterans and for social insurance programs represented grants-in-aid to the States or localities. As a result about 68 percent of all social welfare expenditures were for programs administered by State or local governments.

## Vocational Rehabilitation Act Amendments\*

On August 3, President Eisenhower signed the Vocational Rehabilitation Amendments of 1954, which became Public Law No. 565. The amendments constituted the first major revisions in the vocational rehabilitation program since 1943.

The "disability freeze" provisions of the 1954 amendments to the Social Security Act established a relationship between the Bureau of Old-Age and Survivors Insurance and the State agencies concerned with vocational rehabilitation. For this reason the amendments to the Vocational Rehabilitation Act may be of particular interest to BULLETIN readers.

In January 1954 the President, in announcing his health proposals for the Nation, recommended to Congress that legislation be enacted to develop and expand vocational rehabilitation to the point where it would be able to provide rehabilitation services for most of those who become newly disabled, or newly eligible for services, each year. To do this, he proposed a 5-year program of expansion in which the State-Federal program would be restoring about 200,000 persons annually by 1959, instead of the 60,000 persons now being rehabilitated each year.

Congress held extended hearings on legislation to accomplish this purpose. In July the Vocational Rehabilitation Amendments of 1954 were passed without a dissenting vote and became law, with the President's signature, on August 3.

The new law retains the present program, both in level of operations and range of services authorized, as a foundation on which to base expansion. In addition, it opens up new areas of service and program development for which the public program had no authorization in the earlier legislation.

The old law provided for financing the program on an "open end" basis; the Federal Government was obligated to reimburse the States for all necessary expenditures for administration of the program and for coun-

seling and placing disabled clients in jobs, and for one-half the costs of the rehabilitation services provided. Thus, the Federal amount was dependent upon the amount of State expenditures.

The act as amended provides a completely different financing basis. Federal grants of three types are now authorized: (1) Grants for basic vocational rehabilitation services, for the principal purpose of continuing and expanding rehabilitation services and providing them to more people; (2) extension and improvement grants, to encourage a State to move into new areas of service not heretofore provided for the disabled or to expand the range of services, and to produce a broad and balanced program; (3) special project grants, to provide financial support for those projects that have promise of advancing vocational rehabilitation generally and contributing to new knowledge in the field, including research and training of personnel.

Each of the three types of grants is authorized on its own allotment and matching basis. Allotments for basic support of services are made on a variable grant basis—that is, on a formula of population weighted by per capita income squared. Such a formula has the effect of providing the highest allotment for the State having the least ability to finance its own program, and conversely, the lowest allotment for the State having the greatest financial resources. To ensure the uninterrupted operation of each State program while this new financing method is being introduced and operated, the act provides that no State will receive less in Federal funds through the basic support grant than it received in reimbursement for expenditures made during the fiscal year 1953–54—with the stipulation, of course, that the State contributes no less than it did in 1954. A formula likewise is introduced to establish the Federal share for each State for matching. While this amount varies from State to State, the provisions call for a maximum Federal share of 70 percent, a minimum of 50 percent, and a national "pivot" of 60 percent.

Grants for extension and improvement are allotted on the basis of

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population, with a fixed Federal share of 75 percent and a stipulation that Federal participation in a particular project under this section of the act may not extend beyond 3 years.

Grants for special projects may be made on such conditions as the Secretary of Health, Education, and Welfare determines. Congress, in passing the supplemental appropriation act for the fiscal year 1954-55, included language requiring, however, that the State, or the grantee (in the case of other public or nonprofit organizations) shall contribute no less than \$1 for each two Federal dollars provided for the same purpose. Thus a 2-to-1 Federal-State matching relationship has been established for this year for special projects. The amendments also provide for a National Advisory Council on Vocational Rehabilitation to review all special projects and make recommendations.

Two of the most urgent problems confronting rehabilitation generally in this country may now be attacked by the public program as a result of the new provisions. One of these is the shortage of rehabilitation centers, workshops for the severely disabled, and special centers for the blind. In recent years, medical scientists and others have developed dramatic new ways of dealing with many of the severely disabling conditions, yet this knowledge so far has been put to use for only a comparative handful of the people who need it. A principal reason for this situation is the scarcity of rehabilitation centers in which the work may be carried out.

Public Law No. 565 now authorizes, as part of the overall operation of the program, Federal financial participation in grants for the alteration, expansion, equipment, and initial staffing of rehabilitation centers, including grants to either public or nonprofit voluntary agencies for this purpose. Through another law enacted this year—the Medical Facilities Survey and Construction Act (Public Law No. 482)—Federal support for the building of new rehabilitation centers is specifically provided for, with funds earmarked for that purpose. The amendments to the Vocational Rehabilitation Act also authorize support for workshops for

those disabled individuals who need work experience before entry into regular employment or for whom no other employment is possible.

Perhaps the most critical remaining need in rehabilitation is for well-trained personnel. Rehabilitation centers, public and private agencies, clinics, hospitals, and others are frequently impeded in trying to develop their rehabilitation programs because of personnel shortages. The new law authorizes Federal financial participation in the costs of traineeships for individuals and the introduction or expansion of curriculums in rehabilitation among universities and training institutions.

Certain other features of the law will be important for both the vocational rehabilitation program and for the many agencies and institutions that cooperate in its operation. It will now be possible, for example, to assist not only the blind but also other severely disabled persons to secure, equip, and operate vending stands and other small businesses. The former limit of 90 days on hospitalization of an individual disabled client is removed, as far as Federal participation is concerned. The Secretary of Health, Education, and Welfare or his designee is made responsible for planning and conducting studies, demonstrations, and investigations in relation to the abilities of the handicapped, their employment, and the like and for issuing reports on the results. The Secretary is also to make a study of existing programs for teaching and training homebound physically handicapped individuals and to report the results of the study and any recommendations for further action to Congress by the beginning of February 1955. The District of Columbia Rehabilitation Service, heretofore administered through the Office of Vocational Rehabilitation, is transferred to the District Government.

Two sections of Public Law No. 565 amend other existing laws as they relate to the rehabilitation of the handicapped. One of these increases from \$75,000 to \$225,000 the authorized appropriation for the President's Committee on Employment of the Physically Handicapped. The other adds to the Wagner-Peyser Act specific

language emphasizing the provision of counseling and placement services to handicapped persons by the State employment services.

Public Law No. 565 stresses the need for effective cooperation between the agencies that are in a position to help achieve the rehabilitation of a handicapped individual. The State plan of each vocational rehabilitation agency must include provisions for "cooperation by the State agency with, and the utilization of the services of, the State agency administering the State's public assistance program, and the Bureau of Old-Age and Survivors Insurance (Department of Health, Education, and Welfare) and of other Federal, State, and local public agencies providing services relating to vocational rehabilitation services. . . ."

The law provides for further cooperation among Federal agencies in promoting employment opportunities for the handicapped by establishing a formal relationship for this purpose between the Secretaries of Labor and of Health, Education, and Welfare and the Chairman of the President's Committee on Employment of the Physically Handicapped.

New opportunities were opened for further development of the Randolph-Sheppard vending-stand program for the blind. Previously, the law provided that certain preference be given the blind in connection with the operation of stands in Federal buildings. This authority now is extended to all Federal property. To carry out the intent of this provision, the amendments state that ". . . the head of each department or agency in control of the maintenance, operation, and protection of Federal property shall, after consultation with the Secretary, and with the approval of the President, prescribe regulations designed to assure such preference (including assignment of vending machine income to achieve and protect such preference) for such licensed blind persons without unduly inconveniencing such departments and agencies or adversely affecting the interests of the United States." Certain other changes affecting the ownership of equipment, the setting aside of funds for purposes common to all phases of a State program, and the like were included.