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THE PROPOSED FISCAL 1979 BUDGET:
WHAT IT MEANS FOR OLDER AMERICANS

AN INFORMATION PAPER

PREPARED BY THE STAFF OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE



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(II)

THE PROPOSED FISCAL 1979 BUDGET: WHAT IT MEANS FOR OLDER AMERICANS

AN INFORMATION PAPER

President Carter submitted his fiscal 1979 budget to the Congress on January 23. The new budget proposes \$500 billion in outlays for fiscal 1979, and projects a Federal deficit of \$61 billion.

The committee staff has prepared the following analysis to summarize the impact of the fiscal 1979 budget on programs serving older Americans, including trust fund outlays and discretionary spending.

BUDGET RECOMMENDS \$545.75 MILLION FOR AoA ACTIVITIES

President Carter's fiscal 1979 budget proposes \$545.75 million for Administration on Aging activities, or \$7 million above the fiscal 1978 funding level. The new budget reflects the fiscal 1978 appropriations for all AoA programs, except nutrition. The administration projects a \$287 million Federal funding level for the nutrition program, including \$37 million under proposed legislation to replace the Department of Agriculture's food commodity contributions with direct cash grants to provide projects with greater flexibility in purchasing food. The comparable Federal funding in fiscal 1978 is \$280 million, including \$30 million in commodities support from the Department of Agriculture. Elderly participants also contribute about \$10.5 million a year toward the cost of the meals program.

For fiscal 1978, the area planning and social services program is expected to provide a wide range of services, including the following:

Service:	Person units of service ¹
Information and referral.....	3, 500, 000
Transportation.....	2, 600, 000
Outreach.....	1, 400, 000
Home services (including homemaker and home health).....	704, 000
Escort.....	409, 000
Legal and other counseling.....	261, 000
Residential repair and renovation.....	60, 000
All other.....	2, 500, 000

¹ Person units of service are computed by multiplying the number of services a particular individual receives. For example, if an aged individual is transported to the doctor three times, this is the equivalent of three person units of service.

AoA expects to maintain essentially the same level of services because of improved management techniques, although the costs of services are rising. Nearly 560 area agencies on aging are projected to be funded in fiscal 1979, the same as for fiscal 1978.

AoA expects to distribute model project money along the following lines for fiscal 1978: nursing home ombudsman, \$1 million; legal services development, \$1.5 million; senior environmental employment, \$1.2 million; crime and the elderly, \$1 million; ambulatory day care, \$0.5 million; State and area planning, \$1.5 million; services innova-

tion, \$5.3 million; media communication, \$2.3 million; and neighborhood development, \$0.7 million. Model project funding will probably be allocated similarly for fiscal 1979, although AoA has not made any formal commitments at this time.

Title IV-A funds for fiscal 1978 and 1979 will include \$6 million for career training, \$6 million for in-service training, \$4 million for developmental training, and \$1 million for other activities (for example, conferences, working with the Bureau of Labor Statistics in assessing manpower needs in the field of aging, and student dissertation research on the elderly). Of the \$8.5 million requested for research, \$4 million is directed at service delivery systems development (compared with \$5 million for fiscal 1978), and \$4.5 million is allocated for implementing the title I objectives of the Older Americans Act (compared with \$3.5 million for fiscal 1978). The \$3.8 million budget request for multidisciplinary centers of gerontology is the same amount as the fiscal 1978 appropriation, but the allocation differs:

MULTIDISCIPLINARY CENTERS OF GERONTOLOGY

[Funding in millions of dollars]

	Fiscal 1978	Fiscal 1979
Developmental:		
New projects	0.8	1.1
Continuation	1.0	.8
Operational projects:		
New8	1.5
Continuation	1.2	.4

Funding for title V will be used to (1) renovate or alter fully or partially 2,340 multipurpose senior centers and (2) acquire 260 facilities to be used as centers. This will be approximately the same level of activity estimated for fiscal 1978.

The present appropriations and the projected funding level are expected to have the following impact on the title VII program:

	Fiscal 1978	Fiscal 1979
Meals served daily (at end of fiscal year)	578,000	617,000
Projects	1,220	1,220
Nutrition sites	10,200	10,200

Money for the National Information and Resource Clearing House will be used in fiscal 1979 to implement the Service Center for Aging Information (SCAN). The system will consist of a central control facility with three resource centers: biomedical, social practice, and behavioral/social science.

The budget also includes advance funding, for the first time, for AoA programs: \$40 million for title V multipurpose senior centers, \$287 million for title VII nutrition, and \$172 million for area planning and social services and State administration for fiscal 1980.

PROPOSED FUNDING FOR OLDER AMERICANS ACT

[In millions of dollars]

	Fiscal 1978 appro- priation	Fiscal 1979 budget request
Title II:		
National Clearing House.....	2	2
Federal Council on the Aging.....	0.45	0.45
Title III:		
Area planning and social services.....	153	153
Administration.....	19	19
Model projects.....	15	15
Title IV:		
Training.....	17	17
Research.....	8.5	8.5
Gerontology centers.....	3.8	3.8
Title V: Senior centers.....	40	40
Title VII:		
Nutrition.....	280	287
Basic appropriation.....	(250)	(250)
Department of Agriculture commodities support.....	¹ (30)	
Cash in lieu of commodities.....		(37)
Total.....	538.75	545.75

¹ Authorized under sec. 707 of the Older Americans Act.6.2 PERCENT ADJUSTMENT PROJECTED FOR SOCIAL SECURITY
BENEFICIARIES

The fiscal 1979 budget projects a 6.2 percent cost-of-living increase in July 1978 for social security beneficiaries. The increase will be based upon the rise in prices from the first quarter in 1977 (January, February, and March) to the first quarter in 1978. A 6.1 percent cost-of-living adjustment is expected for July 1979.

Social security beneficiaries and benefits.—Nearly 30.1 million individuals are expected to receive \$87.7 billion in retirement and survivor benefits in fiscal 1979, compared with \$79 billion in benefits for 29.4 million persons in fiscal 1978. The number of disabled social security beneficiaries is expected to increase from 4.9 million in fiscal 1978 to 5.2 million in fiscal 1979. Benefit payments are projected to rise from \$12.6 billion to \$14.4 billion.

RETIREMENT AND SURVIVOR BENEFITS

	1977 actual	1978 estimate	1979 estimate
Beneficiaries (millions):			
Retired workers.....	17.4	18.1	18.6
Dependents of retired workers.....	3.6	3.7	3.8
Survivors.....	7.5	7.6	7.7
Total beneficiaries.....	28.5	29.4	30.1
Benefit payments (billions):			
Retired workers.....	47.1	52.3	58.4
Dependents of retired workers.....	5.2	5.9	6.4
Survivors.....	19.0	20.8	22.9
Total benefit payments.....	71.3	79.0	87.7

DISABILITY BENEFITS

	1977 actual	1978 estimate	1979 estimate
Beneficiaries (millions).....	4.7	4.9	5.2
Benefit payments (billions).....	\$11.1	\$12.6	\$14.4

Legislative recommendations.—The budget includes four legislative recommendations to reduce social security outlays in fiscal 1979 by more than \$600 million. The proposals include:

(1) Limiting the special students' dependency benefit to the maximum payable under the higher education basic opportunity grants program: \$1,600 in academic year 1978–79 (1979 savings: \$117 million).

(2) Freezing the minimum benefit for current beneficiaries and eliminating it entirely for future retirees (1979 savings: \$254 million). The Social Security Financing Amendments of 1977 freeze the minimum benefit for future beneficiaries at its January 1979 amount (estimated at about \$121 for an individual). However, the minimum benefit would be adjusted for annual cost-of-living increases after a person starts to receive it.

(3) Limiting the payment of all retroactive benefits to 3 months, instead of the present 12 months (1979 savings: \$121 million). The 1977 amendments eliminate retroactivity when a permanently reduced future benefit would occur.

(4) Starting entitlement for retired worker's benefits (and dependents) with the first full month of entitlement—the month after the retired worker reaches age 62, instead of the month in which the worker's birthday falls (1979 savings: \$138 million).

MEDICARE BUDGET CALLS FOR INCENTIVES TO ENCOURAGE HOME DIALYSIS

The fiscal year 1979 medicare budget proposes legislation to increase part B (supplementary medical insurance) benefits by \$7 million for end-stage renal disease home dialysis.

The budget also proposes hospital cost containment legislation which would save medicare part A (hospital insurance) \$40 million in fiscal year 1978 and \$630 million in fiscal year 1979. The budget estimates that this legislation would also save the medicaid program \$100 million during fiscal year 1979.

A proposal for common medicare/medicaid provider audits is estimated to save \$6 million for medicare part A and \$35 million for medicaid during fiscal year 1979.

Legislation is also proposed to expand medicaid quality control during 1979, with anticipated reductions in program costs of \$399 million.

Fiscal year 1979 outlays for medicare part A will increase by approximately \$3 billion over fiscal year 1978, primarily because of increases in the cost of medical services and the size of the covered population. An estimated 600,000 elderly and disabled beneficiaries will be added to HI rolls during 1979, and the number of beneficiaries receiving services will increase by 100,000.

Fiscal year 1979 outlays for medicare part B will increase by approximately \$1.34 billion over fiscal year 1978. An estimated 700,000

beneficiaries will be added to SMI rolls during 1979, and the number of beneficiaries receiving reimbursed services will increase by 900,000.

MEDICARE HOSPITAL INSURANCE

[In millions]

	1977 actual	1978 estimate	1979 estimate
Beneficiaries:			
Persons with hospital insurance protection (average):			
Aged	22.8	23.2	23.6
Disabled	2.6	2.8	3.0
Beneficiaries receiving reimbursed services:			
Aged	5.2	5.3	5.4
Disabled7	.7	.7
Benefit payments:¹			
For inpatient hospital services:			
Aged	\$12,660	\$14,768	\$17,163
Disabled	1,576	1,947	2,387
For skilled nursing facility services:			
Aged	349	391	450
Disabled	13	15	15
For home health services:			
Aged	287	379	485
Disabled	21	29	39
Total benefit payments:			
Aged	13,296	15,538	18,098
Disabled	1,610	1,991	2,445
Total	14,906	17,529	20,543

¹ Beginning in 1977, benefit payments also include funding of the direct review costs for professional standards review organizations.

PROPOSED LEGISLATION

[In millions of dollars]

	1978 estimate	1979 estimate
Hospital cost containment (savings)	40	630
Common audit (savings)		6

MEDICARE SUPPLEMENTARY MEDICAL INSURANCE

[In millions]

	1977 actual	1978 estimate	1979 estimate
Beneficiaries:			
Persons enrolled (average):			
Aged	22.7	23.2	23.7
Disabled	2.3	2.5	2.7
Beneficiaries receiving reimbursed services:			
Aged	13.1	14.0	14.7
Disabled	1.3	1.5	1.7
Benefit payments:			
For physician services:			
Aged	\$3,835	\$4,463	\$5,128
Disabled	443	546	655
For home health services:			
Aged	138	182	239
Disabled	11	17	23
For outpatient services:			
Aged	587	790	1,052
Disabled	387	528	661
For other medical and health services:			
Aged	425	501	595
Disabled	39	48	58
Total benefit payments:			
Aged	4,985	5,936	7,014
Disabled	880	1,139	1,397
Total	5,865	7,075	8,411

PROPOSED LEGISLATION

[In millions of dollars]

	1979 estimate
Home dialysis (increased benefits).....	7

ELDERLY MEDICAID BENEFICIARIES DECREASE

The budget estimates that 3.47 million elderly (age 65 and over) will receive medicaid benefits during 1979, approximately 12 percent of all recipients. This constitutes a decrease of 97,000 elderly patients from fiscal year 1978, and a 194,000 decrease from fiscal year 1977, when the elderly represented approximately 17 percent of all recipients.

Total medicaid payments for fiscal year 1979 are estimated at \$20.2 billion, with the Federal share approximately \$11.4 billion.

TITLE IX FUNDING TO REACH \$190.4 MILLION IN JULY

Funding for the title IX senior community service employment program will reach \$190.4 million, effective July 1, 1978. Title IX is now operating at a \$150 million level. The new funding is projected to increase the number of older participants from 37,400 to 47,500. The Department of Labor has made a \$30 million supplemental request to the Congress to cover increased program costs attributable to the recent minimum wage hike (from \$2.30 to \$2.65 per hour effective in January 1978 and then to \$2.90 per hour effective in January 1979). The additional funding for the minimum wage would be allocated as follows:

ADDITIONAL FUNDING ALLOCATION

Period	Participants	Hourly minimum wage	Funding
Jan. 1, 1978, to June 30, 1979.....	37,400	\$2.65	\$6,200,000
July 1, to Dec. 31, 1978.....	47,500	2.65	7,900,000
Jan. 1, to June 30, 1979.....	47,500	2.90	15,900,000
Total.....			30,000,000

TITLE IX SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

	July 1, 1977, to June 30, 1978	July 1, 1978, to June 30, 1979
Total funding.....	\$150,000,000	\$190,400,000
National contractors' funding.....	119,916,000	152,320,000
States' funding.....	30,084,000	48,080,000
Participants.....	37,400	47,500

Funding and positions for title IX are allocated as follows for the period July 1, 1977, to June 30, 1978:

Sponsor	Funding	Positions
National Farmers Union.....	\$49,286,000	12,641
National Council on the Aging.....	13,190,500	3,288
National Council of Senior Citizens.....	27,221,000	6,913
National Retired Teachers Association/American Association of Retired Persons.....	20,025,500	5,125
Forest Service.....	10,193,000	2,548
States.....	30,084,000	6,749
Total.....	150,000,000	37,264

Notes: The funding figures do not include money allocated by States to national contractors.
The first chart is based upon a per person cost of \$4,009 per person, which translates to 37,400 enrollees. This chart is based upon the actual experience for national contractors and the States.

The budget request also includes \$228.45 million to continue the title IX program from July 1, 1979, through June 30, 1980. This request would fund approximately 47,500 positions.

SUPPLEMENTAL SECURITY INCOME

The number of elderly, blind, and disabled persons projected to receive supplemental security income (SSI) during fiscal year 1979 is 4.2 million (of which 469,000 receive only a State supplement). The administration estimates approximately \$5 billion in Federal benefits and about \$1.5 billion in State supplementary benefits. The administration's estimates assume that a 6.2 percent cost-of-living increase will become effective for SSI recipients in July 1978 and a 6.1 percent increase in July 1979.

HOUSING

Section 202.—The fiscal 1979 budget includes \$800 million in loan authority for the section 202 program which provides loans to non-profit sponsors of housing for the elderly and handicapped. This level of loan authority is \$50 million above the \$750 million authorized for fiscal year 1978, but is \$50 million less than the \$850 million actually committed in fiscal year 1977.

The 1979 level will finance approximately 25,000 units. At least \$50 million of this \$800 million will be used to finance an estimated 1,400 units designed specifically for handicapped persons.

Section 8 (housing assistance payments program).—The budget proposes a fiscal 1979 funding level of \$16.9 billion for the section 8 rental assistance program, which would support 344,000 units when combined with the estimated \$6.4 billion available from prior years. The proposed distribution of units includes 164,000 existing housing units and 180,000 newly constructed or substantially rehabilitated units.

Community development block grants.—A \$4.15 billion funding level for community development block grants is requested in the fiscal 1979 Carter budget. This represents an increase compared to the \$4 billion provided for fiscal 1978 and the \$3.248 billion for fiscal 1977.

Public housing operating subsidies.—The Carter administration recommends increasing public housing operating subsidies to \$729 million for fiscal 1979. This compares to \$685 million in fiscal 1978 and \$595.6 million in fiscal year 1977.

FmHA repair grants.—Section 504 of the Housing Act of 1949 authorizes grants and low-interest loans to very low income elderly homeowners in rural areas. This assistance may be used for essential repairs and the correction of health and safety hazards. The program is administered by the Department of Agriculture's Farmers Home Administration. President Carter has requested \$24 million for the section 504 program for fiscal 1979, representing nearly a fourfold increase above the \$5 million appropriated in fiscal year 1977 and again in 1978. It is estimated that this new funding level will permit 8,000 housing units to be assisted in fiscal 1979, compared to an estimated 1,855 units in 1978, and to 1,882 in 1977.

NURSING HOMES

Nursing home costs continue to rise sharply. Total industry revenues increased from \$10.5 billion in fiscal 1976 to \$12 billion in fiscal 1977. These costs are expected to increase to \$14 billion in fiscal 1978 and projected at slightly more than \$15 billion in the President's 1979 budget.

Medicaid will continue to account for approximately 50 percent of total industry revenues. Medicaid funding (Federal and State) was at \$6.1 billion in 1977. It is projected to rise to \$6.9 billion in fiscal 1978, and to \$7.6 billion in fiscal 1979. For each of the above amounts, the Federal share is about 56 percent, and the States contribute the remaining 44 percent. Payments for nursing home care continue to comprise the largest proportion of medicaid outlays, almost 38 percent of total payments.

Medicare's contributions to nursing home care are small by comparison. In fiscal 1977, medicare paid \$362 million to nursing homes on behalf of beneficiaries. In 1978, the payments will increase to \$406 million. The President's budget projects \$469 million for fiscal 1979. The percentage of medicare funds to pay for nursing home care has decreased slightly. In 1975, 3 percent of medicare outlays went to nursing homes, while only 2.3 percent is allocated for nursing homes this year. The President's budget projects that nursing home outlays will remain about the same (2.3 percent).

Private contributions continue to be an important source of nursing home payments, accounting for slightly more than 45 percent of total nursing home revenues.

RSVP PROGRAM CUT BY \$4.7 MILLION

The fiscal year 1979 budget recommends \$57.94 million for ACTION's older American volunteer programs: Retired senior volunteers (RSVP), foster grandparents (FGP), and senior companions (SCP). This amount is \$4.06 million below the fiscal year 1978 appropriations level of \$62 million, and includes a reduction of \$4.7 million for the RSVP program. The budget requests an increase of \$500,000 for FGP and an increase of \$140,000 for SCP.

ACTION OLDER AMERICAN VOLUNTEER PROGRAMS

[In millions of dollars]

	Fiscal year 1979		
	Fiscal 1978 funding ¹	Authorization	Fiscal 1979 budget request
RSVP.....	\$20.1	² NA	\$15.4
FGP.....	34.9	NA	35.4
SCP.....	7.0	NA	7.14

¹ Continuing resolution based on agreed-upon amounts in House-Senate Labor/HEW Appropriations Conference.

² Authorization levels for fiscal year 1979 will be set by Congress during 1978.

Currently, there are 250,000 RSVP participants in 692 projects. The budget cut would reduce the number of volunteers to 220,000 in 554 projects, a reduction of 138 projects and 30,000 volunteers.

The small increase in FGP would not increase the current 195 projects, but it would provide for 250 more volunteers, bringing volunteer strength to 16,500.

The \$140,000 increase in SCP for fiscal year 1979 will continue funding for the current 50 projects and 3,100 volunteers.

COMMUNITY SERVICES ADMINISTRATION

Senior opportunities and services.—The 1979 budget recommends \$10.5 million for SOS, continuing the program at the 1978 funding level. SOS is designed to meet the needs of poverty-level individuals age 60 and over. It provides a variety of services to over 1 million elderly. Approximately one-fourth of the 1,774 people employed by the program are aged.

Community food and nutrition.—The 1979 budget recommends \$22 million for the community food and nutrition program, which serves many low-income elderly with nutrition programs, home-delivered meals, and food stamp outreach services. This represents a \$7.5 million reduction from the fiscal year 1978 funding level of \$29.5 million, in anticipation of increased food stamp outreach efforts by the Department of Agriculture (mandated by Public Law 95-113).

Energy conservation services.—The budget requests \$10 million for energy conservation services to continue energy-related crisis intervention activities of community action agencies and energy conservation and home insulation demonstration efforts. The fiscal year 1978 appropriation was \$65 million. Funding was at \$307.3 million in fiscal year 1977 (which included a special \$200 million appropriation for payment of high utility bills for low-income individuals, with priority to the elderly and handicapped). The decreased amounts reflect a shift of home weatherization activities to the Department of Energy. (See item below.)

Community action agencies.—The 1979 budget requests \$381 million for local community action agencies, an increase of \$12 million over 1978 funding levels. The increase will be used to strengthen and expand programs of small, rural agencies: 878 community action agencies now provide varying services to low-income individuals, including low-income elderly.

ENERGY DEPARTMENT PLACES MAJOR EMPHASIS ON WEATHERIZING HOMES OF LOW-INCOME PERSONS

The fiscal year 1979 budget proposal for the new Department of Energy emphasizes grants to States for the purpose of weatherizing the homes of low-income persons, especially low-income elderly and handicapped. The requested amount for 1979 is \$198.95 million, and will be used to weatherize 857,000 homes.

CETA OUTLAYS PROJECTED AT \$11.4 BILLION

The administration's budget proposes \$10.8 billion in budget authority and \$11.4 billion in outlays for programs under the Comprehensive Employment and Training Act. This funding level will provide for current service levels, including the 725,000 jobs funded under titles II (structural public service employment) and VI (counter-cyclical public service employment). A new program to increase private sector job creation would be funded at \$400 million.

ADEA FUNDING TO SUPPORT 91 POSITIONS

The administration's budget calls for a \$55,000 increase in the funding level for enforcement of ADEA, from \$3.066 million in fiscal year 1978 to \$3.121 million in fiscal year 1979. This funding will support 91 positions—the same as the current year.

The demands on the ADEA enforcement mechanism will probably be intensified by the enactment of H.R. 5383, the Age Discrimination in Employment Act Amendments. H.R. 5383 is pending in a joint conference committee which is seeking to resolve differences in the House- and Senate-passed versions of the bill.

\$50 MILLION INCREASE PROPOSED FOR LEGAL SERVICES CORPORATION

The President's fiscal 1979 budget request includes \$255 million for the Legal Services Corporation, an increase of \$50 million over the current level of spending. The Legal Services Corporation, however, has authority to submit its own budget request directly to the Congress. The Corporation will request a budget of slightly more than \$304 million, which would expand the capacity of the legal services program, extend it into areas not now served, and achieve a "minimum level of access." (The Legal Services Corporation has determined that a spending level of \$7 per poor person is the threshold for a "minimum level of access.")

The legal services effort nationwide has received additional support from the Older Americans Act, title XX of the Social Security Act, general revenue sharing, and other Federal programs.

VETERANS' BENEFITS FOR OLDER AMERICANS

Nearly \$9.6 billion is projected to be expended in fiscal 1979 for Veterans' Administration non-service-connected disability pensions (\$3.2 billion), service-connected disability compensation benefits

(\$6.2 billion), and burial and other benefits (\$.2 billion). Of this total, veterans and survivors from World War I and prior conflicts are expected to receive \$944 million in pension payments and \$178 million in compensation payments for fiscal 1979. These figures will increase if cost-of-living increases to be proposed by President Carter in 1979 are enacted by the Congress. He will recommend that compensation payments be increased by 5.8 percent, and that pensions be increased by 6.1 percent.

The VA also operates the largest medical care delivery system in the Nation, with 172 hospitals, 16 domiciliary care units, 92 nursing homes, and 228 outpatient clinics in 1979. This system will treat more than 1.4 million patients in 1979, and fund more than 18.2 million outpatient medical and dental visits to VA and community facilities. Approximately \$5.3 billion is projected to be expended.

Type of care	1977 actual	1978 estimate	1979 estimate
Nursing home care:			
Patients treated.....	11,317	11,553	12,308
Average daily nursing patient census.....	7,166	7,621	8,119
Domiciliary care:			
Members treated.....	18,005	17,491	17,197
Average daily member census.....	8,993	8,924	8,668
Community nursing home (contract care):			
Average daily nursing census.....	7,507	8,500	8,500
Patients treated.....	25,358	29,920	29,920
State home care (domiciliary):			
Average daily member census.....	5,281	5,401	5,628
Members treated.....	10,450	11,234	11,706
State nursing home care:			
Average daily nursing census.....	4,606	4,889	5,184
Patients treated.....	8,632	8,996	9,539
State hospital care:			
Average daily patient census.....	1,042	1,050	1,050
Patients treated.....	6,732	7,300	7,300

TRANSPORTATION

Urban Mass Transportation Administration.—Section 16(b)(2) of the Urban Mass Transportation Act of 1964 reserves up to 2 percent of the annual allotment for capital assistance grants to private non-profit groups for mass transportation services for elderly and handicapped individuals.

Capital assistance grants made pursuant to section 3 of the act are as follows: 1977 actual, \$1.3 billion; 1978 estimate, \$1.4 billion; 1979 estimate, \$1.4 billion.

Thus, up to \$28 million would be available for fiscal 1979 for 16(b)(2) grants under President Carter's budget request.

Federal Highway Administration.—The proposed 1979 highway and transit bill will consolidate many highway programs. One of the new categories, "Small urban and rural programs," will provide financial assistance, including operating assistance, to public transit projects in rural areas or urban areas of less than 50,000 in population. The funding available for this purpose will not be known until the President submits a proposal to Congress.

During 1976 and 1977, the Federal Highway Administration distributed \$24.65 million to fund about 100 demonstration programs under the section 147 rural highway program.

SMALL BUDGET INCREASE FOR NATIONAL INSTITUTE ON AGING

For fiscal year 1979, the administration's budget requests \$37,910,000 for the National Institute on Aging, \$572,000 above this year's appropriation of \$37,338,000. This funding level is expected to support 367 grants, contracts, and training fellowships (293 research grants, 59 training grants, and 15 contracts) as compared with the 356 expected to be funded during fiscal year 1978.

INCREASE IN FOOD STAMP PARTICIPATION

The administration estimates that approximately 18 million persons will receive food stamps during fiscal year 1979, compared with 17.7 million in fiscal year 1978. The increase is expected because of the implementation of a provision to eliminate the purchase requirement which will make food stamps more accessible to those poor who could not "buy into the program" in the past. The budget requests \$5.8 billion for the program—of which \$5.4 billion is to be used for food stamp benefits.

INCREASE FOR COMMUNITY EDUCATION PROGRAMS

The budget request for community education programs for fiscal year 1979 is \$5,791,000, or \$2,238,000 above the fiscal 1978 appropriation of \$3,553,000. Approximately 20 percent of the \$5.8 million will be awarded to institutions of higher education for training grants, while the remainder will be awarded to local and State educational agencies to establish and continue community education programs.

HOME HEALTH DEMONSTRATION GRANTS PROGRAM CONTINUED AT \$6 MILLION

The Carter budget proposes \$6 million in funding for the home health demonstration grants program for fiscal 1979, the same amount as appropriated in fiscal 1978.

RAILROAD RETIREMENT ANNUITIES

Payment for retirement, disability, and survivor benefits are projected at \$4.291 billion for fiscal year 1979, nearly \$220 million above the fiscal year 1978 estimate of \$4.074 billion. Actual payments during fiscal year 1977 totaled \$3.861 billion. The number of persons receiving monthly benefit payments will decrease slightly from 1,028,000 at the end of 1977 to an estimated 1,027,000 at the end of 1978, with another slight decrease to 1,022,000 projected at the end of 1979. The number of persons receiving supplemental annuities will increase from 165,000 at the end of 1977 to 176,000 at the end of 1978 and to 185,000 at the end of 1979.

TITLE XX SOCIAL SERVICES

The Carter budget estimates Federal outlays for the basic title XX social services program will be \$2.45 billion in 1979, compared to \$2.4 billion in 1978. It is estimated that 48 States will reach the Federal ceiling in 1979, as compared with 35 in 1978 and 19 in 1977.

The administration is also requesting a continuation in 1979 of the \$200 million in special funding under this program for child day care.

SPECIAL EDUCATION

The administration's budget requests no funding for the older reader services program or education programs for non-English-speaking elderly. The programs were not funded in fiscal year 1978.

Funds are requested for title I of the Library Services and Construction Act. Under this title, grants are made to libraries for model projects which serve primarily older persons. The Office of Education estimates that approximately \$2.475 million will be expended in fiscal year 1978 and an identical amount is requested for fiscal year 1979.

\$700,000 FUNDING INCREASE RECOMMENDED FOR SCORE AND ACE

The fiscal 1979 budget recommends an increase of \$700,000 for the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE), from \$1.3 million in fiscal 1978 to \$2 million. Approximately 12,500 retired executives will be supported through the Small Business Administration for the volunteer activities. This is an increase of 2,900 volunteers over last year's level of 9,600. The Service Corps of Retired Executives and the Active Corps of Executives volunteer as advisors and consultants for businesses and corporations. The increase in funding will be used mostly for the Service Corps of Retired Executives.

