

THE PROPOSED FISCAL 1976 BUDGET:
WHAT IT MEANS FOR OLDER AMERICANS

A STAFF REPORT
PREPARED FOR THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE



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(II)

THE PROPOSED FISCAL 1976 BUDGET: WHAT IT MEANS FOR OLDER AMERICANS

A STAFF REPORT

President Ford submitted the Administration's proposed budget for fiscal 1976 to the Congress on February 3, 1975.

The new budget recommends \$349.4 billion in Federal spending and a \$51.9 billion deficit, a peacetime record.

To summarize the impact of the fiscal 1976 unified budget on older Americans¹—in terms of trust fund items and discretionary spending—the Committee staff has prepared the following analysis.

AOA FUNDING SLASH

A \$42.4 million cutback in funding (compared with the fiscal 1975 appropriation levels) is proposed for the Administration's fiscal 1976 budget for programs under the Older Americans Act. The new budget, which calls for \$202.6 million in funding for AoA programs, represents a 17-percent reduction compared with the fiscal 1975 appropriation of \$245 million. It would also constitute the largest dollar and percentage reduction in the entire history of the Older Americans Act.

The fiscal 1976 budget proposed for AoA programs is identical to the Administration's fiscal 1975 request. It recommends \$96 million for Title III Community Programs on Aging, \$7 million for Title IV Research, and \$99.6 million for the Title VII Nutrition Program. For Title III, the Administration proposes \$76 million for Area Planning and Social Services, \$15 million for Administration and \$5 million for Model Projects. This level of funding would maintain the current amount of assistance to States and would support at least 412 Area Agencies on Aging. It would also fund approximately 40 Model Projects grants, nearly the same as for fiscal 1975. For fiscal 1976 the nutrition program is projected to provide 200,000 meals, five days per week, in 665 areas. During the first quarter of fiscal 1975 the average daily participation for Title VII was about 212,000. Nearly 705,000 elderly persons participated in the program during this period.

Again, no earmarked funding is requested for training, a special transportation study mandated in the 1973 amendments, multidisciplinary centers of gerontology, and multipurpose senior centers. The Congress, however, appropriated \$8 million for Title IV Training in fiscal 1975.

¹ As well as rescissions proposed for fiscal year 1975 appropriations. See p. 12 for discussion.

Additionally, \$10.2 million is projected for salaries and expenses for 128 persons at AoA and 179 aging specialists in the HEW regional offices. This sum would also fund the National Information and Resource Clearing House and the staff of the Federal Council on the Aging. Approximately \$500,000 is projected for the Federal Council on the Aging.

PROPOSED FUNDING FOR PROGRAMS UNDER OLDER AMERICANS ACT

[In millions of dollars]

	Budget request fiscal 1976	Fiscal 1975 appropriation	Proposed rescission for fiscal 1975 ¹
Title III: State and community programs on aging.....	\$96.0	\$105	\$96.0
Title IV:			
Training.....	0	8	0
Research.....	7.0	7	7.0
Special transportation study.....	0	0	0
Multidisciplinary centers of gerontology.....	0	0	0
Title V:			
Multipurpose senior centers.....	0	0	0
Annual interest grants.....	0	0	0
Personnel staffing grants.....	0	0	0
Title VII: Nutrition program.....	99.6	125	99.6
Total.....	202.6	245	202.6

¹ See p. 12 for additional discussion of rescission.

SOCIAL SECURITY BENEFITS

The new budget projects that 29.1 million persons will receive almost \$62.9 billion in Old Age and Survivors Insurance benefits for fiscal 1976, compared with an estimated \$54.7 billion in payments for 28.3 million beneficiaries for 1975. Disability outlays are projected to increase from \$7.6 billion in 1975 to \$9.1 billion in 1976. And, the number of disability beneficiaries is estimated to rise from 4 million in 1975 to 4.4 million in 1976. Benefit payments are expected to increase because of the enactment of the two-step, 11-percent Social Security raise (which became fully effective for checks delivered in fiscal 1975) and the automatic cost-of-living adjustment in July 1975.

The Administration has also called for the enactment of several legislative proposals to reduce Social Security outlays: Among the major recommendations (which are incorporated into the budget allocations):

1. Prohibit entitlement to retroactive benefits if future monthly payments would be permanently reduced as a result. Under present law, a person who has just become entitled to Social Security benefits may receive up to 12 months retroactive payments. However, future benefits are actuarially reduced if the individual receives payments for any month before age 65. (Projected outlay reductions: \$45 million in 1975 and \$443 million in 1976.)

2. Eliminate the monthly test of the Social Security earnings ceiling except for the first year that an individual receives a cash benefit. Under present law, a beneficiary under age 72 who earns more than \$2,520 in 1975 has \$1 in benefits withheld for each \$2

of earnings above this amount. But regardless of an individual's annual earnings, he or she may still receive full benefits for any month in which his or her earnings do not exceed the monthly exempt amount: \$210. (Projected outlay reductions: \$15 million in 1975 and \$205 million in 1976.)

3. Place a 5-percent ceiling on the cost-of-living increase scheduled for July 1975. (Projected outlay reduction: \$2.5 billion in 1976.) Present projections place the cost-of-living raise at 8.7 percent. Senators Frank Church, Edward Kennedy, Walter Mondale, and Harrison Williams have sponsored legislation (S. Con. Res. 2),² which is cosponsored by 50 other Senators (making a total of 54 sponsors), to express opposition to any proposed reduction in the cost-of-living increase.

MEDICARE OUTLAYS PROJECTED AT \$15.5 BILLION

Medicare outlays in fiscal 1976 for hospital and medical services for the aged and disabled are projected at \$15.5 billion (\$11.4 billion for Hospital Insurance and \$4.1 billion for Supplementary Medical Insurance), approximately \$2 billion above the fiscal 1975 estimate. The budget attributed the projected rise in benefit payments to "increases in the size of the covered population and increases in the cost of medical services." Approximately 24 million persons (22 million aged and 2 million disabled beneficiaries) will be enrolled in the Part A Hospital Insurance program for fiscal 1976, and 23.8 million for Part B Supplementary Medical Insurance. Nearly 5.6 million beneficiaries are expected to receive reimbursed services under Part A and 13.3 million under Part B.

The Administration is also recommending legislation to reduce Medicare outlays, including:

1. Modify Medicare's cost-sharing structure to provide: (a) A coinsurance charge under Part A equal to 10 percent of all charges above the deductible amount on all covered services (now the elderly pay a \$92 deductible and nothing thereafter for covered hospital services until the 61st day of hospitalization); (b) an increase in the Part B deductible (effective in calendar year 1976) from \$60 to \$70, and rising thereafter in proportion to the percentage increase in Social Security benefits; (c) a 10-percent coinsurance charge on hospital-based physician services and home health services, and (d) a ceiling of \$750 per benefit period for a patient's payments under Part A and a \$750 limitation per calendar year for Part B. These amounts would rise proportionately as Social Security benefits increase. (Outlay reductions: \$225 million in 1975 and \$1.279 billion in 1976.)

2. Place limits on the rates of yearly increases in provider (e.g., doctors and hospitals) costs recognized as reasonable under Medicare. (Outlay reduction: \$100 million in 1976.)

²For additional information, see statements by Senators Church and Kennedy, pp. S. 574-5, Congressional Record, January 21, 1975; statement by Senator Williams, p. S. 829, Congressional Record, January 23, 1975; and statement by Senator Mondale, p. S. 933, Congressional Record, January 27, 1975.

PROJECTED MEDICARE BENEFIT PAYMENTS FOR FISCAL 1976

[In millions of dollars]

	Part A—	Part B—
	Inpatient hospital services	Physicians' services
Aged	\$9,938	\$2,900
Disabled	1,060	408
	Skilled nursing facility services	Outpatient services
Aged	260	358
Disabled	11	322
	Home health services	Home health services
Aged	107	44
Disabled	4	6
		Other medical and health services
Aged		78
Disabled		29
	Total benefit payments	Total benefit payments
Aged	10,305	3,380
Disabled	1,075	765
Total	11,380	4,145

PROJECTED INCREASES FOR SUPPLEMENTAL SECURITY INCOME

The Supplemental Security Income (SSI) program's projected expenditures for fiscal year 1976 total approximately \$5.5 billion. This includes \$4.63 billion³ for benefit payments, \$275 million for Federal contributions toward State supplementation, \$55 million for vocational rehabilitation, and \$499 million for administration. These figures represent substantial increases when compared with \$4.86 billion expenditure level for fiscal year 1975: \$4.08 billion⁴ for benefit payments, \$255 million for Federal contributions toward State supplementation, \$49 million for vocational rehabilitation, and \$473 million for administration. The number of recipients is expected to reach 4.47 million in fiscal year 1975 (2.53 million aged and 1.94 million blind and disabled). The Social Security Administration will also make a supplemental request for \$121 million for fiscal year 1975 for 11,500 new

³ Based on President's proposal to put a 5-percent ceiling on benefit programs such as SSI. If SSI is exempted from the ceiling, benefit payments will increase by \$85 million, estimated on an 8.7-percent cost-of-living rise.

⁴ Includes a proposed supplemental appropriation of \$83.1 million.

staffing positions for the agency, with approximately 7,000 positions earmarked for SSI.

SSI BENEFIT PAYMENTS AND BENEFICIARIES

	1974	1975	1976
Payments (in billions).....	\$1.83	¹ \$4.08	² \$4.63
Beneficiaries (in millions).....	3.60	4.47	5.07

¹ Includes a proposed supplemental appropriation of \$83,100,000.

² Based on President's proposal to put a 5-percent ceiling on benefit programs such as SSI. If SSI is exempted from the ceiling, benefit payments will increase by \$85,000,000, estimated on an 8.7-percent cost-of-living rise.

HUD EMPHASIZES SECTION 8

Section 202.—One major disappointment of the President's new budget is the lack of any request for increased funding for the popular Section 202 program. The Housing and Community Development Act of 1974 authorized a borrowing level of \$800 million. To date, the Administration has yet to request that any of this amount be approved. In spite of this reluctance, Congress last November approved a borrowing level of \$100 million for fiscal year 1975, plus the unobligated balance of the monies accumulated in the old 202 "revolving fund" as of December 31, 1974 (representing another \$115 million).

The new authority combined with the unobligated balance in the old fund, provides \$215 million. The Department of Housing and Urban Development (HUD) estimates that the following amounts will be reserved:

	<i>Estimated reservations</i>
Fiscal year:	
1975	\$34,000,000
1976	175,000,000
Transition period.....	40,000,000
Total	249,000,000

The excess over \$215 million is an estimate of the amounts that will be received by HUD before the end of fiscal year 1976 from loan repayments under the original 202 program. The transition period is from July 1, 1976, to September 30, 1976, when the budget will go on a new fiscal year.

Section 8 (housing assistance payments program).—The fiscal 1976 budget states that the new Section 8 program "will be used as the primary vehicle for providing housing assistance to lower income families in 1975 and 1976." Authority is available for HUD to process 400,000 units in both fiscal years, 1975 and 1976. However, because the program will not be available for all of fiscal year 1975, it is estimated that only 200,000 units will actually be processed. The budget requests an additional \$662.3 million in contract authority, which, when added to contract authority expected to be available in 1976, will support 400,000 units.

Conventional public housing.—As required in the 1974 Act, HUD will continue to provide a limited amount of housing assistance under the conventional public housing program. The estimate is for 38,000 units in fiscal year 1975 and 6,000 units (Indian housing) for 1976.

There is no request for additional authority for this program, as HUD wishes to use the Section 8 program instead.

Operating subsidies for public housing will be budgeted at \$450 million in 1975 and \$525 million in 1976. Additional assistance for existing public housing projects will be provided under the modernization program with contract authority of \$40 million for 1975 and \$20 million for 1976.

Section 236 multifamily housing and rent supplement.—Very few, if any, new units will be approved under these programs; no new request is made. The budget will reflect obligations for commitments made prior to January 5, 1973 (the start of the housing freeze), and amendments to existing projects. Projects under these programs will be approved on a limited basis but only where bona fide commitments cannot be met under the lower income housing assistance program (Section 8).

Direct cash assistance.—The direct cash assistance experimental program will continue during fiscal year 1976, but no additional funds are requested.

Nonprofit sponsor assistance.—Assistance to nonprofit sponsors of low- and moderate-income housing was authorized by section 106 of the Housing Act of 1968. Activity under this program was discontinued in 1973, and no request is made to revive it.

Community development block grant program.—Title I of the Housing and Community Development Act of 1974 authorizes HUD to make grants to units of general local government and States for the funding of local community development programs (replacing such programs as urban renewal and model cities).

In 1976, it is estimated that assistance will be provided to 2,500 communities, including about 600 metropolitan cities and urban counties. Outlays are projected at \$225 million for 1975 and \$1.3 billion for 1976. The program began operation on January 1, 1975.

PROPOSED ACTION BUDGET FOR AGING IS DOWN \$1.8 MILLION

ACTION's aging programs would be reduced by approximately \$1.8 million under the Administration's budget recommendations for fiscal year 1976. The Retired Senior Volunteer Program (RSVP), Foster Grandparents, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), and Senior Companions have a total budget request of \$45.47 million. The proposed fiscal year 1976 budget recommends an increase of approximately \$1.5 million for RSVP, from \$15.98 million to \$17.50 million. This would enable RSVP to increase its volunteers from 140,000 in fiscal year 1975 to 185,000 for fiscal year 1976. Funding for Foster Grandparents would be reduced by \$2.4 million, from \$28.29 million to \$25.93 million. This would cause a reduction in participation, from 12,200 for 1975 to 11,900 for 1976. The number of children served by the Foster Grandparents would decrease, from 24,400 served per day in fiscal year 1975 to 23,800 children in fiscal year 1976. The SCORE/ACE budget for fiscal year 1976 is identical to the 1975 appropriations level: \$400,000. However, it is estimated that the number of volunteers would increase from 5,221 to 6,000 for SCORE and from 2,532 to 3,000 for ACE.

Funding for Senior Companions would be cut back by almost \$900,000, from an appropriation of \$2.56 million in fiscal year 1975 to \$1.64 million in fiscal year 1976. The number of volunteers would, though, remain constant at 1,000 for 1976. And, 2,000 persons again are projected to be served.

ACTION'S AGING PROGRAMS

[In millions of dollars]

	Authorization, fiscal 1976	Budget request, fiscal 1976	Appropriations, fiscal 1975
RSVP.....	\$20.0	\$17.5	\$15.98
Foster Grandparents and Senior Companions.....	40.0	27.57	30.84
SCORE/ACE.....	(^a)	.4	.4
Total.....		45.47	47.22

¹ This includes a breakdown of \$25,930,000 for Foster Grandparents and \$1,640,000 for Senior Companions.

² This includes a breakdown of \$28,280,000 for Foster Grandparents and \$2,560,000 for Senior Companions.

³ Amount as necessary.

ADMINISTRATION PROPOSES INCREASE IN COST OF FOOD STAMPS

The Administration proposes an increase in the cost of food stamps (effective March 1, 1975), raising the average price of stamps from approximately 23 percent of one's net income to 30 percent in nearly all cases.

This increase, if implemented, would force many low-income recipients, especially the elderly,⁵ to quit the program because the purchase requirement would exceed the bonus value in stamps. With a 30-percent purchase requirement, the Administration is requesting \$3.7 billion for fiscal year 1975 and \$3.85 billion for fiscal year 1976. Otherwise, the Administration would request \$3.9 billion for fiscal year 1975 and \$4.5 billion for fiscal year 1976. It is estimated that there would be approximately 15.8 million participants in the program for each year. Approximately 14 percent of the participants are 60 years of age and over, and about 10 percent are in the 65-plus age category.

However, the House of Representatives (on February 4) and the Senate (on February 5) overwhelmingly passed legislation (H.R. 1589) to prohibit an increase in charges for food stamps for 1975. President Ford announced on February 13 that he would allow H.R. 1589 to become law without his signature.

NURSING HOME EXPENDITURES

Expenditures for nursing home care would increase only slightly in fiscal year 1976 under the President's budget. Expenditures in 1974 reached \$7.5 billion, of which \$4 billion represented public funds.

Medicare's contribution in 1974 was only \$204 million. It is expected to increase to \$232 million this year and is projected at \$239 million in the new budget. Medicaid's contribution will remain more substantial. In 1974 Medicaid contributed some \$3.7 billion, approximately \$2 billion in Federal funds and about \$1.7 billion in State and local funds.

⁵ For additional discussion, see *The Impact of the Ford Administration's Proposal to Raise Food Stamp Prices*, published by the Community Nutrition Institute, December 1974. Special attention is paid to older food stamp recipients.

The Federal share of Medicaid funds is projected to increase from \$2 billion to \$2.4 billion in the 1976 budget. Expenditures for nursing home care comprise 35 percent of total Medicaid expenditures, compared to 26 percent paid to hospitals.

HOME HEALTH EXPENDITURES

Expenditures for home health care would increase very modestly under the President's new budget. Nearly \$64 million was spent in fiscal 1974 under Medicare's Part A (Hospital Insurance) program, increasing to \$94 million for the current fiscal year. Reimbursements are expected to reach \$98 million in fiscal year 1976. Under Part B (Supplementary Medical Insurance) of Medicare, home health services were funded at \$36 million in 1974, increasing to \$43 million this year. Reimbursements are estimated at \$50 million for fiscal 1976. In short, the projected figure for Medicare home health services for 1976 is \$148 million or less than 1 percent of Medicare's estimated \$15.5 billion outlays in that year.

NATIONAL INSTITUTE ON AGING

For fiscal 1976 the Administration is recommending \$16.19 million for the new National Institute on Aging. The budgeted amount for fiscal 1975 stands at approximately \$15.74 million, \$14.95 million in transferred funds from the National Institute of Child Health and Human Development and an additional amount to cover prorated management costs. However, the Administration's proposed rescission for fiscal 1975 would reduce the NIA budget to \$14.1 million.⁶ The fiscal 1976 request is expected to support 157 grants and projects, up slightly from the projected level of 147 for fiscal 1975.

AGING RESEARCH AT NIMH

The Administration has requested a \$306 million funding level for the National Institute of Mental Health for fiscal 1976, nearly \$100 million below the fiscal 1975 appropriation (\$405.35 million). The Administration has also proposed a rescission which would reduce funding for 1975 to \$363.44 million.⁷ Only about 0.4 percent of the NIMH funding request for fiscal 1976 would be specifically targeted for aging research (\$1.32 million). This figure, however, is \$362,000 more than the projected amount allocated for fiscal 1975.

ADEA REQUEST AT NEARLY \$2.2 MILLION

A \$2,168,000 funding level is sought by the Administration for fiscal 1976 to enforce the Age Discrimination in Employment Act. This amount would support 81 positions, the same number projected for fiscal 1975. The authorization for the Age Discrimination in Employ-

⁶ See p. 12 for information about rescission.

⁷ See p. 12 for additional discussion of rescissions.

ment Act was increased from \$3 million to \$5 million under amendments (Public Law 93-259) to the law approved in 1974.

FUNDING REQUEST FOR CETA UNCHANGED

Proposed funding for the Comprehensive Employment and Training Act in fiscal 1976 is identical with the fiscal 1975 appropriation: \$1.58 billion for the Title I State and local manpower revenue sharing, \$400 million for Title II public service jobs (in areas with at least 6.5-percent unemployment for three consecutive months), and \$414.4 million for Titles III and IV national programs. The number of participants is projected at almost 2 million for Title I and 156,000 for Title II in 1976.

Congress has also appropriated \$1 billion for the Emergency Jobs and Unemployment Assistance Act: \$875 million for public service jobs (distributed under a nationwide formula) and \$125 million for labor intensive public works. The Administration, however, has asked that the \$125 million for labor intensive public works be rescinded and transferred to public service jobs. Present estimates call for \$350 million of the \$1 billion appropriation to be expended for fiscal 1975 and \$650 million for fiscal 1976.

LEGAL SERVICES REQUEST AT \$71.5 MILLION

A \$71.5 million funding level is requested in the fiscal 1976 budget for legal services. The program is now operated under a continuing resolution. The Administration, however, plans to request a supplemental appropriation of \$71.5 million for this fiscal year. This appropriation is projected to continue 734 legal services offices into fiscal 1976. Under the fiscal 1976 budget there would be about 2,000 attorneys, nearly 200 below the fiscal 1971 level.

A \$100 million spending level is authorized for legal services under the Legal Services Corporation Act. The Community Services Administration (formerly the Office of Economic Opportunity) will be responsible for administering the legal services program until the Legal Services Corporation officially comes into existence, soon after a Board of Directors is confirmed.

Major earmarked activities for the elderly now include:

1. \$366,100 (through June 30, 1975) for the National Senior Citizens Law Center (Los Angeles, California, and Washington, D.C.) which provides legal research and other assistance for legal services attorneys representing older Americans.
2. \$175,000 (through June 30, 1975) for California Rural Legal Assistance (San Francisco, California) to provide legal research and community education for legal services lawyers and to serve as a contact point with State agencies in California concerning problems of elderly clients.
3. \$87,000 (through November 30, 1975) for the Council of Elders (Roxbury, Massachusetts) lay advocates demonstration program.

4. \$160,000 (through June 30, 1975) for the Presbyterian Senior Citizens Center in New York City to represent aged clients.

ADMINISTRATION CALLS FOR TERMINATION OF SOS

For the third consecutive year, the Administration has requested no funds for the Senior Opportunities and Services program. SOS, however, has been continued through Congressional appropriations and continuing resolutions. SOS is now operating under a continuing resolution through February 28. For fiscal 1975, \$7.5 million has been allocated for SOS. This amount of funding is sufficient to continue SOS operations through March 31, 1975. The fiscal 1976 Budget Appendix states "Administratively phase-out costs are expected to be minimal and no additional funds have been provided."

More than 1 million elderly persons are now served under 300 SOS programs (200 receiving earmarked funding and 100 community action agencies funded out of local initiative efforts).

The Administration gave this rationale for discontinuing SOS:

This program was designed, according to the Act, "to identify and meet the needs of older, poor persons above the age of 60." This authority duplicates similar programs, especially the Administration on Aging, a much larger program within HEW.

SOCIAL SERVICES—TITLE XX

Federal costs for Title XX social services under the Social Security Act are projected at \$1.95 billion in fiscal year 1976, compared with \$1.9 billion in fiscal year 1975. This amount will decrease by \$488 million if the Administration's proposal to decrease the Federal matching share of 75 percent to 65 percent for fiscal year 1976 and 50 percent for fiscal year 1977 is adopted. However, both estimates are still below the \$2.5 billion ceiling placed on social services expenditures. Outlays for the aged, blind and disabled (adult) categories for fiscal year 1976 are expected to be about one-third of the total or approximately \$608 million (compared with \$556 million for fiscal year 1975). Nearly 2.7 million aged, blind and disabled persons are expected to receive services under Title XX.

VETERANS' PENSION AND COMPENSATION PAYMENTS

More than 2.7 million veterans (1.563 million) and survivors (1.155 million) are expected to receive non-service-connected disability pensions in fiscal 1976, including nearly 1 million veterans and survivors from World War I and prior conflicts. The average payment per case is projected at \$1,580 a year for veterans and \$942 for survivors. Compensation payments for service-connected disabilities or death will be made to nearly 4.5 million veterans (3.744 million) and survivors (873,000) in 1976. This projection is identical with the fiscal 1975 estimate. The average annual payment per case is estimated at \$1,693 for veterans and \$2,385 for survivors.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

For fiscal 1976 the Administration's budget requests \$20.35 million for the Rural Highway Public Transportation Demonstration program. A \$9.65 million funding level is provided for fiscal 1975.

NO FUNDING REQUESTED FOR SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

For the third consecutive year, the Administration has failed to seek appropriations for the Title IX Older American Community Service Employment Act. During the past two years, the Congress has approved \$10 million for fiscal 1974 and \$12 million for fiscal 1975. Title IX now provides 2,970 jobs in a wide range of community service activities for low-income persons 55 and above with poor employment prospects. Senator Edward Kennedy, the author of the Older American Community Service Employment Act, plans to introduce legislation to continue the program for at least three years.

Mainstream.—Older worker national contractor programs will be funded through June 30, 1975. Under the Administration's proposal, national contractors would then apply for funding with State and local governments under the Comprehensive Employment and Training Act.

RAILROAD RETIREMENT ANNUITIES

Payments for retirement, disability, spouse, and survivor benefits are projected at \$3.3 billion in fiscal 1976, approximately \$300 million above the fiscal 1975 estimate (\$3 billion). More than 1 million persons are expected to receive benefits. And 130,000 individuals will receive supplemental annuities.

\$4 MILLION REQUESTED FOR COMMUNITY EDUCATION

The Administration's budget request of \$4 million for community education is \$13 million below the \$17 million authorization level for fiscal year 1976 (\$12 million for program grants and \$5 million for training). A decision concerning the distribution of the \$4 million has not yet been made. The Commissioner on Education will make this decision with the advice of the Community Education Advisory Council.

NO FUNDING FOR SPECIAL EDUCATIONAL PROGRAMS

The fiscal 1976 budget makes no request for three educational programs for the elderly under Title VIII of the Older Americans Comprehensive Services Amendments: (1) An Older Reader Services program (including training of librarians to work with the aged and providing in-home visits by librarians); (2) assistance for utilizing the resources of higher education for developing programs concerning transportation and housing problems of the elderly in rural and isolated areas; and (3) special programs for persons with limited English-speaking ability.

RESCISSIONS FOR FISCAL YEAR 1975 EXPENDITURES

All budget proposals discussed thus far would apply to expenditures for fiscal year 1976, that is, the year beginning July 1, 1975.

But the Administration, in another action taken on January 30, has proposed cutbacks in funding for appropriations already made by the Congress for expenditures for fiscal year 1975.

This would be done through a "rescission" process now authorized, should the Congress concur.

Among the major rescissions for aging programs:

1. A \$9 million cutback for the Title III State and community programs under the Older Americans Act, from the Congressional appropriation of \$105 million to the Administration's budget request of \$96 million.
2. Elimination of funding for Title IV Training. The Congress had approved \$8 million in the Labor-HEW Appropriations Act for fiscal 1975.
3. A \$25.4 million reduction in funding for the nutrition program for the elderly, from \$125 million to \$99.6 million.
4. Impoundment of the entire Congressional appropriation for the Older American Community Service Employment Act.
5. A reduction in the budgeted amount for the National Institute on Aging, from \$15.74 million to \$14.1 million.

Under the new Budget and Impoundment Control Act, Congress must give its approval to all executive actions which seek to withhold funds. If a President proposes a rescission of spending authority in order to terminate programs or cut funding, both the House and Senate must pass a rescission bill within 45 days of the President's proposal. Otherwise, the funds must be spent by the Administration. If the President fails to spend the money under these circumstances, the General Accounting Office is authorized to bring suit on an expedited basis in Federal District Court to release the funds.

