

The original documents are located in Box 46, folder “6/4/76 HR12132 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.

Copyright Notice

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 Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections.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

Exact duplicates within this folder were not digitized.

APPROVED
JUN 4 - 1976

8/6/4/76

THE WHITE HOUSE

WASHINGTON

DECISION

Last Day: June 5, 1976

June 3, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON *[Signature]*
SUBJECT: Enrolled Bill H.R. 12132 - Extension
of District of Columbia Medical and
Dental Manpower Act of 1970

Attached for your decision is H.R. 12132, a one-year extension of the District of Columbia Medical and Dental Manpower Act of 1970.

Background

H.R. 12132 authorizes \$9 million to continue financial support for one year to Georgetown and George Washington Universities Schools of Medicine and Dentistry. Grants of \$5,000 per medical student and \$3,000 per dental student would be authorized.

When you signed an extension of the D.C. Medical and Dental Manpower Act of 1970 in 1974, you indicated that both universities should seek other alternatives, such as the District of Columbia Government, for a long-term solution to their medical school financing needs.

The schools are making this effort. The District government, however, has refused financial support.

The medical schools are in the process of implementing a guaranteed student loan program to be financed by private funds through local and national banking institutions. This long-term solution, however, will not be established until FY 1978. The medical schools have indicated that they have exhausted every possible funding alternative during the last six months and failure to approve H.R. 12132, as an emergency measure, would have serious consequences to their fiscal viability as well as creating undue financial hardships for their students.



Arguments for Approval

1. Your statement of two years ago is having the desired effect; the schools are moving toward other sources of funding.
2. Although you suggested that the District government assume some of the financial responsibility, it has refused because of its financial position.
3. Proponents say that the schools are a "national resource" and deserve special national support, since the student population is drawn from all 50 States and the District of Columbia. Nearly 11,000 graduates are located throughout the United States.
4. Each of the schools has assured the Administration that loans will be available to students beginning in FY 78 and that this will be the last time that either will seek preferential Federal funding.
5. Additionally, the denial of funds would have the most deleterious effect on minority and low income students. The sizeable tuition increases could cause a significant number of these individuals to be unable to continue their medical studies.

Arguments Against Approval

1. In August 1974, when signing the last extension of the 1970 Act, you stated that this would be the last time you intended to sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. This statement was repeated before both the House and Senate Committees by HEW in testimony on H.R. 12132.
2. Opponents say that these institutions should not receive preferential funding treatment solely on the basis of their location in the District of Columbia.
3. Opponents say that the arguments that other private medical and dental schools receive State financial support and that these schools are "national resources" are not valid. Not all private medical schools receive State funds.

4. In addition to capitation funds, these schools have received special financial distress awards for several years but still have not corrected administrative and management deficiencies that contributed to their current fiscal conditions.

Staff and Agency Recommendations

HEW	Disapproval. "The bill would provide for unjustified special funding for medical and dental schools in the District of Columbia."
OMB	Disapproval. "Enactment of such preferential legislation would be bad public policy." (Jim Lynn's memo is attached at Tab A.)
Buchen (Lazarus)	Approval (without signing statement). "It would be unnecessarily harsh to refuse to tide them over the next year, especially in view of the President's support over the years for the efforts of both universities."
Friedersdorf	Approval. "Senator Beall called personally to request bill be signed. He regards signing as very important. . . . Veto would be extremely difficult to sustain in either House."
Hartmann	Approval.

Recommendation

Because the Universities are arranging other sources of financial support and because the financial burden of the tuition increase would fall most heavily on minority and low income students now enrolled,

I recommend that you sign H.R. 12132 approving a final one-year extension of financial support.

I also recommend that no signing statement be issued.

DECISION

1. MR7 Approve H.R. 12132
(Buchen, Hartmann, Friedersdorf, Cannon)
2. _____ Approve H.R. 12132 and issue signing statement
at Tab B; text approved by the White House Editorial
Office (Smith).
3. _____ Disapprove H.R. 12132 and issue veto message
attached at Tab C; text approved by the White
House Editorial Office (Smith).
(HEW, OMB)

The enrolled bill is attached at Tab D.



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

MAY 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12132 - Extension of District
of Columbia Medical and Dental Manpower Act
of 1970
Sponsor - Rep. Fauntroy (D) District of Columbia
and 10 others

Last Day for Action

June 5, 1976 - Saturday

Purpose

Extends for one year (fiscal year 1977) 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	Defers to HEW

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. 12132 would extend the appropriation authorities of that Act for one year through September 30, 1977. 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 were no extensions of the Act during 1973 and 1974.

In 1974, however, special financial distress grants were authorized for the two schools by P.L. 93-348, the "National Research Act," and \$5 million was appropriated in that year's second Supplemental Appropriation Act. P.L. 93-389 which you approved in August, 1974 extended the D.C. Medical and Dental Manpower Act through fiscal years 1975 and 1976. Congress appropriated \$7.5 million for 1975 and \$9 million for 1976.

Proponents of H.R. 12132 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. 12132 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has consistently and 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. According to the Congressional Committee reports on H.R. 12132, of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 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 and the requirements for the support vary widely. Moreover, the purposes to which State assistance can be applied are limited.

On the basis of projected enrollments, H.R. 12132 would result, if funded, in estimated costs of \$9 million in 1977. The attached table shows the amounts of non-student assistance these schools received (\$43.0 million) from HEW's health professions education programs for the last four fiscal years. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs. Between 1965 and 1975 Georgetown University received \$80 million and George Washington University \$46 million from HEW training and construction programs.

H.R. 12132 was passed by voice vote in the Senate and by a vote of 264-90 in the House.

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 some private medical and dental schools in other jurisdictions). H.R. 12132 would provide a logical, alternate source of financial support, at least until the District's financial status improves.

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. Nearly 11,000 graduates are located throughout the United States.

3. Both universities have gone on record publicly indicating that this will be the last time that they will seek preferential Federal funding.

Arguments Against Approval

1. In August 1974, you publicly stated--upon signing the last extension of the 1970 Act--that this would be the last time you intended to sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. This statement was repeated before both the House and Senate Committees by HEW in testimony on H.R. 12132. Failure to disapprove H.R. 12132 would call into question public commitments you may have made on other undesirable bills.

2. 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.

3. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are "national resources" 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.

4. 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 and 33% in 1974--but they have still not corrected 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.)

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. This year one-third of the House members voting on H.R. 12132 voted against the bill. The Administration should reinforce congressional efforts to reject preferential funding.

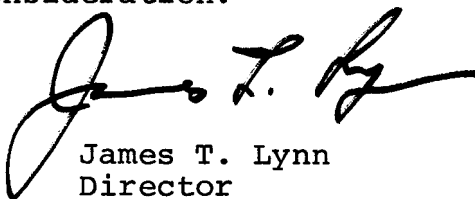
Recommendation

HEW recommends disapproval of H.R. 12132 "because the bill would provide for unjustified special funding for medical and dental schools in the District of Columbia."

* * * * *

Of the several health bills enacted this year, we believe H.R. 12132 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, the National Advisory Council on Health Professions Education concluded in 1974 that these schools should not receive Federal financial distress grants on the grounds that the two schools had alternative sources of funds and that both had failed to take steps to control, among other things, administrative and operating costs, salary levels, hiring practices and research expenses. 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 bad public policy and, accordingly, recommend disapproval of H.R. 12132. A draft veto message is attached for your consideration.

A handwritten signature in black ink, appearing to read "James T. Lynn". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James T. Lynn
Director

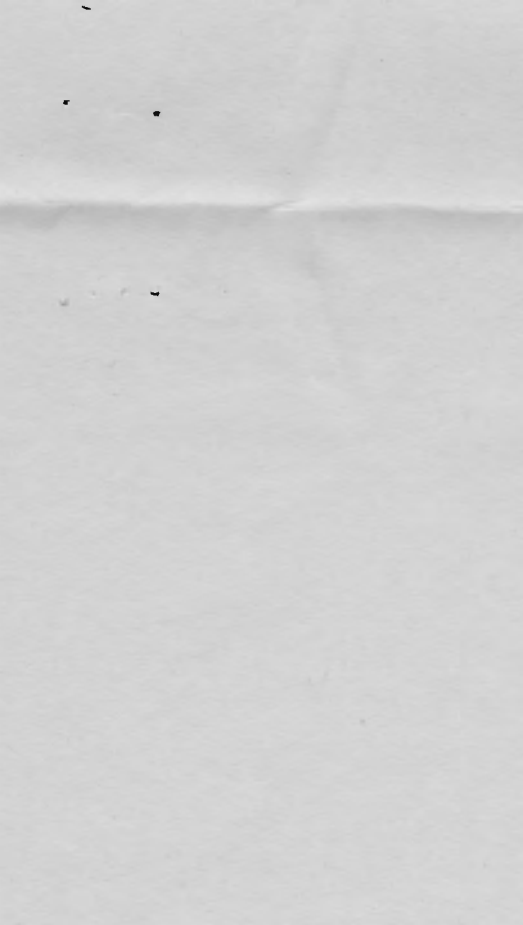
Enclosures

Attachment

Funding History Under DHEW Programs

(fiscal years/dollars in millions)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976 estimate</u>
<u>Georgetown University</u>				
capitation grants	2.3	2.6	2.0	1.4
financial distress grants	2.0	2.7	-	-
D.C. Medical and Dental Manpower Act grants	-	-	4.6	6.0
special projects grants	<u>2.5</u>	<u>2.8</u>	<u>.2</u>	<u>.2</u>
	<u>6.8</u>	<u>8.1</u>	<u>6.8</u>	<u>7.6</u>
 <u>George Washington University</u>				
capitation grants	1.0	1.2	1.0	.7
financial distress grants	1.3	2.2	-	-
D.C. Medical and Dental Manpower Act grants	-	-	2.9	3.0
special projects grants	<u>.2</u>	<u>.2</u>	<u>-</u>	<u>-</u>
	<u>2.5</u>	<u>3.6</u>	<u>3.9</u>	<u>3.7</u>



that would be necessary to absorb the deficit for next fiscal year could cause a significant number of these individuals to be unable to continue their medical studies.

The Congress and I agree that this must be the final instance of special treatment for the George Washington and Georgetown University medical and dental schools. The District of Columbia government should make arrangements to provide a reasonable amount of assistance to these schools in return for meeting the District's medical manpower needs and medical services requirements. At the same time, the medical schools must fulfill their pledge to secure other non-federal funding for FY 1978 and beyond.

STATEMENT BY THE PRESIDENT

I have reluctantly signed H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

Two years ago, I extended this Act to avoid disrupting the programs of the George Washington and Georgetown University medical and dental schools during the District of Columbia's interim status with regard to home rule government. At that time I stated that these medical and dental schools should not continue to receive favored treatment by the federal government simply because of their geographic location. Moreover, the Congress agreed and indicated that the best sources for funds in the future would be by the District of Columbia government.

My opinion has not changed. The medical schools, however, have assured the Administration and the Congress that they have undertaken agreements to secure guaranteed student loans for increased tuition costs to meet future funding needs. Although each student will be required to assume additional financial burdens the availability of loans for those who need them will be assured.

Also, the medical schools have pursued the question of funding from the District of Columbia government. The District, however, has indicated to both the schools and the Congress that because of its precarious financial situation no local funds will be available for FY 1977.

Since the medical schools have taken an initiative to secure funding for FY 1978, and since they have been denied funds for support from the District of Columbia for FY 1977, I believe a final one year extension is appropriate.

In addition, the denial of funds to the George Washington and Georgetown University medical and dental schools would have the most deleterious effect on minority and low-income students currently enrolled. The sizeable tuition increases

United States. They are also eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974 -- \$4.9 million -- went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is sufficient justification, based upon either need or equity, to continue to favor these two institutions over the entire list of private medical and dental schools in the United States for such a special preferential subsidy by the general taxpayer.

THE WHITE HOUSE,

TO THE HOUSE OF REPRESENTATIVES:

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 12132 would continue to single out three schools -- the George Washington University medical school and the Georgetown University medical and dental schools -- for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

Two years ago, I reluctantly signed into law an extension of this Act -- P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the

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



10-
J. Conaway
6-1-76
3:30 p.m.

MAY 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12132 - Extension of District
of Columbia Medical and Dental Manpower Act
of 1970
Sponsor - Rep. Fauntroy (D) District of Columbia
and 10 others

Last Day for Action

June 5, 1976 - Saturday

Purpose

Extends for one year (fiscal year 1977) 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	Defers to HEW

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. 12132 would extend the appropriation
authorities of that Act for one year through September 30,
1977. 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 were no extensions of the Act during 1973 and 1974.

In 1974, however, special financial distress grants were authorized for the two schools by P.L. 93-348, the "National Research Act," and \$5 million was appropriated in that year's second Supplemental Appropriation Act. P.L. 93-389 which you approved in August, 1974 extended the D.C. Medical and Dental Manpower Act through fiscal years 1975 and 1976. Congress appropriated \$7.5 million for 1975 and \$9 million for 1976.

Proponents of H.R. 12132 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. 12132 the medical and dental schools cannot continue in operation.

The Department of Health, Education, and Welfare has consistently and 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. According to the Congressional Committee reports on H.R. 12132, of the 22 states having 50 private medical schools, 9 states provide no financial assistance to 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 and the requirements for the support vary widely. Moreover, the purposes to which State assistance can be applied are limited.

On the basis of projected enrollments, H.R. 12132 would result, if funded, in estimated costs of \$9 million in 1977. The attached table shows the amounts of non-student assistance these schools received (\$43.0 million) from HEW's health professions education programs for the last four fiscal years. These sums are in addition to Federal funds received by the schools in support of their education-related research and service programs. Between 1965 and 1975 Georgetown University received \$80 million and George Washington University \$46 million from HEW training and construction programs.

H.R. 12132 was passed by voice vote in the Senate and by a vote of 264-90 in the House.

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 some private medical and dental schools in other jurisdictions). H.R. 12132 would provide a logical, alternate source of financial support, at least until the District's financial status improves.

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. Nearly 11,000 graduates are located throughout the United States.

3. Both universities have gone on record publicly indicating that this will be the last time that they will seek preferential Federal funding.

Arguments Against Approval

1. In August 1974, you publicly stated--upon signing the last extension of the 1970 Act--that this would be the last time you intended to sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. This statement was repeated before both the House and Senate Committees by HEW in testimony on H.R. 12132. Failure to disapprove H.R. 12132 would call into question public commitments you may have made on other undesirable bills.

2. 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.

3. The arguments made by these schools that other private medical and dental schools receive State financial support and that these schools are "national resources" 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.

4. 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 and 33% in 1974--but they have still not corrected 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.)

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. This year one-third of the House members voting on H.R. 12132 voted against the bill. The Administration should reinforce congressional efforts to reject preferential funding.

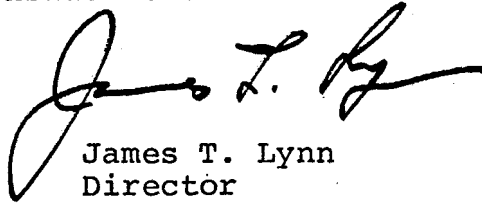
Recommendation

HEW recommends disapproval of H.R. 12132 "because the bill would provide for unjustified special funding for medical and dental schools in the District of Columbia."

* * * * *

Of the several health bills enacted this year, we believe H.R. 12132 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, the National Advisory Council on Health Professions Education concluded in 1974 that these schools should not receive Federal financial distress grants on the grounds that the two schools had alternative sources of funds and that both had failed to take steps to control, among other things, administrative and operating costs, salary levels, hiring practices and research expenses. 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 bad public policy and, accordingly, recommend disapproval of H.R. 12132. A draft veto message is attached for your consideration.

A handwritten signature in black ink, appearing to read "James T. Lynn". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James T. Lynn
Director

Enclosures

Attachment

Funding History Under DHEW Programs

(fiscal years/dollars in millions)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976 estimate</u>
<u>Georgetown University</u>				
capitation grants	2.3	2.6	2.0	1.4
financial distress grants	2.0	2.7	-	-
D.C. Medical and Dental Manpower Act grants	-	-	4.6	6.0
special projects grants	<u>2.5</u>	<u>2.8</u>	<u>.2</u>	<u>.2</u>
	<u>6.8</u>	<u>8.1</u>	<u>6.8</u>	<u>7.6</u>
 <u>George Washington University</u>				
capitation grants	1.0	1.2	1.0	.7
financial distress grants	1.3	2.2	-	-
D.C. Medical and Dental Manpower Act grants	-	-	2.9	3.0
special projects grants	<u>.2</u>	<u>.2</u>	<u>-</u>	<u>-</u>
	<u>2.5</u>	<u>3.6</u>	<u>3.9</u>	<u>3.7</u>

TO THE HOUSE OF REPRESENTATIVES

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.*

H.R. 12132 would continue to single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

Two years ago, I reluctantly signed into law an extension of this Act--P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the United States. They are also

eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974--\$4.9 million--went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is a justification on grounds of either need or equity to continue to single out these two institutions from the entire universe of private medical and dental schools in the United States for special preferential subsidy by the general taxpayer.

THE WHITE HOUSE

May , 1976

6/2 - 11:15 am

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 2

Time: 745am

FOR ACTION: David Lissy cc (for information): Jack Marsh
 Max Friedersdorf Jim Cavanaugh
 Ken Lazarus Ed Schmults
Robert Hartmann (Veto message attached)
 Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date:

June 3

Time:

900am

SUBJECT:

H.R. 12132 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

6/2 - copy sent for researching. nm
 6/2 - Researched copy returned. nm

I recommend approval
[Signature]

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.

James M. Cannon
For the President

6/2 - 11:15 am

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

MIB

Date: June 2

Time: 745am

FOR ACTION: David Lissy
Max Friedersdorf
Ken Lazarus
Robert Hartmann
Steve McConahey

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

(Veto message attached)

*to Pres 12:09
6/2 GAMS*

*to DSS 2:32
6/2 GAMS*

FROM THE STAFF SECRETARY

DUE: Date:

June 3

Time:

900am

SUBJECT:

H.R. 12132 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

MWB

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.


If you have any questions or if you anticipate a delay in submitting the required material, please

James M. Cannon

THE WHITE HOUSE

WASHINGTON

June 3, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF 
SUBJECT: HR 12132 - Extension of D.C. Medical and Dental
Manpower Act of 1970

The Office of Legislative Affairs concurs with the agencies
that the

Senator Glenn Beall (R-Md.) called personally to request bill be signed.
He regards signing as very important for his personal situation. Veto
would be extremely difficult to sustain in either House. I recommend bill
~~Assigned to~~ be signed.

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 12132 would continue to single out three schools-- the George Washington University medical school and the Georgetown University medical and dental schools--for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

8/74
Two years ago, I reluctantly signed into law an extension of this Act--P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the United States. They are also

eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974--\$4.9 million--went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is a justification on grounds of either need or equity to continue to single out these two institutions from the entire universe of private medical and dental schools in the United States for special preferential subsidy by the general taxpayer.

via J. J. Johnston - 6/4

Advise following re

Pres' decision -

✓ Mr. Bechen (done by Tucker J. J. J. to Mr. Lazarus 6/4)

Spencer Johnson (via J. Johnston)

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 2

Time: 745am

FOR ACTION:

Spencer Johnson
~~David Lissy~~
 Max Friedersdorf
 Ken Lazarus *sign*
 Robert Hartmann (Veto message attached)
 Steve McConahey

cc (for information): Jack Marsh
 Jim Cavanaggh
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date:

June 3

Time:

900am

SUBJECT:

H.R. 12132 - Extension of District of Columbia Medical
 and Dental Manpower Act of 1970

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor 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

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 2

Time: 745am

FOR ACTION: David Lissy cc (for information): Jack Marsh
 Max Friedersdorf Jim Cavanaugh
 Ken Lazarus Ed Schmults
 Robert Hartmann (Veto message attached)
 Steve McConahey

FROM THE STAFF SECRETARY

DUE: Date:

Time:

June 3

900am

SUBJECT:

H.R. 12132 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor 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.

James M. Cannon
 For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 2

Time: 745am

FOR ACTION: David Lissy
 Max Friedersdorf
 Ken Lazarus
 Robert Hartmann (Veto message attached)
 Steve McConahey

cc (for information): Jack Marsh
 Jim Cavanaugh
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date:

June 3

Time:

900am

SUBJECT:

H.R. 12132 - Extension of District of Columbia Medical and Dental Manpower Act of 1970

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Counsel's Office (Phil Buchen) strongly recommends approval of H. R. 12132. The President's statement of August 1974 has had its desired effect and it is now a certainty that Georgetown and G. W. will no longer seek any preferential Federal funding. Accordingly, it would be unnecessarily harsh to refuse to tide them over the next year, especially in view of the President's support over the years for the efforts of both universities. Attached is a copy of a letter to the President from representatives of both universities which might be included in this package.

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.

James M. Cannon
 For the President

TO THE HOUSE OF REPRESENTATIVES

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 12132 would continue to single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

Two years ago, I reluctantly signed into law an extension of this Act--P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the United States. They are also

eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974--\$4.9 million--went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is a justification on grounds of either need or equity to continue to single out these two institutions from the entire universe of private medical and dental schools in the United States for special preferential subsidy by the general taxpayer.

THE WHITE HOUSE

May , 1976



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

JUN 1 1976

Dear Mr. Lynn:

This is in response to your request for a report on H.R. 12132, an enrolled bill "To extend as an emergency measure for one year the District of Columbia Medical and Dental Manpower Act of 1970."

We recommend that the President not sign the enrolled bill, because the bill would provide for unjustified special funding for medical and dental schools in the District of Columbia.

The enrolled bill would authorize to be appropriated for an additional fiscal year, through September 30, 1977, "such sums as may be necessary" for the Secretary to make grants to the Mayor of the District of Columbia, to be paid to private nonprofit medical and dental schools in the District. The maximum payment to each medical school would be five thousand dollars per student, and, to the dental school, three thousand dollars per student. The 1977 Budget does not provide for such special payments.

The Administration opposed this bill during its consideration by the Congress. We argued that Georgetown and George Washington Universities should not receive special Federal grants solely because they are located in the District of Columbia. They should receive consideration for Federal funding under the same national programs under which all other medical and dental schools may receive funding, such as the authority in the Public Health Service Act for financial distress grants. They may also seek assistance through appropriations to the District of Columbia government, the authority analogous to a State government; the District

The Honorable James T. Lynn

2

government is in a position to judge whether the schools' asserted need for support makes a compelling demand upon the District's financial resources. The District government also can assess the extent to which these schools contribute to the health manpower needs of the District.

We therefore recommend that the President withhold his approval from the enrolled bill.

Sincerely,


Under Secretary

Enclosure

MEMORANDUM OF DISAPPROVAL

I am returning to the Congress without my approval H.R. 12132, a bill "To extend as an emergency measure for one year the District of Columbia Medical and Dental Manpower Act of 1970."

H.R. 12132 would authorize to be appropriated for an additional fiscal year, through September 30, 1977, "such sums as may be necessary" for the Secretary to make grants to the Mayor of the District of Columbia, to be paid to private nonprofit medical and dental schools in the District. The maximum payment to each medical school would be five thousand dollars per student, and, to the dental school, three thousand dollars per student. My 1977 Budget proposals do not provide for such special payments.

The Administration opposed this bill during its consideration by the Congress. We argued that Georgetown and George Washington Universities should not receive special Federal grants solely because they are located in the District of Columbia. They should receive consideration for Federal funding under the same national programs under which all other medical and dental schools may receive funding, such as the authority in the Public Health Service Act for financial distress grants. They may also seek assistance through appropriations to the District of Columbia government, the authority analogous to a State government; the District government is in a position to judge whether the schools' asserted need for support makes a compelling demand upon the

District's financial resources. The District government also can assess the extent to which these schools contribute to the health manpower needs of the District.



THE DISTRICT OF COLUMBIA

WALTER E. WASHINGTON
MAYOR

WASHINGTON, D. C. 20004

May 28, 1976

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C.

Dear Mr. Frey:

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

H.R. 12132 - "To extend as an emergency measure for one year the District of Columbia Medical and Dental Manpower Act of 1970."

The enrolled bill would amend section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922(c)), to extend for an additional year 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 nonprofit medical and dental schools in the District of Columbia. The 1970 Act authorized appropriations for fiscal years 1971 and 1972 and Public Law 93-389, approved August 24, 1974, authorized such appropriations as may be necessary for fiscal years 1975 and 1976. The current bill would extend the authorization to make such appropriations as may be necessary for the year ending September 30, 1977.

It should be noted that no appropriations were sought or made nor were any funds granted by the Department of Health, Education, and Welfare under the authority of the Medical and Dental Manpower Act of 1970, which expired on June 30, 1972, to any of the qualifying

schools—Georgetown University's medical and dental schools and George Washington University's medical school. Under the 1974 amendments to the 1970 Act, however, a total of \$7.5 million was funded for the schools during fiscal year 1975. For fiscal year 1976 an appropriation of \$9 million is included in the appropriation act for the Department of Health, Education, and Welfare.

In view of the fact that H.R. 12132 would provide an extension of appropriation authority with respect to funds to be administered by the Department of Health, Education, and Welfare, the District Government defers to the views of the Secretary of that Department on the merit of the bill.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Julian R. Dugas", with a stylized flourish at the end.

JULIAN R. DUGAS
City Administrator



GEORGE WASHINGTON UNIVERSITY
SCHOOL OF MEDICINE



GEORGETOWN UNIVERSITY
SCHOOLS OF MEDICINE AND DENTISTRY

May 24, 1976

The President
The White House
Washington, D.C. 20500

Mr. President:

On behalf of the 1,967 medical and dental students from 47 states and the District of Columbia who are enrolled at the George Washington University School of Medicine and the Georgetown University Schools of Medicine and Dentistry, and who are a national asset, we urgently request your favorable consideration of H.R. 12132, a Bill to extend for one year, fiscal year 1977, as an emergency measure, the District of Columbia Medical and Dental Manpower Act of 1970 (P.L. 91-650 as amended P.L. 93-389), which you supported when you were in Congress.

H.R. 12132 continues financial support from the Secretary of the Department of Health, Education and Welfare for one last year. The Secretary has provided similar support since 1970. This Bill allows the Secretary to provide up to \$5,000 per medical student and up to \$3,000 per dental student enrolled at the Schools upon proof of the financial need of the Schools for fiscal year 1977 only.

The Bill was passed by the House of Representatives on April 12, 1976 by a vote of 264 to 90. It was passed by the Senate on May 21, 1976.

The Presidents of both Universities have categorically indicated in writing (copy of letter of April 1, 1976 is attached) that this emergency request is the last time the Universities will seek an extension of this Act.

When you signed the previous District of Columbia Medical and Dental Manpower Bill in 1974, you stated that we should look to the District of Columbia Government for our long term solution, and not to the Secretary of the Department of Health, Education and Welfare. After consultation with the District of Columbia Government, they have stated that our emergency need for fiscal year 1977 could not be met.

Working with Congress under S. 3239, we are planning a student loan program to be financed by guaranteed private funds through free enterprise local and national banks. This is a long term solution to our crisis, but cannot be established until fiscal year 1978.

There are no other resources available. Over the past six months we have tried every possible alternative. Without your approval of H.R. 12132, as an emergency measure pending the establishment of the above loan program, our Schools would develop sizable deficits which would require tuition increases to in excess of \$10,000 to maintain fiscal viability. Meeting such tuitions would be impossible for over 50% of our students. Such a loss in student enrollment would jeopardize the viability of our Schools for next year.

On behalf of the Reverend Robert J. Henle, S.J., President of Georgetown University, and Dr. Lloyd H. Elliott, President of the George Washington University, our alumni and students, we thank you for your interest in the welfare of our Schools.

Sincerely yours,

T. Byron Collins S.J.

T. Byron Collins, S.J.
Special Assistant to the President
Georgetown University

Seymour Alpert

Seymour Alpert, M.D.
Vice President
George Washington University

Nathaniel J. Ely

Nathaniel J. Ely
Counsellor to the President
Georgetown University

H. R. 12132

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To extend as an emergency measure for one year 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 section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31-922(c)) is amended by striking out "years ending June 30, 1975, and June 30, 1976," and inserting in lieu thereof "year ending September 30, 1977,".

Speaker of the House of Representatives.

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

DRAFT SIGNING STATEMENT

I have reluctantly signed H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

Two years ago, I extended this Act to avoid disrupting the programs of the George Washington and Georgetown University medical and dental schools during the District of Columbia's interim status with regard to home rule government. At that time I stated that these medical and dental schools should not continue to receive favored treatment by the federal government simply because of their geographic location. Moreover, the Congress agreed and indicated that the best sources for funds in the future would be by the District of Columbia government.

My opinion has not changed. The medical schools, however, have assured the Administration and the Congress that they have undertaken agreements to secure guaranteed student loans for increased tuition costs to meet future funding needs. Although each student will be required to assume additional financial burdens the availability of loans for those who need them will be assured.

Also, the medical schools have pursued the question of funding from the District of Columbia government. The District, however, has indicated to both the schools and the Congress that because of its precarious financial situation no local funds will be available for FY 1977.

Since the medical schools have taken an initiative to secure funding for FY 1978, and since they have been denied funds for support from the District of Columbia for FY 1977, I believe a final one year extension is appropriate.

~~Additionally,~~ *In addition,* the denial of funds to the George Washington and Georgetown University medical and dental schools, would have the most deleterious effect on minority and low income students currently enrolled. The sizeable tuition increases that would be necessary to absorb the deficit for next fiscal year could cause a significant number of these individuals to be unable to continue their medical studies.

The Congress and I agree that this must be the final instance of special treatment for the George Washington and Georgetown University medical and dental schools. The

District of Columbia government should make arrangements to provide a reasonable amount of assistance to these schools in return for meeting the District's medical manpower needs and medical services requirements. At the same time, the medical schools must fulfill their pledge to secure other non-federal funding for FY 1978 and beyond.

OK
Y. J. Smith
6/4/76

STATEMENT BY THE PRESIDENT

I have reluctantly signed H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

Two years ago, I extended this Act to avoid disrupting the programs of the George Washington and Georgetown University medical and dental schools during the District of Columbia's interim status with regard to home rule government. At that time I stated that these medical and dental schools should not continue to receive favored treatment by the federal government simply because of their geographic location. Moreover, the Congress agreed and indicated that the best sources for funds in the future would be by the District of Columbia government.

My opinion has not changed. The medical schools, however, have assured the Administration and the Congress that they have undertaken agreements to secure guaranteed student loans for increased tuition costs to meet future funding needs. Although each student will be required to assume additional financial burdens the availability of loans for those who need them will be assured.

Also, the medical schools have pursued the question of funding from the District of Columbia government. The District, however, has indicated to both the schools and the Congress that because of its precarious financial situation no local funds will be available for FY 1977.

Since the medical schools have taken an initiative to secure funding for FY 1978, and since they have been denied funds for support from the District of Columbia for FY 1977, I believe a final one year extension is appropriate.

In addition, the denial of funds to the George Washington and Georgetown University medical and dental schools would have the most deleterious effect on minority and low-income students currently enrolled. The sizeable tuition increases

that would be necessary to absorb the deficit for next fiscal year could cause a significant number of these individuals to be unable to continue their medical studies.

The Congress and I agree that this must be the final instance of special treatment for the George Washington and Georgetown University medical and dental schools. The District of Columbia government should make arrangements to provide a reasonable amount of assistance to these schools in return for meeting the District's medical manpower needs and medical services requirements. At the same time, the medical schools must fulfill their pledge to secure other non-federal funding for FY 1978 and beyond.

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 12132 would continue to single out three schools--the George Washington University medical school and the Georgetown University medical and dental schools--for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

Two years ago, I reluctantly signed into law an extension of this Act--P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the United States. They are also

eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974--\$4.9 million--went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is ^{sufficient} justification ~~on~~ ^{based upon} ~~grounds of~~ either need or equity, to continue to ~~single~~ ^{favor} ~~out~~ these two institutions ^{over} ~~from~~ the entire ^{list} ~~universe~~ of private medical and dental schools in the United States for ^{such a} ~~special~~ preferential subsidy by the general taxpayer.

THE WHITE HOUSE

May , 1976

Schited by [signature] 3/3/76

TO THE HOUSE OF REPRESENTATIVES:

I am returning without my approval H.R. 12132, a bill to extend for one year the District of Columbia Medical and Dental Manpower Act of 1970.

H.R. 12132 would continue to single out three schools -- the George Washington University medical school and the Georgetown University medical and dental schools -- for special Federal subsidies. The bill is designed to provide preferential Federal funding to these schools amounting to \$5,000 for each medical student and \$3,000 for each dental student based solely on the schools' location in the District of Columbia. These subsidies would be available without regard to the ability of the schools 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 grants.

Two years ago, I reluctantly signed into law an extension of this Act -- P.L. 93-389. I did so in order to avoid disrupting the services provided by these three institutions during the District of Columbia's interim status with regard to home rule government. I stated, however, that that would be the last time I would sign legislation singling out medical and dental schools for favored treatment simply because of their geographic location. Moreover, the House and Senate reports accompanying P.L. 93-389 indicated that future special funding would come through the budget of the District of Columbia.

The medical and dental schools at Georgetown and George Washington now receive Federal institutional support funds i.e., capitation grants, on the same basis as other medical and dental schools in the

United States. They are also eligible for special project grant support including the "financial distress" grants that help institutions meet special financial problems. Last year, for example, Federal capitation grants alone amounted to \$1.2 million for Georgetown University medical school; \$1 million for George Washington University medical school; and \$804,000 for Georgetown University dental school.

Over the years, these schools have also benefited from financial distress awards which Congress designed as temporary assistance to schools while they reformed their finances. For example, one third of the total funds nationally available for financial distress for all health professions schools in 1974 -- \$4.9 million -- went to Georgetown University and George Washington University.

In 1975, special Federal grants in the amount of \$7.5 million were awarded for the first time to these schools under the District of Columbia Medical and Dental Manpower Act after their applications for financial distress assistance were recommended for disapproval by the National Advisory Council on Health Professions Education. This fiscal year Congress appropriated \$9 million under the District of Columbia Medical and Dental Manpower Act.

I do not believe that there is sufficient justification, based upon either need or equity, to continue to favor these two institutions over the entire list of private medical and dental schools in the United States for such a special preferential subsidy by the general taxpayer.

THE WHITE HOUSE,

May 25, 1976

Dear Mr. Director:

The following bills were received at the White House on May 25th:

S. 2679 ✓
H.R. 12132 ✓
H.R. 12527 ✓

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 James T. Lynn
Director
Office of Management and Budget
Washington, D. C.