

The original documents are located in Box C13, folder “Presidential Handwriting, 3/12/1975 (1)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.



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

MAR 12 1975

MEMORANDUM TO THE PRESIDENT

Subject: Further Rescissions for the Department of
Health, Education, and Welfare

HEW has a number of programs for which there are no FY 1975 appropriations due to lack of authorizing legislation. Congress extended the FY 1975 Continuing Resolution which provides funding for these programs through June 30, 1975. Most of the programs involved are those contained in the health services legislation which you pocket vetoed on December 21 and the health manpower legislation which the Congress has not yet passed.

Authorizations under the Continuing Resolution total approximately \$550 million more in budget authority than is contained in the revised FY 1975 budget. 1/

The issue is whether or not to submit rescissions covering these amounts in excess of your budget.

Factors Arguing in Favor of Submitting Rescissions

- . . . The policies enunciated in your November 26 cutback message and the January 3 budget clearly would lead to the submittal of such rescissions.
- . . . The amounts over the budget authorized under the Continuing Resolution for these programs in almost all cases are not justifiable either on the basis of program merit or in the light of fiscal restraint.

1/ The \$550 million overstates the case. In fact, there are two programs--Emergency School Aid and Regional Medical Programs--which make up roughly \$235 million of the amount over the budget. These programs will ultimately be disposed of in the next supplemental bill and not as part of final action on the Continuing Resolution. Thus, the actual amount at stake is closer to \$300 million.

Arguments Against Submitting Rescissions and in Favor
of Spending the Money

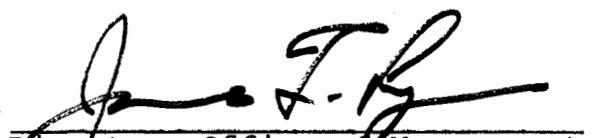
- . . . Congress has rejected all of the rescissions submitted for HEW to date and will reject further rescissions if they are submitted. Congress' view is that it has disposed of the rescissions for HEW and submittal of further rescissions will be a futile gesture on your part signifying an unwillingness to accept an explicit signal from the Hill.

- . . . This signal has come from Republicans with almost the same intensity as Democrats. We have had no support in the Senate; in the House, Congressman Michel proposed a compromise which would have rescinded approximately \$250 million of the \$900 million. It was defeated by a vote of 252-132 on the Floor of the House.

- . . . Following House action, Congressman Michel has been in touch with HEW and indicated his view that further rescissions should not be submitted. He feels particularly strongly that with all of the other business before both the Executive and Legislative Branches, it would be an unjustifiable waste of everyone's time.

Given the above facts, we seek your judgment on whether to try to rescind the amounts over the budget in the Continuing Resolution or release them at this time.


Secretary, Department of
Health, Education, and Welfare


Director, Office of Management
and Budget

Comparison of Funding Levels Authorized Under the
Continuing Resolution with Revised 1975 Budget Levels
(\$ in Thousands)

	Annual Authorized CR Level	Revised FY 75 Budget	Amount of CR In Excess of Revised Budget
<u>Health Services Administration</u>			
Comprehensive Health Grants to States	\$ 90,000	\$ 67,500	\$ 22,500
Community Health Centers	200,400	199,320	1,080
Family Planning	100,615	100,072	543
Migrant Health	23,750	24,000	NA
National Health Service Corps.	9,055	12,122	NA
Subtotal, HSA	423,820	403,014	24,123
<u>Center for Disease Control</u>			
Rat Control	13,100	13,100	NA
<u>Alcohol, Drug Abuse, and Mental Health Administration</u>			
Community Mental Health Construction of Centers	14,250	-0-	14,250
<u>Health Resources Administration</u>			
Comprehensive Health Planning	33,750	29,400	4,350
Regional Medical Programs	74,589	12,000	62,589
Health Professions:			
Capitation Grants	150,000	124,600	25,400
Start up & Conversion Assist.	4,700	4,620	80
Financial Distress Grants	5,000	4,597	403
Special Projects	37,583	42,866	NA
General Scholarships	6,900	6,900	NA
Loan Repayments	4,000 ^{1/}	4,200	NA
Dental Health Activities	7,842	7,573	269
Nursing:			
Capitation Grants	34,343	-0-	34,343
Financial Distress Grants	4,750	-0-	4,750
Special Projects	19,000	19,605	NA
Scholarships	6,000	6,000	NA
Traineeships	13,016	-0-	13,016
Loan Repayments	1,600	1,600	NA

^{1/} Includes \$3,600,000 reprogrammed from Initiative Awards.

	<u>Annual Authorized CR Level</u>	<u>Revised FY 75 Budget</u>	<u>Amount of CR In Excess of Revised Budget</u>
Public Health	20,520	-0-	20,520
Allied Health	35,013	-0-	35,013
Initiative Awards & Computer Technology	35,975	41,344	NA
Family Medicine & Primary Care	9,500	23,795	NA
Health Facilities	114,000	-0-	114,000
Interest Subsidies	2,000	2,000	NA
Program Management	32,323	31,063	1,260
Subtotal, HRA	<u>652,404</u>	<u>362,163</u>	<u>315,993</u>
Total, Health	1,103,574	778,277	354,366
<u>Office of Education</u>			
Emergency School Aid	236,493	75,000	161,493
<u>Office of Human Development</u>			
Developmental Disabilities:			
State Grants	30,875	30,875	NA
Service Projects	4,500	6,000	NA
University Affiliated Facilities	4,250	4,250	NA
Head Start	392,100	414,300	NA
Native Americans	30,900	32,000	NA
Total, OHD	<u>462,655</u>	<u>487,425</u>	<u>NA</u>
<u>Departmental Management</u>			
Policy Research	18,810	20,810	NA
<u>Social & Rehabilitation Service</u>			
Assistance to Refugees	<u>100,000</u>	<u>78,000</u>	<u>22,000</u>
TOTAL, DHEW	\$1,921,532	\$1,439,512	\$537,859

THE WHITE HOUSE
WASHINGTON

March 26, 1975

MR. PRESIDENT:

The attached memo has been staffed
and generated the following comment:

Cannon -- Concurs with recommendation.

Marsh -- Submit.

*I agree with
Marsh. Submit*
Dm
//

STAFFING

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 22, 1975

Time:

FOR ACTION: Jim Cannon *JC*
Jack Marsh *JM*

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Monday, March 24, 1975

Time: 3:00 p.m.

SUBJECT:

Lynn/Weinberger memo (3/12/75) re:
Further Rescissions for the Department
of Health, Education, and Welfare

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

*3/25 - Cannon - concurs with recommendation
but recommendation very unclear from
way memo was written.*

3/25 sp - Marsh no answer

3/26 w/p

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry W. Jones
Staff Secretary

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 22, 1975

Time:

MAR 22 1975

FOR ACTION: Jim Cannon
~~Jack Marsh~~

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Monday, March 24, 1975 Time: 3:00 p.m.

SUBJECT:

Lynn/Weinberger memo (3/12/75) re:
Further Rescissions for the Department
of Health, Education, and Welfare

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

*Submit
jm*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones
Staff Secretary



MAR 12 1975

MEMORANDUM TO THE PRESIDENT

Subject: Further Rescissions for the Department of Health, Education, and Welfare

HEW has a number of programs for which there are no FY 1975 appropriations due to lack of authorizing legislation. Congress extended the FY 1975 Continuing Resolution which provides funding for these programs through June 30, 1975. Most of the programs involved are those contained in the health services legislation which you pocket vetoed on December 21 and the health manpower legislation which the Congress has not yet passed.

Authorizations under the Continuing Resolution total approximately \$550 million more in budget authority than is contained in the revised FY 1975 budget. 1/

The issue is whether or not to submit rescissions covering these amounts in excess of your budget.

Factors Arguing in Favor of Submitting Rescissions

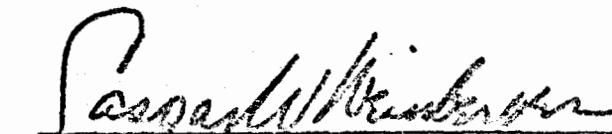
- . . . The policies enunciated in your November 26 cutback message and the January 3 budget clearly would lead to the submittal of such rescissions.
- . . . The amounts over the budget authorized under the Continuing Resolution for these programs in almost all cases are not justifiable either on the basis of program merit or in the light of fiscal restraint.

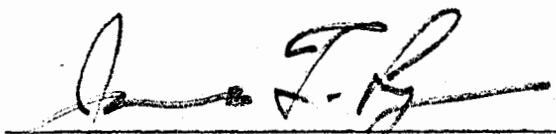
1/ The \$550 million overstates the case. In fact, there are two programs--Emergency School Aid and Regional Medical Programs--which make up roughly \$235 million of the amount over the budget. These programs will ultimately be disposed of in the next supplemental bill and not as part of final action on the Continuing Resolution. Thus, the actual amount at stake is closer to \$300 million.

Arguments Against Submitting Rescissions and in Favor
of Spending the Money

- . . . Congress has rejected all of the rescissions submitted for HEW to date and will reject further rescissions if they are submitted. Congress' view is that it has disposed of the rescissions for HEW and submittal of further rescissions will be a futile gesture on your part signifying an unwillingness to accept an explicit signal from the Hill.
- . . . This signal has come from Republicans with almost the same intensity as Democrats. We have had no support in the Senate; in the House, Congressman Michel proposed a compromise which would have rescinded approximately \$250 million of the \$900 million. It was defeated by a vote of 252-132 on the Floor of the House.
- . . . Following House action, Congressman Michel has been in touch with HEW and indicated his view that further rescissions should not be submitted. He feels particularly strongly that with all of the other business before both the Executive and Legislative Branches, it would be an unjustifiable waste of everyone's time.

Given the above facts, we seek your judgment on whether to try to rescind the amounts over the budget in the Continuing Resolution or release them at this time.


Secretary, Department of
Health, Education, and Welfare


Director, Office of Management
and Budget

Comparison of Funding Levels Authorized Under the
Continuing Resolution with Revised 1975 Budget Levels
(\$ in Thousands)

	<u>Annual Authorized CR Level</u>	<u>Revised FY 75 Budget</u>	<u>Amount of CR In Excess of Revised Budget</u>
<u>Health Services Administration</u>			
Comprehensive Health Grants to States	\$ 90,000	\$ 67,500	\$ 22,500
Community Health Centers	200,400	199,320	1,080
Family Planning	100,615	100,072	543
Migrant Health	23,750	24,000	NA
National Health Service Corps.	9,055	12,122	NA
Subtotal, HSA	<u>423,820</u>	<u>403,014</u>	<u>24,123</u>
<u>Center for Disease Control</u>			
Rat Control	13,100	13,100	NA
<u>Alcohol, Drug Abuse, and Mental Health Administration</u>			
Community Mental Health Construction of Centers	14,250	-0-	14,250
<u>Health Resources Administration</u>			
Comprehensive Health Planning	33,750	29,400	4,350
Regional Medical Programs	74,589	12,000	62,589
Health Professions:			
Capitation Grants	150,000	124,600	25,400
Start up & Conversion Assist.	4,700	4,620	80
Financial Distress Grants	5,000	4,597	403
Special Projects	37,583	42,866	NA
General Scholarships	6,900	6,900	NA
Loan Repayments	4,000 ^{1/}	4,200	NA
Dental Health Activities	7,842	7,573	269
Nursing:			
Capitation Grants	34,343	-0-	34,343
Financial Distress Grants	4,750	-0-	4,750
Special Projects	19,000	19,605	NA
Scholarships	6,000	6,000	NA
Traineeships	13,016	-0-	13,016
Loan Repayments	1,600	1,600	NA

1/ Includes \$3,600,000 reprogrammed from Initiative Awards.

	Annual Authorized CR Level	Revised FY 75 Budget	Amount of CR In Excess of Revised Budget
Public Health	20,520	-0-	20,520
Allied Health	35,013	-0-	35,013
Initiative Awards & Computer Technology	35,975	41,344	NA
Family Medicine & Primary Care	9,500	23,795	NA
Health Facilities	114,000	-0-	114,000
Interest Subsidies	2,000	2,000	NA
Program Management	32,323	31,063	1,260
Subtotal, HRA	652,404	362,163	315,993
Total, Health	1,103,574	778,277	354,366
<u>Office of Education</u>			
Emergency School Aid	236,493	75,000	161,493
<u>Office of Human Development</u>			
Developmental Disabilities:			
State Grants	30,875	30,875	NA
Service Projects	4,500	6,000	NA
university Affiliated Facilities	4,250	4,250	NA
Head Start	392,100	414,300	NA
Native Americans	30,900	32,000	NA
Total, OHD	462,655	487,425	NA
<u>Departmental Management</u>			
Policy Research	18,810	20,810	NA
<u>Social & Rehabilitation Service</u>			
Assistance to Refugees	100,000	78,000	22,000
TOTAL, DHEW	\$1,921,532	\$1,439,512	\$537,859

THE WHITE HOUSE
WASHINGTON

March 27, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM LYNN
FROM: JERRY H. JONES
SUBJECT: Further Rescissions for the Department
of Health, Education, and Welfare

Your joint memorandum with Secretary Weinberger of March 12 on the above subject has been reviewed and the following notation was made:

-- Submit.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld