REHABILITATION AND EMPLOYMENT FOR THE HANDICAPPED—LEGISLATION IN THE 93RD CONGRESS

EDWARD R. KLEBE
EDUCAOTON AND PUBLIC WELFARE DIVISION
March 24, 1975
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Introduction

The years 1973 and 1974 saw action by the 93rd Congress on three of the most important programs designed to provide rehabilitation training and employment opportunities for handicapped Americans. These programs are:

- the Federal-State vocational rehabilitation program, first enacted in 1921 and extended and amended numerous times since;
- the Randolph-Sheppard vending stands for the blind act, first enacted in 1936; and
- the Wagner-O'Day Act of 1938, which created a Committee on Purchase of Blind-Made Products to provide employment opportunities for the blind in making products the Federal government needs and would otherwise procure on the open market.

The 93rd Congress enacted into law four bills dealing with these programs. This report relates the legislative histories of these bills and describes their provisions. It also includes tables of authorization levels for the bills.
Legislative History

92nd Congress

Early in 1972 the Congress began to review the Vocational Rehabilitation Act for extension. The House Select Subcommittee on Education held hearings on January 31, and February 1, 2, and 3, 1972, on several bills. The parent committee, the House Committee on Education and Labor, reported one of these bills, H.R. 8395, with amendments on March 16, 1972, and the House passed the reported bill unanimously on March 22, 1972.

The Senate Subcommittee on the Handicapped of the Committee on Labor and Public Welfare held hearings on May 15, 18, and 26, and on June 2 and 6, 1972, on the House-passed bill and several Senate bills. The Committee on Labor and Public Welfare reported a bill, S. 3987, on September 20, 1972, and on September 26, the full Senate passed H.R. 8395, after substituting the text of S. 3987 for the House-passed version.

The House disagreed and a conference was held. On October 11, 1972, a conference report was filed. The report was agreed to unanimously by the Senate on October 13, 1972, and by the House on October 14, 1972.

On October 27, 1972, after the 92nd Congress had adjourned, President Nixon issued a Memorandum of Disapproval—in effect a pocket veto.

93rd Congress

On January 11, 1973, the Senate Subcommittee on the Handicapped held hearings on a bill, S. 7, during which public witnesses submitted statements. On February 6, 1973, Administration witnesses testified before the Subcommittee. On February 19, 1973, the full Senate Committee on Labor and Public Welfare reported S. 7 favorably to the Senate (Sen. Report No. 93-48), and on February 28, the Senate passed S. 7 by a vote of 82 to 2.
On February 7, 1973, the House Select Subcommittee on Education held hearings on H.R. 17, the companion measure to S. 7, and on February 28 the full House Committee on Education and Labor ordered H.R. 17 reported to the House of Representatives (House Report No. 93-42). On March 8, 1973, the House passed S. 7 with an amendment in the nature of a substitute. The Senate agreed to the House amendment with an amendment, and the House agreed to the Senate amendment by unanimous voice vote and sent the bill to the President on March 15, 1973. On March 27, 1973 President Nixon vetoed S. 7. A vote to override failed in the Senate, 60 in favor of override and 36 against.

Following this second veto, a number of bills were introduced in both the House and the Senate as compromise measures. On May 30, 1973, the House Committee on Education and Labor reported a bill, H.R. 8070, to the House of Representatives, which passed the bill on June 5 (House Report No. 93-244). On June 27, 1973, the Senate Committee on Labor and Public Welfare ordered a bill, S. 1875, favorably reported to the Senate (Senate Report No. 93-318). On July 18, 1973, the Senate considered and passed H.R. 8070, amended, in lieu of S. 1875. The House disagreed to the Senate amendment and a conference was held. On September 13, a conference report was issued (H. Rept. No. 93-500, and S. Rept. No. 93-391). The Senate agreed to the conference report on September 13, and the House agreed to it on September 18, sending it to the President. On September 26, 1973, President Nixon signed H.R. 8070 into law as P.L. 93-112, the Rehabilitation Act of 1973.
Summary of Provisions

The bill as enacted into law, contains an opening part and five titles. The opening part contains ten sections, including a declaration of the purpose of the Act, a statutory establishment of the Rehabilitation Services Administration as the principal agency for carrying out the Act, provision for advance funding so that funds may be appropriated one year prior to the fiscal year to which they apply, provision for States to submit consolidated rehabilitation plans which include programs under this Act and the Developmental Disabilities Act, definitions of the terms used in the Act, the allotment percentage used in the formula for allocation of funds to the States under the Act, and provisions for effective audit of grant recipients and for nonduplication of funds.

For a more detailed analysis, see CRS multilith 73-196 ED.

Vocational Rehabilitation Services

Title I of the Act, Part A, authorizes appropriations for the Part B program of grants to the States for vocational rehabilitation services—$650 million for FY 1974 and $680 million for FY 1975, for the Part C program of grants for innovation and expansion—$37 million for FY 1974 and $39 million for FY 1975, of which $1 million in each fiscal year will be available for the part D study of comprehensive service needs of individuals with the most severe handicaps.

Part A also describes provisions for State plans, provisions for an individualized written rehabilitation program for each handicapped individual served, describes the scope of vocational rehabilitation services that will be provided under the Act, and provides that the non-Federal share for construction is subject to limitations prescribed by regulations.
Part B of Title I provides for allotments to States for basic vocational rehabilitation services based on population and allotment percentage. It also provides for funds to be set aside for 7 to 20 client assistance pilot projects.

Part C of Title I provides for allotments to States for innovation and expansion grants based on population.

Part D authorizes the Secretary to conduct a comprehensive study, including research and demonstration projects, of the needs of severely handicapped individuals.

Research and Training

Title II of the Act authorizes appropriations for research--$25 million each for fiscal years 1974 and 1975--and training--$27.7 million each for fiscal years 1974 and 1975. The title includes authority for the following specialized research activities: Rehabilitation Research and Training Centers, Rehabilitation Engineering Research Centers, spinal cord injury research, end-stage renal disease research, and international rehabilitation research.

Special Federal Responsibilities

Title III authorizes several special programs under the title "Special Federal Responsibilities." This title authorizes "such sums as may be necessary" for grants for construction of rehabilitation facilities and for grants for vocational training services for handicapped individuals. The title also authorizes a program to provide mortgage insurance for rehabilitation facilities with total outstanding mortgages insured not to exceed $200 million. Title II authorizes $15 million in FY 1974 and $17 million in FY 1975 for grants for special projects and demonstrations to provide
services for the severely handicapped, including the spinal cord injured, and for handicapped migratory agricultural workers and their families, and for other purposes. Finally Title III authorizes "such sums as may be necessary" for construction and operation of a National Center for Deaf-Blind Youths and Adults.

Administration and Program and Project Evaluation

Title IV of P.L. 93-112 deals with administration and program and project evaluation. It describes procedures for the Secretary to carry out these functions, provides for obtaining information from other Federal agencies as needed for evaluations, requires reports, and describes the responsibilities of the Secretary in performing a number of general coordinating functions such as long-range planning, program analysis and evaluation, and an information and resource clearinghouse. Title IV also requires the Secretary to conduct two studies: One, a study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops, and the second, a study of the allotment of funds among the States of grants for basic vocational rehabilitation services authorized under Title I.

Miscellaneous

Title V of the Act repeals the existing Vocational Rehabilitation Act, establishes within the Federal Government an Interagency Committee on Handicapped Employees to provide a focus for Federal and other handicapped employment, creates an Architectural and Transportation Barriers Compliance Board to undertake a study of transportation and housing needs and problems for handicapped individuals, requires affirmative action programs for employment of handicapped individuals by Government contractors, and
prohibits discrimination against handicapped individuals by any program for employment of handicapped individuals by Government contractors, and prohibits discrimination against handicapped individuals by any program receiving Federal financial assistance.

Table I: P.L. 93-112--Authorizations

<table>
<thead>
<tr>
<th>Title I</th>
<th>FY 1974</th>
<th>FY 1975</th>
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<tbody>
<tr>
<td>Basic Vocational Rehabilitation Services, Part B</td>
<td>$650,000,000</td>
<td>$680,000,000</td>
</tr>
<tr>
<td>Innovation and Expansion Grants, Part C</td>
<td>37,000,000</td>
<td>38,000,000</td>
</tr>
<tr>
<td>(plus for each year such additional sums as the Congress may determine to be necessary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensive Service Needs, Special Study, Part D</td>
<td>$1,000,000 each year from amount appropriated for Part C above.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Title II</th>
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<tbody>
<tr>
<td>Research, Section 202</td>
<td>25,000,000</td>
</tr>
<tr>
<td>(plus for each year such additional sums as the Congress may determine to be necessary)</td>
<td></td>
</tr>
<tr>
<td>Training, Section 203</td>
<td>27,700,000</td>
</tr>
<tr>
<td>(plus for each year such additional sums as the Congress may determine to be necessary)</td>
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<tr>
<th>Title III</th>
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</thead>
<tbody>
<tr>
<td>Grants for Construction of Rehabilitation Facilities, Section 301</td>
<td>Such sums as may be necessary</td>
</tr>
<tr>
<td>Vocational Training Services for Handicapped Individuals, Section 302</td>
<td>Such sums as may be necessary</td>
</tr>
</tbody>
</table>
Mortgage Insurance for Rehabilitation Facilities, Section 303

Such sums as may be necessary to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund.

FY 1974: $15,000,000
FY 1975: $17,000,000

(except for each year such additional sums as the Congress may determine to be necessary)

Special Projects and Demonstrations, Section 304

National Centers for Deaf-Blind Youths and Adults, Section 305

Such sums as may be necessary for construction, to remain available until expended, plus such sums as may be necessary for operations for fiscal years 1974 and 1975.

Title IV

Administration, Section 400

Program and Project Evaluation, Section 401

Secretarial Responsibilities, Section 405

Title V

Architectural and Transportation Barriers Compliance Board, Section 502

Such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 percent of the funds appropriated under titles I, II, and III, or $1,000,000, whichever is greater.

FY 1974: 500,000
FY 1975: 500,000

FY 1974: 1,000,000
FY 1975: 1,000,000
Legislative History

Oversight hearings held by the Select Subcommittee on Education of the House Education and Labor Committee on August 3, November 30, and December 10, 1973, and on March 8, 1974 led to the determination that certain clarifying and perfecting changes in the Act would be required in order to permit the full implementation of Congressional intent. On April 11, 1974, Representatives Brademas, Perkins, Quie, and Eschleman introduced H.R. 14225, a bill to extend the Rehabilitation Act for one additional year, through FY 1976, and to transfer the Rehabilitation Services Administration from the Social and Rehabilitation Service to the Office of the Secretary of Health, Education, and Welfare. H.R. 14225 was reported from the Education and Labor Committee to the full House on May 17, 1974 (House Report No. 93-1048) and passed by the House on May 21, 1974.

The Subcommittee on the Handicapped of the Senate Labor and Public Welfare held hearings on June 27, 1974, on S. 3108, a bill introduced by Senator Stafford to transfer RSA from SRS to the Office of the Assistant Secretary of Health, Education, and Welfare; S. 3381, a bill introduced by Senator Bentsen to extend Rehabilitation Act authorizations; and H.R. 14225, the House-passed bill. The bills S. 3108 and H.R. 14225 were ordered discharged from the Subcommittee to the full Committee and on August 15, 1974, the Committee on Labor and Public Welfare met in executive session and unanimously ordered favorably reported S. 3108 with an amendment in the nature of a substitute and a title amendment.

As reported to the Senate on September 6, 1974 (S. Report No. 93-1139), S. 3108 contained two other titles in addition to the title amending the
Rehabilitation Act of 1973. These two titles included legislation that the Senate had dealt with earlier.

On May 30, 1973, Senator Williams and others had introduced S. J. Res. 118, a resolution calling for a White House Conference on the Handicapped. On June 27, 1973, the Senate Committee on Labor and Public Welfare considered the bill in executive session and ordered it reported to the Senate. On July 16, 1973, S.J. Res. 118 was reported (S. Report No. 93-319) and on July 18, it was passed by the Senate.

On October 13, 1973, Senator Randolph and others had introduced S. 2581, a bill to amend the Randolph-Sheppard Act for the Blind. The Subcommittee on the Handicapped of the Senate Committee on Labor and Public Welfare held hearings on the bill on November 16, 19, and December 6, 1973. On June 17, 1974, the Senate Committee reported S. 2581 to the full Senate (S. Report No. 93-837). On June 20, the Senate passed S. 2581.

The three titles of S. 3108, as reported, were as follows: Title I--Rehabilitation Act Amendments; Title II--Randolph-Sheppard Act amendments; and Title III--White House Conference on Handicapped Individuals.

On September 10, 1974, the Senate passed H.R. 14225 unanimously with an amendment in the nature of a substitute (the text of S. 3108 as reported) and a title amendment. Conferees met to work out the differences between the House bill and the Senate amendment on October 9, 1974, and filed a conference (H. Report No. 93-1457 and S. Report No. 93-1270). The conference report was agreed to by the Senate on October 10, and by the House on October 16, 1974.
On October 29, after the Congress had recessed, President Ford returned H.R. 14225 with a Message of Disapproval. The President's message stated, in part, his determination that his action was a pocket veto. Nevertheless, the House, on November 20, voted by 398 to 7 to override the President's veto. On November 21, the Senate voted 90 to 1 to override. The Congress, by its override of the veto, determined, in effect, that the veto was a regular ("return") veto and not a pocket veto. In order to avoid confusion concerning this action, members of both House and Senate introduced new bills identical to the one vetoed and overridden--H.R. 17503 and S. 4194.

On November 26, 1974, the Senate Committee on Labor and Public Welfare reported S. 4194 (S. Report No. 93-1297). That same day, the House considered and passed H.R. 17503 and sent it to the Senate. The Senate passed it as well and sent the bill to the President, who signed it into law on December 7, 1974, as P.L. 93-516.

P.L. 93-516--Rehabilitation Act Amendments of 1974

Summary of Provisions

Title I--Amendments to the Rehabilitation Act of 1973

This title transfers the Rehabilitation Services Administration (RSA), which administers the Rehabilitation Act, from the Social and Rehabilitative Service into the Office of the Secretary of HEW, with the requirement that the Commissioner of RSA be confirmed by the Senate and that he report directly to the Secretary, Under Secretary, or an appropriate assistant Secretary. This provision further prohibits the delegation of program and administrative functions vested in the Commissioner to any officer not directly responsible to him.
Title I also extends the authorizations of appropriation for all programs under the Rehabilitation Act for one year. See Table 2 for specific authorization levels.

Finally, title I makes a number of miscellaneous amendments to various sections of the Rehabilitation Act of 1973.

One such amendment is designed to more effectively express the original Congressional intent that the nondiscrimination provisions of section 504 of the 1973 Act were not limited to employment but are of general application and that the provisions of both section 504 and section 503, which required affirmative action in employment on Federal contracts, were not limited to the individual's potential benefit from vocational rehabilitation services.

Another provision requires State vocational rehabilitation agencies and facilities receiving funds through this law to develop an affirmative action plan to employ and advance in employment qualified handicapped individuals.

Also amended is a provision of the 1973 Act requiring records to be kept on those applicants who apply for services and are determined not to be eligible for such services. The 1974 Act requires that not only should such records be kept but also an annual report be made to the Secretary of HEW so that he may analyze the reasons for such ineligibility. It is further required that applicants found to be ineligible for vocational rehabilitation services also be advised of the reasons for such ineligibility and of the appeals rights and recourses available to them.

The title ensures continued funding of client assistance projects by establishing a minimum obligation level for the special projects program from which such funding is earmarked. The title also extends from February 1, 1975, to June 30, 1975, the date on which the Secretary is to submit a report on the study of service needs for individuals with the most severe handicaps.
It authorizes grants under the research grant authority in the 1973 Act for demonstrations of architectural and engineering designs for handicapped individuals and adds to the special projects and demonstration grants authority a new authority to make such grants for operating programs to demonstrate methods of making recreational activities fully accessible to handicapped individuals. It also provides that both certain technical assistance relating to the removal of architectural and transportation barriers and plans and specifications with respect to construction projects assisted under the 1973 Act have the concurrence of the Architectural and Transportation Barriers Compliance Board.

There are a number of amendments concerning this Compliance Board; the Department of Defense is added as a member; the Secretary of Health, Education, and Welfare is named as chairman; the establishment of a Consumer Advisory Board composed of a majority of handicapped individuals is authorized; the Compliance Board is authorized to carry out its functions by grant or contract; a Board order is made binding on any Federal agency; and the withholding of funds for buildings not in compliance is authorized.

Finally, Title I assigns the Office for Handicapped Individuals (renamed from the Office of the Handicapped) to the office of the Secretary or Under Secretary of Health, Education, and Welfare.

**Title II--Randolph-Sheppard Act Amendments**

This title amends the Randolph-Sheppard Act in order to strengthen the provisions for the establishment and protection of blind vending operations on Federal property.
This title states certain findings of the Congress concerning this program: that the Randolph-Sheppard program has not developed as it should because of a number of "inhibiting forces," and that it felt that the program had the potential of doubling the number of blind licensees on Federal property in five years.

The amendment gives the blind "priority" to operate vending facilities on Federal property, rather than the "preference" they had had previously. The Secretary of HEW through the Commissioner of RSA is required to prescribe within 180 days of enactment regulations to protect this priority and to assure, where feasible, that one or more blind vending facilities be located on each Federal property.

There are new provisions to assure an aggrieved blind licensee a full evidentiary hearing by the State licensing agency, and if the blind licensee is dissatisfied with a decision he may file a complaint with the Secretary of HEW who, in turn, is required to convene an ad hoc arbitration panel.

There is provision for assignment of vending machine income to accrue to blind licensees. After January 1, 1975, 100% of vending machine income in direct competition with a blind vending facility shall accrue to the blind licensee or to the licensing agency. After January 1, 1975, 50% of income from vending machines not in direct competition with a blind vending facility shall accrue to the blind licensee or the State licensing agency except that with respect to property at which at least 50% of hours worked on the premises are outside normal working hours, in which case 30% of such income shall so accrue. Vending machines in "direct competition" are defined as any vending machines operated on the same premises as a
blind vending facility, but not in those areas in which the majority of employees normally have no direct access.

Vending machine income which accrues to the State agency must first be used for "retirement or pension plans, health insurance contributions, and for provisions of paid sick leave and vacation for blind licensees" if these uses are approved by a majority of the operators in the State. Any vending machine income left after use for this purpose may be used only for one of the four allowed purposes of set aside funds, which are: maintenance and replacement of equipment, purchase of new equipment, management services, and assuring a fair minimum return for operators.

The bill excludes from application of these new provisions vending machine income from retail outlets of military exchanges, the Veterans Canteen Service, and income at individual Federal facilities which does not exceed $3,000 annually.

The Secretary is required to establish a priority for operation of cafeterias by blind vendors if, after consultation with the head of the installation, he determines that such a cafeteria operation can be provided at a reasonable cost and with quality food comparable to that currently provided employees.

The Secretary is authorized to take action and make regulations necessary to assure compliance with the new provisions.

The Commissioner is required to insure that uniform and effective training programs are provided to blind individuals, and that State agencies provide programs of upward mobility training and follow-along services for all trainees under this Act.
This title revises certain of the definitions in the Randolph-Sheppard Act, by providing a more precise definition of "blind person," by including property under control of the Department of Defense and the U.S. Postal Service as "Federal property," by defining "vending facility" to expand the scope of blind vending operations authorized, and by adding "vending machine income" as a new definition, meaning receipts, after deducting the cost of goods sold (including reasonable service and maintenance costs) or commissions, from vending machines operated by other than blind licensees on Federal property.

The Secretary of Health, Education, and Welfare is directed to assign to the Office for the Blind and Visually Handicapped in RSA ten new full-time personnel, five of whom will be supportive personnel, to administer the Randolph-Sheppard program.

The State licensing agency is required to provide each blind licensee with access to all relevant financial data, including quarterly and annual reports, on the operation of the State's vending facility program. It is also required to conduct a biennial election of a Statewide committee of blind vendors, and to insure that the responsibilities of this committee will include participation in program and policy development, receiving grievances of licensees, participation in a transfer and promotion system, participation in a training and retraining programs, and sponsorship of meetings and instructional conferences for blind licensees.

The Secretary is required to make several studies and reports. First, he is required to study and promulgate within six months after enactment, national standards governing set aside funds. He is directed to study the...
feasibility of establishing a nationally administered retirement and health insurance system for blind licensees and report his findings and recommendations to Congress and the President within one year. Finally, the Secretary is required to complete an evaluation of the methods of assigning vending machine income and its effect on the growth of the blind vendor program and on nonappropriated fund activities on Federal property. This study is to be completed on September 30, 1975, and 30 days after that date the Secretary shall report his findings and recommendations to the appropriate Congressional Committees.

Finally, title II authorizes the Comptroller General to conduct regular audits of any nonappropriated fund activity which receives vending machine income on Federal property. He is to be given access to all relevant books, documents, and records as he deems necessary.

Title III--White House Conference on Handicapped Individuals

Title III authorizes the President to call a White House Conference on Handicapped Individuals within two years after the date of enactment in order to stimulate a national assessment of the problems facing individuals with handicaps and to develop recommendations for solutions. He is directed to establish a 28-member National Planning and Advisory Council not less than 10 of whose members shall be individuals with handicaps.

The Conference will give consideration to a number of specified areas of concern, such as education, health, diagnostic services, communication services, transportation, employment, and housing and many others as they relate to handicapped individuals.

The Conference is directed to submit a final report, through the Council, to the President within 180 days following the Conference. This report
will be made available immediately to the public, and the Council and the Secretary of Health, Education, and Welfare are directed to submit to the President and the Congress recommendations for administrative action and legislation necessary to implement the recommendations of the final report within ninety days following the submission of the final report.

This title authorizes the Secretary to make grants to States to assist in meeting the costs of the State's participation in the Conference. The funds will be apportioned among the States, with the approval of the Council, and on the basis of need, and no State will receive more than $75,000 or less than $10,000. The bill authorizes the appropriation of $2 million plus such additional sums as may be necessary to carry out the purposes of this title. The sums are authorized without fiscal year limitations, and shall remain available for expenditure until June 30, 1977.
<table>
<thead>
<tr>
<th>Title I</th>
<th>FY 1976</th>
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<tr>
<td>Basic Vocational Rehabilitation Services, Part B</td>
<td>$720,000,000</td>
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<tr>
<td>Innovation and Expansion Grants, Part C</td>
<td>42,000,000</td>
</tr>
<tr>
<td>Client Assistance, Section 112(a)</td>
<td>2,500,000</td>
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<tr>
<td>Research, Section 202</td>
<td>32,000,000</td>
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<tr>
<td>Training, Section 203</td>
<td>32,000,000</td>
</tr>
<tr>
<td>Grants for Construction of Rehabilitation Facilities, Section 301</td>
<td>Such sums as may be necessary</td>
</tr>
<tr>
<td>Vocational Training Services for Handicapped Individuals, Section 302</td>
<td>Such sums as may be necessary</td>
</tr>
<tr>
<td>Special Projects and Demonstrations, Section 304</td>
<td>20,000,000</td>
</tr>
<tr>
<td>National Centers for Deaf-Blind Youths and Adults, Section 305</td>
<td>Such sums as may be necessary for construction, to remain available until expended, plus such sums as may be necessary for operations for fiscal year 1976</td>
</tr>
<tr>
<td>Program and Project Evaluation, Section 401</td>
<td>Such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 percent of the funds appropriated under titles I, II, and III, or $1,000,000, whichever is greater</td>
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Title II: P.L. 93-516--Authorizations (continued)  

FY 1976

Secretarial Responsibilities,  
Section 405  
$ 600,000

Architectural and Transportation  
Barriers Compliance Board,  
Section 502  
1,500,000

Title II

Randolph-Sheppard Act  
Amendments  
No new authorizations; agencies affected  
are expected to bear the costs out of gen- 
eral agency appropriations

Title III

White House Conference on  
Handicapped Individuals  
2,000,000  
Authorized to be appropriated, without  
fiscal year limitation, to be available un- 
til June 30, 1977
Wagner-O'Day Act Amendments

Background

The Wagner-O'Day Act of 1938 created a Committee on Purchases of Blind-Made Products to provide employment opportunities for the blind in making products the Federal Government needed and would otherwise procure on the open market. Under the system established by the Act, an item put on the procurement list, subject to a preference given Federal Prison Industries, Inc., had to be procured at the price specified from a nonprofit workshop for the blind. Seventy-five percent of the direct labor involved in making the commodity had to be performed by blind or visually handicapped workers. A central nonprofit agency allocated to eligible workshops the orders placed by Government agencies. If a workshop could not deliver the item within the time specified, the agency was then free to procure it on the open market. By 1971, sales under the Act by workshops had an annual volume of $18 million and earlier had reached a high of $31 million.

In 1971 the Congress amended the Act in an effort to extend the opportunities given the blind under the other severely handicapped, who outnumber the blind by far. This amendment, P.L. 92-28, also recognized that the various workshops could perform services for as well as supply commodities to the Government. The magnitude of the task of deciding which items should be placed on the procurement list, along with the certification of workshops, required that the Committee be increased in size and be given its own full-time staff, instead of relying on the General Services Administration, as had been the case in the past. The
1971 amendments authorized such full-time staff, broadened the powers of the Committee, and provided for an appropriation authorization of $200,000 annually through fiscal year 1974.

The 1973 Amendments

By 1973 it had become evident that cost estimates made at the time of the 1971 amendment had been insufficient. So, on March 28, 1973, Senator Javits, as requested by the Administration, introduced a bill, S. 1413, to increase the authorization for appropriations by $40,000 for the operation of the program. The Subcommittee on the Handicapped and the full Senate Committee on Labor and Public Welfare considered S. 1413 in executive session and the bill was reported to the full Senate on June 8, 1973 (S. Report No. 93-201). On June 15, the Senate passed S. 1413 and sent the bill to the House.

In the meantime, an identical bill had been introduced in the House, H.R. 7423. On June 8, 1973, the Special Studies Subcommittee of the House Committee on Government Operations held hearings on H.R. 7423. On June 21, the Committee reported the bill to the full House (H. Report No. 93-304). On July 17, the House of Representatives passed S. 1413, in lieu of H.R. 7423.

On July 30, 1973, the President signed S. 1413 into law as P.L. 93-76. As enacted, the bill increased the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped from $200,000 to $240,000.
The 1974 Amendments

On October 29, 1973, Representative Hicks introduced H.R. 1143, a bill to amend further the Wagner-O'Day Act, specifically to simplify the title of the Committee established under the Act, to increase the membership of the Committee, and to clarify the meaning of the term "direct labor" as it is used in the Act. The Special Studies Subcommittee of the House Committee on Government Operations on November 8, 9, 13, and 14, 1973, held hearings on the bill and on the operations of the program. On February 26, 1974, the Committee reported H.R. 1143 to the full House (H. Report No. 93-808) and on March 4, the House of Representatives passed the bill.

The Subcommittee on the Handicapped of the Senate Committee on Labor and Public Welfare held hearings on a similar bill, S. 2687, on April 25, 1974. On June 10, 1974, the Committee reported S. 2687 to the full Senate (S. Report No. 93-908). On June 13, the Senate passed the House bill, H.R. 1143, amended, in lieu of S. 2687. The House concurred in the Senate amendments on July 15, and on July 25, 1974, the President signed the bill into law as P.L. 93-358.

As enacted, the bill shortens the name of the Committee from the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped to the less unwieldy Committee for Purchases from the Blind and Other Severely Handicapped.

The bill also expands the membership of the Committee from fourteen to fifteen, the additional member to be a private citizen knowledgeable about the employment problems of the severely handicapped.
The 1974 amendment amends the definition of "direct labor," which previously read: "includes all work required for preparation, processing, and packing, but not supervision, administration, inspection, and shipping." The amendment changes this to clearly include work "related to the performance of a service." This change was needed so that the requirement for performance of 75 percent of the direct labor by blind or other severely handicapped persons would apply to work performed under a service contract.

Finally, P.L. 93-358 authorizes "such such as may be necessary" for those fiscal years following fiscal year 1974.