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THE WHITE HOUSE

PRESS CONFERENCE  
OF

DAVID A. MATHEWS  
SECRETARY OF THE DEPARTMENT OF  
HEALTH, EDUCATION AND WELFARE  
AND

TERREL BELL  
COMMISSIONER OF EDUCATION

THE BRIEFING ROOM

11:35 A.M. EST

MR. CARLSON: As many of you witnessed, the President just signed the education message to Congress. This proposal combines 24 categorical grant programs into one block grant program of \$3.3 billion.

You should have a fact sheet and a message, and here to summarize the proposal and to take the questions is Secretary Mathews.

SECRETARY MATHEWS: Commissioner Bell is also joining me to answer any questions you have.

Before your questions, I might say three things that I think summarize the piece of legislation.

First of all, we are obviously continuing -- and the President is strongly supporting -- the Federal initiatives that have characterized the interest of the Federal Government historically.

Secondly, the President proposes a piece of legislation that would continue those initiatives without continuing the regulation in the form that it is. I am told that on general revenue sharing the cost of administering those programs is one-twelfth of 1 percent.

For the categorical programs, the expense of administering these programs usually runs above 10 percent. While it is not anticipated that this particular program can be administered at the same rate as general revenue sharing, nor should this proposal be confused with general revenue sharing,

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it is reasonable to expect that not only can we relieve the State school officers and States of some of the burden of regulation so they can get on with the business of the education of children, but that we might well be able to administer these programs with far less cost going to the Administration and far more going to education.

The third general comment I would like to make is that if you will look at this piece of legislation, it opens a matter of planning to much more public scrutiny and much more public involvement than we have had before by virtue of those sections that require open State planning for the use of these funds.

Now then, Commissioner Bell and I will be delighted to answer any questions you have.

Q Mr. Secretary, I am just puzzled. On the fact sheet we received, on page 3, sir, I am only puzzled by the fact that there appears to be less for vocational education -- that is FY 1976. That is not FY 1977.

SECRETARY MATHEWS: Right.

Q Forget that, then.

SECRETARY MATHEWS: We don't have 1976, but these figures in the President's budget are above those appropriated by Congress as well as above the old 1976 revised figures.

Q Representatives of the Chief State School Officers were present at the signing. Does this mean you have explicit support of the chiefs for this legislation?

SECRETARY MATHEWS: The conversations I have had lead me to believe the Chief State School Officers feel so hampered by Federal regulations and by the categorical organizations that are occasioned by the categorical program that they welcome this type of relief.

Commissioner Bell himself was a State Chief School Officer. Maybe he could comment.

Q I meant an explicit offer of support.

COMMISSIONER BELL: The administrative problems will be greatly simplified. You notice here there are 24 programs and to put these in a block grant compared to what we have had, based on my own experience as a State Chief School Officer, this will greatly simplify things.

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I should emphasize, of course, that the Council of Chief State School Officers has not taken a position on this. I have met with the officers of the Council of Chief State School Officers, and have discussed the program with them along with many other education groups, and the conversational response I have had has been generally favorable from those that I talked to.

Q Secretary Mathews, does this appreciably change the manner in which impacted aid goes to the various school districts?

SECRETARY MATHEWS: No, it does not. This piece of legislation does not deal with impacted aid.

Q Is this not the time to do this, in this legislation? Is there some other plan underway?

SECRETARY MATHEWS: Yes, we have made a proposal in the President's budget concerning impact aid and have that before the Congress, but it is not in this particular act.

Q Can I get back to vocational education from a different angle? I notice on FY 1976 the appropriations were cut from FY 1975. Now, in FY 1977, can it be expected that it would go above the FY 1975 since the President states in the message that no State will get less than it does in 1976, and possibly more?

SECRETARY MATHEWS: I will ask the Commissioner to give you those particular figures, and while he is getting them, I will make a general comment. In general, the President's 1977 budget is above the Congress' 1976 budget as total. In the block grant, all of those programs would be blocked together and there would be no specific amount for any program, but the States would have the latitude, so in one sense it is impossible to answer your question.

In another sense, we are asking Congress to continue to fund, under present legislation, in categories that they funded, so that no schools are disadvantaged in the transition.

COMMISSIONER BELL: I do not have the specific data, but the appropriation level will be greater than it was the previous year.

Now, as you look at the funds for that bureau, there are other funds in there that are not consolidated and that may be where you are getting the difference.

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I should also point out that we will have a required block in vocational education, which is a percentage that approximates what we had the previous year. So, there will be the same funds as the appropriation level for fiscal 1976 spent for vocational education.

SECRETARY MATHEWS: If you look on page 9, Title 3, which concerns itself with vocational education, there is some more information there about the funding of that program.

Q The President said, Dr. Mathews, that the outlays would be increased in this program over the budget figures. Is this reflected in this material?

SECRETARY MATHEWS: Yes, the \$3.3 billion.

Q No, he said there would be an increase over the original presentation in the budget.

SECRETARY MATHEWS: Yes. There is, in addition to what was announced at the time of the budget, subsequently alluded to in comments to a group of local educational officials here in Washington, an additional \$200 million added on to this budget for each of the years in which the act would be in effect, and that is new to the budget.

Q Mr. Secretary, does that apply to fiscal 1977, the first year?

SECRETARY MATHEWS: No, it begins in 1978. For those of you that are familiar with the health block grant, it is very much the same kind of feature, an automatic add-on of \$200 million for each of the years in which the bill would be authorized.

Q Is that three years?

SECRETARY MATHEWS: It runs to 1980, right. Four years, four years authorization in the legislation.

Q I thought I heard the President say at the bill signing ceremony over a loudspeaker system three years.

MR. WILLIAM A. MORRILL (Assistant Secretary, Department of Health, Education and Welfare): It is the original plus each of the following three years is the way I think he put it. Total -- four.

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SECRETARY MATHEWS: But the 200 add-on is for the second, third and fourth year. Total -- three years -- which if you add them all together is four.

Q Mr. Secretary, do you have any figure on how much money is being saved by this program?

SECRETARY MATHEWS: By the categorical program, no, because we have not had any experience with this massive a block grant, and I cited the figures on the cost of administering general revenue sharing as contrasted to administering categorical programs as an index to give some idea of what we might anticipate, but I do not have any precise figures for you in that we have never done this before.

Q Would you expect you could do with fewer staff in your operation?

SECRETARY MATHEWS: Yes, of course, because each categorical program requires a staff to administer that program and not only does that present confusion if you are trying to deal with the State or Federal agency, but that runs up program costs significantly and also engenders another problem. That is a problem of coordination and over territorial lines, so there are a host of problems that come in.

Q If I could follow that, doesn't it necessarily require a greater staff, therefore, on a State and local level?

SECRETARY MATHEWS: No, because State and local Governments do not have to build up considerable staffs, which they now do, for categorical programs. They must reflect our organizational patterns, and a block grant would relieve them of that obligation.

Q Do any of the 1976 figures reflect decisions or proposals?

SECRETARY MATHEWS: The figures we have given you for 1976 are the figures as Congress passed recently.

Q Didn't saving on staff fly in the face of one of the laws, Murphy's law, or somebody's law? Do you know about that?

SECRETARY MATHEWS: Right, it does. While the Administration is generally lawful there are certain laws that are not written in the statute books nor conform to the Constitution that we are prepared at least to test. One of them is that the size of bureaucracies have to grow larger and larger.

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Q Because you are making almost a flat statement, Secretary Mathews, that we are going to be able to eliminate categorical staff people because we have now a block grant program, and I have not seen this happen before.

COMMISSIONER BELL: It has happened in the Office of Education. We have a smaller consolidation program that is in effect and was implemented by Public Law 93-380, which incidentally was the first bill signed by President Ford in August of 1974.

We have decreased the staff for administration of all of those programs by some 200. The proposal was in the legislation and in the budget. In fact, the Congress took the staff away a year before the final date when the consolidations were to take place because they were phased in, so at least as far as bureaucracy that I was concerned with, it has taken place in those two instances.

Based on the experiences I have had on both the State and local levels, as well as here in education, I can just say to all of you I know this is going to eliminate a lot of administrative overhead.

Q Do you have lots of Congressmen and Senators lined up to help carry this through Congress?

SECRETARY MATHEWS: We again do not have an announcement to make at this particular news conference, but yes, there is Congressional support for this, and it will be reflected at the time.

Q Why can't this be disclosed?

SECRETARY MATHEWS: I would assume that is up to the Congressmen, to indicate what the decision is.

Q Mr. Secretary, what is there to prevent the States from developing more specific regulations and categorical programs of their own to fill the vacuum if the Federal Government does less?

SECRETARY MATHEWS: Good sense, I hope.

Q But is there anything here to restrain the States vis-a-vis the local school districts?

SECRETARY MATHEWS: They do have to display what they are doing and planning. I think there may be occasion for some pause for States who generally mounted the argument for simple bureaucracies and simple procedures. It would give them some pause if they considered replicating what they are asking us to abandon, and I would hope the general wisdom that prompted their suggestion in the first place would apply to them as much as to us because if I understand what the people of the country are saying, they really care little as to the source of the aggravation. They care a great deal as to its character.

Q Congressman Quie has been one of those to carry a number of Republican measures through. Is he on your side on this?

SECRETARY MATHEWS: It would not surprise me to see Congressman Quie in the forefront of this, but the Congressman should make that statement for himself.

Q To what extent can these funds go to church-related schools?

SECRETARY MATHEWS: There are the same provisions we have had in other legislation that allow for students in private institutions to receive the benefits of these funds, and that is a feature of the law that has been in effect for some time and would be continued in this legislation.

Q Mr. Secretary, it is difficult for me to see how a State education agency could in fact cut back on personnel since it would seem to me that the educational need is created by the category of need itself. How are they going to reduce personnel as, let us say, between elementary, secondary education, people who have been working in that field for a number of years, and then some other persons who have been working in educational aid to the handicapped?

SECRETARY MATHEWS: Because the bill has the capacity to reduce the growth of staff and to divert funds from administration into educational function does not mean that this is going to cause some wholesale, widespread lay off of personnel. It should help contain the growth.

It should allow for the shifting of people from a narrow focus to a broader focus, and I can promise you from my experiences -- and I am sure Commissioner Bell can say the same thing from having operated a local educational institution -- that Federal categorical requirements do accelerate the demand for staff in that you must have some person to deal with each of those categorical programs.

COMMISSIONER BELL: If we are going to administer 24 separate categorical programs with the pile of regulations that we have now -- and the States have to have counterpart staff for that -- and if we simplify that, this way the States are going to be able to administer these programs and more effectively adapt them to the State's school finance program and the State school efforts.

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So, many of the persons that are on the State payroll are going to be able to relate to this in a much easier way than they have been able to do with the 24 categorical programs. We will have this going block grant, and they are not going to have near the detail, the evaluation requirements in the past law, the reporting requirements, the regulations. It is just a great deal of simplification.

I can say that based on my own experience in that regard. I can remember when I was Chief State School Officer, the number of budget entries we had to make as we paid the rent on our office space, the number of square feet per Federal person that you charged against the Federal program.

One individual, if he is half time on one and half on another, the bookkeeping load there is enormous and you have to operate there for a while to understand how enormous it is and how much change we are going to get by eliminating these 24 categories into the block grant format.

Q What safeguards are there for the constituency of these programs? State plans and public hearings have not been well attended by the poor, who are supposed to be served by the money that you are sending to the States.

SECRETARY MATHEWS: The principal protection is in greater emphasis on public planning and on the advertisement of that planning process and its openness and the provisions. There are also provisions for penalties for failing to follow those plans.

It states quite explicitly in the legislation that there is an opportunity for suit to compel conformity with the State plan and the Commissioner and the Secretary do have, where there is total breakdown of the system and disregard for the State planning itself, there are safeguards that would protect from that kind of abuse.

Q Do you have to approve those State plans?

SECRETARY MATHEWS: No.

Q No approval at all?

SECRETARY MATHEWS: No.

Q But you do check?

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SECRETARY MATHEWS: That is right. We do not approve the State plan. It must be there and we have an opportunity to judge the State by that plan, but we do not approve it.

Q What do you mean by that?

SECRETARY MATHEWS: The State, once it adopts the plan, its actions are judged over and against it.

Q Mr. Secretary, what is the status of the search by the Administration for some alternative to court ordered busing?

SECRETARY MATHEWS: There is underway in the Office of Education and in the National Institute for Education a series of studies on what actually is happening in and around the country as school systems desegrate, in some cases because of court ordered busing, but as you know the President asked that the Attorney General and I have conversations about this.

We have had some of those conversations, and we are constantly in conversation with the President and his immediate staff about what we are learning and what we are doing. So, we are making reports and evaluations.

Q Have you found a Constitutional method for precluding the courts from ordering busing?

SECRETARY MATHEWS: We have made no proposal to the President at the present time that would allow him to make a statement as to totally new national course, but this is a matter of great concern to the President, as he said, and we do expect to be in rather constant conversation with him on this subject.

We don't have any announcement to make as to the conclusion of those.

Q Do you expect to be discussing this through most of the campaign?

SECRETARY MATHEWS: I suspect we will be discussing it throughout the year.

Q Without coming up with any suggestion?

SECRETARY MATHEWS: I don't know that we won't come up with any suggestions. All I am reporting at the present time is that those considerations are in progress and that the studies that I referred to are actively being carried on both in the Office of Education and in the National Institute for Education.

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Q The thrust of my question is, do you think you are going to have something from those studies before the November election?

SECRETARY MATHEWS: We will be making both final and partial recommendations on the basis of those studies. At what point the President feels those recommendations are sufficiently strong for him to take a posture publicly is a question he will have to answer.

At the present time, I would say, though, he does not have before him sufficient recommendations for conclusions from his staff to enable him to do that.

Q How much priority does this have? Are you trying to get it done quickly?

SECRETARY MATHEWS: Indeed, he has a great deal of interest in it, and I would dare say we discuss this subject with him almost as much as he has discussed any subject.

Q Which branch of the Office of Education is conducting the study?

COMMISSIONER BELL: It is a combination of our that administers the compensatory education program and the staff that administers the emergency assistance aid program.

Q What monitoring procedures are there in case a State doesn't focus funds on the disadvantaged?

SECRETARY MATHEWS: The monitoring comes in several ways. One, there is a clear requirement in what I referred to as national mandates being carried over. Secondly, there is the requirement that what the State will do in response to that mandate be made public in the planning process and in the openness of that process.

Then, our ability to act on that is in the penalty provisions that I described earlier.

COMMISSIONER BELL: Mr. Secretary, in addition the law requires an independent audit and monitoring, both fiscal and performance audit, of the proposed law that has to be done by some State agency other than the agency that is administering the program. This is another means of monitoring.

THE PRESS: Thank you, gentlemen.

END (AT 11:55 A.M. EST)