To provide evaluation of rehabilitation potentials and rehabilitation services to handicapped individuals who as a result thereof can achieve such ability of independent living as to dispense with the need for expensive institutional care or who can dispense with or largely dispense with the need of an attendant at home; to assist in the establishment of public and private nonprofit workshops and rehabilitation facilities; and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,  
2 That this Act may be cited as the “Rehabilitation Act of  
3 1959”.
4 1
FINDING OF FACT AND DECLARATION

The Congress hereby finds and declares—

(1) that many severely handicapped persons, including the mentally ill or retarded, and older persons, ineligible for vocational rehabilitation, as a result of independent living rehabilitation services can achieve such a degree of independence that—

(a) their institutional care can be terminated,

or

(b) their need for an attendant’s care at home will be ended or substantially reduced, and

(c) in many instances these individuals will be found to be capable of vocational rehabilitation and will become gainfully employed taxpayers;

(2) that the provision of independent living rehabilitation services to such severely handicapped persons ends or minimizes the public and family burden of providing them with attendant’s care, contributes greatly to their dignity and self-respect, and is in the public interest;

(3) that there is a grave shortage of rehabilitation facilities where independent living and vocational rehabilitation services are provided the severely handicapped, including hearing and speech correction, fitting and use of prosthetic devices, adjustment, prevocational and vo-
cational training, and particularly of centers providing a
variety of such services;

(4) that there is a grave shortage of sheltered work-
shop facilities wherein work capacities of severely handi-
capped can be evaluated and developed, and can also be
utilized in productive work in cases where the handi-
capped individual is not absorbable in the competitive
labor market; and

(5) that Federal grants assisting in the provision of
the foregoing rehabilitation facilities and services are
required in the public interest as a necessary expansion of
present grants under the Vocational Rehabilitation Act.

Sec. 2. (a) The Vocational Rehabilitation Act, as
amended by the Vocational Rehabilitation Amendments of
1954 (29 U.S.C., ch. 4), is amended (a) by inserting at
the beginning thereof the heading “TITLE I”, (b) by strik-
ing out the phrase “this Act” wherever it appears, and in-
serting in lieu thereof “this title”, by inserting before the
period at the end of section 11 (a) the following: “Pro-
vided, That vocational rehabilitation services shall not include
any evaluation services with respect to which grants have
been qualified for by the State and have been, or will be
paid, under title IV of this Act” and (c) by adding the
following after section 3 (c):

“(d) In the event of failure of any State or States to
qualify in a fiscal year for any payment under this section or to qualify for a payment in an amount less than the amount of the State's allotment, the amount equal to the total of each such State's allotment, or the difference between its allotment and its payment, as the case may be, shall be reallocated among the remaining States on the basis of their respective population."

SEC. 3. The Vocational Rehabilitation Act, as amended by the Vocational Rehabilitation Amendments of 1954, is further amended by adding at the end thereof three new titles as follows:

"TITLE II—INDEPENDENT LIVING REHABILITATION SERVICES"

"AUTHORIZATION OF APPROPRIATIONS FOR GRANTS, PURPOSE FOR WHICH AVAILABLE"

"Sec. 201. For the purpose of assisting the States in rehabilitating handicapped individuals who, as a result of such rehabilitation, may be expected to achieve such ability of independent living as to dispense with, or largely dispense with, the need for institutional care or, if not institutionalized, to dispense with, or largely dispense with, the need for an attendant, thereby reducing their burden upon others and contributing to their dignity and self-respect, there is hereby authorized for the fiscal year ending June 30, 1958, $10,-000,000; for the fiscal year ending June 30, 1959, $20,-
000,000; and for each fiscal year thereafter such sums as Congress may determine necessary to carry out the purposes of this title.

"GRANTS FOR INDEPENDENT LIVING REHABILITATION SERVICES

"Sec. 202. (a) From the sums made available under section 201 to assist States in meeting the costs of independent living rehabilitation services, each State shall be entitled to an allotment of an amount which bears the same ratio to such sums as the product of the population of the State and the square of its allotment percentage (as defined in section 11 (h) of title I) bears to the sum of the corresponding products for all the States. The allotment to any State under an allotment for any year which is less than $25,000, or in the case of the Virgin Islands is less than $10,000 (or such other amount as may be specified in a minimum allotment in the Act appropriating such sums for such year), shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States, but with such adjustments as may be necessary to prevent the allotments of any such remaining States from being thereby reduced below that amount. In the event of failure of any State or States to qualify in a fiscal year for any payment under this section or to qualify for a payment in an
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amount less than the amount of the State's allotment, the
amount equal to the total of each such State's allotment, or
the difference between its allotment and its payment, as the
case may be, shall be reallocated among the remaining States.

"(b) From each State's allotment under this section,
as determined by the Secretary of Health, Education, and
Welfare (hereinafter called the Secretary), the Secretary
shall pay to such State an amount equal to the Federal share
(determined as provided in section 11(1) of title I of this
Act) of the cost, including cost of administration, of inde-
dependent living rehabilitation services provided under the
independent living rehabilitation plan approved under sec-
tion 203 of this title, which such plan is incorporated in the
State plan approved under section 5 of title I of this Act.

"STATE INDEPENDENT LIVING REHABILITATION PLANS"

"Sec. 203. (a) To be approved under this title, a State
plan for independent living rehabilitation services shall—

"(1) designate the State agency administering or
supervising the administration of vocational education in
the State, or a State rehabilitation agency (primarily
concerned with vocational rehabilitation), as the sole
State agency to administer the plan, or to supervise its
administration to the extent that any part thereof is
administered in local areas by any public agency pur-
suant to contract, except that where under the State's
law the State blind commission, or other agency which
provides assistance or services to the adult blind, is au-
thorized to provide them vocational rehabilitation
services, such State blind commission or other State
agency may be designated as the sole State agency to
administer the part of the plan under which vocational
rehabilitation services are provided for the blind (or to
supervise the administration of such part in a political
subdivision of the State by a sole local agency of such
political subdivision) and the State vocational education
agency or the State rehabilitation agency shall be desig-
nated as the sole State agency with respect to the rest
of the State plan;

“(2) provide for financial participation of the State,
which may include non-State funds which the State plan
specifies may be accepted by the State agency;

“(3) provide such methods of administration, other
than methods relating to the establishment and main-
tenance of personnel standards, as are found by the Sec-
retary to be necessary for the proper and efficient ad-
ministration of the plan;

“(4) contain (A) provisions relating to the estab-
lishment and maintenance of personnel standards, in-
cluding provisions relating to the tenure, selection, ap-
pointment, and qualification of personnel, and (B)
provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of independent living rehabilitation services, but the Secretary shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

“(5) show the plan, policies, and methods to be followed in carrying out the work under the State plan and in its administration and supervision and, in case independent living rehabilitation services cannot be provided all eligible physically handicapped individuals who apply for such services, show the order to be followed in selecting those to whom independent living rehabilitation services will be provided;

“(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time reasonably require to carry out his functions under this Act, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

“(7) provide for cooperation by the State agency with, and the utilization of the services of, the State agencies administering the State’s public assistance and
public health programs, and the Bureau of Old-Age and
Survivors Insurance (Department of Health, Education,
and Welfare) and of other Federal, State, and local
public agencies providing services relating to independent
living rehabilitation services.

“(b) The Secretary shall approve any plan which he
finds fulfills the conditions specified in subsection (a) of
this section which is submitted as an addition to a State
plan for vocational rehabilitation approved by the Secretary
under title I of this Act.

“(c) Whenever the Secretary, after reasonable notice
and opportunity for hearing to the State agency adminis-
tering or supervising the administration of the State plan ap-
proved under this section, finds that—

“(1) the plan has been so changed that it no longer
complies with the requirements of subsection (a) of
this section; or

“(2) in the administration of the plan there is a
failure to comply substantially with any such provision;
the Secretary shall notify such State agency that no further
payments will be made to the State under this title until
he is satisfied that there is no longer any such failure. Until
he is so satisfied, the Secretary shall make no further
payment to such State under this title.

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“(d) If any State is dissatisfied with the Secretary’s action under subsection (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located, and judicial review of such action shall be had on the record in accordance with the provisions of the Administrative Procedure Act.

“METHOD OF COMPUTING AND MAKING PAYMENTS

“Sec. 204. The method of computing and paying amounts pursuant to this title shall be as follows:

“(a) The Secretary shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of this title for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation as the Secretary may find necessary.

“(b) The Secretary shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under this title was greater or less than the amount which should have been paid to the State for such prior period under this title. Such payments shall be made prior to audit or settlement by the General Account-
ing Office, shall be made through the disbursing facilities of
the Treasury Department, and shall be made in such install-
ments as the Secretary may determine.

**ADMINISTRATION**

"Sec. 205. (a) In carrying out his duties under this
Act, the Secretary shall—

"(1) make studies, investigations, demonstrations,
and reports with respect to programs of independent
living rehabilitation services carried on under this title;

"(2) cooperate with and render technical assistance
to States in matters relating to the independent living
rehabilitation of physically and mentally handicapped
individuals;

"(3) provide training and instruction in technical
matters relating to independent living rehabilitation
services, including the establishment and maintenance
of such research fellowships and traineeships, with such
stipends and allowances (including travel and subsist-
ence expenses), as he may deem necessary;

"(4) disseminate information as to the studies,
investigations, demonstrations, and reports referred to in
paragraph (1) and other matters relating to independ-
ent living rehabilitation services.

"(b) The Secretary is authorized to make rules and reg-
ulations governing the administration of this Act, and to
delegate to any officer or employee of the United States such of his powers and duties, except the making of rules and regulations, as he finds necessary in carrying out the purposes of this Act.

“DEFINITIONS

“Sec. 206. For the purpose of this title—

“(a) The term ‘independent living rehabilitation services’ means counseling, psychological and related services (including transportation) rendered seriously handicapped individuals and in the case of any such individual found to require financial assistance with respect thereto, after full consideration of his eligibility for any similar benefits by way of pension, compensation, and insurance, such term shall include physical restoration and related services, including corrective surgery, therapeutic treatment, and hospitalization, needed prosthetic appliances and other devices which will contribute to independent living and training in the use thereof, and maintenance needed to assure the availability of such services.

“(b) The term ‘handicapped individual’ means an individual of employable age, as defined by regulations of the Secretary, who is under such physical or mental disability as to require institutional care or attendance in his household continuously or for a substantial portion of the time, but who can be reasonably expected, as a result of rehabili-
3 1 tation services to achieve such ability of independent living
that he will no longer require such institutional care or such
attendance in his household.
4 "(c) The term 'State' includes the District of Co-
5 lumbia, Hawaii, Virgin Islands, Puerto Rico, and Guam.
6 "TITLE III—WORKSHOPS AND REHABILITATION
7 FACILITIES
8 "AUTHORIZATION OF APPROPRIATIONS FOR GRANTS; PUR-
9 POSES FOR WHICH AVAILABLE
10 "Sec. 301. (a) For the purpose of encouraging and as-
11 sisting in the establishment of public and other nonprofit
12 workshops and rehabilitation facilities needed in rehabili-
13 tating physically and mentally handicapped individuals, there
14 is hereby authorized to be appropriated for the fiscal year
15 ending June 30, 1959, the sum of $10,000,000; for the
16 fiscal year ending June 30, 1960, $12,500,000; for the fiscal
17 year ending June 30, 1961, $15,000,000 and for each
18 fiscal year thereafter such sums as Congress may determine,
19 for grants to carry out the purpose of this title, including
20 any amounts which may be specifically appropriated for area
21 facilities.
22 "(b) In making grants hereunder, except from funds
23 specifically appropriated for and limited to area facilities,
24 the Secretary of Health, Education, and Welfare, hereina-
25 after called the Secretary, shall, insofar as practical and
consistent with the purposes of this Act, distribute grants for
projects in the several States in aggregate amounts propor-
tionate to their respective populations, and in no event shall
grants hereunder to a State exceed by more than 50 per
centum the aggregate amount it would receive on such popu-
lation basis or $10,000, whichever is greater: Provided,
That in any case where the Secretary of Health, Education,
and Welfare finds that any State or States has no project,
or insufficient projects, to utilize fully the amount it would
utilize in a fiscal year, he may, after January 1 of such year
redistribute the funds which would otherwise have been paid
such State to other States for suitable projects and such dis-
tribution need not be proportionate to State populations.
"(c) As used in this section 'area facilities' means fa-
cilities intended to serve areas which include all or parts
of two or more States.
"GRANTS FOR ESTABLISHMENT OF WORKSHOPS AND
REHABILITATION FACILITIES
"Sec. 302. (a) From the sums made available pur-
suant to section 301 of this title, the Secretary shall make
grants for paying part of the costs incurred in the establish-
ment of nonprofit workshops and rehabilitation facilities as
hereafter defined and limited in subsections (b) and (c)
hereof, and subject to the conditions and requirements of
section 303 of this title. Such grants shall be available for
payment of administrative expenses found by the Secretary
to be necessary in connection with performance by the State
of its functions under this title.

"(b) Nonprofit workshops and rehabilitation facilities
with respect to which grants may be made pursuant to sub-
section (a) hereof, shall include but not be limited to—

"(1) nonprofit workshops where any manufacture
or handiwork is carried on, and which are operated for
the primary purpose of providing one or more of the
following:

"(A) remunerative employment to severely
handicapped individuals as an interim step in the
rehabilitation process for those who cannot readily
be absorbed in the competitive labor market, or
during such time as employment opportunities for
them in the competitive labor market do not exist;

"(B) an opportunity for evaluating the work
potential and developing the work capacity of handi-
capped individuals; or

"(C) employment for handicapped individuals
confined to their homes.

"(2) nonprofit rehabilitation facilities operated for
the primary purpose of assisting in the rehabilitation
of physically and mentally handicapped individuals—
"(A) which provide one or more of the following types of services:

"(i) testing, fitting, or training in the use of prosthetic devices;

"(ii) vocational training;

"(iii) prevocational or conditioning therapy;

"(iv) physical, occupational, or other medically supervised therapy;

"(v) adjustment training; or

"(vi) evaluation or control of special disabilities; or

"(B) through which is provided an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision: Provided, That the major portion of such evaluation and services is furnished within the facility and that all medical and related health services are prescribed by, or are under the formal supervision of, persons licensed to practice medicine or surgery in the State.

"(b) Grants shall be made with respect to construction or alteration of buildings and procurement or installation of initial equipment necessary to establish or increase their
effectiveness as workshops or rehabilitation facilities, and staffing for a period not to exceed two years. Grants shall be subject to such limitations and conditions as the Secretary of Health, Education, and Welfare shall prescribe to assure minimum standards for facilities and personnel under this Act, including a system of priorities for the approval of projects.

"(c) The Federal share of cost of the workshop or rehabilitation facility established under this title shall not exceed two dollars for each one dollar which is otherwise obtained and used toward defraying such cost.

"(d) No grant shall be made under this title with respect to any workshop or rehabilitation facility unless—

"(1) application therefor in such form and containing such data and assurances as are required by the Secretary has been transmitted through and approved as feasible and necessary for vocational rehabilitation by the State agency designated pursuant to section 5 (a) (1) of title I of the State where such workshop or other rehabilitation facility is located or to be located;

"(2) the Secretary finds that the facility with respect to which such grant is requested is feasible, is needed, and that Federal grants for its establishment are not available under any other Federal law;
“(3) the Secretary finds that wages paid handi-
capped workers meet wage and hour standards admin-
istered by the United States Department of Labor;
“(4) the Secretary requires, and the applicant
provides, such assurances, in such form and with such
provisions as the Secretary finds necessary to insure that
the purpose of such grant will be carried out and that its
conditions and limitations of such grant will be complied
with.

"TITLE IV—REHABILITATION EVALUATION
SERVICES

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 401. For the purpose of assisting the States in
evaluating the nature and extent of the disabilities and the
rehabilitation potentials of individuals of employable age, as
defined in regulations of the Secretary of Health, Education,
and Welfare, whose application therefor shows that they are
under a substantial physical or mental handicap which may
be overcome or substantially reduced by vocational rehabilita-
tion services available under title I of this Act or otherwise
available, or whose dependency may be overcome or sub-
stantially reduced by independent living rehabilitation serv-
ices available under title II hereof, or otherwise available,
there is hereby authorized to be appropriated for the fiscal
year ending June 30, 1959, and for each fiscal year there-
after, such sums as are necessary for grants to States to carry
out the purpose of this title.

"PAYMENTS TO STATES

"SEC. 402. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for vocational rehabilitation (under title I of this Act) and for independent living rehabilitation services (under title II of this Act), for each fiscal year an amount equal to two-thirds of the total of the sums expended by the State agency or agencies administering such plans during such year, including administrative costs thereof, as found necessary by the Secretary of Health, Education, and Welfare, for the proper and efficient evaluation of disabilities and rehabilitation potentials referred to in section 401.

"(b) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, or such other period as he shall prescribe as appropriate, estimate the amount to be paid with respect to expenditures for such evaluations in such period, such estimate to be based on (1) a report filed by such State agency or agencies containing the estimates of such expenditures, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such period, and if such amount is less than the State's proportionate sum of such estimated expenditures, the sources from which the difference is
expected to be derived, (2) records of the number of applicants for rehabilitation evaluation, and (3) such other records and reports as the Secretary may find necessary.

"(e) The Secretary of Health, Education, and Welfare shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health, Education, and Welfare, (A) reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior period was greater or less than the amount which should have been paid to the State under subsection (a) for such period; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior period greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior period.

"The Secretary of the Treasury shall thereupon, through the fiscal service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

"(d) Payments hereunder shall not be made to a State with respect to any period for which the Secretary refuses payment of grants to such State under title I or II hereof pursuant to the provisions of such titles.
"DEFINITION OF REHABILITATION EVALUATION SERVICES

"Sec. 403. The term ‘rehabilitation evaluation services’ means (1) diagnostic and related services (including transportation) incidental to the determination of the nature and extent of an individual’s physical and mental impairment and rehabilitation potentials and the rehabilitation services required to realize these potentials, (2) the determination of appropriate referral of such individual for vocational rehabilitation services as defined in title I of this Act, independent living rehabilitation services as defined in title II of this Act, or other needed services provided by public or private agencies. In the case of individuals found to require financial assistance with respect thereto such term also includes maintenance during any period he is required to be away from home during the period diagnostic and other evaluation services are being provided.”

RESEARCH AND DEMONSTRATION PROJECTS

Sec. 5. The part of the first sentence of section 4(a) of the Vocational Rehabilitation Act as amended by the Vocational Rehabilitation Amendments of 1954 (Public Law 565, 83d Congress, 29 U.S.C. ch. 4) which reads: “(1) For paying part of” is amended to read “(1) For paying or sharing in”.
Sec. 6. The joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employment of the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409), as amended, is amended by striking out "$225,000" and inserting in lieu thereof "$300,000."