The original documents are located in Box 4, folder "1974/08/16 HR11108 Extension of District of Columbia Medical and Dental Manpower Act of 1970" of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 16 1974

Postal 8/24
To archives 8/26

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970
Sponsor - Rep. Diggs (D) Michigan and 13 others

Last Day for Action

August 24, 1974 - Saturday

Purpose

Extends for two years (fiscal years 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
District of Columbia	No objection to approval

Discussion

The District of Columbia Medical and Dental Manpower Act of 1970, authorized the Secretary of Health, Education, and Welfare to make special capitation grants to private medical and dental schools in the District of Columbia, namely, the schools at Georgetown and George Washington University. H.R. 11108 would extend the appropriation authorities of that Act for two years. Grants in the amount of $5000 per medical student and $3000 per dental student would be authorized.

The 1970 Act authorized funds for fiscal years 1971 and 1972, but no funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. There have been no extensions of the Act since the original authorization expired at the end of fiscal year 1972.

However, Congress recently passed and President Nixon approved P.L. 93-348, the "National Research Act," one provision of which authorized $5 million in additional 1974 financial distress grants to Georgetown and George Washington Universities. Funds were made available in the second Supplemental Appropriation Act. The objective was to provide "financial distress relief" to these schools despite the careful analysis by HEW and a determination by outside experts that they did not meet the statutory requirements for such assistance. HEW has indicated its intention to comply with the congressional intent of P.L. 93-348 and make these 1974 funds available to the two schools.

Proponents of H.R. 11108 contend that the grants authorized under the enrolled bill are needed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. In addition, both universities state that without the funds authorized by H.R. 11108 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has strongly rejected these arguments, on the grounds that Federal support for the Georgetown and George Washington schools should be provided on the same basis as Federal support for all other similarly situated medical and dental schools, and that any special "state" funding should be provided by the District of Columbia Government. The Department also has pointed out that of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 14 such schools. Of 14 states having 22 private dental schools, 8 states provide no financial aid to 13 of these schools. Even in those states that do provide aid to private schools, the amount of support varies widely and the purposes for which the assistance can be used are limited.

On the basis of projected 1975 enrollments, H.R. 11108 would result, if funded, in estimated costs of $8.7 million each year for 1975 and 1976. The attached table shows the amounts of basic institutional subsidies these schools received ($38.6 million) from HEW's health manpower program for four academic years, including the academic year beginning this September. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs.

Arguments for Approval

1. The three private medical and dental schools located in the District of Columbia do not receive funds from the D.C. Government (comparable to state funds received by certain private medical and dental schools in other jurisdictions). H.R. 11108 would provide a logical, alternate source of financial support, at least until the District's interim status with regard to home rule government is resolved.

2. Proponents contend that the schools are a "national resource" and, accordingly, deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Over 10,000 graduates are located throughout the United States.

Arguments Against Approval

1. These institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia. The medical and dental schools at Georgetown and George Washington already receive Federal health manpower funds on the same basis as all U.S. medical and dental schools and should continue to compete on that basis for scarce Federal resources.

2. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are a national resource are not valid. Not all States fund private medical schools. In any event, the D.C. Government--not the Federal Government--is the appropriate analogue to the States. The "national" student body argument is one that could be and is made by all other private medical schools.

3. In addition to capitation funds, these schools have received special financial distress awards for several years--more than 40% of all such awards in the country in 1973--but they have still not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions. (For example, the schools have been reluctant to disclose the full amount of their potentially available resources. HEW staff have identified approximately $2 million in annual endowment income that Georgetown has declined to use for purposes of meeting basic operating costs.)

4. Preferential subsidies will be provided by HEW to both institutions under P.L. 93-348. H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years and could establish a highly undesirable precedent leading to "pork-barrel" funding of educational institutions.

5. On a similar issue in 1971, the D.C. Medical Facilities Construction proposal (H.R. 11628), the House voted down legislation to provide to hospitals in the District of Columbia special subsidies above the amounts that those hospitals were eligible for under the Hill-Burton grant program. The Administration should reinforce congressional efforts to reject preferential funding.

Recommendation

District of Columbia Government, in its views letter, discusses the financial assistance which has been made available to Georgetown and George Washington under existing health manpower programs, but states that it has no objection to approval of the enrolled bill.

HEW recommends disapproval of H.R. 11108. In its views letter on the enrolled bill, the Department states:

> "There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry."

* * * * * * * * * *

Of the several health bills enacted this year, we believe H.R. 11108 is the least meritorious. The bill would provide clearly unwarranted and preferential subsidies to two institutions solely on the basis of their geographic location. Furthermore, these institutions have been found not to be in financial distress by the National Advisory Council on Health Professions Education. The effect of the bill would be to authorize operating subsidies to two institutions whose management practices are seriously deficient.

We believe that enactment of such preferential legislation would be a poor precedent and poor example and, accordingly, recommend disapproval of H.R. 11108. A draft veto message is attached for your consideration.

Director

Attachments

Attachment

Funding History from DHEW Health Manpower Program

	(Academic Years/dollars in millions)			
	1971-72 (actual	1972-73 (actual)	1973-74 (actual)	1974-75 (estimate)
Georgetown University Medical and Dental Schools:				
- "Financial Distress"	4.0	2.6	2.0	2.9*
- Other Institutional Operating Support	1.8	3.9	3.9	5.3
- TOTAL	5.8	6.5	5.9	8.2
George Washington University Medical School:				
- "Financial Distress"	2.0	2.1	1.3	2.8*
- Other Institutional Operating Support	0.2	1.2	1.2	1.4
- TOTAL	2.2	3.3	2.5	4.2
TOTAL, both universities	8.0	9.8	8.4	12.4

* Amount requested. Final size of award (pursuant to P.L. 93-348) not yet determined.

TO THE HOUSE OF REPRESENTATIVES

I am returning today without my approval H.R. 11108, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 11108 would single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special financial subsidies from the Department of Health, Education, and Welfare. The bill is designed to provide preferential financial assistance to these schools based solely on their location in the District of Columbia, without regard to their ability to meet the statutory requirements which must be met by all other medical and dental schools in the United States in order to qualify for Federal financial distress funds.

The medical and dental schools at Georgetown and George Washington now receive Federal basic institutional support funds (capitation grants) on the same basis as other medical and dental schools in the United States. In addition, the institutions have received substantial funds under the "financial distress" grant program to help them meet special financial problems. In fiscal year 1973, for example, the Georgetown and George Washington University schools received nearly half of all the financial distress awards made to such schools in the country. During the past three academic years the schools received more than $26 million under these programs, and may receive more than $12 million for the 1974-75 academic year.

There is no justification--on grounds of either need or equity--to single out these two institutions from the entire universe of private medical and dental schools in the United States for additional and preferential funding treatment from the general revenues of the Nation.

Congress enacted legislation just a few weeks ago (Public Law 93-348) which authorized $5 million in additional 1974 "financial distress" funds previously appropriated in the second supplemental appropriation act. The objective of that provision was to provide "financial distress relief" to the Georgetown and George Washington schools, despite careful analysis by the Department of Health, Education, and Welfare and a determination by outside experts that they did not meet the statutory requirements of such assistance. In carrying out the congressional intent of this Act, the Department of Health, Education, and Welfare recently announced that it will make funds available under this authority.

I recognize the contributions these schools make to the supply of health professionals. Nevertheless, I believe that P.L. 93-348 should be the last occasion of preferential Federal treatment for these schools.

H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years. Such action could establish a highly undesirable precedent of "pork barrel" funding of particular educational institutions. These schools should continue to compete for scarce Federal resources on the same basis as all other medical and dental schools in the United States.

I have stated that as President there will be occasions when my view on particular issues will be different from the view of the Congress. I regret having to disapprove H.R. 11108, but I cannot concur in bills that inequitably provide Federal funds to three of the more than one hundred and sixty institutions of medical and dental education across this Nation.

THE WHITE HOUSE

August , 1974

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

AUG 16 1974

Dear Mr. Ash:

This is in response to Mr. Rommel's request of August 12, 1974, for a report on H.R. 11108, an enrolled bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia. The original legislation authorized the appropriation of funds for this purpose for fiscal years 1971 and 1972. Funds were never requested or appropriated and an appropriations authorization for fiscal years 1973 and 1974 was never enacted. The enrolled bill would authorize the appropriation of such sums as may be necessary for fiscal years 1975 and 1976.

The Department strongly objected to the enactment of H.R. 11108 in its report on the bill to the House Committee on the District of Columbia, a copy of which is enclosed for your convenience. Our position remains unchanged. There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program

administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry.

The Department therefore urges that the President veto H.R. 11108. A draft veto statement is enclosed.

Sincerely,

Secretary

Enclosures

DRAFT VETO STATEMENT FOR H.R. 11108

I am today returning to the Congress without my approval H.R. 11108, a bill which would authorize the appropriation of funds to be used by the Department of Health, Education, and Welfare for assistance grants to the private nonprofit medical and dental schools in the District of Columbia.

Assistance for medical and dental education provided under programs administered by the Department of Health, Education, and Welfare should be available on the same terms and conditions to all schools of medicine and dentistry throughout the country. There is no justification for limiting assistance under one of those programs to schools in the District of Columbia or any other geographic region. In the face of the compelling need to reduce federal spending, I cannot accept legislation which seeks to provide a small group of institutions with preferential treatment in the distribution of the limited federal funds that are available to support medical and dental education for the entire nation.

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

MAR 11 1974

Honorable Charles C. Diggs, Jr.
Chairman, Committee on the
District of Columbia
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to your request of November 15, 1973, for a report on H.R. 11108, a bill "to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 (which was enacted as Title III of the District of Columbia Revenue Act of 1970) authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia, to assist private nonprofit medical and dental schools in the District of Columbia.

Grants may be made in amounts the Secretary determines to be the minimum amounts necessary to carry out the purposes of the Act, but in no event may such amounts exceed, in the case of a medical school, $5,000 times the number of full-time medical students, or, in the case of a dental school, $3,000 times the number of full-time dental students enrolled. In determining the amounts of grants, the Secretary is required to take into consideration any grants to the respective District of Columbia schools under the Health Professions Educational Assistance authorities of Title VII of the Public Health Service Act relating to financial assistance to health professions schools in serious financial distress.

The District of Columbia Medical and Dental Manpower Act of 1970 expired June 30, 1972. This bill, H.R. 11108, would extend it for three years (fiscal years 1975 through 1977) and would authorize the appropriation of such sums as necessary for carrying out its purpose. In effect, this bill would authorize the Secretary of Health, Educaton, and Welfare to assist private nonprofit medical and dental schools in the District of Columbia as some, but not all, States support private medical and dental schools located within a State's respective jurisdiction.

As indicated in our testimony before your Committee on January 24, 1974, the Department is opposed to a proposal which would single out schools in the District of Columbia and afford these schools preferential treatment for funding from the general revenues of the nation. Our position is that there are no overriding reasons of public policy to rationalize selecting out three District of Columbia medical and dental schools for special treatment as compared to the rest of the medical and dental schools in the nation. Assistance available through appropriations for the Department of Health, Education, and Welfare should be provided under terms and conditions which are applied nationally to all schools of medicine and dentistry throughout the nation.

We oppose providing special institutional support through appropriations to the Department of Health, Education, and Welfare. If such support is to be provided to these private schools within the District of Columbia, as it is provided by some States to private schools within their jurisdictions, we submit that this support should be provided by the District of Columbia Government. In this connection, we understand that the District Government is considering possible means of furnishing assistance to meet the District's health manpower needs.

The Administration's recommendations on the health manpower authorities, which are scheduled to expire on June 30, 1974, will soon be sent to the Congress. The need for continued special Federal financial assistance to the relatively small number of health professions schools still experiencing financial distress, and the terms and conditions under which such aid should be provided, are questions that must be addressed by the Congress in that legislation. We believe it would be inequitable and inappropriate for the Congress to legislate preferential treatment for the private schools in the District of Columbia without reference to the policies that will apply to the schools in the United States similarly situated.

For the above reasons, therefore, we recommend strongly against enactment of H.R. 11108.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

/s/ Caspar W. Weinberger

Secretary

THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

WALTER E. WASHINGTON
Mayor-Commissioner

August 14, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

> H.R. 11108 - To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970.

The enrolled bill would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922) to extend for two years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The enrolled bill would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976.

It should be noted that no appropriations were sought nor funds granted by the Department of Health, Education, and Welfare under the authority of the District of Columbia Medical and Dental Manpower Act of 1970, which expired June 30, 1972, to any of the qualifying schools - Georgetown University's medical and dental schools and George Washington's medical school. The Department of

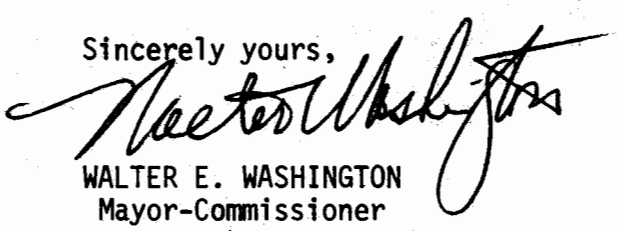
Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

The enrolled bill, H.R. 11108, addresses a problem confronting local medical and dental schools, but one which is national in scope - the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act of 1971 (Public Law 92-157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional "financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

It should be noted that H.R. 11108 was amended so as to extend the District of Columbia Medical and Dental Manpower Act of 1970 for a period of only two, rather than three, fiscal years as originally proposed. Thus, the present title of the enrolled bill is inaccurate with respect to the period of extension.

The District of Columbia has no objection to approval of H.R. 11108.

Sincerely yours,



WALTER E. WASHINGTON
Mayor-Commissioner

To-
Warren Hendricks
8-16-74

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 16 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970
Sponsor - Rep. Diggs (D) Michigan and 13 others

Last Day for Action

August 24, 1974 - Saturday

Purpose

Extends for two years (fiscal years 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
District of Columbia	No objection to approval

Discussion

The District of Columbia Medical and Dental Manpower Act of 1970, authorized the Secretary of Health, Education, and Welfare to make special capitation grants to private medical and dental schools in the District of Columbia, namely, the schools at Georgetown and George Washington University. H.R. 11108 would extend the appropriation authorities of that Act for two years. Grants in the amount of $5000 per medical student and $3000 per dental student would be authorized.

The 1970 Act authorized funds for fiscal years 1971 and 1972, but no funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. There have been no extensions of the Act since the original authorization expired at the end of fiscal year 1972.

However, Congress recently passed and President Nixon approved P.L. 93-348, the "National Research Act," one provision of which authorized $5 million in additional 1974 financial distress grants to Georgetown and George Washington Universities. Funds were made available in the second Supplemental Appropriation Act. The objective was to provide "financial distress relief" to these schools despite the careful analysis by HEW and a determination by outside experts that they did not meet the statutory requirements for such assistance. HEW has indicated its intention to comply with the congressional intent of P.L. 93-348 and make these 1974 funds available to the two schools.

Proponents of H.R. 11108 contend that the grants authorized under the enrolled bill are needed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. In addition, both universities state that without the funds authorized by H.R. 11108 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has strongly rejected these arguments, on the grounds that Federal support for the Georgetown and George Washington schools should be provided on the same basis as Federal support for all other similarly situated medical and dental schools, and that any special "state" funding should be provided by the District of Columbia Government. The Department also has pointed out that of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 14 such schools. Of 14 states having 22 private dental schools, 8 states provide no financial aid to 13 of these schools. Even in those states that do provide aid to private schools, the amount of support varies widely and the purposes for which the assistance can be used are limited.

On the basis of projected 1975 enrollments, H.R. 11108 would result, if funded, in estimated costs of $8.7 million each year for 1975 and 1976. The attached table shows the amounts of basic institutional subsidies these schools received ($38.6 million) from HEW's health manpower program for four academic years, including the academic year beginning this September. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs.

Arguments for Approval

1. The three private medical and dental schools located in the District of Columbia do not receive funds from the D.C. Government (comparable to state funds received by certain private medical and dental schools in other jurisdictions). H.R. 11108 would provide a logical, alternate source of financial support, at least until the District's interim status with regard to home rule government is resolved.

2. Proponents contend that the schools are a "national resource" and, accordingly, deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Over 10,000 graduates are located throughout the United States.

Arguments Against Approval

1. These institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia. The medical and dental schools at Georgetown and George Washington already receive Federal health manpower funds on the same basis as all U.S. medical and dental schools and should continue to compete on that basis for scarce Federal resources.

2. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are a national resource are not valid. Not all States fund private medical schools. In any event, the D.C. Government--not the Federal Government--is the appropriate analogue to the States. The "national" student body argument is one that could be and is made by all other private medical schools.

3. In addition to capitation funds, these schools have received special financial distress awards for several years--more than 40% of all such awards in the country in 1973--but they have still not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions. (For example, the schools have been reluctant to disclose the full amount of their potentially available resources. HEW staff have identified approximately $2 million in annual endowment income that Georgetown has declined to use for purposes of meeting basic operating costs.)

4. Preferential subsidies will be provided by HEW to both institutions under P.L. 93-348. H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years and could establish a highly undesirable precedent leading to "pork-barrel" funding of educational institutions.

5. On a similar issue in 1971, the D.C. Medical Facilities Construction proposal (H.R. 11628), the House voted down legislation to provide to hospitals in the District of Columbia special subsidies above the amounts that those hospitals were eligible for under the Hill-Burton grant program. The Administration should reinforce congressional efforts to reject preferential funding.

Recommendation

District of Columbia Government, in its views letter, discusses the financial assistance which has been made available to Georgetown and George Washington under existing health manpower programs, but states that it has no objection to approval of the enrolled bill.

HEW recommends disapproval of H.R. 11108. In its views letter on the enrolled bill, the Department states:

> "There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry."

* * * * * * * * * *

Of the several health bills enacted this year, we believe H.R. 11108 is the least meritorious. The bill would provide clearly unwarranted and preferential subsidies to two institutions solely on the basis of their geographic location. Furthermore, these institutions have been found not to be in financial distress by the National Advisory Council on Health Professions Education. The effect of the bill would be to authorize operating subsidies to two institutions whose management practices are seriously deficient.

We believe that enactment of such preferential legislation would be a poor precedent and poor example and, accordingly, recommend disapproval of H.R. 11108. A draft veto message is attached for your consideration.

Director

Attachments

Attachment

Funding History from DHEW Health Manpower Program

	(Academic Years/dollars in millions)			
	1971-72 (actual	1972-73 (actual)	1973-74 (actual)	1974-75 (estimate)
Georgetown University Medical and Dental Schools:				
- "Financial Distress"	4.0	2.6	2.0	2.9*
- Other Institutional Operating Support	1.8	3.9	3.9	5.3
- TOTAL	5.8	6.5	5.9	8.2
George Washington University Medical School:				
- "Financial Distress"	2.0	2.1	1.3	2.8*
- Other Institutional Operating Support	0.2	1.2	1.2	1.4
- TOTAL	2.2	3.3	2.5	4.2
TOTAL, both universities	8.0	9.8	8.4	12.4

* Amount requested. Final size of award (pursuant to P.L. 93-348) not yet determined.

TO THE HOUSE OF REPRESENTATIVES

I am returning today without my approval H.R. 11108, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 11108 would single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special financial subsidies from the Department of Health, Education, and Welfare. The bill is designed to provide preferential financial assistance to these schools based solely on their location in the District of Columbia, without regard to their ability to meet the statutory requirements which must be met by all other medical and dental schools in the United States in order to qualify for Federal financial distress funds.

The medical and dental schools at Georgetown and George Washington now receive Federal basic institutional support funds (capitation grants) on the same basis as other medical and dental schools in the United States. In addition, the institutions have received substantial funds under the "financial distress" grant program to help them meet special financial problems. In fiscal year 1973, for example, the Georgetown and George Washington University schools received nearly half of all the financial distress awards made to such schools in the country. During the past three academic years the schools received more than $26 million under these programs, and may receive more than $12 million for the 1974-75 academic year.

I have stated that as President there will be occasions when my view on particular issues will be different from the view of the Congress. I regret having to disapprove H.R. 11108, but I cannot concur in bills that inequitably provide Federal funds to three of the more than one hundred and sixty institutions of medical and dental education across this Nation.

THE WHITE HOUSE

August , 1974

THE WHITE HOUSE
WASHINGTON

ENROLLED BILL

SUBJECT: Enrolled Bill H. R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

Name	Approval	Date
James Cavanaugh	Yes	
Andre Buckles	Yes	
Phil Buchen	Yes	
Bill Timmons	Yes	
Ken Cole		

Comments:

2/23

S 3331 SBA

S 3982 Public/Health

8

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 518

Date: August 19, 1974 Time: 9:30 a.m.

FOR ACTION: James Cavanaugh cc (for information): Warren K. Hendriks
~~Fred Buzhardt~~ Phil Buchen Jerry Jones
Bill Timmons - recommends this bill be signed Dave Gergen
Andre Buckles

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H. R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

____ For Necessary Action XX For Your Recommendations

____ Prepare Agenda and Brief ____ Draft Reply

____ For Your Comments ____ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

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.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

WASHINGTON

Date: 8/21/74

TO: Kathy Tindle

FROM: PAM NEEDHAM

Attached is a KRC memo on this item. Jim Cavanaugh has already cleared it.

THE WHITE HOUSE

WASHINGTON

August 21, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: KEN COLE

SUBJECT: H.R. 11108: Extension of District of Columbia Medical and Dental Manpower Act of 1970

Last day for action -- August 24, 1974

BACKGROUND

Awaiting your action is a bill that would extend the appropriation authorities of the District of Columbia Medical and Dental Manpower Act for two years and provide an estimated $8.7 million in special capitation grants to those schools at Georgetown and George Washington Universities.

CURRENT SITUATION

While this legislation was overwhelmingly approved by both Houses of the Congress, HEW and OMB have maintained strong opposition to enactment. They've argued that Federal support to the Georgetown and George Washington schools should be provided on the same basis as to other medical and dental schools in the country. Also, they say that these schools have received special financial distress grants for several years -- more than 40 percent of all such awards in the country in 1973 -- but that they still have not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions.

OPTIONS

1. Sign the enrolled bill.

   Pro: Would provide a source of financial support for these schools until the District's status as an independent government is more firmly established.

   Con: Could open charges that these schools have received preferential treatment in competing for scarce funds solely on the basis of their location in the District of Columbia.

2. Veto the bill and issue a veto statement.

   Pro: Would be consistent with the evaluation of OMB and HEW that these schools are not in financial distress and do not merit preferential treatment.

   Con: Could run the risk that these schools would suffer some financial difficulties until the District Government is in a better position to fund them.

RECOMMENDATIONS

Bill Timmons and I recommend that you sign this bill; the support in Congress is overwhelming. It's a hard cause to be against and the money issue isn't big enough to warrant a veto. Secretary Weinberger and Roy Ash strongly urge veto.

DECISION

✓ Option 1(sign): Cole, Timmons

_____ Option 2(veto): Weinberger, Ash

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 518

Date: August 19, 1974 Time: 9:30 a.m.

FOR ACTION: James Cavanaugh
Phil Buchen
Bill Timmons
Andre Buckles

cc (for information): Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

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

REMARKS:

Please return to Kathy Tindle - West Wing

No objection to veto

D.C.

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.

Warren K. Hendriks
For the President

THE WHITE HOUSE

WASHINGTON

August 19, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS

SUBJECT: Action Memorandum - Log No. 518
Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

The Office of Legislative Affairs ~~concurs in the attached proposal and has no additional recommendations.~~ recommends this bill be SIGNED.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 518

Date: August 19, 1974 Time: 9:30 a.m.

FOR ACTION: James Cavanaugh
Fred Buzhardt
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

____ For Necessary Action

XX For Your Recommendations

____ Prepare Agenda and Brief

____ Draft Reply

____ For Your Comments

____ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

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.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 16 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970
Sponsor - Rep. Diggs (D) Michigan and 13 others

Last Day for Action

August 24, 1974 - Saturday

Purpose

Extends for two years (fiscal years 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
District of Columbia	No objection to approval

Discussion

The District of Columbia Medical and Dental Manpower Act of 1970, authorized the Secretary of Health, Education, and Welfare to make special capitation grants to private medical and dental schools in the District of Columbia, namely, the schools at Georgetown and George Washington University. H.R. 11108 would extend the appropriation authorities of that Act for two years. Grants in the amount of $5000 per medical student and $3000 per dental student would be authorized.

The 1970 Act authorized funds for fiscal years 1971 and 1972, but no funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. There have been no extensions of the Act since the original authorization expired at the end of fiscal year 1972.

However, Congress recently passed and President Nixon approved P.L. 93-348, the "National Research Act," one provision of which authorized $5 million in additional 1974 financial distress grants to Georgetown and George Washington Universities. Funds were made available in the second Supplemental Appropriation Act. The objective was to provide "financial distress relief" to these schools despite the careful analysis by HEW and a determination by outside experts that they did not meet the statutory requirements for such assistance. HEW has indicated its intention to comply with the congressional intent of P.L. 93-348 and make these 1974 funds available to the two schools.

Proponents of H.R. 11108 contend that the grants authorized under the enrolled bill are needed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. In addition, both universities state that without the funds authorized by H.R. 11108 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has strongly rejected these arguments, on the grounds that Federal support for the Georgetown and George Washington schools should be provided on the same basis as Federal support for all other similarly situated medical and dental schools, and that any special "state" funding should be provided by the District of Columbia Government. The Department also has pointed out that of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 14 such schools. Of 14 states having 22 private dental schools, 8 states provide no financial aid to 13 of these schools. Even in those states that do provide aid to private schools, the amount of support varies widely and the purposes for which the assistance can be used are limited.

On the basis of projected 1975 enrollments, H.R. 11108 would result, if funded, in estimated costs of $8.7 million each year for 1975 and 1976. The attached table shows the amounts of basic institutional subsidies these schools received ($38.6 million) from HEW's health manpower program for four academic years, including the academic year beginning this September. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs.

Arguments for Approval

1. The three private medical and dental schools located in the District of Columbia do not receive funds from the D.C. Government (comparable to state funds received by certain private medical and dental schools in other jurisdictions). H.R. 11108 would provide a logical, alternate source of financial support, at least until the District's interim status with regard to home rule government is resolved.

2. Proponents contend that the schools are a "national resource" and, accordingly, deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Over 10,000 graduates are located throughout the United States.

Arguments Against Approval

1. These institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia. The medical and dental schools at Georgetown and George Washington already receive Federal health manpower funds on the same basis as all U.S. medical and dental schools and should continue to compete on that basis for scarce Federal resources.

2. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are a national resource are not valid. Not all States fund private medical schools. In any event, the D.C. Government--not the Federal Government--is the appropriate analogue to the States. The "national" student body argument is one that could be and is made by all other private medical schools.

3. In addition to capitation funds, these schools have received special financial distress awards for several years--more than 40% of all such awards in the country in 1973--but they have still not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions. (For example, the schools have been reluctant to disclose the full amount of their potentially available resources. HEW staff have identified approximately $2 million in annual endowment income that Georgetown has declined to use for purposes of meeting basic operating costs.)

4. Preferential subsidies will be provided by HEW to both institutions under P.L. 93-348. H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years and could establish a highly undesirable precedent leading to "pork-barrel" funding of educational institutions.

5. On a similar issue in 1971, the D.C. Medical Facilities Construction proposal (H.R. 11628), the House voted down legislation to provide to hospitals in the District of Columbia special subsidies above the amounts that those hospitals were eligible for under the Hill-Burton grant program. The Administration should reinforce congressional efforts to reject preferential funding.

Recommendation

District of Columbia Government, in its views letter, discusses the financial assistance which has been made available to Georgetown and George Washington under existing health manpower programs, but states that it has no objection to approval of the enrolled bill.

HEW recommends disapproval of H.R. 11108. In its views letter on the enrolled bill, the Department states:

> "There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry."

* * * * * * * * * *

Of the several health bills enacted this year, we believe H.R. 11108 is the least meritorious. The bill would provide clearly unwarranted and preferential subsidies to two institutions solely on the basis of their geographic location. Furthermore, these institutions have been found not to be in financial distress by the National Advisory Council on Health Professions Education. The effect of the bill would be to authorize operating subsidies to two institutions whose management practices are seriously deficient.

We believe that enactment of such preferential legislation would be a poor precedent and poor example and, accordingly, recommend disapproval of H.R. 11108. A draft veto message is attached for your consideration.

Director

Attachments

Attachment

Funding History from DHEW Health Manpower Program

	(Academic Years/dollars in millions)			
	1971-72 (actual	1972-73 (actual)	1973-74 (actual)	1974-75 (estimate)
Georgetown University Medical and Dental Schools:				
- "Financial Distress"	4.0	2.6	2.0	2.9*
- Other Institutional Operating Support	1.8	3.9	3.9	5.3
- TOTAL	5.8	6.5	5.9	8.2
George Washington University Medical School:				
- "Financial Distress"	2.0	2.1	1.3	2.8*
- Other Institutional Operating Support	0.2	1.2	1.2	1.4
- TOTAL	2.2	3.3	2.5	4.2
TOTAL, both universities	8.0	9.8	8.4	12.4

* Amount requested. Final size of award (pursuant to P.L. 93-348) not yet determined.

TO THE HOUSE OF REPRESENTATIVES

I am returning today without my approval H.R. 11108, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 11108 would single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special financial subsidies from the Department of Health, Education, and Welfare. The bill is designed to provide preferential financial assistance to these schools based solely on their location in the District of Columbia, without regard to their ability to meet the statutory requirements which must be met by all other medical and dental schools in the United States in order to qualify for Federal financial distress funds.

The medical and dental schools at Georgetown and George Washington now receive Federal basic institutional support funds (capitation grants) on the same basis as other medical and dental schools in the United States. In addition, the institutions have received substantial funds under the "financial distress" grant program to help them meet special financial problems. In fiscal year 1973, for example, the Georgetown and George Washington University schools received nearly half of all the financial distress awards made to such schools in the country. During the past three academic years the schools received more than $26 million under these programs, and may receive more than $12 million for the 1974-75 academic year.

There is no justification--on grounds of either need or equity--to single out these two institutions from the entire universe of private medical and dental schools in the United States for additional and preferential funding treatment from the general revenues of the Nation.

Congress enacted legislation just a few weeks ago (Public Law 93-348) which authorized $5 million in additional 1974 "financial distress" funds previously appropriated in the second supplemental appropriation act. The objective of that provision was to provide "financial distress relief" to the Georgetown and George Washington schools, despite careful analysis by the Department of Health, Education, and Welfare and a determination by outside experts that they did not meet the statutory requirements of such assistance. In carrying out the congressional intent of this Act, the Department of Health, Education, and Welfare recently announced that it will make funds available under this authority.

I recognize the contributions these schools make to the supply of health professionals. Nevertheless, I believe that P.L. 93-348 should be the last occasion of preferential Federal treatment for these schools.

H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years. Such action could establish a highly undesirable precedent of "pork barrel" funding of particular educational institutions. These schools should continue to compete for scarce Federal resources on the same basis as all other medical and dental schools in the United States.

I have stated that as President there will be occasions when my view on particular issues will be different from the view of the Congress. I regret having to disapprove H.R. 11108, but I cannot concur in bills that inequitably provide Federal funds to three of the more than one hundred and sixty institutions of medical and dental education across this Nation.

THE WHITE HOUSE

August , 1974

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

AUG 16 1974

Dear Mr. Ash:

This is in response to Mr. Rommel's request of August 12, 1974, for a report on H.R. 11108, an enrolled bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia. The original legislation authorized the appropriation of funds for this purpose for fiscal years 1971 and 1972. Funds were never requested or appropriated and an appropriations authorization for fiscal years 1973 and 1974 was never enacted. The enrolled bill would authorize the appropriation of such sums as may be necessary for fiscal years 1975 and 1976.

The Department strongly objected to the enactment of H.R. 11108 in its report on the bill to the House Committee on the District of Columbia, a copy of which is enclosed for your convenience. Our position remains unchanged. There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program

administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry.

The Department therefore urges that the President veto H.R. 11108. A draft veto statement is enclosed.

Sincerely,

Secretary

Enclosures

DRAFT VETO STATEMENT FOR H.R. 11108

I am today returning to the Congress without my approval H.R. 11108, a bill which would authorize the appropriation of funds to be used by the Department of Health, Education, and Welfare for assistance grants to the private nonprofit medical and dental schools in the District of Columbia.

Assistance for medical and dental education provided under programs administered by the Department of Health, Education, and Welfare should be available on the same terms and conditions to all schools of medicine and dentistry throughout the country. There is no justification for limiting assistance under one of those programs to schools in the District of Columbia or any other geographic region. In the face of the compelling need to reduce federal spending, I cannot accept legislation which seeks to provide a small group of institutions with preferential treatment in the distribution of the limited federal funds that are available to support medical and dental education for the entire nation.

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

MAR 11 1974

Honorable Charles C. Diggs, Jr.
Chairman, Committee on the
District of Columbia
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to your request of November 15, 1973, for a report on H.R. 11108, a bill "to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 (which was enacted as Title III of the District of Columbia Revenue Act of 1970) authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia.

Grants may be made in amounts the Secretary determines to be the minimum amounts necessary to carry out the purposes of the Act, but in no event may such amounts exceed, in the case of a medical school, $5,000 times the number of full-time medical students, or, in the case of a dental school, $3,000 times the number of full-time dental students enrolled. In determining the amounts of grants, the Secretary is required to take into consideration any grants to the respective District of Columbia schools under the Health Professions Educational Assistance authorities of Title VII of the Public Health Service Act relating to financial assistance to health professions schools in serious financial distress.

The District of Columbia Medical and Dental Manpower Act of 1970 expired June 30, 1972. This bill, H.R. 11108, would extend it for three years (fiscal years 1975 through 1977) and would authorize the appropriation of such sums as necessary for carrying out its purpose. In effect, this bill would authorize the Secretary of Health, Educaton, and Welfare to assist private nonprofit medical and dental schools in the District of Columbia as some, but not all, States support private medical and dental schools located within a State's respective jurisdiction.

As indicated in our testimony before your Committee on January 24, 1974, the Department is opposed to a proposal which would single out schools in the District of Columbia and afford these schools preferential treatment for funding from the general revenues of the nation. Our position is that there are no overriding reasons of public policy to rationalize selecting out three District of Columbia medical and dental schools for special treatment as compared to the rest of the medical and dental schools in the nation. Assistance available through appropriations for the Department of Health, Education, and Welfare should be provided under terms and conditions which are applied nationally to all schools of medicine and dentistry throughout the nation.

We oppose providing special institutional support through appropriations to the Department of Health, Education, and Welfare. If such support is to be provided to these private schools within the District of Columbia, as it is provided by some States to private schools within their jurisdictions, we submit that this support should be provided by the District of Columbia Government. In this connection, we understand that the District Government is considering possible means of furnishing assistance to meet the District's health manpower needs.

The Administration's recommendations on the health manpower authorities, which are scheduled to expire on June 30, 1974, will soon be sent to the Congress. The need for continued special Federal financial assistance to the relatively small number of health professions schools still experiencing financial distress, and the terms and conditions under which such aid should be provided, are questions that must be addressed by the Congress in that legislation. We believe it would be inequitable and inappropriate for the Congress to legislate preferential treatment for the private schools in the District of Columbia without reference to the policies that will apply to the schools in the United States similarly situated.

For the above reasons, therefore, we recommend strongly against enactment of H.R. 11108.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

/s/ Caspar W. Weinberger

Secretary

THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

WALTER E. WASHINGTON
Mayor-Commissioner

August 14, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

> H.R. 11108 - To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970.

The enrolled bill would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922) to extend for two years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The enrolled bill would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976.

It should be noted that no appropriations were sought nor funds granted by the Department of Health, Education, and Welfare under the authority of the District of Columbia Medical and Dental Manpower Act of 1970, which expired June 30, 1972, to any of the qualifying schools - Georgetown University's medical and dental schools and George Washington's medical school. The Department of

Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

The enrolled bill, H.R. 11108, addresses a problem confronting local medical and dental schools, but one which is national in scope - the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act of 1971 (Public Law 92-157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional "financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

It should be noted that H.R. 11108 was amended so as to extend the District of Columbia Medical and Dental Manpower Act of 1970 for a period of only two, rather than three, fiscal years as originally proposed. Thus, the present title of the enrolled bill is inaccurate with respect to the period of extension.

The District of Columbia has no objection to approval of H.R. 11108.

Sincerely yours,

WALTER E. WASHINGTON
Mayor-Commissioner

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 518

Date: August 19, 1974 Time: 9:30 a.m.

FOR ACTION: James Cavanaugh
Fred Buzhardt
Bill Timmons
Andre Buckles

(for information): Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

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

REMARKS:

Please return to Kathy Tindle - West Wing

Sign

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.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 16 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970
Sponsor - Rep. Diggs (D) Michigan and 13 others

Last Day for Action

August 24, 1974 - Saturday

Purpose

Extends for two years (fiscal years 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
District of Columbia	No objection to approval

Discussion

The District of Columbia Medical and Dental Manpower Act of 1970, authorized the Secretary of Health, Education, and Welfare to make special capitation grants to private medical and dental schools in the District of Columbia, namely, the schools at Georgetown and George Washington University. H.R. 11108 would extend the appropriation authorities of that Act for two years. Grants in the amount of $5000 per medical student and $3000 per dental student would be authorized.

The 1970 Act authorized funds for fiscal years 1971 and 1972, but no funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. There have been no extensions of the Act since the original authorization expired at the end of fiscal year 1972.

However, Congress recently passed and President Nixon approved P.L. 93-348, the "National Research Act," one provision of which authorized $5 million in additional 1974 financial distress grants to Georgetown and George Washington Universities. Funds were made available in the second Supplemental Appropriation Act. The objective was to provide "financial distress relief" to these schools despite the careful analysis by HEW and a determination by outside experts that they did not meet the statutory requirements for such assistance. HEW has indicated its intention to comply with the congressional intent of P.L. 93-348 and make these 1974 funds available to the two schools.

Proponents of H.R. 11108 contend that the grants authorized under the enrolled bill are needed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. In addition, both universities state that without the funds authorized by H.R. 11108 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has strongly rejected these arguments, on the grounds that Federal support for the Georgetown and George Washington schools should be provided on the same basis as Federal support for all other similarly situated medical and dental schools, and that any special "state" funding should be provided by the District of Columbia Government. The Department also has pointed out that of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 14 such schools. Of 14 states having 22 private dental schools, 8 states provide no financial aid to 13 of these schools. Even in those states that do provide aid to private schools, the amount of support varies widely and the purposes for which the assistance can be used are limited.

On the basis of projected 1975 enrollments, H.R. 11108 would result, if funded, in estimated costs of $8.7 million each year for 1975 and 1976. The attached table shows the amounts of basic institutional subsidies these schools received ($38.6 million) from HEW's health manpower program for four academic years, including the academic year beginning this September. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs.

Arguments for Approval

1. The three private medical and dental schools located in the District of Columbia do not receive funds from the D.C. Government (comparable to state funds received by certain private medical and dental schools in other jurisdictions). H.R. 11108 would provide a logical, alternate source of financial support, at least until the District's interim status with regard to home rule government is resolved.

2. Proponents contend that the schools are a "national resource" and, accordingly, deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Over 10,000 graduates are located throughout the United States.

Arguments Against Approval

1. These institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia. The medical and dental schools at Georgetown and George Washington already receive Federal health manpower funds on the same basis as all U.S. medical and dental schools and should continue to compete on that basis for scarce Federal resources.

2. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are a national resource are not valid. Not all States fund private medical schools. In any event, the D.C. Government--not the Federal Government--is the appropriate analogue to the States. The "national" student body argument is one that could be and is made by all other private medical schools.

3. In addition to capitation funds, these schools have received special financial distress awards for several years--more than 40% of all such awards in the country in 1973--but they have still not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions. (For example, the schools have been reluctant to disclose the full amount of their potentially available resources. HEW staff have identified approximately $2 million in annual endowment income that Georgetown has declined to use for purposes of meeting basic operating costs.)

4. Preferential subsidies will be provided by HEW to both institutions under P.L. 93-348. H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years and could establish a highly undesirable precedent leading to "pork-barrel" funding of educational institutions.

5. On a similar issue in 1971, the D.C. Medical Facilities Construction proposal (H.R. 11628), the House voted down legislation to provide to hospitals in the District of Columbia special subsidies above the amounts that those hospitals were eligible for under the Hill-Burton grant program. The Administration should reinforce congressional efforts to reject preferential funding.

Recommendation

District of Columbia Government, in its views letter, discusses the financial assistance which has been made available to Georgetown and George Washington under existing health manpower programs, but states that it has no objection to approval of the enrolled bill.

HEW recommends disapproval of H.R. 11108. In its views letter on the enrolled bill, the Department states:

> "There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry."

* * * * * * * * * *

Of the several health bills enacted this year, we believe H.R. 11108 is the least meritorious. The bill would provide clearly unwarranted and preferential subsidies to two institutions solely on the basis of their geographic location. Furthermore, these institutions have been found not to be in financial distress by the National Advisory Council on Health Professions Education. The effect of the bill would be to authorize operating subsidies to two institutions whose management practices are seriously deficient.

We believe that enactment of such preferential legislation would be a poor precedent and poor example and, accordingly, recommend disapproval of H.R. 11108. A draft veto message is attached for your consideration.

Director

Attachments

Attachment

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	(Academic Years/dollars in millions)			
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- Other Institutional Operating Support	0.2	1.2	1.2	1.4
- TOTAL	2.2	3.3	2.5	4.2
TOTAL, both universities	8.0	9.8	8.4	12.4

* Amount requested. Final size of award (pursuant to P.L. 93-348) not yet determined.

TO THE HOUSE OF REPRESENTATIVES

I am returning today without my approval H.R. 11108, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 11108 would single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special financial subsidies from the Department of Health, Education, and Welfare. The bill is designed to provide preferential financial assistance to these schools based solely on their location in the District of Columbia, without regard to their ability to meet the statutory requirements which must be met by all other medical and dental schools in the United States in order to qualify for Federal financial distress funds.

The medical and dental schools at Georgetown and George Washington now receive Federal basic institutional support funds (capitation grants) on the same basis as other medical and dental schools in the United States. In addition, the institutions have received substantial funds under the "financial distress" grant program to help them meet special financial problems. In fiscal year 1973, for example, the Georgetown and George Washington University schools received nearly half of all the financial distress awards made to such schools in the country. During the past three academic years the schools received more than $26 million under these programs, and may receive more than $12 million for the 1974-75 academic year.

There is no justification--on grounds of either need or equity--to single out these two institutions from the entire universe of private medical and dental schools in the United States for additional and preferential funding treatment from the general revenues of the Nation.

Congress enacted legislation just a few weeks ago (Public Law 93-348) which authorized $5 million in additional 1974 "financial distress" funds previously appropriated in the second supplemental appropriation act. The objective of that provision was to provide "financial distress relief" to the Georgetown and George Washington schools, despite careful analysis by the Department of Health, Education, and Welfare and a determination by outside experts that they did not meet the statutory requirements of such assistance. In carrying out the congressional intent of this Act, the Department of Health, Education, and Welfare recently announced that it will make funds available under this authority.

I recognize the contributions these schools make to the supply of health professionals. Nevertheless, I believe that P.L. 93-348 should be the last occasion of preferential Federal treatment for these schools.

H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years. Such action could establish a highly undesirable precedent of "pork barrel" funding of particular educational institutions. These schools should continue to compete for scarce Federal resources on the same basis as all other medical and dental schools in the United States.

I have stated that as President there will be occasions when my view on particular issues will be different from the view of the Congress. I regret having to disapprove H.R. 11108, but I cannot concur in bills that inequitably provide Federal funds to three of the more than one hundred and sixty institutions of medical and dental education across this Nation.

THE WHITE HOUSE

August , 1974

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

AUG 16 1974

Dear Mr. Ash:

This is in response to Mr. Rommel's request of August 12, 1974, for a report on H.R. 11108, an enrolled bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia. The original legislation authorized the appropriation of funds for this purpose for fiscal years 1971 and 1972. Funds were never requested or appropriated and an appropriations authorization for fiscal years 1973 and 1974 was never enacted. The enrolled bill would authorize the appropriation of such sums as may be necessary for fiscal years 1975 and 1976.

The Department strongly objected to the enactment of H.R. 11108 in its report on the bill to the House Committee on the District of Columbia, a copy of which is enclosed for your convenience. Our position remains unchanged. There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program

administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry.

The Department therefore urges that the President veto H.R. 11108. A draft veto statement is enclosed.

Sincerely,

Secretary

Enclosures

DRAFT VETO STATEMENT FOR H.R. 11108

I am today returning to the Congress without my approval H.R. 11108, a bill which would authorize the appropriation of funds to be used by the Department of Health, Education, and Welfare for assistance grants to the private nonprofit medical and dental schools in the District of Columbia.

Assistance for medical and dental education provided under programs administered by the Department of Health, Education, and Welfare should be available on the same terms and conditions to all schools of medicine and dentistry throughout the country. There is no justification for limiting assistance under one of those programs to schools in the District of Columbia or any other geographic region. In the face of the compelling need to reduce federal spending, I cannot accept legislation which seeks to provide a small group of institutions with preferential treatment in the distribution of the limited federal funds that are available to support medical and dental education for the entire nation.

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

MAR 11 1974

Honorable Charles C. Diggs, Jr.
Chairman, Committee on the
District of Columbia
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to your request of November 15, 1973, for a report on H.R. 11108, a bill "to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 (which was enacted as Title III of the District of Columbia Revenue Act of 1970) authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia.

Grants may be made in amounts the Secretary determines to be the minimum amounts necessary to carry out the purposes of the Act, but in no event may such amounts exceed, in the case of a medical school, $5,000 times the number of full-time medical students, or, in the case of a dental school, $3,000 times the number of full-time dental students enrolled. In determining the amounts of grants, the Secretary is required to take into consideration any grants to the respective District of Columbia schools under the Health Professions Educational Assistance authorities of Title VII of the Public Health Service Act relating to financial assistance to health professions schools in serious financial distress.

The District of Columbia Medical and Dental Manpower Act of 1970 expired June 30, 1972. This bill, H.R. 11108, would extend it for three years (fiscal years 1975 through 1977) and would authorize the appropriation of such sums as necessary for carrying out its purpose. In effect, this bill would authorize the Secretary of Health, Educaton, and Welfare to assist private nonprofit medical and dental schools in the District of Columbia as some, but not all, States support private medical and dental schools located within a State's respective jurisdiction.

As indicated in our testimony before your Committee on January 24, 1974, the Department is opposed to a proposal which would single out schools in the District of Columbia and afford these schools preferential treatment for funding from the general revenues of the nation. Our position is that there are no overriding reasons of public policy to rationalize selecting out three District of Columbia medical and dental schools for special treatment as compared to the rest of the medical and dental schools in the nation. Assistance available through appropriations for the Department of Health, Education, and Welfare should be provided under terms and conditions which are applied nationally to all schools of medicine and dentistry throughout the nation.

We oppose providing special institutional support through appropriations to the Department of Health, Education, and Welfare. If such support is to be provided to these private schools within the District of Columbia, as it is provided by some States to private schools within their jurisdictions, we submit that this support should be provided by the District of Columbia Government. In this connection, we understand that the District Government is considering possible means of furnishing assistance to meet the District's health manpower needs.

The Administration's recommendations on the health manpower authorities, which are scheduled to expire on June 30, 1974, will soon be sent to the Congress. The need for continued special Federal financial assistance to the relatively small number of health professions schools still experiencing financial distress, and the terms and conditions under which such aid should be provided, are questions that must be addressed by the Congress in that legislation. We believe it would be inequitable and inappropriate for the Congress to legislate preferential treatment for the private schools in the District of Columbia without reference to the policies that will apply to the schools in the United States similarly situated.

For the above reasons, therefore, we recommend strongly against enactment of H.R. 11108.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

/s/ Caspar W. Weinberger

Secretary

THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

WALTER E. WASHINGTON
Mayor-Commissioner

August 14, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

> H.R. 11108 - To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970.

The enrolled bill would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922) to extend for two years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The enrolled bill would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976.

It should be noted that no appropriations were sought nor funds granted by the Department of Health, Education, and Welfare under the authority of the District of Columbia Medical and Dental Manpower Act of 1970, which expired June 30, 1972, to any of the qualifying schools - Georgetown University's medical and dental schools and George Washington's medical school. The Department of

Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

The enrolled bill, H.R. 11108, addresses a problem confronting local medical and dental schools, but one which is national in scope - the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act of 1971 (Public Law 92-157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional "financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

It should be noted that H.R. 11108 was amended so as to extend the District of Columbia Medical and Dental Manpower Act of 1970 for a period of only two, rather than three, fiscal years as originally proposed. Thus, the present title of the enrolled bill is inaccurate with respect to the period of extension.

The District of Columbia has no objection to approval of H.R. 11108.

Sincerely yours,

Walter E. Washington

WALTER E. WASHINGTON
Mayor-Commissioner

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 518

Date: August 19, 1974 Time: 9:30 a.m.

FOR ACTION: James Cavanaugh
Fred Buzhardt
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

____ For Necessary Action

XX For Your Recommendations

____ Prepare Agenda and Brief

____ Draft Reply

____ For Your Comments

____ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

See Memo - Sign

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.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 16 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11108 - Extension of District of Columbia Medical and Dental Manpower Act of 1970
Sponsor - Rep. Diggs (D) Michigan and 13 others

Last Day for Action

August 24, 1974 - Saturday

Purpose

Extends for two years (fiscal years 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
District of Columbia	No objection to approval

Discussion

The District of Columbia Medical and Dental Manpower Act of 1970, authorized the Secretary of Health, Education, and Welfare to make special capitation grants to private medical and dental schools in the District of Columbia, namely, the schools at Georgetown and George Washington University. H.R. 11108 would extend the appropriation authorities of that Act for two years. Grants in the amount of $5000 per medical student and $3000 per dental student would be authorized.

The 1970 Act authorized funds for fiscal years 1971 and 1972, but no funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. There have been no extensions of the Act since the original authorization expired at the end of fiscal year 1972.

However, Congress recently passed and President Nixon approved P.L. 93-348, the "National Research Act," one provision of which authorized $5 million in additional 1974 financial distress grants to Georgetown and George Washington Universities. Funds were made available in the second Supplemental Appropriation Act. The objective was to provide "financial distress relief" to these schools despite the careful analysis by HEW and a determination by outside experts that they did not meet the statutory requirements for such assistance. HEW has indicated its intention to comply with the congressional intent of P.L. 93-348 and make these 1974 funds available to the two schools.

Proponents of H.R. 11108 contend that the grants authorized under the enrolled bill are needed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. In addition, both universities state that without the funds authorized by H.R. 11108 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has strongly rejected these arguments, on the grounds that Federal support for the Georgetown and George Washington schools should be provided on the same basis as Federal support for all other similarly situated medical and dental schools, and that any special "state" funding should be provided by the District of Columbia Government. The Department also has pointed out that of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 14 such schools. Of 14 states having 22 private dental schools, 8 states provide no financial aid to 13 of these schools. Even in those states that do provide aid to private schools, the amount of support varies widely and the purposes for which the assistance can be used are limited.

On the basis of projected 1975 enrollments, H.R. 11108 would result, if funded, in estimated costs of $8.7 million each year for 1975 and 1976. The attached table shows the amounts of basic institutional subsidies these schools received ($38.6 million) from HEW's health manpower program for four academic years, including the academic year beginning this September. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs.

Arguments for Approval

1. The three private medical and dental schools located in the District of Columbia do not receive funds from the D.C. Government (comparable to state funds received by certain private medical and dental schools in other jurisdictions). H.R. 11108 would provide a logical, alternate source of financial support, at least until the District's interim status with regard to home rule government is resolved.

2. Proponents contend that the schools are a "national resource" and, accordingly, deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Over 10,000 graduates are located throughout the United States.

Arguments Against Approval

1. These institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia. The medical and dental schools at Georgetown and George Washington already receive Federal health manpower funds on the same basis as all U.S. medical and dental schools and should continue to compete on that basis for scarce Federal resources.

2. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are a national resource are not valid. Not all States fund private medical schools. In any event, the D.C. Government--not the Federal Government--is the appropriate analogue to the States. The "national" student body argument is one that could be and is made by all other private medical schools.

3. In addition to capitation funds, these schools have received special financial distress awards for several years--more than 40% of all such awards in the country in 1973--but they have still not corrected the serious administrative and management deficiencies that contributed to their current fiscal conditions. (For example, the schools have been reluctant to disclose the full amount of their potentially available resources. HEW staff have identified approximately $2 million in annual endowment income that Georgetown has declined to use for purposes of meeting basic operating costs.)

4. Preferential subsidies will be provided by HEW to both institutions under P.L. 93-348. H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years and could establish a highly undesirable precedent leading to "pork-barrel" funding of educational institutions.

5. On a similar issue in 1971, the D.C. Medical Facilities Construction proposal (H.R. 11628), the House voted down legislation to provide to hospitals in the District of Columbia special subsidies above the amounts that those hospitals were eligible for under the Hill-Burton grant program. The Administration should reinforce congressional efforts to reject preferential funding.

Recommendation

District of Columbia Government, in its views letter, discusses the financial assistance which has been made available to Georgetown and George Washington under existing health manpower programs, but states that it has no objection to approval of the enrolled bill.

HEW recommends disapproval of H.R. 11108. In its views letter on the enrolled bill, the Department states:

> "There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry."

* * * * * * * * * *

Of the several health bills enacted this year, we believe H.R. 11108 is the least meritorious. The bill would provide clearly unwarranted and preferential subsidies to two institutions solely on the basis of their geographic location. Furthermore, these institutions have been found not to be in financial distress by the National Advisory Council on Health Professions Education. The effect of the bill would be to authorize operating subsidies to two institutions whose management practices are seriously deficient.

We believe that enactment of such preferential legislation would be a poor precedent and poor example and, accordingly, recommend disapproval of H.R. 11108. A draft veto message is attached for your consideration.

Director

Attachments

Attachment

Funding History from DHEW Health Manpower Program

	(Academic Years/dollars in millions)			
	1971-72 (actual	1972-73 (actual)	1973-74 (actual)	1974-75 (estimate)
Georgetown University Medical and Dental Schools:				
- "Financial Distress"	4.0	2.6	2.0	2.9*
- Other Institutional Operating Support	1.8	3.9	3.9	5.3
- TOTAL	5.8	6.5	5.9	8.2
George Washington University Medical School:				
- "Financial Distress"	2.0	2.1	1.3	2.8*
- Other Institutional Operating Support	0.2	1.2	1.2	1.4
- TOTAL	2.2	3.3	2.5	4.2
TOTAL, both universities	8.0	9.8	8.4	12.4

* Amount requested. Final size of award (pursuant to P.L. 93-348) not yet determined.

TO THE HOUSE OF REPRESENTATIVES

I am returning today without my approval H.R. 11108, a bill to extend the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 11108 would single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special financial subsidies from the Department of Health, Education, and Welfare. The bill is designed to provide preferential financial assistance to these schools based solely on their location in the District of Columbia, without regard to their ability to meet the statutory requirements which must be met by all other medical and dental schools in the United States in order to qualify for Federal financial distress funds.

The medical and dental schools at Georgetown and George Washington now receive Federal basic institutional support funds (capitation grants) on the same basis as other medical and dental schools in the United States. In addition, the institutions have received substantial funds under the "financial distress" grant program to help them meet special financial problems. In fiscal year 1973, for example, the Georgetown and George Washington University schools received nearly half of all the financial distress awards made to such schools in the country. During the past three academic years the schools received more than $26 million under these programs, and may receive more than $12 million for the 1974-75 academic year.

There is no justification--on grounds of either need or equity--to single out these two institutions from the entire universe of private medical and dental schools in the United States for additional and preferential funding treatment from the general revenues of the Nation.

Congress enacted legislation just a few weeks ago (Public Law 93-348) which authorized $5 million in additional 1974 "financial distress" funds previously appropriated in the second supplemental appropriation act. The objective of that provision was to provide "financial distress relief" to the Georgetown and George Washington schools, despite careful analysis by the Department of Health, Education, and Welfare and a determination by outside experts that they did not meet the statutory requirements of such assistance. In carrying out the congressional intent of this Act, the Department of Health, Education, and Welfare recently announced that it will make funds available under this authority.

I recognize the contributions these schools make to the supply of health professionals. Nevertheless, I believe that P.L. 93-348 should be the last occasion of preferential Federal treatment for these schools.

H.R. 11108 would perpetuate and compound the inequity of providing special subsidies to these institutions for the next two years. Such action could establish a highly undesirable precedent of "pork barrel" funding of particular educational institutions. These schools should continue to compete for scarce Federal resources on the same basis as all other medical and dental schools in the United States.

I have stated that as President there will be occasions when my view on particular issues will be different from the view of the Congress. I regret having to disapprove H.R. 11108, but I cannot concur in bills that inequitably provide Federal funds to three of the more than one hundred and sixty institutions of medical and dental education across this Nation.

THE WHITE HOUSE

August , 1974

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

AUG 16 1974

Dear Mr. Ash:

This is in response to Mr. Rommel's request of August 12, 1974, for a report on H.R. 11108, an enrolled bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia. The original legislation authorized the appropriation of funds for this purpose for fiscal years 1971 and 1972. Funds were never requested or appropriated and an appropriations authorization for fiscal years 1973 and 1974 was never enacted. The enrolled bill would authorize the appropriation of such sums as may be necessary for fiscal years 1975 and 1976.

The Department strongly objected to the enactment of H.R. 11108 in its report on the bill to the House Committee on the District of Columbia, a copy of which is enclosed for your convenience. Our position remains unchanged. There is simply no justification for a program which would single out the medical and dental schools of the District of Columbia for preferential treatment under a program

administered by this Department. Assistance for medical and dental schools provided through appropriations for the Department of Health, Education, and Welfare should be available on the same terms to all of the nation's schools of medicine and dentistry.

The Department therefore urges that the President veto H.R. 11108. A draft veto statement is enclosed.

Sincerely,

Secretary

Enclosures

DRAFT VETO STATEMENT FOR H.R. 11108

I am today returning to the Congress without my approval H.R. 11108, a bill which would authorize the appropriation of funds to be used by the Department of Health, Education, and Welfare for assistance grants to the private nonprofit medical and dental schools in the District of Columbia.

Assistance for medical and dental education provided under programs administered by the Department of Health, Education, and Welfare should be available on the same terms and conditions to all schools of medicine and dentistry throughout the country. There is no justification for limiting assistance under one of those programs to schools in the District of Columbia or any other geographic region. In the face of the compelling need to reduce federal spending, I cannot accept legislation which seeks to provide a small group of institutions with preferential treatment in the distribution of the limited federal funds that are available to support medical and dental education for the entire nation.

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

MAR 11 1974

Honorable Charles C. Diggs, Jr.
Chairman, Committee on the
District of Columbia
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to your request of November 15, 1973, for a report on H.R. 11108, a bill "to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 (which was enacted as Title III of the District of Columbia Revenue Act of 1970) authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia to assist private nonprofit medical and dental schools in the District of Columbia.

Grants may be made in amounts the Secretary determines to be the minimum amounts necessary to carry out the purposes of the Act, but in no event may such amounts exceed, in the case of a medical school, $5,000 times the number of full-time medical students, or, in the case of a dental school, $3,000 times the number of full-time dental students enrolled. In determining the amounts of grants, the Secretary is required to take into consideration any grants to the respective District of Columbia schools under the Health Professions Educational Assistance authorities of Title VII of the Public Health Service Act relating to financial assistance to health professions schools in serious financial distress.

The District of Columbia Medical and Dental Manpower Act of 1970 expired June 30, 1972. This bill, H.R. 11108, would extend it for three years (fiscal years 1975 through 1977) and would authorize the appropriation of such sums as necessary for carrying out its purpose. In effect, this bill would authorize the Secretary of Health, Educatom, and Welfare to assist private nonprofit medical and dental schools in the District of Columbia as some, but not all, States support private medical and dental schools located within a State's respective jurisdiction.

As indicated in our testimony before your Committee on January 24, 1974, the Department is opposed to a proposal which would single out schools in the District of Columbia and afford these schools preferential treatment for funding from the general revenues of the nation. Our position is that there are no overriding reasons of public policy to rationalize selecting out three District of Columbia medical and dental schools for special treatment as compared to the rest of the medical and dental schools in the nation. Assistance available through appropriations for the Department of Health, Education, and Welfare should be provided under terms and conditions which are applied nationally to all schools of medicine and dentistry throughout the nation.

We oppose providing special institutional support through appropriations to the Department of Health, Education, and Welfare. If such support is to be provided to these private schools within the District of Columbia, as it is provided by some States to private schools within their jurisdictions, we submit that this support should be provided by the District of Columbia Government. In this connection, we understand that the District Government is considering possible means of furnishing assistance to meet the District's health manpower needs.

The Administration's recommendations on the health manpower authorities, which are scheduled to expire on June 30, 1974, will soon be sent to the Congress. The need for continued special Federal financial assistance to the relatively small number of health professions schools still experiencing financial distress, and the terms and conditions under which such aid should be provided, are questions that must be addressed by the Congress in that legislation. We believe it would be inequitable and inappropriate for the Congress to legislate preferential treatment for the private schools in the District of Columbia without reference to the policies that will apply to the schools in the United States similarly situated.

For the above reasons, therefore, we recommend strongly against enactment of H.R. 11108.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

/s/ Caspar W. Weinberger

Secretary

THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

WALTER E. WASHINGTON
Mayor-Commissioner

August 14, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

> H.R. 11108 - To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970.

The enrolled bill would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922) to extend for two years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The enrolled bill would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976.

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Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

The enrolled bill, H.R. 11108, addresses a problem confronting local medical and dental schools, but one which is national in scope - the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act of 1971 (Public Law 92-157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional "financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

It should be noted that H.R. 11108 was amended so as to extend the District of Columbia Medical and Dental Manpower Act of 1970 for a period of only two, rather than three, fiscal years as originally proposed. Thus, the present title of the enrolled bill is inaccurate with respect to the period of extension.

The District of Columbia has no objection to approval of H.R. 11108.

Sincerely yours,

WALTER E. WASHINGTON
Mayor-Commissioner

93D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 93-1200

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND MANPOWER ACT OF 1970

REPORT

BY THE

COMMITTEE ON THE DISTRICT OF COLUMBIA

[To accompany H.R. 11108]

JULY 16, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1974

COMMITTEE ON THE DISTRICT OF COLUMBIA

CHARLES C. DIGGS, JR., Michigan, *Chairman*

DONALD M. FRASER, Minnesota
W. S. (BILL) STUCKEY, JR., Georgia
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93D CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 93-1200

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND DENTAL MANPOWER ACT OF 1970

JULY 16, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DIGGS, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H.R. 11108]

The Committee on the District of Columbia to whom was referred the bill (H.R. 11108), to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

On the first page strike out lines 3 through 6 and insert in lieu thereof the following:

> That (a) section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922 (c)) is amended to read as follows:
>
> "(c) There are authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1975, and June 30, 1976, to make grants under this section.".

PURPOSE OF THE BILL

The purpose of H.R. 11108, as amended, is to extend for two years (fiscal 1975 and 1976) the District of Columbia Medical and Manpower Act of 1970 (D.C. Code, Tit. 31, Sec. 921, 922; 84 Stat. 1934.) This would further assist private non-profit medical and dental schools in the District of Columbia, through Federal grants for these two years, in meeting their critical finance needs and operational costs required to maintain quality medical and dental educational programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants by law are to be in the minimum amounts necessary and may not exceed, in either fiscal year, $5,000 per enrolled medical student, or $3,000 per enrolled dental student.

The intended beneficiaries of this bill are the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine. Howard University, which operates schools of medicine and dentistry in the District, relies on other channels of Federal support.

Legislative Background

The D.C. Medical and Dental Manpower Act of 1970 (which H.R. 11108 extends for two additional years) was originally enacted as Title III of the District of Columbia Revenue Act of 1970 (P.L. 91–650, approved Jan. 5, 1971; D.C. Code Tit. 31, Sec. 922; 84 Stat. 1934).

The original subsidy authorization was for the fiscal years 1971 and 1972. No funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. Legislation to extend the authorization for three years was introduced in the 92nd Congress (H.R. 13713), and was referred to the Committee on the District of Columbia. A subcommittee held hearings thereon and ordered it favorably reported, but further action was not taken. The original authorization expired at the end of fiscal year 1972.

Need for the Legislation

Grants under this legislation are proposed as a substitute for the state funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. Because of the District's interim status with regard to home rule government, no local funds (comparable to state funds) are available for fiscal years 1975 and 1976. The Mayor-Commissioner has indicated his recognition of the financial problems facing the medical and dental schools in Washington and has also indicated his intention to find an effective long-range means of providing adequate funding to alleviate this distress. While the District Government is considering the appropriate method for providing such assistance, the Committee feels that the interim subsidies authorized by H.R. 11108 are merited.

District Need for Physicians

At least 6 of the District's 9 service areas lack sufficient physician manpower to serve the needs of the individuals in those areas.

The areas East of Rock Creek Park and Anacostia are all severely deficient in physicians; and the far Northeast, as well as the near Northeast, also suffer more critically than the other areas.

GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES NEED FOR FUNDS

The Presidents of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue in operation. There are fourteen Washington Metropolitan area hospitals directly dependent on the staffs and programs of these Medical and Dental Schools. There are over 10,000 graduates of these schools in the United States in fifty States and the District of Columbia and over 1,700 students from forty-six states and the District of Columbia.

PRINCIPAL PROVISIONS OF THE PRESENT LAW

The principal provisions of present law (D.C. Dental and Manpower Act of 1970, Public Law 91–650) are as follows:

1. The Secretary of Health, Education and Welfare is authorized to make grants to the Commissioner of the District of Columbia, in an amount not to exceed the minimum necessary to achieve the purposes of this title; and in no event may such a grant in any fiscal year exceed the sum of (1) the product of $5,000 times the number of full-time medical students enrolled in private nonprofit medical schools in the District of Columbia, and (2) the product of $3,000 times the number of full-time dental students enrolled in private nonprofit dental schools in the District.

2. Authority is provided for the appropriation of $6.2 million for fiscal year 1971, *and of such sums as may be necessary for fiscal year 1972*, to make the above-mentioned grants. (The reported bill extends present law to cover fiscal years 1975 and 1976.)

3. Provision is made regarding the filing of applications by the D.C. Commissioner to the Secretary of HEW for these grants, including the authority of the Secretary to require such determinations and assurances as he may deem necessary to assure proper disbursement of and accounting for the funds involved.

4. Provision is made for the method of determining the numbers of students as the basis for establishing the maximum amounts of the grants.

5. Grants from the Secretary of HEW to the Commissioner may be paid in advance or by way of reimbursement, with appropriate adjustments for overpayments or underpayments previously made.

6. In assessing the needs of the several schools, the Secretary of HEW shall take into consideration any grants made to these schools under section 772 of the Public Health Service Act (42 USC 295f–2), relating to financial assistance for schools in need of aid in meeting their costs of operation.

7. The Commissioner of the District of Columbia is authorized to make grants to private nonprofit schools of medicine or dentistry in the District. These grants shall involve only those funds included in the grants authorized in this title from the Secretary of HEW to the D.C. Commissioner.

8. Provision is made regarding the filing of applications by the schools to the D.C. Commissioner for these grants, including the authority of the Commissioner and the Secretary of HEW to require such content, determinations, fiscal control and accounting procedures, and access to the schools' records as may be deemed necessary to assure proper disbursement and accounting of such funds.

9. Grants from the D.C. Commissioner to the schools may be paid either in advance or by way of reimbursement, with appropriate adjustments by reason of previous overpayments or underpayments.

10. In determining the financial needs of the medical and dental schools, the D.C. Commissioner shall take into consideration any grants made to these schools under section 772 of the Public Health Service Act (42 USC 295f–2).

Provisions of the Bill

Section (a). The first section authorizes grants during two additional fiscal years—1975 and 1976. It amends Section 303(c) of the original act (D.C. Code, Tit. 31, Sec. 922(c)).

Section (b). This section updates the reference to a provision in Title VII of the Public Health Service Act which was amended subsequent to passage of the D.C. Medical and Dental Manpower Act in 1970. It acknowledges that schools qualifying for grants under this bill may also be eligible for financial distress grants under Section 773 of the Public Health Service Act. The Secretary of Health, Education and Welfare is directed to consider this in setting amounts of, and determining eligibility for, grants under this act. The section amends Section 303(b) of the 1970 act, (D.C. Code, Tit. 31, Sec. 922(b)).

NATIONAL ASPECTS OF GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES

It is certainly the case that private schools draw their students from a wider area than do State-supported schools and to that extent serve the needs of students from other States.

This is borne out by the following chart, showing the widespread distribution of current students, and of graduates in practice, from George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry:

GEOGRAPHIC DISTRIBUTION OF CURRENT STUDENTS (1973–74) ATTENDING THE GEORGETOWN UNIVERSITY SCHOOLS OF MEDICINE OR DENTISTRY AND THE GEORGE WASHINGTON UNIVERSITY SCHOOL OF MEDICINE ALSO, GRADUATES IN PRACTICE

State	Current students	Graduates in practice	Type of school		State support of private in-State medical or regional medical school
			Public	Private	
Alabama	4	45	2		Southern regional, $3,250 per student.
Alaska	0	10			Western regional, $3,000 per student.
Arizona	11	80	1		Do.
Arkansas	2	5	1		
California	158	910	5	3	$12,000 per additional 55 students.
Colorado	6	65	1		
Connecticut	86	508	1	1	
Delaware	9	44			$7,500 per student.
District of Columbia	108	892	1	2	District of Columbia Medical-Dental Act and HEW funds.
Florida	27	376	2	1	$6,500 to $8,500; Southern regional, $3,250 per student.
Georgia	3	71	1	1	Southern regional, $3,250 per student.
Hawaii	2	33	1		Western regional, $3,000 per student.
Idaho	2	38			Do.
Illinois	18	105	2	5	$6,000 to $7,000
Indiana	8	47	1		
Iowa	0	21	1		
Kansas	6	18	1		
Kentucky	2	32	2		Subsidy by negotiation.
Louisiana	1	27	2	1	Southern regional, $3,250 per student.
Maine	12	60			New England regional, $2,500 to $5,000 per student.
Maryland	199	1,234	1	1	Negotiated yearly; Southern regional, $3,250 per student.
Massachusetts	136	637	1	3	New England regional, $5,000 per student.
Michigan	9	106	3		
Minnesota	2	44	2		$8 000 per Minnesota student.
Mississippi	1	12	1		Southern regional, $3,250 per student.
Missouri	4	37	2	2	Legislation pending.
Montana	4	15			Western regional, $3,000 per student.
Nebraska	0	3	1	1	Legislation pending.
Nevada	8	30			Western regional, $3,000 per student.
New Hampshire	14	57		1	
New Jersey	188	950	2		
New Mexico	4	33	1		
New York	423	1,723	4	8	$3,900 to $6,000.
North Carolina	5	131	1	2	$3,000 per North Carolina student; Southern regional, $3,250 per student.
North Dakota	5	10	1		
Ohio	33	193	2	2	$5,430 per student (approximately).
Oklahoma	3	26	1		
Oregon	4	43	1		
Pennsylvania	91	641	2	5	$4,400 to $7,465.
Rhode Island	20	183		1	Special grant; New England regional, $5,000.
South Carolina	3	56	1		
South Dakota	5	8	1		
Tennessee	5	31	1	2	Negotiated; Southern regional, $3,250 per student.
Texas	8	119	5	1	$17,282.
Utah	40	102	1		
Vermont	2	23	1		
Virginia	110	729	2	1	Southern regional, $3,250 per student.
Washington	29	109	1		
West Virginia	4	39	1		
Wisconsin	7	54	1	1	$4,500 per student (approximately).
Wyoming	1	10			Western regional, $3,000 per student.
Total	1,835	10,775	66	45	

LOCAL GEOGRAPHICAL DISTRIBUTION OF STUDENTS AND GRADUATES

	1970 testimony		1974 testimony	
	Number	Percent	Number	Percent
Total combined enrollment	1,299		1,839	
Studen's from District of Columbia	67	5.2	108	5.9
Students from Marvland	142	10.9	199	10.8
Students from Virginia	135	10.4	110	6.0
Total combined graduates in practice	10,308		10,863	
In District of Columbia	1,008	9.8	892	8.2
In Maryland	1,096	10.6	1,234	11.4
In Virginia	662	6.4	729	6.7

Source: Based on figures supplied by George Washington and Georgetown Universities.

State Legislation

Most States support private medical or dental schools in their respective jurisdictions. Of the 22 States having 50 private medical schools, 13 States provide financial assistance to such schools. Of the 14 States having 22 private dental schools, 6 States provide financial aid to 9 of these schools. In those States that do provide assistance to private medical and dental schools, the amount of support provided varies widely, and the purposes for which the assistance can be used are limited.

When a State does decide to support a private medical school, the State usually considers specific benefits which might accrue from such support. State considerations usually involve the need for adequate numbers of trained health professionals for health care, research and training; the need to expand educational opportunities for residents of the State; the need for new knowledge, and the need to develop new methods of providing health care to groups as well as to individuals.

As examples of State programs, *California* contracts with its private medical schools to expand the class sizes of these private schools. *Delaware* contracts with an out-of-State college of medicine to accept Delaware residents, with a stipulation that a portion of the medical students spend their clinical clerkships in the Wilmington Medical Center. *Ohio* has a contract medical program which requires that the private University supported must agree to admit a specified number of medical students. *New York* has three types of contractual arrangements with each private school in the State: (a) A plan which provides an award for each medical school graduate; (b) a per capita award for every medical student enrolled; and (c) a 7-year plan designed to increase enrollment during the period from 1967 to 1974. *Illinois* provides funds to private institutions within that State to increase enrollments in medical, dental, nursing, and allied health education programs. Each private school in Illinois receives an award for each Illinois student that school enrolls with the requirement that a specified number of residents be enrolled above the average number for an earlier year. In addition, an annual stabilization grant is made to each school computed on the average number of State residents enrolled.

Following is an excerpt from the Journal of Medical Education of October, 1973, on State assistance to medical schools:

[From the Journal of Medical Education, October 1973]

State Assistance to Medical Schools—State Roles in Financing Medical Education

State legislatures in fiscal 1972 provided a total of about $334.2 million for the operation of medical schools, exclusive of funds to schools in development and to teaching hospitals. Of this total, $303.2 million went to 63 public medical schools located in the states providing the funds; $1 million was made available through regional compacts to public medical located outside the states providing the funds. Private medi cal schools received approximately $30 million from state governments—$29.4 million in direct payments and $0.6 million through regional compacts. Additionally, public and private medical schools received approximately $1.8 million from city and county governments.

The level of funding provided by each state is presented in Table 1. These figures exclude funds channeled through regional compacts. On a total funding basis, state appropriations ranged from a high of over $36 million for New York to a low of $765.000 for South Dakota. Table 1 also lists the state appropriation per capita and the state appropriation per $1.000 of personal income. In fiscal 1972 there was considerable variation in state expenditures for medical school operations relative to population and personal income. Missouri spent 99 cents per capita while 11 states spent over $2 per capita. One state. Arizona, spent $3.57 per capita for medical school operations. Based upon the state appropriation per $1,000 personal income, the figures ranged from a low of $0.21 per $1.000 personal income for Minnesota to a high of $0.76 for Arizona. Ten states spent over 50 cents per $1,000 personal income for medical school operations.

SUPPORT OF PRIVATE MEDICAL SCHOOLS

State legislatures have been limited by institutional and legislative prohibitions in awarding state funds to private institutions. In recent years, however, pressures to increase the supply of physicians have led a number of states to offer support to private medical schools. The following is a summary of fiscal 1973 state and District of Columbia programs for the support of private medical schools:

California—The state contracts with its private medical schools to expand class sizes. In fiscal 1973 it appropriated $660,000 to provide for 55 additional students at a rate of $12,000 per student. This award was not contingent on the residency of students.

District of Columbia—In fiscal years 1971 and 1972 awards were made to the private medical schools—Georgetown and George Washington—not under the special legislation authorizing such support but under the Department of Health, Education, and Welfare's special project grants program to alleviate financial distress. Similar awards were made for fiscal year 1973.

Delaware—The state contracts with an out-of-state college of medicine to accept up to 20 Delaware residents per year. A provision stipulates that a "portion" of the medical students spend their clinical clerkships in the Wilmington Medical Center. The state of Delaware pays $7,500 per student to the private medical school, with an arrangement that guarantees a minimum annual payment of $120,000.

Florida—In 1952, Florida enacted legislation to provide support to the first accredited medical school in the state, which happened to be a private institution. Continuing legislation was passed to provide $6,500 per Florida student for those completing their education in four years (or $8,500 per Florida student for those completing their education in less than four years in fiscal 1973). Use of these funds is limited to operating purposes.

Illinois—In the spring of 1969, the Illinois General Assembly enacted the Health Services Education Grants Act providing funds to private institutions for increasing enrollments in medical, dental, nursing, and allied health education programs.

Each school is allowed $6,000 annually for each additional Illinois resident which it enrolls, with the requirement that at least 20 additional Illinois residents be enrolled in each entering class over the average number of Illinois students enrolled per class for the years 1964 to 1967.

In addition, an annual stabilization grant of $1,000 per student, based on the number of Illinois resident students enrolled in the year 1967, is to be awarded. This grant was contingent upon a commitment by the school to the minimum expansion of 20 Illinois resident students in fiscal 1968.

A single, nonrecurring program expansion grant was made for each of the private medical schools for planning and capital construction, attendant upon increasing this enrollment. No grants were given for any expansion of less than 20 Illinois resident students, and grants to schools that expanded beyond 20 additional students were based on the projected size of the additional increment. Fifty thousand dollars was awarded for each of the first additional 20 Illinois resident students. Beyond this initial grant for each additional Illinois resident, $20,000 is awarded each year for each enrollee projected above the initial increment of 20 such students.

TABLE 1.—STATE APPROPRIATIONS FOR PUBLIC AND PRIVATE MEDICAL SCHOOLS [1]

[Fiscal years]

State	1972 State appropriation (thousands of dollars)	1972 private school component of State appropriation (thousands of dollars)	1972 State appropriation per capita (dollars)	1972 State appropriation per $1,000 personal income (dollars)
Alabama	6,086		1.77	0.52
Arizona	6,317		3.57	.76
Arkansas	2,395		1.25	.36
California	32,109		1.61	.31
Colorado	4,365		1.98	.42
Connecticut	4,085		1.35	.25
Florida	7,438	2,780	1.10	.25
Georgia	7,623		1.66	.42
Hawaii	1,070		1.39	.27
Illinois	13,656	3,539	1.23	.24
Indiana	10,187		1.96	.44
Iowa	8,057		2.86	.65
Kansas	4,864		2.16	.47
Kentucky	5,284		1.64	.45
Louisiana	4,293		1.18	.33
Maryland	5,386	800	1.37	.27
Michigan	20,283		2.29	.46
Minnesota	4,197	32	1.10	.21
Mississippi	3,348		1.51	.48
Missouri	4,622		.99	.23
Nebraska	3,504		2.36	.53
New Jersey	12,526		1.75	.33
New Mexico	2,182		2.15	.56
New York	36,105	8,814	1.98	.37
North Carolina	8,632	477	1.70	.45
North Dakota	795		1.29	.34
Ohio	16,921	2,250	1.59	.35
Oklahoma	3,779		1.48	.38
Oregon	5,544		1.63	.59
Pennsylvania	20,822	6,765	1.77	.39
South Carolina	5,243		2.02	.57
South Dakota	765		1.15	.30
Tennessee	4,143		1.06	.28
Texas	30,556	2,083	2.73	.65
Utah	2,473		2.34	.59
Virginia	6,995		1.50	.35
Washington	7,028		2.06	.46
West Virginia	3,781		2.17	.59
Wisconsin	5,141		1.16	.27
Total	332,610	29,416		

[1] The data relate to funds directly by the State to fully operational medical schools located within the State and to State-related schools in Pennsylvania. They exclude funds provided to medical schools through regional compacts. Data are not available for direct State support provided to the medical schools located in Puerto Rico and Vermont. The 1972 State appropriations are derived from the 1972 Liaison Committee on Medical Education Annual Medical School Questionnaire. Data for Indiana and Kansas universities are based on estimates from the 1971 LCME questionnaire. Population data for the "State appropriation per capita" calculation are for 1970 and are taken from the "Statistical Abstract of the United States," 1972, 93d annual edition, p. 12. Personal income data for the calculations in the last column are based upon preliminary 1972 figures from the "Survey of Current Business," April 1973, vol. 53, No. 4, p. 17.

Maryland—The state's private medical school received $800,000 per year on an emergency basis in fiscal 1972 and 1973.

Minnesota—Legislation was passed for the 1973 fiscal year awarding $8,000 per Minnesota resident.

New York—The state university system has three types of contractual arrangements with each private medical school in the state—(*a*) the Bundy Plan, providing $2,400 for each

medical school graduate; (*b*) a per capita award of $1,500 for every medical student enrolled and; (*c*) a seven year plan designed to increase enrollment during the period from 1967–68 through 1973–74. In the seven-year plan the average enrollment for each class of medical students enrolled from July 1961 through June 30, 1966, was computed as the base; $6,000 is paid for each additional student enrolled over the base period average.

An individual student may be counted only once for all of these programs through his first three years. However, both the $1,500 grant and the $2,400 grant may be awarded in the fourth year.

North Carolina—This state's contract medical program with its private schools of medicine provides a per capita grant of $3,000 for each North Carolina resident enrolled. Five hundred dollars of this $3,000 per capita awarded is held in a special scholarship fund to provide financial assistance to deserving North Carolinians enrolled. The only restriction is that the sum must be utilized so as to be highly beneficial to the overall welfare of the state of North Carolina.

Ohio—This state has a contract medical program whereby the private university agreed to admit and maintain not less than 110 first-year students in fiscal 1972 and to admit 125 first-year students in fiscal 1973. A subsidy payment of $4.5 million was paid to the university for the biennium 1971–73. The subsidy was not contingent upon the residency of the students.

Pennsylvania—The amount of the awards measured on a per capita basis for fiscal year 1972 were as follows: (*a*) $7,465 per capita to three state-related schools and (*b*) $4,400 per capita to four state-aided schools. There was no change for fiscal year 1973. These awards are not contingent upon the students' state of residency.

One of the major characteristics that differentiate "state-related" from "state-aided" schools is the university board of trustees. The state appoints a certain number of members to the board of trustees of a "state-related" university, thereby giving the state a direct hand in making policy decisions that govern the operations of the institution.

Rhode Island—The state's private medical school received a $200,000 grant from the state for fiscal 1973, with no restrictions placed upon the use of the funds.

Tennessee—The state appropriated $40,000 for support of its private medical schools for the 1973 fiscal year. This amount was divided between the state's private schools on a formula basis reflecting the increase in the number of Tennessee residents who enrolled in each school over an established base.

Texas—The Texas legislature appropriated close to $2.1 million in fiscal 1972 for that state's private medical school. That figure has doubled to $5 million for fiscal 1973. This represents a change of from $14,370 per private student for fiscal 1972 to $17,282 for fiscal year 1973.

Funds are channeled through a coordinating board which contracts directly with the private medical school. The support to the private medical school, during each scholastic year, equals the average annual state tax support per undergraduate medical student at the established public medical schools multiplied by the number of Texas undergraduate students at the private medical school.

Wisconsin—The state has appropriated funds on a biennial basis for medical education in its private medical school since 1969. The amount appropriated during the 1971–73 biennium was $3.7 million. No restriction on the use of the award was made, nor was the grant contingent upon increased enrollment or the residency of an enrolled student.

Capitation Grants and Distress Assistance

It is important to note that the Department of HEW did not find it necessary to provide special funds to these District schools under the 1970 District of Columbia Medical and Dental Manpower Act, but instead provided basic assistance to them under the generally applicable provisions of the Comprehensive Health Manpower Training Act of 1971. The "capitation grants" awarded under that Act have provided increased funds to schools of medicine and dentistry—several times greater than they received under previous formula authorities—and have improved the fiscal stability of these schools. In fiscal year 1973, for example, Georgetown University Medical School received capitation grant assistance of $1,447,563 (as compared with $259,500 under the old program in 1971); George Washington University Medical School, $1,047,290 (as compared with $238,000 in 1971); and Georgetown University Dental School, $859,571 (as compared with $223,000 in 1971).

The capitation grant program has contributed significantly to alleviating the financial distress of schools of medicine and dentistry. It is still the case, however, that a number of schools temporarily needed yet additional financial assistance before they could carry out the steps necessary to solve their problems. In recognition of this fact, the Congress—in the Comprehensive Health Manpower Training Act of 1971—included special separate authority, in amounts which declined over three fiscal years, for grants to schools of medicine and dentistry, as well as other schools of the health professions, which are in serious financial distress, to meet their costs of operation or to meet accreditation requirements. The Act's "financial distress authority"

was designed to provide temporary financial assistance while at the same time identifying the factors that have led to financial difficulties and determining the appropriate means for remedying them.

In fiscal year 1973 the Department's Bureau of Health Resources Development awarded approximately $7.8 million in financial distress grants to medical and dental schools in this country. Of this amount approximately $1.4 million was awarded to Georgetown University Medical School; $583,000 was awarded to Georgetown University Dental School; and almost $1.3 million to George Washington University Medical School. In other words, Georgetown and George Washington University Medical School received nearly half of all the financial distress awards to medical schools in this country, and Georgetown University Dental School received slightly over one-quarter of all such aid to dental schools. If one were to add to these amounts the dollars these schools also received under capitation wards and special project grants, the dollars awarded in fiscal year 1973 would total approximately $2.5 million for George Washington University and almost $5.9 million for Georgetown University.

In addition, legislation recently approved by the Congress (H.R. 7724) contains authority for an additional $5 million in financial distress funding which was included in the Supplemental Appropriations Act of 1974 (P.L. 93–245). The Committee reports on this legislation make clear the intent that this authority be used to assist the three local institutions named. HEW is presently negotiating with them to provide funding for them under such financial distress program which by the terms of the legislation is available until September 30, 1974.

Hearing

A very thorough and exhaustive hearing on January 24, 1974, and subsequent meetings, were held on this proposed legislation by the Subcommittee on Labor, Social Services and the International Community. The witnesses, including representatives of the U.S. Department of Health, Education and Welfare and of the District of Columbia government, were almost unanimous in their agreement as to the need for assistance to the private medical and dental schools in the Nation's Capital and in showing the critical shortage of physicians and dentists here and elsewhere throughout the country.

Testimony or statements in support of H.R. 11108 was presented by or on behalf of Members of Congress; by the Association of American Medical Colleges; the American Association of Dental Schools; the Medical Society of the District of Columbia, and the District of Columbia Dental Society; the Hospital Council of the National Capital Area; the Central Northeast Civic Association of the District of Columbia; the National Association for the Advancement of Colored People; and representatives of George Washington and Georgetown Universities and of their respective schools in question.

HEW and the District government expressed opposition or reservations to H.R. 11108 as summarized in their recommendations hereinafter made a part of this report.

The Department of Health, Education and Welfare recommends strongly against enactment of H.R. 11108. The position of the Department cites the continuing need for so-called "distress" money (first granted in fiscal year 1972) and indicates that deficiencies in administration may be responsible for some of the fiscal problems of the universities. Further, HEW extends the analogy of "State Aid" so that if public support is to be provided to private schools, that the D.C. Government, in this situation, is analogous to the state government. The District government hereafter will be in the best position to judge whether the schools' need is a justified demand on the city's limited resources.

Testimony at the extensive hearing held January 24, 1974, pointed to the universities' somewhat ambiguous position as both national and local institutions. They are located in and serve the Metropolitan D.C. area, yet their students come from and their graduates disperse to the entire country. The Committee felt that as an interim measure, it is appropriate for the funds to come from federal appropriations through HEW.

It is the intention of the Committee that future subsidies should be sought through the D.C. Appropriations procedures. Scholarships and loans for needy students, and limitations on direct funds to tie them to local residents, and encouraging graduates to stay in the area, should all be considered, rather than unrestricted direct funding to the universities to meet operational costs.

The Commissioner of the District of Columbia defers to the views of the Department of HEW. The District Government hopes to propose to Congress, in the near future, its own legislation to meet the health manpower training needs of this jurisdiction.

The Office of Management and Budget also concurs with the views expressed by the Department of HEW.

Cost

The bill would require that through an HEW appropriation, each private, nonprofit medical and dental school within the District could receive $5,000 for each medical student enrolled and $3,000 for each dental school student enrolled, taking into account Section 773 of the Public Health Service Act (the financial distress provision).

A breakdown of the *maximum possible assistance*, as estimated above, for fiscal year 1975, follows:

Georgetown Medical School: 815 medical students times $5,000 per student	$4,075,000
Georgetown Dental School: 551 students times $3,000	1,653,000
George Washington Medical School: 593 students times $5,000	2,965,000
Total maximum estimates for each year, 1975 and 1976	$8,693,000

While there is no accurate way to assume the number of students who will be enrolled for the fiscal year 1976 period, it can be assumed that the amount of change will be negligible, and accordingly, the amounts listed above for FY 1975 are included for FY 1976.

COST PER STUDENT COMPARISONS

Average national costs of educating students as reported by the National Academy of Sciences (Institute of Medicine) (1974)

Type of student	Average cost	Remarks
Medical student	$12,650	Minus offset for research and patient care income: $9,700.
Dental student	9,050	Minus offset for income from research and patient care: $7,400.

COSTS REPORTED BY GEORGETOWN AND GEORGE WASHINGTON

	Georgetown University	George Washington University		Georgetown University	George Washington University
MEDICAL STUDENT			DENTAL STUDENT		
Fiscal year—			Fiscal year—		
1968	$22,988	$14,900	1968	$4,539	
1969	22,265	18,213	1969	5,618	
1970	21,904	18,295	1970	5,685	
1971	23,478	18,444	1971	7,336	
1972	22,569	18,556	1972	7,611	
1973	25,691	21,862	1973	9,848	
1974	24,199	24,062	1974	9,820	
1975	24,162	24,914	1975	9,967	
1976	24,263	24,742	1976	10,540	

COMMITTEE VOTE

The bill, H.R. 11108, was ordered favorably reported to the House on July 1, 1974, by a voice vote of the Committee, a quorum being present.

CONCLUSION

Justification for the enactment of H.R. 11108 has been established to the satisfaction of the Committee for the reasons set forth heretofore.

The schools benefitted—George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry—have students from every state in the union, and 10,775 graduates are presently in practice throughout the nation, 26 percent of them in the District of Columbia, Maryland and Virginia, and 74 percent of them in the other States.

Further, the location in the District of Columbia of these schools is an extremely important community asset. In addition to operating two high quality university hospitals, they contribute interns, residents and faculty members who make up the house staff at D.C. General Hospital and (partially) at many other local hospitals (Childrens, Columbia, Fairfax, etc.)

The presence of "teaching medicine" in the community provides opportunity for private physicians and dentists to keep up to date, take refresher courses, etc. and generally improves the quality of dentistry and medicine practiced in the overall community.

The medical schools, through their clinics and experimental health centers and pre-paid health plans, deliver a large measure of the

health-care provided to those citizens who live in poorer neighborhoods which lack practicing physicians.

These private institutions have no separate state legislative body from which to seek additional aid, and hence have recourse only to the Congress speaking as the legislature for the District of Columbia.

Departmental Reports

The report of the Mayor-Commissioner of the District of Columbia on the proposed legislation follows:

Government of the District of Columbia,
Washington, D.C., January 24, 1974.

Hon. Charles C. Diggs, Jr.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Government of the District of Columbia has for report H.R. 11108, H.R. 11186, H.R. 11207, and H.R. 11535, identical bills, "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

These bills would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922) to extend for three years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The current bills would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976, and 1977.

It should be noted that no appropriations were sought nor funds granted by the Department of Health, Education, and Welfare under the authority of the District of Columbia Medical and Dental Manpower Act of 1970, which expired June 30, 1972, to any of the qualifying schools—Georgetown University's medical and dental schools and George Washington's medical school. The Department of Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

H.R. 11108, H.R. 11186, H.R. 11207, and H.R. 11535 address themselves to a problem confronting local medical and dental schools, but one which is national in scope—the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act

of 1971 (Public Law 92–157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional "financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

In light of the foregoing representations and inasmuch as H.R. 11108, H.R. 11186, H.R. 11207, and H.R. 11535 would provide an extension of grant authority vested in the Department of Health, Education, and Welfare, the Commissioner of the District of Columbia defers to the views of the Secretary of Health, Education, and Welfare on the merit of these bills.

However, in recognition of the continuing critical financial problems facing private medical and dental schools in the District of Columbia and the need to find an effective, long-range means of providing adequate funding to alleviate this distress, the District Government is giving serious consideration to determining an appropriate method, comparable in scope and extent to that provided by many of the States, of furnishing additional assistance to meet the health manpower training needs of this jurisdiction. It is hoped that specific legislative proposals will soon be developed for consideration by the Congress.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to the Congress.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

The reports of the Secretary of Health, Education and Welfare, and of the Office of Management and Budget, on H.R. 11108, follow:

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., March 11, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of November 15, 1973, for a report on H.R. 11108, a bill "to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

The District of Columbia Medical and Dental Manpower Act of 1970 (which was enacted as Title III of the District of Columbia Revenue Act of 1970) authorizes grants by the Secretary of Health, Education, and Welfare to the Commissioner of the District of Columbia, to assist private nonprofit medical and dental schools in the District of Columbia.

Grants may be made in amounts the Secretary determines to be the minimum amounts necessary to carry out the purposes of the Act, but in no event may such amounts exceed, in the case of a medical school, $5,000 times the number of full-time medical students, or, in the case of a dental school, $3,000 times the number of full-time dental students enrolled. In determining the amounts of grants, the Secretary is required to take into consideration any grants to the respective District of Columbia schools under the Health Professions Educational Assistance authorities of Title VII of the Public Health Service Act relating to financial assistance to health professions schools in serious financial distress.

The District of Columbia Medical and Dental Manpower Act of 1970 expired June 30, 1972. This bill, H.R. 11108, would extend it for three years (fiscal years 1975 through 1977) and would authorize the appropriation of such sums as necessary for carrying out its purpose. In effect, this bill would authorize the Secretary of Health, Education, and Welfare to assist private nonprofit medical and dental schools in the District of Columbia as some, but not all, States support private medical and dental schools located within a State's respective jurisdiction.

As indicated in our testimony before your Committee on January 24, 1974, the Department is opposed to a proposal which would single out schools in the District of Columbia and afford these schools preferential treatment for funding from the general revenues of the nation. Our position is that there are no overriding reasons of public policy to rationalize selecting out three District of Columbia medical and dental schools for special treatment as compared to the rest of the medical and dental schools in the nation. Assistance available through appropriations for the Department of Health, Education, and Welfare should be provided under terms and conditions which are applied nationally to all schools of medicine and dentistry throughout the nation.

We oppose providing special institutional support through appropriations to the Department of Health, Education, and Welfare. If such support is to be provided to these private schools within the District of Columbia, as it is provided by some States to private schools within their jurisdictions, we submit that this support should be provided by the District of Columbia Government. In this connection, we understand that the District Government is considering possible means of furnishing assistance to meet the District's health manpower needs.

The Administration's recommendations on the health manpower authorities, which are scheduled to expire on June 30, 1974, will soon be sent to the Congress. The need for continued special Federal financial assistance to the relatively small number of health professions schools still experiencing financial distress, and the terms and conditions under which such aid should be provided, are questions that must be addressed by the Congress in that legislation. We believe it would be inequitable and inappropriate for the Congress to legislate preferential treatment for the private schools in the District of Columbia without reference to the policies that will apply to the schools in the United States similarly situated.

For the above reasons, therefore, we recommend strongly against enactment of H.R. 11108.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., February 24, 1974.

Hon CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of November 15, 1973 for the views of this Office on H.R. 11108, a bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

In testimony before your Committee on January 24, 1974, the Department of Health, Education, and Welfare stated its reasons for recommending against enactment of H.R. 11108. Among other reasons the Department stated that it found no reason to single out three medical and dental schools in the United States for special treatment solely on the basis of their location within the District of Columbia.

We concur with the views expressed by the Department in its testimony. Accordingly, we recommend against enactment of H.R. 11108.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

COMMUNITY INVOLVEMENT OF GEORGETOWN AND GEORGE WASHINGTON UNIVERSITIES

Both Georgetown and George Washington Universities presented firm evidence to the Committee of their strong commitment to the medical and dental needs of the District of Columbia.

Testimony presented to the Subcommittee was that Georgetown University Hospital, for example, provided in 1973 more than $1.3 million in free care, free, that is, to the patients, with the hospital meeting the medical personnel, the payroll costs, the equipment costs, and the supplies cost therefor. George Washington University Hospital provided similar "free care." Both hospitals undertook such financing for those patients in the District who do not qualify under the various programs that are available to them.

The Medical Schools at George Washington University and Georgetown University provide essential medical manpower to over 16 of the metropolitan area hospitals. Specifically, George Washington University operates its own hospital (over 160,000 patient days annually) with its outpatient clinic as well as its area community health pro-

gram. George Washington also provides the medical manpower for Childrens Hospital which has a patient day total of over 50,000 annually.

Georgetown University, at its own hospital, provides over 100,000 patient days of care a year. Georgetown is also the source for the medical manpower which staffs an area mental health clinic as well as the Georgetown Community Health Plan at Edgewood Terrace, N.E.

Also Georgetown and George Washington supply skilled medical personnel to D.C. General Hospital, which provides almost 200,000 patient days of care a year.

In addition, both the George Washington University Hospital and the Georgetown University Hospital treat thousands of people each year on an outpatient emergency basis. Georgetown University School of Dentistry, through its Dental Clinic facility, provides annually for over 140,000 outpatient visits.

Other hospitals and clinics that are deeply dependent upon the Medical Schools at George Washington and Georgetown are:

1. Arlington Hospital.
2. Fairfax County Hospital.
3. Columbia Hospital for Women.
4. Holy Cross Hospital.
5. Washington Hospital Center.
6. Walter Reed Army Medical Center.
7. Providence Hospital.
8. Sibley Memorial Hospital.
9. Veterans Administration Hospital.
10. Naval Hospital.
11. Youth Facilities Clinic.
12. P Street Clinic.

The following exhibit outlines some of Georgetown University's "community involvement" in the Washington metropolitan community:

THE CONTRIBUTIONS OF GEORGETOWN UNIVERSITY MEDICAL CENTER TO THE HEALTH AND WELFARE OF THE WASHINGTON METROPOLITAN COMMUNITY

There are several categories of programs through which the services, facilities, faculty and students of the Georgetown University Medical Center contribute significantly to the health and welfare of the community in the Washington metropolitan area. These include:

A. Information to the Public.
B. Educational Opportunities.
C. Medical and Dental Services.

A. INFORMATION TO THE PUBLIC

1. "Opinion Line" is broadcast over radio station WUST. Faculty members of the Schools of Medicine and Dentistry participate on the program. The faculty discuss a topic in their respective fields, then answer questions from listeners.

Station WUST offers the University an opportunity to perform an important service for the predominantly black listening audience in Washington's inner city, as well as providing an important community service.

2. Through the Speakers Bureau, the University brings its faculty and staff one step closer to the community through its more than 300 talks scheduled annually. There are approximately 53 speakers in this volunteer service who are faculty members or students in the Schools of Medicine and Dentistry. They speak not only on areas of their expertise, but are available to talk on career opportunities in their fields. The latter topic is especially popular in high schools.

B. EDUCATIONAL OPPORTUNITIES

1. Health Professions Seminar Program for Local Minority High School Students

Twice yearly, groups of minority high school students, primarily from the Washington, D.C. public school system, attend two series of five all-day sessions, each related to the medical sciences, emphasizing medical and paramedical career opportunities. In addition, nursing faculty work with juniors in area high schools introducing them to levels of nursing practice, educational opportunities in the Washington, D.C. area and the advantages/disadvantages of each.

2. Explorer Post of Boy Scouts of America, National Capital Area Council Program

The program provides the participants with an overview of the services offered at the Georgetown School of Medicine and the Medical Center. It is open to all 14–18 year olds in Washington, Virginia and Maryland high schools. The students attend demonstrations of clinical facilities associated with such departments as orthopedics, surgery, physical medicine, rehabilitation, and ophthalmology. This is the only program of its kind offered by local area medical schools.

3. Community Scholars Program

Special courses are provided to strengthen the students drawn from low-income families, who are interested in premedical and prenursing programs. The courses are selected from those judged to be critical to the students' success during their first academic year, i.e., biology, chemistry, et cetera.

4. Human Biology Program for High School Students

The program is designed to enrich the academic levels of high school students in the District of Columbia in the areas of human biology; to motivate them to achieve higher academic levels in their studies; to introduce them to careers in medicine; and to provide counseling that enables them to understand better the relationship of medicine to themselves and to their community. It is assumed that a by-product of this program should be the dissemination of information by dis-

cussion of the program between participants and their classmates. The program is conducted largely by students of the School of Medicine, although the faculty acts in a counseling and supervisory role.

5. Continuing Education Programs for Graduate Physicians, Dentists and Nurses

The Schools of Medicine, Dentistry and Nursing conduct programs designed to provide continuing education for people employed in health services. The School of Medicine, for example, conducts the Thursday Night Medical-Surgical Cardiovascular Conference. It is attended by about 200 graduate physicians and students weekly. Heart specialists, using patients for demonstration purposes, instruct in the diagnosis and treatment of complicated cardio-vascular problems.

The School of Dentistry offers 8–12 courses of 2–3 days duration for dentists and dental assistants. Participants come from a wide area, including the District of Columbia.

In Nursing, where continuing education is likely to become a requirement for annual licensure renewal, the School offers summer and evening courses for area practitioners and educators.

6. Nurse Midwifery

In cooperation with the D.C. Department of Human Resources and the D.C. General Hospital, the School of Nursing is offering an educational program in nurse midwifery for area nurses wishing preparation in this extended role. The intention to practice in the District of Columbia is a requirement for admission, and preference is extended to personnel of the Department of Human Resources.

C. MEDICAL DENTAL SERVICES

1. University affiliated Center for Child Development

A multi-disciplinary training center, dealing with mental retardation and related handicapping conditions in children, includes in its three-fold purposes that of "serving the metropolitan Washington community by providing exemplary settings for the care of handicapped children." Additional programs at the training center include dental evaluation and care provided by Georgetown School of Dentistry.

2. The Area A Community Mental Health Center

The Area A Community Mental Health Center serves one of the four geographic areas of the District of Columbia and is sponsored jointly by the Georgetown Department of Psychiatry and the D.C. Department of Human Resources. Comprehensive mental health services are provided for 140,000 people of varied socioeconomic levels. The bulk of the emergency and outpatient services is provided at Georgetown University Hospital. The Day Hospital, located in the Georgetown area, has an average of 35 patients in active treatment.

The Youth Services facility, which is one block from Georgetown Hospital, includes a day treatment school, outpatient diagnostic and treatment services, a drug clinic, and school consultation services. In addition, the Center operates two satellite clinics in the area. The psychiatric staff of the Center hold Georgetown faculty appointments. Many attending faculty also teach and supervise the residents and students assigned to the Center. Georgetown residents are assigned to all components of the Center; and a major portion of our residency training is centered within the Area A program both in the community and at Georgetown University Hospital.

Medical students are also assigned to most of these components. In addition, 6 third year psychiatric residents provide weekly consultation to the Social Rehabilitation Administration (Welfare Department) of the District of Columbia. Residents are also consulting with the police, a half-way house, and Regency House within the District of Columbia.

3. Children's Kidney Disease Prevention Center

The Pediatrics Department, in collaboration with the Division of Urology, operates a screening and diagnostic program for kidney disease for all children in the Washington metropolitan area.

4. Psychiatric Walk-In Clinic

Designed to provide "immediate attention to those in crisis," this clinic is staffed by faculty, social workers, residents and students of the Medical Center. It is the only one of its kind in the District of Columbia. A fee of $10 is charged for initial interview and assistance if the patient can pay. Referrals are made when appropriate. Seventy-five percent of the patients are residents of the District of Columbia.

5. Home Care Program for Cancer Patients

A team of physician, nurse and social worker from the Medical Center cares for the advanced cancer patient in his home, thus enabling the patient to be with his family. No charges are made to the patient for these services. 2960 days of home care were provided last year.

6. Hypertension Program

This program takes medicine to the people in Washington's inner city. Patients were screened for high blood pressure without cost at black parties, in grocery stores, churches and community centers by physicians and students. In a recent program, more than 3,000 persons were screened. Follow-up treatment is being given on a private-patient basis at the D.C. General Hospital's Hypertension Clinic, operated by Georgetown physicians. Six Eastern High School students were taught to take blood pressure and were sent to check patients waiting in various specialty clinics at D.C. General Hospital. Fifty-four percent were found to have high blood pressure. A similar check run at our own outpatient clinic yielded about 39 percent with high blood pressure.

7. Outpatient Clinics

Forty-eight specialized clinics (allergy, eye, pediatrics, et cetera) provide health care for medically indigent persons in the Washington community. Over 40,900 patients visits per year are recorded. Approximately 90% of the patients are black. While the clinics are reimbursed by those who receive Medicare, Medicaid or other health coverage programs, the University clinics run an annual deficit of approximately $475,000 for non-reimbursable indigent services.

8. Emergency Room

The emergency room is open 24 hours a day, providing emergency medical care to all citizens seeking it. At least 20,000 additional patients are seen in the Emergency Room and the Orthopedics Treatment Room each year.

9. Inpatient Services

The Georgetown Hospital provides approximately 400 beds for the care of patients. Services are rendered to about 14,775 persons annually, the majority of whom are from the Washington metropolitan area. While the majority are private patients, the Hospital does provide in-patient care for indigents at a cost of more than $0.8 million in non-reimbursable funds annually. This exceeds by a factor of 4 the legal requirement of 39% free care for hospitals that have received Hill Burton Funds.

10. School of Dentistry Clinics and Services

The dental clinics, which are open to all citizens in the community, receive more than 200,000 patient visits annually. While the clinic receives no indigent patients, fees charged are at a minimum of what private care would demand. Over 7,000 new patients are seen yearly. In the clinics, junior and senior students, working under the immediate supervision of the faculty, provide the treatment and care in this program.

11. D.C. General Hospital Program

The School of Medicine and the School of Dentistry perform a vital service to the community in this program. The School of Dentistry, for example, provides without cost to the indigent patients. All oral surgery service, as well as treatment of oral infections and extractions, is included. An oral surgery intern or resident is on duty in the hospital emergency room 24 hours a day, 365 days a year, to handle this service. The School of Medicine is involved in the day-to-day functioning of the Hospital. Its faculty, physicians and residents and students are participants. The University provides services in both medicine and surgery and their subspecialties. The staff is also responsible for graduate training program. Technicians man the laboratories and are paid for by grant monies from Georgetown.

Georgetown's only compensation from D.C. General for service provided is that the space used for research and service is received free.

12. Affiliations of School and Medicine and School of Dentistry at Other Metropolitan Area Hospitals

The faculty and staff of the School of Medicine and the School of Dentistry conduct patient care, teaching and research programs in a number of affiliated hospitals in the Washington area, including D.C. General, the Veterans Administration, Arlington, Fairfax, Providence and Sibley Memorial Hospitals for Sick Children, Columbia Hospital for Women, Children's Hospital and the Walter Reed and the National Naval Medical Centers. Complementing the faculty in the programs are approximately 30 interns, residents and fellows from Georgetown.

13. Georgetown University Community Health Plan, Inc.

The Georgetown University Community Health Plan (GUCHP) is a prepaid comprehensive health care plan offering services to a broad cross section of people in the Washington metropolitan area. The plan is designed to offer enrollees a full array of integrated health services with easy access through "on location" sites near their homes. The plan is family oriented with a strong emphasis on preventive medicine.

The plan is currently operating through two locations: Reston, Virginia, and Edgewood Terrace in Northeast Washington. In addition to the services provided at the two locations on a fee-for-service basis and to privately enrolled subscribers, the GUCHP at the Edgewood Terrace location has contracted with the D.C. Department of Human Resources to provide medical benefits to 2,000 D.C. Medicaid recipients.

The Edgewood Terrace location is the recipient of a Family Health Center Grant which enables it to provide comprehensive medical care to 3,000 medical indigents (that is, persons whose annual income is too great to qualify them for Medicaid, but is less than $7,000). Sixteen hundred persons are currently enrolled under this program, and it is the only one of its type in existence in the D.C. metropolitan area.

14. Program to Eliminate Major Nutrition Problems

This program is working with physicians in the two Georgetown University Community Health Plan locations to determine the most critical nutrition problems in the communities and set in motion a broad scale attack against these problems. The project will focus on:

a. Treatment of obesity and malnutrition on an individual basis through the doctor/patient relationship in the health maintenance organization. Emphasis will be placed on the critical role of nutrition in preventive medicine. This will be done through heightened physician sensitivity to a person's nutrition needs in addition to whatever other health problems may bring him to the health center. Approved procedures will also be developed for diet control relative to specific diseases.

b. Involvement of the community in the decision-making process and support of the project. All community institutions including civic organizations, government, schools, food industry, families, churches, supermarkets, doctors, will be vital to changing nutrition habits. The man-in-the-street must decide how important nutrition is to him and have access to education concerning good eating habits.

15. Cleft Palate Center

The Cleft Palate Center has been in existence for more than two decades. This is the only facility of this type in the D.C. Area. It is staffed by specialists from all dental and medical specialty areas. These unfortunate patients, both adult and children, are evaluated, treated and rehabilitated regardless of their ability to pay for this service.

George Washington University likewise has made many major public service participations in Washington.

Some current examples of George Washington's Medical Center involvement are set forth in the following exhibit:

CONTRIBUTIONS OF GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER TO THE HEALTH AND WELFARE OF THE WASHINGTON METROPOLITAN COMMUNITY

I. *Community Care Center.*—The University's Medical Center, through the Community Care Center, is voluntarily serving the 39,000 residents of D.C. Area Nine. No one is turned away from the Clinic, and charges are based on the ability to pay. Area Nine has a mortality rate 15 percent higher than the average for the District, and a tuberculosis rate 50 percent higher, so the University, by its willingness to care for these citizens, is making an important contribution in preventive medicine and public health. Last year alone, more than 3,500 patients from Area Nine were treated in the Community Care Center, and 30 drug addicts were treated on a methadone-maintenance program which has recently been expanded to cover the full scale of poly-drug abuse in the entire Metropolitan Washington area. The Center admits to the University Hospital any patient requiring hospital care regardless of its ability to pay.

II. *Health Maintenance Organization.*—A pre-paid practice program, covering 2,000 Medicaid beneficiaries, has been developed under a fixed cost contract with the District of Columbia government.

III. *Low Vision Clinic.*—This Clinic evaluates sight levels patients with impaired vision and provides visual aids.

IV. *Emergency Care.*—Our Emergency will register approximately 50,000 patients visits this fiscal year. It was recently acclaimed by the Health Facilities Council as the preeminent unit for the delivery of emergency care in the Metropolitan Washington area. It is accepting approximately 800

ambulance calls per month—almost as many as the D.C. General Hospital.

V. *Ambulance Personnel Training Program.*—Developed in conjunction with the D.C. Fire Department; enhances ambulance technicians' skills in responding to emergency situations.

VI. *Home Care Program.*—for cancer, stroke and chronic disease victims provides a patient transportation center for those unable to come to the Medical Center for treatment.

VII. *Rehabilitation Medicine.*—

A. A computer-assisted cardiac rehabilitation project with D.C. Metropolitan Regional Medical Program in heart disease and stroke provides stress exercise tests for hospitals and agencies in the D.C. area and adjoining states.

B. Provides training and job opportunities in computer industries for severely disabled homebound patients previously considered unemployable.

C. Trains and supervises former addicts to carry out programs of preventive education for school children and others in the community and to enter new careers with probation, parole, social work and rehabilitation agencies.

D. Weekly amputee clinic is available to community health professionals for evaluation, prescription and management of amputees. Prosthetic devices are developed and fitted by staff orthotist.

E. Produces informational brochures to assist community agencies which provide aid to the disabled.

F. Arranges seminars for rehabilitation agencies in the D.C. area on major medical subjects.

G. Sponsors drug abuse seminars for school guidance counselors.

H. Opens doors for health careers for economically disadvantaged and physically disabled youth through summer work programs (100 in 1972, 115 in 1971, and 65 in 1970).

I. Provides training in the treatment of alcoholic clients.

VIII. *Sickle Cell Disease.*—Approximately 60,000 persons in D.C. suffer from Sickle Cell Disease, an inherited disorder for which there is presently no cure. The University runs an active screening program and SCD Clinic and collaborates with multiple channels in the city to educate the public regarding the disease.

IX. *Education and Training Programs.*—

A. Radiology technicians, medical technologists and inhalation therapists.

B. Physicians' Assistants.

C. Nurse Anesthetists, in contracts with three area hospitals.

D. Burdick School programs of Nurse Aids and Operating Room Technicians.

While the primary purpose of The George Washington University is learning, we are aware that where education and community service can be combined there are more beneficial results for all. The financial support of this Bill is essential. The continuation of our ability to offer medical service to the Washington community is dependent upon the viability of our School of Medicine and Health Sciences.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

DISTRICT OF COLUMBIA MEDICAL AND DENTAL MANPOWER ACT OF 1970

* * * * * * *

TITLE III—MEDICAL AND DENTAL SCHOOL SUBSIDY

* * * * * * *

SEC. 303. (a) * * *

(b) For the purposes of this section and section 307, in determining eligibility for, and the amount of, grants with respect to private nonprofit medical and dental schools, consideration shall be given to any grants made to such schools pursuant to the portion of the program under section [772] *773* of the Public Health Service Act [(42 U.S.C. 295f–2)] relating to financial assistance to schools which are in serious financial straits to aid them in meeting their costs of operation.

(c) There are authorized to be appropriated [$6,200,000 for the fiscal year ending June 30, 1971, and] such sums as may be necessary for the fiscal [year ending June 30, 1972,] *years ending June 30, 1975, and June 30, 1976*, to make grants under this section.

○

Calendar No. 1031

93D CONGRESS
2d Session

SENATE

REPORT
No. 93-1074

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND DENTAL MANPOWER ACT OF 1970

AUGUST 6, 1974.—Ordered to be printed

Mr. TUNNEY from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H.R. 11108]

The Committee on the District of Columbia to whom was referred the bill (H.R. 11108), to extend for three years the District of Columbia Medical and Dental Manpower Act of 1970, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 11108, as amended, is to extend for two years (fiscal 1975 and 1976) the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, Tit. 31, Sec. 921, 922; 84 Stat. 1934.) This would further assist private non-profit medical and dental schools in the District of Columbia, through Federal grants for these two years, in meeting their critical finance needs and operational costs required to maintain quality medical and dental educational programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants by law are to be in the minimum amounts necessary and may not exceed, in either fiscal year, $5,000 per enrolled medical student, or $3,000 per enrolled dental student.

The intended beneficiaries of this bill are the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine. Howard University, which operates schools of medicine and dentistry in the District, relies on other channels of Federal support.

Legislative Background

The D.C. Medical and Dental Manpower Act of 1970 (which H.R. 11108 extends for two additional years) was originally enacted as Title III of the District of Columbia Revenue Act of 1970 (P.L. 91–650, approved Jan. 5, 1971; D.C. Code Tit. 31, Sec. 922; 84 Stat. 1934).

The original subsidy authorization was for the fiscal years 1971 and 1972. No funds were requested by the Administration nor appropriated by the Congress pursuant to this authority. The original authorization expired at the end of fiscal year 1972.

Need for the Legislation

Grants under this legislation are proposed as a substitute for the state funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. Because of the District's interim status with regard to home rule government, no local funds (comparable to State funds) are available for fiscal years 1975 and 1976. The Mayor-Commissioner has indicated his recognition of the financial problems facing the medical and dental schools in Washington and has also indicated his intention to find an effective long-range means of providing adequate funding to alleviate this distress. While the District Government is considering the appropriate method for providing such assistance, the Committee feels that the interim subsidies authorized by H.R. 11108 are merited.

GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES NEED FOR FUNDS

The President of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue in operation. There are fourteen Washington Metropolitan area hospitals directly dependent on the staffs and programs of these Medical and Dental Schools. There are over 10,000 graduates of these schools in the United States in fifty States and the District of Columbia and over 1,700 students from forty-six States and the District of Columbia.

COST PER STUDENT COMPARISONS

Average national costs of educating students as reported by the National Academy of Sciences (Institute of Medicine) (1974):

Type of student	Average cost	Remarks
Medical student	$12,650	Minus offset for research and patient care income, $9,700.
Dental student	9,050	Minus offset for income from research and patient care: $7,400.

COSTS REPORTED BY GEORGETOWN AND GEORGE WASHINGTON

	Georgetown University	George Washington University
MEDICAL STUDENT		
Fiscal year—		
1968	$22,988	$14,900
1969	22,265	18,213
1970	21,904	18,295
1971	23,478	18,444
1972	22,569	18,556
1973	25,691	21,862
1974	24,199	24,062
1975	24,162	24,914
1976	24,263	24,742
DENTAL STUDENT		
Fiscal year—		
1968	$4,539	
1969	5,618	
1970	5,685	
1971	7,336	
1972	7,611	
1973	9,848	
1974	9,820	
1975	9,967	
1976	10,540	

LOCAL GEOGRAPHICAL DISTRIBUTION OF STUDENTS AND GRADUATES

	1970 testimony		1974 testimony	
	Number	Percent	Number	Percent
Total combined enrollment	1,299		1,839	
Students from District of Columbia	67	5.2	108	5.9
Students from Maryland	142	10.9	199	10.8
Students from Virginia	135	10.4	110	6.0
Total combined graduates in practice	10,303		10,863	
In District of Columbia	1,008	9.8	892	8.2
In Maryland	1,095	10.6	1,234	11.4
In Virginia	662	6.4	729	6.7

Source: Based on figures supplied by George Washington and Georgetown Universities.

GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER—ENROLLMENT OF FEMALE AND MINORITY STUDENTS IN THE SCHOOL OF MEDICINE, 1971–74

School year	Total enrollment	Minority enrollment	Female enrollment
1970–71	445	25	47
1971–72	464	26	53
1972–73	516	27	68
1973–74	564	25	94

GEORGETOWN UNIVERSITY MEDICAL CENTER

ENROLLMENT OF FEMALE AND MINORITY STUDENTS IN THE SCHOOLS OF MEDICINE AND DENTISTRY, 1970–71 TO 1973–74

	1970–71		1971–72		1972–73		1973–74	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
School of medicine:								
Total students	534		626		705		780	
Minority students	25	4.7	33	5.3	37	5.2	47	6.0
Female students	49	9.2	67	10.7	93	13.2	117	15.0
School of dentistry:								
Total students	432		457		474		517	
Minority students	6	1.4	8	1.7	10	2.1	21	4.1
Female students	4	1.0	6	1.3	9	1.9	15	2.9

GEOGRAPHIC DISTRIBUTION OF CURRENT STUDENTS (1973–74) ATTENDING THE GEORGETOWN UNIVERSITY SCHOOLS OF MEDICINE OR DENTISTRY AND THE GEORGE WASHINGTON UNIVERSITY SCHOOL OF MEDICINE ALSO, GRADUATES IN PRACTICE

State	Current students	Graduates in practice	Type of school		State support of private in-State medical or regional medical school
			Public	Private	
Alabama	4	45	2	----------	Southern regional, $3,250 per student.
Alaska	0	10	----------	----------	Western regional, $3,000 per student.
Arizona	11	80	1	----------	Do.
Arkansas	2	5	1	----------	
California	158	910	5	3	$12,000 per additional 55 students.
Colorado	6	65	1	----------	
Connecticut	86	508	1	1	
Delaware	9	44	----------	----------	$7,500 per student.
District of Columbia	108	892	1	2	District of Columbia Medical-Dental Act and HEW funds.
Florida	27	376	2	1	$6,500 to $8,500; Southern regional, $3,250 per student.
Georgia	3	71	1	1	Southern regional $3,250 per student.
Hawaii	2	33	1	----------	Western regional, $3,000 per student.
Idaho	2	38	----------	----------	Do.
Illinois	18	105	2	5	$6,000 to $7,000.
Indiana	8	47	1	----------	
Iowa	0	21	1	----------	
Kansas	6	18	1	----------	
Kentucky	2	32	2	----------	Subsidy by negotiation.
Louisiana	1	27	2	1	Southern regional, $3,250 per student.
Maine	12	60	----------	----------	New England regional, $2,500 to $5,000 per student.
Maryland	199	1,234	1	1	Negotiated yearly; Southern regional, $3,250 per student.
Massachusetts	136	637	1	3	New England regional, $5,000 per student.
Michigan	9	106	3	----------	
Minnesota	2	44	2	----------	$8,000 per Minnesota student.
Mississippi	1	12	1	----------	Southern regional, $3,250 per student.
Missouri	4	37	2	2	Legislation pending.
Montana	4	15	----------	----------	Western regional, $3,000 per student.
Nebraska	0	3	1	1	Legislation pending.
Nevada	8	30	----------	----------	Western regional, $3,000 per student.
New Hampshire	14	57	----------	1	
New Jersey	188	950	2	----------	
New Mexico	4	33	1	----------	
New York	423	1,723	4	8	$3,900 to $6,000.
North Carolina	5	131	1	2	$3,000 per North Carolina student; Southern regional, ($3,250 per student.
North Dakota	5	10	1	----------	
Ohio	33	193	2	2	$5,430 per student (approximately).
Oklahoma	3	26	1	----------	
Oregon	4	43	1	----------	
Pennsylvania	91	641	2	5	$4,400 to $7,465.
Rhode Island	20	183	----------	1	Special grant; New England regional, $5,000.
South Carolina	3	56	1	----------	
South Dakota	5	8	1	----------	
Tennessee	5	31	1	2	Negotiated; Southern regional, $3,250 per student.
Texas	8	119	5	1	$17,282.
Utah	40	102	1	----------	
Vermont	2	23	1	----------	
Virginia	110	729	2	1	Southern regional, $3,250 per student.
Washington	29	109	1	----------	
West Virginia	4	39	1	----------	
Wisconsin	7	54	1	1	$4,500 per student (approximately).
Wyoming	1	10	----------	----------	Western regional, $3,000 per student.
Total	1,835	10,775	66	45	

State Legislation

Most States support private medical or dental schools in their respective jurisdictions. Of the 22 States having 50 private medical schools, 13 States provide financial assistance to such schools. Of the 14 States having 22 private dental schools, 6 States provide financial aid to 9 of these schools. In those States that do provide assistance to private medical and dental schools, the amount of support provided varies widely, and the purposes for which the assistance can be used are limited.

When a State does decide to support a private medical school, the State usually considers specific benefits which might accrue from such

support. State considerations usually involve the need for adequate numbers of trained health professionals for health care, research and training; the need to expand educational opportunities for residents of the State; the need for new knowledge, and the need to develop new methods of providing health care to groups as well as to individuals.

As examples of State programs, *California* contracts with its private medical schools to expand the class sizes of these private schools. *Delaware* contracts with an out-of-State college of medicine to accept Delaware residents, with a stipulation that a portion of the medical students spend their clinical clerkships in the Wilmington Medical Center. *Ohio* has a contract medical program which requires that the private university supported must agree to admit a specified number of medical students. *New York* has three types of contractual arrangements with each private school in the State: (a) A plan which provides an award for each medical school graduate; (b) a per capita award for every medical student enrolled; and (c) a 7-year plan designed to increase enrollment during the period from 1967 to 1974. *Illinois* provides funds to private institutions within that State to increase enrollments in medical, dental, nursing, and allied health education programs. Each private school in Illinois receives an award for each Illinois student that school enrolls with the requirement that a specified number of residents be enrolled above the average number for an earlier year. In addition, an annual stabilization grant is made to each school computed on the average number of State residents enrolled.

TABLE 1.—STATE APPROPRIATIONS FOR PUBLIC AND PRIVATE MEDICAL SCHOOLS[1]

[Fiscal years]

State	1972 State appropriation (thousands of dollars)	1972 private school component of State appropriation (thousands of dollars)	1972 State appropriation per capita (dollars)	1972 State appropriation per $1,000 personal income
Alabama	6,086		1.77	0.52
Arizona	6,317		3.57	.76
Arkansas	2,395		1.25	.36
California	32,109		1.61	.31
Colorado	4,365		1.98	.42
Connecticut	4,085		1.35	.25
Florida	7,438	2,780	1.10	.25
Georgia	7,623		1.66	.42
Hawaii	1,070		1.39	.27
Illinois	13,656	3,539	1.23	.24
Indiana	10,187		1.96	.44
Iowa	8,057		2.86	.65
Kansas	4,864		2.16	.47
Kentucky	5,284		1.64	.45
Louisiana	4,293		1.18	.33
Maryland	5,386	800	1.37	.27
Michigan	20,283		2.29	.46
Minnesota	4,197	32	1.10	.21
Mississippi	3,348		1.51	.48
Missouri	4,622		.99	.23
Nebraska	3,504		2.36	.53
New Jersey	12,526		1.75	.33
New Mexico	2,182		2.15	.56
New York	36,105	8,814	1.98	.37
North Carolina	8,632	477	1.70	.45
North Dakota	795		1.29	.34
Ohio	16,921	2,250	1.59	.35
Oklahoma	3,779		1.48	.38
Oregon	5,544		1.63	.59
Pennsylvania	20,822	6,765	1.77	.39

See footnote at end of table, p. 6.

TABLE 1.—STATE APPROPRIATIONS FOR PUBLIC AND PRIVATE MEDICAL SCHOOLS [1]—Continued

[Fiscal years]

State	1972 State appropriation (thousands of dollars)	1972 private school component of State appropriation (thousands of dollars)	1972 State appropriation per capita (dollars)	1972 State appropriation per 91,000 personal income
South Carolina	5,243		2.02	0.57
South Dakota	765		1.15	.30
Tennessee	4,143		1.06	.28
Texas	30,556	2,083	2.73	.65
Utah	2,473		2.34	.59
Virginia	6,995		1.50	.35
Washington	7,028		2.06	.46
West Virginia	3,781		2.17	.59
Wisconsin	5,141		1.16	.27
Total	332,610	29,416		

[1] The data relate to funds directly by the State to fully operational medical schools located within the State and to State-related schools in Pennsylvania. They exclude funds provided to medical schools through regional compacts. Data are not available for direct State support provided to the medical schools located in Puerto Rico and Vermont. The 1972 State appropriations are derived from the 1972 Liaison Committee on Medical Education Annual Medical School Questionnaire. Data for Indiana and Kansas universities are based on estimates from the 1971 LCME questionnaire. Population data for the "State appropriation per capita" calculation are for 1970 and are taken from the "Statistical Abstract of the United States," 1972, 93d annual edition, p. 12. Personal income data for the calculations in the last column are based upon preliminary 1972 figures from the "Survey of Current Business," April 1973, vol. 153, No. 4, p. 17.

Capitation Grants and Distress Assistance

It is important to note that the Department of HEW did not find it necessary to provide special funds to these District schools under the 1970 District of Columbia Medical and Dental Manpower Act, but instead provided basic assistance to them under the generally applicable provisions of the Comprehensive Health Manpower Training Act of 1971. The "capitation grants" awarded under that Act have provided increased funds to schools of medicine and dentistry—several times greater than they received under previous formula authorities—and have improved the fiscal stability of these schools. In fiscal year 1973, for example, Georgetown University Medical School received capitation grant assistance of $1,447,563 (as compared with $259,500 under the old program in 1971); George Washington University Medical School, $1,047,290 (as compared with $238,000 in 1971); and Georgetown University Dental School, $859,571 (as compared with $223,000 in 1971).

The capitation grant program has contributed significantly to alleviating the financial distress of schools of medicine and dentistry. It is still the case, however, that a number of schools temporarily needed yet additional financial assistance before they could carry out the steps necessary to solve their problems. In recognition of this fact, the Congress—in the Comprehensive Health Manpower Training Act of 1971—included special separate authority, in amounts which declined over three fiscal years, for grants to schools of medicine and dentistry, as well as other schools of the health professions, which are in serious financial distress, to meet their costs of operation or to meet accreditation requirements. The Act's "financial distress authority" was designed to provide temporary financial assistance while at the same time identifying the factors that have led to financial difficulties and determining the appropriate means for remedying them.

In fiscal year 1973 the Department's Bureau of Health Resources Development awarded approximately $7.8 million in financial distress grants to medical and dental schools in this country. Of this amount approximately $1.4 million was awarded to Georgetown University Medical School; $583,000 was awarded to Georgetown University Dental School; and almost $1.3 million to George Washington University Medical School. In other words, Georgetown and George Washington University Medical Schools received nearly half of all the financial distress awards to medical schools in this country, and Georgetown University Dental School received slightly over one-quarter of all such aid to dental schools. If one were to add to these amounts the dollars these schools also received under capitation awards and special project grants, the dollars awarded in fiscal year 1973 would total approximately $2.5 million for George Washington University and almost $5.9 million for Georgetown University.

In addition, legislation recently approved by the Congress (H.R. 7724) contains authority for an additional $5 million in financial distress funding which was included in the Supplemental Appropriations Act of 1974 (P.L. 93–245). The Committee reports on this legislation make clear the intent that this authority be used to assist the three local institutions named. HEW is presently negotiating with them to provide funding for them under such financial distress program which by the terms of the legislation is available until September 30, 1974.

Hearings

Hearings were held by the Subcommittee on Public Health, Education, Welfare, and Safety on May 1, 1974. The witnesses, including representatives of the U.S. Department of Health, Education, and Welfare and of the District of Columbia government, were almost unanimous in their agreement as to the need for assistance to the private medical and dental schools in the Nation's Capital and in testifying to the critical shortage of physicians and dentists here and elsewhere throughout the country.

Testimony or statements in support of H.R. 11108 was presented by or on behalf of Members of Congress; by the Association of American Medical Colleges; the American Association of Dental Schools; the Medical Society of the District of Columbia, and the District of Columbia Dental Society; the Hospital Council of the National Capital Area; the Central Northeast Civic Association of the District of Columbia; and representatives of George Washington and Georgetown Universities and of their respective schools in question.

HEW, the District government and the Medical Committee for Human Rights expressed opposition or reservations to H.R. 11108 as summarized in their recommendations hereinafter made a part of this report.

The Department of Health, Education, and Welfare recommends strongly against enactment of H.R. 11108. The position of the Department cites the continuing need for so-called "distress" money (first granted in fiscal year 1972) and indicates that deficiencies in administration may be responsible for some of the fiscal problems of the universities. Further, HEW extends the analogy of "State Aid" so that if public support is to be provided to private schools, that the

D.C. Government, in this situation, is analogous to the state government. The District government hereafter will be in the best position to judge whether the schools' need is a justified demand on the city's limited resources.

The Commissioner of the District of Columbia defers to the views of the Department of HEW. The District Government hopes to propose to Congress, in the near future, its own legislation to meet the health manpower training needs of this jurisdiction.

Testimony at the hearing held May 1, 1974, pointed to the universities' somewhat ambiguous position as both national and local institutions. They are located in and serve the Metropolitan D.C. area, yet their students come from and their graduates disperse to the entire country. The Committee felt that as an interim measure, it is appropriate for the funds to come from federal appropriations through HEW.

It is the Committee's view that future subsidies should be granted only after review of the problem by the elected city officials and approval by Congress through the usual District of Columbia budget procedures. It is further the view of the Committee that the institutions involved should make greater efforts to enroll students from the immediate local area. While it is desirable that the national character of the schools not be compromised, nonetheless if the citizens of the District of Columbia are to subsidize these schools, they and their children should have a special call on the schools, just as other State subsidized schools give preference to citizens of their State. These ends may be accomplished both by special recruitment and by scholarships and loans for needy local students as well as limitations on subsidies so as to tie such funds to local residents, rather than unrestricted direct funding to the universities to meet operational costs.

Cost

The bill would require that through an HEW appropriation, each private, nonprofit medical and dental school within the District could receive $5,000 for each medical student enrolled and $3,000 for each dental school student enrolled, taking into account Section 773 of the Public Health Service Act (the financial distress provision).

A breakdown of the *maximum possible assistance,* as estimated above, for fiscal year 1975, follows:

Georgetown Medical School: 815 medical students times $5,000 per student	$4, 075, 000
Georgetown Dental School: 551 students times $3,000	1, 653, 000
George Washington Medical School: 593 students times $5,000	2, 965, 000
Total maximum estimates for each year, 1975 and 1976	8, 693, 000

While there is no accurate way to assume the number of students who will be enrolled for the fiscal year 1976 period, it can be assumed that the amount of change will be negligible, and accordingly, the amounts listed above for FY 1975 are included for FY 1976.

Committee Vote

The bill, H.R. 11108, was unanimously reported by the subcommittee on August 2, 1974, and was unanimously reported by the Committee on August 5, 1974.

Departmental Reports

The report of the Mayor-Commissioner of the District of Columbia on the proposed legislation follows:

The District of Columbia,
Washington, D.C., April 30, 1974.

Hon. Thomas F. Eagleton,
Chairman, Committee on the District of Columbia, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: The Government of the District of Columbia has for report S. 2730, a bill "To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970."

S. 2730 would amend the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922) to extend for three years the period for which appropriations are authorized to be made under the Act. The District of Columbia Medical and Dental Manpower Act of 1970, approved January 5, 1971, authorized the Secretary of Health, Education, and Welfare to make grants to the private medical and dental schools in the District of Columbia. The grants were authorized in the amount of $5,000 per student for medical schools and $3,000 per student for dental schools. The 1970 Act authorized appropriations of $6,200,000 for fiscal year 1971 and $6,750,000 for fiscal year 1972. The current bills would extend authorization to make such appropriations as may be necessary for fiscal years 1975, 1976, and 1977.

It should be noted that no appropriations were sought nor funds granted by the Department of Health, Education, and Welfare under the authority of the District of Columbia Medical and Dental Manpower Act of 1970, which expired June 30, 1972, to any of the qualifying schools—Georgetown University's medical and dental schools and George Washington's medical school. The Department of Health, Education, and Welfare, however, has provided funds to these schools through a number of other programs, including the Health Professions Educational Assistance authorities of the Public Health Service Act. These programs have included funds for construction purposes, grants for educational programs, student aid, and assistance with special projects.

S. 2730 addresses a problem confronting local medical and dental schools, but one which is national in scope—the escalating costs of providing adequate education for a sufficient number of physicians and dentists to meet the nation's health care needs. In recognition of this need, the Congress enacted the Comprehensive Health Manpower Assistance Act of 1971 (Public Law 92–157) which has provided substantially increased Federal assistance to medical and dental schools on a national basis. The 1971 Act includes grants to medical and dental schools on a per capita student basis in a manner similar to that contained in the District of Columbia Medical and Dental Manpower Act of 1970. The Department of Health, Education, and Welfare indicates that under the 1971 Act the capitation grant program provided the following assistance in fiscal year 1973: $1,447,563 to the Georgetown University medical school; $859,571 to the Georgetown University dental school; and $1,047,290 to the George Washington University medical school. These schools received additional

"financial distress" assistance from the Department of Health, Education, and Welfare in fiscal year 1973 to meet their immediate financial needs.

In light of the foregoing representations and inasmuch as S. 2730 would provide an extension of grant authority vested in the Department of Health, Education, and Welfare, the Commissioner of the District of Columbia defers to the views of the Secretary of Health, Education, and Welfare on the merit of the bill.

However, in recognition of the continuing critical financial problems facing private medical and dental schools in the District of Columbia and the need to find an effective, long-range means of providing adequate funding to alleviate this distress and assure the continuing availability of professional health services for its residents, the District Government is giving active consideration to determining appropriate methods, comparable in scope and extent to those provided by many of the States, of furnishing additional assistance to meet the health manpower training requirements of this jurisdiction. These determinations, which must be developed within the financial capabilities of the city, will require additional study and review.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

The report of the Under Secretary of Health, Education, and Welfare, follows:

THE UNDER SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., July 2, 1974.

Hon. JOHN V. TUNNEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR TUNNEY: You have expressed an interest in the financial situation of the medical and dental schools at Georgetown and George Washington Universities and their application to the Department under the financial distress program. This letter reports our current intentions regarding these schools.

During the regular grant review cycle earlier this year, applications from the medical school at George Washington University and the medical and dental schools at Georgetown University were considered along with those from 26 other institutions. In total, these institutions sought $31.8 million in Federal assistance. All applications were read independently by three non-governmental reviewers. All reviewers recommended to the National Advisory Council that the applications from these three schools be disapproved.

Before considering these applications, however, site visits were conducted by five-member teams consisting of governmental and non-governmental members. The site visit teams also recommended that the applications not be approved. The Council met on March 11 and 12, 1974, and, after considering the applications and comments of the independent readers and site visit teams, disapproved the applications for financial distress funding.

For your information, 17 of the 28 applications were approved. $7.05 million was awarded for these successful applications.

In our view, there is no question but that the Georgetown and George Washington schools failed to meet the financial distress criteria against which all applicants were measured by the peer review process. With the passage by the Congress of H.R. 7724, however, we believe that the situation has changed.

As you know, H.R. 7724 contains authority for an additional $5 million in financial distress funding which was appropriated by the Supplemental Appropriations Act, 1974 (P.L. 93–245). The Committee reports accompanying the Act and H.R. 7724 make clear that Congress intended that this authority be used to assist these three schools. It thus appears that Congress has decided that we should apply a different, less stringent standard of financial need to these schools than to the other schools that applied for financial distress grants. Accordingly, we shall enter promptly into negotiations with representatives of the schools to provide funding appropriate to the different standard contemplated by the Congress. There will be adequate time to conduct these negotiations since H.R. 7724 makes the appropriations for the financial distress program available until September 30.

I would like to add that we have the most serious reservations about the course the Congress has chosen to follow in this case. The awarding of these grants will surely be viewed by the medical education community and the public at large as simply a special favor. The peer review process which yielded the initial decision on these applications will be correspondingly weakened. Moreover, the actual effect of the Congress' action will be to grant in these cases operating subsidies; this is a poor precedent and a poor example.

We strongly urge that HEW support for the Georgetown and George Washington schools be provided in the future on the basis of equity with all other schools and that other support be considered, as the Administration has proposed, in connection with the budget of the District of Columbia.

Sincerely,

FRANCK CARLUCCI,
Under Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA MEDICAL AND DENTAL MANPOWER ACT OF 1970

* * * * * * *

TITLE III—MEDICAL AND DENTAL SCHOOL SUBSIDY

* * * * * * *

SEC. 303. (a) * * *

(b) For the purposes of this section and section 307, in determining eligibility for, and the amount of, grants with respect to private nonprofit medical and dental schools, consideration shall be given to any grants made to such schools pursuant to the portion of the program under section [772] *773* of the Public Health Service Act [(42 U.S.C. 295f–2)] relating to financial assistance to schools which are in serious financial straits to aid them in meeting their costs of operation.

(c) There are authorized to be appropriated [$6,200,000 for the fiscal year ending June 30, 1971, and] such sums as may be necessary for the fiscal [year ending June 30, 1972,] *years ending June 30, 1975, and June 30, 1976,* to make grants under this section.

O

H. R. 11108

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four

An Act

To extend for three years the District of Columbia Medical and Dental Manpower Act of 1970.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922(c)) is amended to read as follows:

"(c) There are authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1975, and June 30, 1976, to make grants under this section.".

(b) Section 303(b) of such Act is amended by striking out "section 772 of the Public Health Service Act (42 U.S.C. 295f–2)" and inserting in lieu thereof "section 773 of the Public Health Service Act".

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

August 13, 1974

Dear Mr. Director:

The following bills were received at the White House on August 13th:

H.R. 11108
H.R. 12832

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.