

## Public Law 88-164

October 31, 1963  
[S. 1576]

## AN ACT

To provide assistance in combating mental retardation through grants for construction of research centers and grants for facilities for the mentally retarded and assistance in improving mental health through grants for construction of community mental health centers, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963".

Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

## TITLE I—CONSTRUCTION OF RESEARCH CENTERS AND FACILITIES FOR THE MENTALLY RETARDED

### SHORT TITLE

SEC. 100. This title may be cited as the "Mental Retardation Facilities Construction Act".

### PART A—GRANTS FOR CONSTRUCTION OF CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT

70 Stat. 717;  
Ante, p. 164.  
42 USC 292-292i.

SEC. 101. Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

### "PART D—CENTERS FOR RESEARCH ON MENTAL RETARDATION AND RELATED ASPECTS OF HUMAN DEVELOPMENT

#### "AUTHORIZATION OF APPROPRIATIONS

"SEC. 761. There are authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1964, \$8,000,000 for the fiscal year ending June 30, 1965, and \$6,000,000 each for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, for project grants to assist in meeting the costs of construction of facilities for research, or research and related purposes, relating to human development, whether biological, medical, social, or behavioral, which may assist in finding the causes, and means of prevention, of mental retardation, or in finding means of ameliorating the effects of mental retardation. Sums so appropriated shall remain available until expended for payments with respect to projects or which applications have been filed under this part before July 1, 1967, and approved by the Surgeon General thereunder before July 1, 1968.

#### "APPLICATIONS

"SEC. 762. (a) Applications for grants under this part with respect to any facility may be approved by the Surgeon General only if—

- "(1) the applicant is a public or nonprofit institution which the Surgeon General determines is competent to engage in the type of research for which the facility is to be constructed; and
- "(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years after completion of construction, the facility will be used for the research, or research and related purposes, for which it was constructed; (B) sufficient funds will be available for meeting the non-Federal share of the cost of constructing the facility; (C) sufficient funds

will be available, when the construction is completed, for effective use of the facility for the research, or research and related purposes, for which it was constructed; and (D) all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the center will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have, with respect to the labor standards specified in this clause (D) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

49 Stat. 1011.

64 Stat. 1267.

63 Stat. 108.

“(b) In acting on applications for grants, the Surgeon General shall take into consideration the relative effectiveness of the proposed facilities in expanding the Nation’s capacity for research and related purposes in the field of mental retardation and related aspects of human development, and such other factors as he, after consultation with the national advisory council or councils concerned with the field or fields of research involved, may by regulation prescribe in order to assure that the facilities constructed with such grants, severally and together, will best serve the purpose of advancing scientific knowledge pertaining to mental retardation and related aspects of human development.

#### “AMOUNT OF GRANTS; PAYMENTS

“SEC. 763. (a) The total of the grants with respect to any project for the construction of a facility under this part may not exceed 75 per centum of the necessary cost of construction of the center as determined by the Surgeon General.

“(b) Payments of grants under this part shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Surgeon General may determine.

“(c) No grant may be made after January 1, 1964, under any provision of this Act other than this part, for any of the four fiscal years in the period beginning July 1, 1963, and ending June 30, 1967, for construction of any facility described in this part, unless the Surgeon General determines that funds are not available under this part to make a grant for the construction of such facility.

#### “RECAPTURE OF PAYMENTS

“SEC. 764. If, within twenty years after completion of any construction for which funds have been paid under this part—

“(1) the applicant or other owner of the facility shall cease to be a public or nonprofit institution, or

“(2) the facility shall cease to be used for the research purposes, or research and related purposes, for which it was constructed, unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

“NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

“SEC. 765. Except as otherwise specifically provided in this part, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the research or related purposes conducted by, and the personnel or administration of, any institution.

“DEFINITIONS

“SEC. 766. As used in this part—

“(1) the terms ‘construction’ and ‘cost of construction’ include (A) the construction of new buildings and the expansion, remodeling, and alteration of existing buildings, including architects’ fees, but not including the cost of acquisition of land or off-site improvements, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered;

“(2) the term ‘nonprofit institution’ means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.”

PART B—PROJECT GRANTS FOR CONSTRUCTION OF UNIVERSITY-AFFILIATED FACILITIES FOR THE MENTALLY RETARDED

AUTHORIZATION OF APPROPRIATIONS

SEC. 121. For the purpose of assisting in the construction of clinical facilities providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded and facilities which will aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training, or care of the mentally retarded or in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$7,500,000 for the fiscal year ending June 30, 1965, and \$10,000,000 each for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967. The sums so appropriated shall be used for project grants for construction of public and other nonprofit facilities for the mentally retarded which are associated with a college or university.

APPLICATIONS

SEC. 122. Applications for grants under this part with respect to any facility may be approved by the Secretary only if the application contains or is supported by reasonable assurances that—

(1) the facility will be associated, to the extent prescribed in regulations of the Secretary, with a college or university hospital (including affiliated hospitals), or with such other part of a college or university as the Secretary may find appropriate in the light of the purposes of this part;

(2) the plans and specifications are in accord with regulations prescribed by the Secretary under section 133(3);

(3) title to the site for the project is or will be vested in one or more of the agencies or institutions filing the application or in a public or other nonprofit agency or institution which is to operate the facility;

(4) adequate financial support will be available for construction of the project and for its maintenance and operation when completed; and

(5) all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

49 Stat. 1011.

64 Stat. 1267.

63 Stat. 108.

#### AMOUNT OF GRANTS; PAYMENTS

SEC. 123. (a) The total of the grants with respect to any project for the construction of a facility under this part may not exceed 75 per centum of the necessary cost of construction thereof as determined by the Secretary.

(b) Payments of grants under this part shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Secretary may determine.

#### RECOVERY

SEC. 124. If any facility with respect to which funds have been paid under this part shall, at any time within twenty years after the completion of construction—

(1) be sold or transferred to any person, agency, or organization which is not qualified to file an application under this part, or

(2) cease to be a public or other nonprofit facility for the mentally retarded, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to continue such facility as a public or other nonprofit facility for the mentally retarded,

the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a facility which has ceased to be a public or other nonprofit facility for the mentally retarded, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of the facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects.

#### NONDUPLICATION OF GRANTS

SEC. 125. No grant may be made after January 1, 1964, under any provision of the Public Health Service Act, for any of the four fiscal years in the period beginning July 1, 1963, and ending June 30, 1967, for construction of any facility for the mentally retarded described in this part, unless the Secretary determines that funds are not available under this part to make a grant for the construction of such facility.

58 Stat. 682.  
42 USC 201 note.

PART C—GRANTS FOR CONSTRUCTION OF FACILITIES FOR THE MENTALLY  
RETARDED

AUTHORIZATION OF APPROPRIATIONS

SEC. 131. There are authorized to be appropriated, for grants for construction of public and other nonprofit facilities for the mentally retarded, \$10,000,000 for the fiscal year ending June 30, 1965, \$12,500,000 for the fiscal year ending June 30, 1966, \$15,000,000 for the fiscal year ending June 30, 1967, and \$30,000,000 for the fiscal year ending June 30, 1968.

ALLOTMENTS TO STATES

SEC. 132. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make allotments from the sums appropriated under section 131 to the several States on the basis of (1) the population, (2) the extent of the need for facilities for the mentally retarded, and (3) the financial need of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, and Guam, for any fiscal year may be less than \$100,000. Sums so allotted to a State for a fiscal year for construction and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted, to such State for such next fiscal year.

(b) In accordance with regulations of the Secretary, any State may file with him a request that a specified portion of its allotment under this part be added to the allotment of another State under this part for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a facility for the mentally retarded in such other State. If it is found by the Secretary that construction of the facility with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the allotment of the other State under this part, to be used for the purpose referred to above.

(c) Upon the request of any State that a specified portion of its allotment under this part be added to the allotment of such State under title II, and upon (1) the simultaneous certification to the Secretary by the State agency designated as provided in the State plan approved under this part to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion, or (2) a showing satisfactory to the Secretary that the need for the community mental health centers in such State is substantially greater than for the facilities for the mentally retarded, the Secretary shall, subject to such limitations as he may by regulations prescribe, promptly adjust the allotments of such State in accordance with such request and shall notify such State agency and the State agency designated under the State plan approved under title II, and thereafter the allotments as so adjusted shall be deemed the State's allotments for purposes of this part and title II.

## REGULATIONS

SEC. 133. Within six months after enactment of this Act, the Secretary shall, after consultation with the Federal Hospital Council (established by section 633 of the Public Health Service Act and hereinafter in this part referred to as the "Council"), by general regulations applicable uniformly to all the States, prescribe—

60 Stat. 1048.  
42 USC 291k.

(1) the kinds of services needed to provide adequate services for mentally retarded persons residing in a State;

(2) the general manner in which the State agency (designated as provided in the State plan approved under this part) shall determine the priority of projects based on the relative need of different areas, giving special consideration to facilities which will provide comprehensive services for a particular community or communities;

(3) general standards of construction and equipment for facilities of different classes and in different types of location; and

(4) that the State plan shall provide for adequate facilities for the mentally retarded for persons residing in the State, and shall provide for adequate facilities for the mentally retarded to furnish needed services for persons unable to pay therefor. Such regulations may require that before approval of an application for a facility or addition to a facility is recommended by a State agency, assurance shall be received by the State from the applicant that there will be made available in such facility or addition a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial viewpoint.

## STATE PLANS

SEC. 134. (a) After such regulations have been issued, any State desiring to take advantage of this part shall submit a State plan for carrying out its purposes. Such State plan must—

(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole agency for supervising the administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) hereof will have authority to carry out such plan in conformity with this part;

(3) provide for the designation of a State advisory council which shall include representatives of State agencies concerned with planning, operation, or utilization of facilities for the mentally retarded and of nongovernment organizations or groups concerned with education, employment, rehabilitation, welfare, and health, and including representatives of consumers of the services provided by such facilities;

(4) set forth a program for construction of facilities for the mentally retarded (A) which is based on a statewide inventory of existing facilities and survey of need; (B) which conforms with the regulations prescribed under section 133(1); and (C) which meets the requirements for furnishing needed services to persons unable to pay therefor, included in regulations prescribed under section 133(4);

(5) set forth the relative need, determined in accordance with the regulations prescribed under section 133(2), for the several projects included in such programs, and provide for the construction, insofar as financial resources available therefor and for

maintenance and operation make possible, in the order of such relative need;

(6) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(7) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of facilities which receive Federal aid under this part;

(8) provide for affording to every applicant for a construction project an opportunity for hearing before the State agency;

(9) 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, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(10) provide that the State agency will from time to time, but not less often than annually, review its State plan and submit to the Secretary any modifications thereof which it considers necessary.

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

#### APPROVAL OF PROJECTS

SEC. 135. (a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Secretary through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth—

(1) a description of the site for such project;

(2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 133(3);

(3) reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the facility;

(4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed;

(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and

(6) a certification by the State agency of the Federal share for the project.

49 Stat. 1011.

64 Stat. 1267.  
63 Stat. 108.

The Secretary shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Secretary finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages and overtime pay; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 133; (C) that the application is in conformity with the State plan approved under section 134 and contains an assurance that in the operation of the facility there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 133(4) for furnishing needed facilities for persons unable to pay therefor, and with State standards for operation and maintenance; and (D) that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 133(2). No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing.

(b) Amendment of any approved application shall be subject to approval in the same manner as an original application.

#### WITHHOLDING OF PAYMENTS

SEC. 136. Whenever the Secretary after reasonable notice and opportunity for hearing to the State agency designated as provided in section 134 (a) (1), finds—

(1) that the State agency is not complying substantially with the provisions required by section 134 to be included in its State plan or with regulations under this part;

(2) that any assurance required to be given in an application filed under section 135 is not being or cannot be carried out;

(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 135; or

(4) that adequate State funds are not being provided annually for the direct administration of the State plan,

the Secretary may forthwith notify the State agency that—

(5) no further payments will be made to the State from allotments under this part; or

(6) no further payments will be made from allotments under this part for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph (1), (2), (3), or (4) of this section,

as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

#### NONDUPLICATION OF GRANTS

SEC. 137. No grant may be made after January 1, 1964, under any provision of the Public Health Service Act, for any of the four fiscal years in the period beginning July 1, 1964, and ending June 30, 1968, for construction of any facility for the mentally retarded described in this part, unless the Secretary determines that funds are not avail-



able under this part to make a grant for the construction of such facility.

## TITLE II—CONSTRUCTION OF COMMUNITY MENTAL HEALTH CENTERS

### SHORT TITLE

Citation of title.

SEC. 200. This title may be cited as the "Community Mental Health Centers Act".

### AUTHORIZATION OF APPROPRIATIONS

SEC. 201. There are authorized to be appropriated, for grants for construction of public and other nonprofit community mental health centers, \$35,000,000 for the fiscal year ending June 30, 1965, \$50,000,000 for the fiscal year ending June 30, 1966, and \$65,000,000 for the fiscal year ending June 30, 1967.

### ALLOTMENTS TO STATES

SEC. 202. (a) For each fiscal year, the Secretary shall, in accordance with regulations, make allotments from the sums appropriated under section 201 to the several States on the basis of (1) the population, (2) the extent of the need for community mental health centers, and (3) the financial need of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, and Guam, for any fiscal year may be less than \$100,000. Sums so allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted for such State for such next fiscal year.

(b) In accordance with regulations of the Secretary, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a community mental health center in such other State. If it is found by the Secretary that construction of the center with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(c) Upon the request of any State that a specified portion of its allotment under this title be added to the allotment of such State under part C of title I and upon (1) the simultaneous certification to the Secretary by the State agency designated as provided in the State plan approved under this title to the effect that it has afforded a reasonable opportunity to make applications for the portion so specified and there have been no approvable applications for such portion or (2) a showing satisfactory to the Secretary that the need for facilities for the mentally retarded in such State is substantially greater than for community mental health centers, the Secretary shall, subject to such limitations as he may by regulation prescribe, promptly adjust the allotments of such State in accordance with such request and shall notify such State agency and the State agency designated under the State plan approved under part C of title I, and thereafter the allotments as so adjusted shall be deemed the State's allotments for purposes of this title and part C of title I.

## REGULATIONS

SEC. 203. Within six months after enactment of this Act, the Secretary shall, after consultation with the Federal Hospital Council (established by section 633 of the Public Health Service Act) and the National Advisory Mental Health Council (established by section 217 of the Public Health Service Act), by general regulations applicable uniformly to all the States, prescribe—

60 Stat. 1048.  
42 USC 291k.

64 Stat. 446.  
42 USC 218.

(1) the kinds of community mental health services needed to provide adequate mental health services for persons residing in a State;

(2) the general manner in which the State agency (designated as provided in the State plan approved under this title) shall determine the priority of projects based on the relative need of different areas, giving special consideration to projects on the basis of the extent to which the centers to be constructed thereby will, alone or in conjunction with other facilities owned or operated by the applicant or affiliated or associated with the applicant, provide comprehensive mental health services (as determined by the Secretary in accordance with regulations) for mentally ill persons in a particular community or communities or which will be part of or closely associated with a general hospital;

(3) general standards of construction and equipment for centers of different classes and in different types of location; and

(4) that the State plan shall provide for adequate community mental health centers for people residing in the State, and shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor. Such regulations may require that before approval of an application for a center or addition to a center is recommended by a State agency, assurance shall be received by the State from the applicant that there will be made available in such center or addition a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial viewpoint.

## STATE PLANS

SEC. 204. (a) After such regulations have been issued, any State desiring to take advantage of this title shall submit a State plan for carrying out its purposes. Such State plan must—

(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole agency for supervising the administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) hereof will have authority to carry out such plan in conformity with this title;

(3) provide for the designation of a State advisory council which shall include representatives of nongovernment organizations or groups, and of State agencies, concerned with planning, operation, or utilization of community mental health centers or other mental health facilities, including representatives of consumers of the services provided by such centers and facilities who are familiar with the need for such services, to consult with the State agency in carrying out such plan;

(4) set forth a program for construction of community mental health centers (A) which is based on a statewide inventory of

existing facilities and survey of need; (B) which conforms with the regulations prescribed by the Secretary under section 203(1); and (C) which meets the requirements for furnishing needed services to persons unable to pay therefor, included in regulations prescribed under section 203(4);

(5) set forth the relative need, determined in accordance with the regulations prescribed under section 203(2), for the several projects included in such programs, and provide for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, in the order of such relative need;

(6) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(7) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of centers which receive Federal aid under this title;

(8) provide for affording to every applicant for a construction project an opportunity for hearing before the State agency;

(9) 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, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(10) provide that the State agency will from time to time, but not less often than annually, review its State plan and submit to the Secretary any modifications thereof which it considers necessary.

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

#### APPROVAL OF PROJECTS

SEC. 205. (a) For each project for construction pursuant to a State plan approved under this title, there shall be submitted to the Secretary through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth—

(1) a description of the site for such project;

(2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 203(3);

(3) reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the community mental health center;

(4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed;

(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on similar construction in the

locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and

49 Stat. 1011.

64 Stat. 1267.

63 Stat. 108.

(6) a certification by the State agency of the Federal share for the project.

The Secretary shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Secretary finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages and overtime pay; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 203; (C) that the application is in conformity with the State plan approved under section 204 and contains an assurance that in the operation of the center there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 203(4) for furnishing needed services for persons unable to pay therefor, and with State standards for operation and maintenance; (D) that the services to be provided by the center, alone or in conjunction with other facilities owned or operated by the applicant or affiliated or associated with the applicant, will be part of a program providing, principally for persons residing in a particular community or communities in or near which such center is to be situated, at least those essential elements of comprehensive mental health services for mentally ill persons which are prescribed by the Secretary in accordance with regulations; and (E) that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 203(2). No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing.

(b) Amendment of any approved application shall be subject to approval in the same manner as an original application.

#### WITHHOLDING OF PAYMENTS

SEC. 206. Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency designated as provided in section 204(a)(1), finds—

(1) that the State agency is not complying substantially with the provisions required by section 204 to be included in its State plan, or with regulations under this title;

(2) that any assurance required to be given in an application filed under section 205 is not being or cannot be carried out;

(3) that there is a substantial failure to carry out plans and specifications approved by the Secretary under section 205; or

(4) that adequate State funds are not being provided annually for the direct administration of the State plan, the Secretary may forthwith notify the State agency that—

(5) no further payments will be made to the State from allotments under this title; or

(6) no further payments will be made from allotments under this title for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph (1), (2), (3), or (4) of this section,

as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

#### NONDUPLICATION OF GRANTS

SEC. 207. No grant may be made after January 1, 1964, under any provision of the Public Health Service Act, for any of the three fiscal years in the period beginning July 1, 1964, and ending June 30, 1967, for construction of any facility described in this title, unless the Secretary determines that funds are not available under this title to make a grant for the construction of such facility.

58 Stat. 682.  
42 USC 201  
note.

### TITLE III—TRAINING OF TEACHERS OF MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

#### TRAINING OF TEACHERS OF HANDICAPPED CHILDREN

SEC. 301. (a) (1) The second sentence of the first section of the Act of September 6, 1958 (Public Law 85-926), is amended by striking out "Such grants" and inserting in lieu thereof "Grants under this section" and by striking out "fellowships" and inserting in lieu thereof "fellowships or traineeships".

72 Stat. 1777.  
20 USC 611.

(2) Such section is further amended by inserting before the second sentence thereof, the following new sentence: "He is also authorized to make grants to public or other nonprofit institutions of higher learning to assist them in providing professional or advanced training for personnel engaged or preparing to engage in employment as teachers of handicapped children, as supervisors of such teachers, or as speech correctionists or other specialists providing special services for education of such children, or engaged or preparing to engage in research in fields related to education of such children."

(3) The first sentence of such section is amended by striking out "mentally retarded children" and inserting in lieu thereof "mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education (hereinafter in this Act referred to as 'handicapped children')". Section 2 of such Act is amended by striking out "mentally retarded children" and inserting in lieu thereof "handicapped children".

20 USC 612.

Repeal.  
20 USC 613.  
20 USC 617.

(4) The second sentence of section 3 of such Act is repealed. Section 7 of such Act is amended to read as follows:

"SEC. 7. There are authorized to be appropriated for carrying out this Act \$11,500,000 for the fiscal year ending June 30, 1964; \$14,500,000 for the fiscal year ending June 30, 1965; and \$19,500,000 for the fiscal year ending June 30, 1966."

(5) The amendments made by this subsection shall apply in the case of fiscal years beginning after June 30, 1963, except that deaf children shall not be included as "handicapped children" for purposes of such amendments for the fiscal year ending June 30, 1964.

(b) Effective for fiscal years beginning after June 30, 1964, the first section of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is also authorized to

make grants to public or other nonprofit institutions of higher learning to assist them in establishing and maintaining scholarships, with such stipends as may be determined by the Commissioner, for training personnel preparing to engage in employment as teachers of the deaf."

(c) (1) The first sentence of subsection (a) of section 6 of the Act of September 22, 1961 (Public Law 87-276, 20 U.S.C. 676) is amended by inserting immediately before the period at the end thereof the following: ", and \$1,500,000 for the fiscal year ending June 30, 1964".

75 Stat. 576.

(2) Subsection (b) of such section 6 is amended by striking out "1963" and inserting in lieu thereof "1964".

RESEARCH AND DEMONSTRATION PROJECTS IN EDUCATION OF  
HANDICAPPED CHILDREN

SEC. 302. (a) There is authorized to be appropriated for the fiscal year ending June 30, 1964, and each of the next two fiscal years, the sum of \$2,000,000 to enable the Commissioner of Education to make grants to States, State or local educational agencies, public and nonprofit private institutions of higher learning, and other public or nonprofit private educational or research agencies and organizations for research or demonstration projects relating to education for mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education (hereinafter in this section referred to as "handicapped children"). Such grants shall be made in installments, in advance or by way of reimbursement, and on such conditions as the Commissioner of Education may determine.

(b) The Commissioner of Education is authorized to appoint such special or technical advisory committees as he may deem necessary to advise him on matters of general policy relating to particular fields of education of handicapped children or relating to special services necessary thereto or special problems involved therein.

(c) The Commissioner of Education shall also from time to time appoint panels of experts who are competent to evaluate various types of research or demonstration projects under this section, and shall secure the advice and recommendations of such a panel before making any such grant in the field in which such experts are competent.

(d) Members of any committee or panel appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of such committee or panel, be entitled to receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, but not exceeding \$75 per day, including travel time; and, while so serving away from their homes or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

60 Stat. 808.

(e) The Commissioner of Education is authorized to delegate any of his functions under this section, except the promulgation of regulations, to any officer or employee of the Office of Education.

## TITLE IV—GENERAL

## DEFINITIONS

SEC. 401. For purposes of this Act—

(a) The term "State" includes Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia.

(b) The term "facility for the mentally retarded" means a facility specially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists and sheltered workshops for the mentally retarded, but only if such workshops are part of facilities which provide or will provide comprehensive services for the mentally retarded.

(c) The term "community mental health center" means a facility providing services for the prevention or diagnosis of mental illness, or care and treatment of mentally ill patients, or rehabilitation of such persons, which services are provided principally for persons residing in a particular community or communities in or near which the facility is situated.

(d) The terms "nonprofit facility for the mentally retarded", "nonprofit community mental health center", and "nonprofit private institution of higher learning" mean, respectively, a facility for the mentally retarded, a community mental health center, and an institution of higher learning which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and the term "nonprofit private agency or organization" means an agency or organization which is such a corporation or association or which is owned and operated by one or more of such corporations or associations.

(e) The term "construction" includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities); including architect's fees, but excluding the cost of off-site improvements and the cost of the acquisition of land.

(f) The term "cost of construction" means the amount found by the Secretary to be necessary for the construction of a project.

(g) The term "title", when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of construction and operation of the project.

(h) The term "Federal share" with respect to any project means—

(1) if the State plan under which application for such project is filed contains, as of the date of approval of the project application, standards approved by the Secretary pursuant to section 402 the amount determined in accordance with such standards by the State agency designated under such plan; or

(2) if the State plan does not contain such standards, the amount (not less than  $33\frac{1}{3}$  per centum and not more than either  $66\frac{2}{3}$  per centum or the State's Federal percentage, whichever is the lower) established by such State agency for all projects in the State: *Provided*, That prior to the approval of the first such project in the State during any fiscal year such State agency shall give to the Secretary written notification of the Federal share established under this paragraph for such projects in such State to be approved by the Secretary during such fiscal year, and the Federal share for such projects in such State approved during such fiscal year shall not be changed after such approval.

(i) The Federal percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that the Federal percentage for Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be 66 $\frac{2}{3}$  per centum.

(j) (1) The Federal percentages shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation; except that the Secretary shall promulgate such percentages as soon as possible after the enactment of this Act, which promulgation shall be conclusive for the fiscal year ending June 30, 1965.

(2) The term "United States" means (but only for purposes of this subsection and subsection (i)) the fifty States and the District of Columbia.

(k) The term "Secretary" means the Secretary of Health, Education, and Welfare.

#### STATE STANDARDS FOR VARIABLE FEDERAL SHARE

SEC. 402. The State plan approved under part C of title I or title II may include standards for determination of the Federal share of the cost of projects approved in the State under such part or title, as the case may be. Such standards shall provide equitably (and, to the extent practicable, on the basis of objective criteria) for variations between projects or classes of projects on the basis of the economic status of areas and other relevant factors. No such standards shall provide for a Federal share of more than 66 $\frac{2}{3}$  per centum or less than 33 $\frac{1}{3}$  per centum of the cost of construction of any project. The Secretary shall approve any such standards and any modifications thereof which comply with the provisions of this section.

#### PAYMENTS FOR CONSTRUCTION

SEC. 403. (a) Upon certification to the Secretary by the State agency, designated as provided in section 134 in the case of a facility for the mentally retarded, or section 204 in the case of a community mental health center, based upon inspection by it, that work has been performed upon a project, or purchases have been made, in accordance with the approved plans and specifications, and that payment of an installment is due to the applicant, such installment shall be paid to the State, from the applicable allotment of such State, except that (1) if the State is not authorized by law to make payments to the applicant, the payment shall be made directly to the applicant, (2) if the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to section 136 or section 206, as the case may be, payment may, after he has given the State agency so designated notice of opportunity for hearing pursuant to such section, be withheld, in whole or in part, pending corrective action or action based on such hearing, and (3) the total of payments under this subsection with respect to such project may not exceed an amount equal to the Federal share of the cost of construction of such project.



(b) In case an amendment to an approved application is approved as provided in section 135 or 205 or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

#### JUDICIAL REVIEW

SEC. 404. If the Secretary refuses to approve any application for a project submitted under section 135 or 205, the State agency through which such application was submitted, or if any State is dissatisfied with his action under section 134(b) or 204(b) or section 136 or 206, such State, may appeal to the United States court of appeals for the circuit in which such State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

72 Stat. 941.

62 Stat. 928.

#### RECOVERY

SEC. 405. If any facility or center with respect to which funds have been paid under section 403 shall, at any time within twenty years after the completion of construction—

(1) be sold or transferred to any person, agency, or organization (A) which is not qualified to file an application under section 135 or 205, or (B) which is not approved as a transferee by the State agency designated pursuant to section 134 (in the case of a facility for the mentally retarded) or section 204 (in case of a community mental health center), or its successor; or

(2) cease to be a public or other nonprofit facility for the mentally retarded or community mental health center, as the case may be, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to continue such facility as a public or other nonprofit facility for the mentally retarded or such center as a community mental health center, the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a facility or center which has ceased to be public or other nonprofit facility for the mentally

retarded or community mental health center, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the center is situated) of so much of such facility or center as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects. Such right of recovery shall not constitute a lien upon such facility or center prior to judgment.

#### STATE CONTROL OF OPERATIONS

SEC. 406. Except as otherwise specifically provided, nothing in this Act shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any facility for the mentally retarded or community mental health center with respect to which any funds have been or may be expended under this Act.

#### CONFORMING AMENDMENT

SEC. 407. (a) The first sentence of section 633(b) of the Public Health Service Act is amended by striking out "eight" and inserting in lieu thereof "twelve". The second sentence thereof is amended to read: "Six of the twelve appointed members shall be persons who are outstanding in fields pertaining to medical facility and health activities, and three of these six shall be authorities in matters relating to the operation of hospitals or other medical facilities, one of them shall be an authority in matters relating to the mentally retarded and one of them shall be an authority in matters relating to mental health, and the other six members shall be appointed to represent the consumers of services provided by such facilities and shall be persons familiar with the need for such services in urban or rural areas."

60 Stat. 1048.  
42 USC 291k.

(b) The terms of office of the additional members of the Federal Hospital Council authorized by the amendment made by subsection (a) who first take office after enactment of this Act shall expire, as designated by the Secretary at the time of appointment, one at the end of the first year, one at the end of the second year, one at the end of the third year, and one at the end of the fourth year after the date of appointment.

Approved October 31, 1963, 10:07 a.m.

### Public Law 88-165

#### AN ACT

November 4, 1963  
[S. 1064]

To amend the Act redefining the units and establishing the standards of electrical and photometric measurements to provide that the candela shall be the unit of luminous intensity.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act entitled "An Act to redefine the units and establish the standards of electrical and photometric measurements" (Act of July 21, 1950; 64 Stat. 370) is amended by deleting the word "candle" wherever it appears and inserting in lieu thereof the word "candela".

15 USC 223.

Approved November 4, 1963.