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WASHINGTON, D.C.

From the President c. El ember To: a.m. Date: Time p.m.



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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 3, 1974

INFORMATION

MEMORANDUM FOR THE PRESIDENT

KEN COI

SUBJECT:

FROM :

ECT: <u>Memorandum from Secretary Weinberger</u> Concerning Social Services

Attached is a memorandum from Secretary Weinberger informing you of an agreement announced this morning with the principal Senators involved regarding Federal funds for social services. This agreement settles a year and a half struggle between HEW and Members of Congress over efforts to tighten up regulations for the \$2.5 billion social services program.

The Secretary feels the compromise legislation goes a long way toward meeting the Department's objectives of focusing social services funds upon the most needy.

In the Senate the legislation will be introduced by Senators Mondale, Packwood, Javits, and Bentsen and by Chairman Mills in the House.

Attachment



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE WASHINGTON, D. C. 20201

October 2, 1974

MEMORANDUM FOR THE PRESIDENT

Tomorrow we will announce an agreement with the principal Senators involved settling the year and a half old struggle over Federal social services funds.

As you will recall, the Congress put a \$2.5 billion ceiling on social services funds in 1972, when the program was threatening to get completely out of hand because of the States' ability to draw unlimited amounts from the Treasury to match any program they labeled "social services." When the limit was put on, our Department was also instructed to "tighten up the regulations" to prevent some of the abuses that had come into the program, and our attempts to do that in 1973 sparked fierce opposition among many of the groups, particularly day care centers, that had been the beneficiaries of Federal social services funds.

Essentially our regulations were designed to focus the money on the most needy people and to give greater flexibility to the States to spend on projects that appealed to them, but only up to the Congressionally imposed ceiling.

After prolonged negotiations and substantial disagreements, we had finally been able to secure agreement with Senators Mondale, Packwood, Javits and Bentsen, the principal proponents of social services legislation and our principal opponents last year, upon a series of major improvements in the program that take us a long way toward securing our objectives, particularly in focusing Federal dollars upon the most needy beneficiaries of social services programs.

This agreement will be announced the morning of October 3 and will be introduced in the Senate by the Senators mentioned above and in the House by Chairman Wilbur Mills. Upon enactment (which we understand is apt to come reasonably rapidly), the new rules will take effect July 1, 1975. I am particularly pleased to be able to report this agreement because the issue constituted one of the major outstanding disagreements with many members in both Houses of the Congress. A real share of the credit is properly assigned to Under Secretary Carlucci who participated in many of the very difficult negotiating sessions.

Caspar W. Weinberger

THE WHITE HOUSE

WASHINGTON

October 5, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE CASPAR W. WEINBERGER

SUBJECT:

Social Services

Your memorandum to the President of October 2 on the above subject has been reviewed and the following notation was made:

-- Sounds good.

sΔ erry H Jone

Special Assistant to the President

cc: Don Rumsfeld bcc: Ken Cole