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WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/22/82 ACTION/CONCURRENCE/COMMENT DUE BY: 1/26/82 - 10:00 A.M.

SUBJECT: DEPARTMENT OF EDUCATION DRAFT BILL - FOUNDATION FOR EDUCATION
ASSISTANCE ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	GERGEN	☐	☐
MEESE	☒	☐	HARPER	☐	☐
BAKER	☐	☐	JAMES	☐	☐
DEAVER	☐	☐	JENKINS	☐	☐
STOCKMAN	☐	☐	MURPHY	☐	☐
ANDERSON	☒	☐	ROLLINS	☐	☐
CANZERI	☐	☐	WILLIAMSON	☐	☐
CLARK	☐	☐	WEIDENBAUM	☐	☐
DARMAN	☐ P	☐ SS	BRADY/SPEAKES	☐	☐
DOLE	☒	☐	ROGERS	☐	☐
DUBERSTEIN	☒	☐		☐	☐
FIELDING	☒	☐		☐	☐
FULLER	☐	☐		☐	☐

Remarks:

May we have your comments by 10:00 A.M., Tuesday, January 26.
Thank you.

Richard G. Darman
Assistant to the President
and
Deputy to the Chief of Staff

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 15, 1982

SPECIAL

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Defense
Department of Health and Human Services
Department of the Interior
Department of Justice
Department of Labor
Department of the Treasury
General Services Administration
International Communication Agency
National Science Foundation
Office of Personnel Management
Veterans Administration

SUBJECT: Department of Education draft bill, "Foundation for Education Assistance Act".

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than Tuesday, January 26, 1982.

Questions should be referred to Allen Jackson (395-3586) or to Phoebe Felk (395-3736), the legislative analyst in this office.

(Signed) Naomi R. Sweeney
Naomi R. Sweeney for
Assistant Director for
Legislative Reference

Enclosures

cc: WH: Craig Fuller
AD/M: Harold Steinberg
GC: Michael Horowitz
LVE: Bernie Martin
LVE: Barry White (5)
HIM: David Kleinberg/ Allen Meyer
JTGM: Frank Seidl
NR: Donald Crabill/Brad Leonard
ES: Hugh Loweth/Jeff Struthers
NSD: Tom Stanners

IA: Jim Barie
BRD: George Strauss
OCR: Marialice Williams
FPPD: Hilda Schreiber
OIRA: Tom Lenard



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY UNDER SECRETARY FOR PLANNING AND BUDGET

THE DEPUTY UNDER SECRETARY
Januray 12, 1982

Mr. Harold I. Steinberg
Associate Director for Management
Office of Management and Budget
Room 238
Old Executive Office Building
Washington, D.C. 20503

Dear Hal:

I am transmitting, as agreed, copies of the complete draft Administration proposal for an Education Assistance Foundation.

This draft is intended to reflect the White House, OMB and Department agreements that have been reached over the past several weeks. As we discussed at our meeting on January 5, Department officials will be completing their own final detailed review of the draft at the same time OMB undertakes its regular clearance process. We may propose some small changes as a result of this review, but expect these will be few or minor or, perharps, to correct some unintended slips in communications.

With regard to the General Education Provision paragraphs, the understanding was that the draft would repeal GEPA and call for re-enactment and modification of only those provisions that are necessary. The present draft includes about thirty pages of GEPA provisions placed in various titles of the draft as appropriate to their individual content. The specific provisions included here are ones we in the Department tentatively decided were necessary at a meeting last Friday. We expect the wording of several of these to be revised [(especially sections 424 ("Buckley"), 426 (civil rights), and 432 (audits.))]

On Monday we received a list of OMB tentative decisions on GEPA. Members of my staff have identified about a dozen provisions where your decisions and ours differ in some way. I will be in touch with you in a day or two about those differences. In the meantime, I hope you will advise anyone to whom this draft is circulated that the GEPA provisions, in contrast with the remainder of the bill, do not reflect Administration policy decisions about the Foundation.

Sincerely,

Gary L. Jones
Deputy Under Secretary
for Planning, Budget
and Evaluation

January 12, 1982

A BILL

To terminate the Department of Education, to establish the Foundation for Education Assistance responsible for providing assistance to education, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Foundation for Education Assistance Act".

TITLE 1 -- GENERAL PROVISIONS

FINDINGS AND PURPOSE

Sec. 101. (a) The Congress finds that:

(1) parents have the primary responsibility for the education of their children, and States, localities, and educational institutions have the responsibility for supporting that parental role;

(2) as reflected in the constitutions of the States, the primary public responsibility for education belongs to the States, local school systems, and other instrumentalities of the States;

(3) a Cabinet-level Department of Education threatens to preempt the role of localities and the States in determining policy for education;

(4) the role of the Federal Government in education should be minimal;

(5) there is a need for efficient administration and coordination of Federal education programs to support more effectively State, local, and private institutions, students, and parents of students in carrying out their educational responsibilities; and

(6) there is a need for a single Federal official responsible solely for Federal education programs and directly accountable to the President.

(b) It is the purpose of this Act to terminate the Department of Education, to provide for a Foundation for Education Assistance responsible for administering programs of assistance to education, and to transfer particular programs and authorities to other Federal agencies.

FEDERAL-STATE RELATIONSHIPS

Sec. 102. (a) It is the intention of the Congress to preserve pluralism in American education and to protect the

rights of State and local governments and public and private educational institutions in setting educational policies and administering programs and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

(b) No provision of law regarding an educational program administered by the Director shall be construed to authorize the Director or any other Federal officer to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, over any accrediting agency or association, or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system, except to the extent authorized by law.

DEFINITIONS

Sec. 103. As used in this Act, unless otherwise indicated by the context--

(1) the term "agency", when used in reference to a Federal agency, includes the Foundation for Education Assistance;

(2) the term "applicable program" means a program for which the Foundation has administrative responsibility as provided by law or by delegation pursuant to law.

(3) the term "Foundation" means the Foundation for Education Assistance or any component thereof;

(4) the term "Director" means the Director of the Foundation for Education Assistance;

(5) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(6) the term "State" includes, in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "office" includes any office, institute, council, unit, organizational entity, or component thereof.

(8) the term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district,

or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(9) the term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(10) the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

TITLE II -- ESTABLISHMENT OF THE FOUNDATION
ESTABLISHMENT; DIRECTOR OF THE FOUNDATION

Sec. 201. There is hereby established in the executive branch

of the Government an independent agency to be known as the Foundation for Education Assistance. The Foundation shall be administered, in accordance with the provisions of this Act, under the supervision and direction of a Director. The Director shall report to the President and shall be the principal advisor to the President on educational responsibilities of the Government. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

OTHER PRINCIPAL OFFICERS

Sec. 202. (a) There shall be a Deputy Director of the Foundation who shall be appointed by the President. During the absence or disability of the Director, or in the event of a vacancy in the office of the Director, the Deputy Director shall act as Director. The Director shall designate the order in which other officials of the Foundation shall act for and perform the functions of the Director during the absence or

disability of both the Director and the Deputy Director or in the event of vacancies in both offices.

(b) There shall be in the Foundation an Inspector General, appointed in accordance with the Inspector General Act of 1978 (as amended by Section 507(j) of this Act).

(c) There shall be in the Foundation a General Counsel who shall be appointed by the President. The General Counsel shall provide legal assistance to the Director concerning the programs and policies of the Foundation.

(d) There shall be up to five Assistant Directors of the Foundation who shall be appointed by the Director. Each Assistant Director shall perform such duties and exercise such authorities as the Director may prescribe.

(e) There shall be within the Foundation such Divisions as the Director may from time to time determine.

GENERAL AUTHORITY OF FOUNDATION

Sec. 203. (a) The Foundation provides financial support for educational purposes to States, local educational agencies, other public and private institutions, students, and parents of students in accordance with the specific statutory authorities transferred to the Foundation by this Act and any other authorities vested in the Foundation by law or delegated to it in accordance with law.

(b) The Foundation is authorized to conduct and support--

(1) educational research, including basic and applied research, planning, surveys, evaluations, and experiments in the field of education, training of individuals in educational research, and research fellowships with such stipends and allowances as the Director deems necessary;

(2) developmental, exemplary, or demonstration projects in education;

(3) assessments of the performance of children and young adults in reading, mathematics, communication, and citizenship skills;

(4) the collection, collation, analysis, and reporting of statistics and other data related to education in the United States and in other nations;

(5) planning for, and evaluation of, programs administered by the Foundation; and

(6) dissemination to educational agencies and institutions and the public of information and findings collected or developed under this subsection, including information on programs administered by the Foundation and on successful education practices.

(c) The Foundation is authorized to provide advice, counsel, and technical assistance, upon request, to States, local educational agencies, and other public and private institutions to promote--

(1) the development and implementation of effective educational programs; and

(2) compliance with the requirements of statutes administered by the Foundation and with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

(d) The Foundation shall coordinate its programs, policies, and administrative practices with those of other Federal agencies affecting education in order to achieve--

(1) consistent administration and development of policies and practices among Federal agencies in the conduct of related programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data;

(3) cooperation on studies and analyses that are necessary to carry out the purposes of the Foundation; and

(4) efficient and effective services to recipients of Federal assistance.

(e) (1) Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Foundation is authorized to make, enter into, and perform such contracts, grants, leases, cooperative agreements, and other similar transactions with Federal and other public agencies (including State and local governments), private organizations, and persons, and to make such payments, including installment payments, by way of advance or reimbursement (with necessary adjustments on account of overpayments or underpayments), as the Foundation may determine necessary or appropriate to carry out its functions.

(2) Transactions under this subsection may include joint funding of projects with other Federal agencies, and transfers of discretionary funds between the Foundation and other Federal agencies for specific projects consistent with the purposes for which the funds were appropriated.

(3) Notwithstanding any other provision of this Act, no authority to enter into contracts or to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance under appropriation acts.

TITLE III -- TRANSFERS OF AGENCIES AND FUNCTIONS

TRANSFERS TO THE FOUNDATION

Sec. 301. There are transferred to the Foundation--

(a) all functions of the Secretary of Education and of the Department of Education under:

- (1) the Elementary and Secondary Education Act of 1965;
- (2) the Education Consolidation and Improvement Act of 1981;
- (3) the Higher Education Act of 1965 (other than Title I, Title II, Sections 415A-415D, Title VI, Title VII, Title VIII, and Title IX);
- (4) the Vocational Education Act of 1963;
- (5) the Education Amendments of 1978 (other than Part B of Title XV);
- (6) Part B of Title V of the Economic Opportunity Act of 1964;
- (7) the Education of the Handicapped Act;
- (8) Title IV of the Civil Rights Act of 1964;
- (9) laws relating to the relationship between Howard University and the Department of Education;
- (10) Section 203(k) of the Federal Property and Administrative Services Act of 1949 with respect to donations of surplus property for educational purposes; and
- (11) the Adult Education Act (other than Section 314);

(b) all functions of the Secretary of Education with respect to or being administered by the Department of Education's

Office for Civil Rights, which relate to functions transferred by this section, except for--

(1) the institution and conduct of administrative proceedings to limit, defer, or terminate Federal financial assistance to any recipient on the ground of noncompliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975; and

(2) the institution of, or participation in, court litigation relating to enforcement of the statutes described in paragraph (1) of this subsection; and

(c) except as explicitly provided otherwise in this Act, all functions of the Secretary of Education, and all functions of the Office of the Secretary of Education and of the Department of Education, and of any officer or component of the Department.

TRANSFERS TO THE DEPARTMENT OF JUSTICE

Sec. 302. (a) There are transferred to the Department of Justice the functions of the Secretary of Education and of the Department of Education--

(1) to institute and conduct administrative proceedings to limit, defer, or terminate Federal financial

assistance to any recipient on the ground of noncompliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975; and

(2) to institute or participate in court litigation relating to enforcement of the statutes described in paragraph (1) of this subsection.

(b) No action under subsection (a) shall be taken until the Foundation or other department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means.

TRANSFERS TO THE DEPARTMENT
OF HEALTH AND HUMAN SERVICES

Sec. 303. There are transferred to the Secretary of Health and Human Services all functions of the Secretary of Education and of the Department of Education under--

(a) the Rehabilitation Act of 1973, except for functions under that Act transferred to the Foundation by subsection (b) of section 301 or to the Department of Justice by section 302.

(b) the Act of June 20, 1936, commonly referred to as the Randolph-Sheppard Act (20 U.S.C. 107, et. seq.), and

(c) all laws relating to the relationship between

(1) Gallaudet College, the American Printing House for the Blind, the Model Secondary School for the Deaf, the Kendall Demonstration Elementary School, or the National Technical Institute for the Deaf, and (2) the Department of Education.

TRANSFERS TO THE DEPARTMENT OF DEFENSE

Sec. 304. (a) There are transferred to the Secretary of Defense all functions and activities relating to--

(1) the operation of schools for dependents of the Department of Defense under the Defense Dependents' Education Act of 1978, and

(2) Section 10 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), relating to Federal impact aid for construction on Federal property.

(b) The Secretary of Defense is authorized to enter into such interagency agreements with the heads of other departments or agencies to administer any portion of the functions and activities transferred to the Secretary under paragraph (2) of subsection (a), as the Secretary determines to be necessary and appropriate.

TRANSFERS TO THE DEPARTMENT OF THE TREASURY

Sec. 305. There are transferred to the Secretary of the Treasury

all functions of the Secretary of Education and the Department of Education under--

(a) the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), relating to Federal impact aid;

(b) the Act of September 23, 1950, Public Law 815, Eighty-first Congress, other than Sections 10 and 14 (a) and (b), relating to Federal impact aid for construction;

(c) Title IV of the Housing Act of 1950, relating to college housing loans; and

(d) Title VII of the Higher Education Act of 1965.

TRANSFERS TO THE INTERNATIONAL COMMUNICATION AGENCY

Sec. 306. There are transferred to the International Communication Agency all functions of the Secretary of Education and the Department of Education under Title VI of the Higher Education Act of 1965, and all other functions of the Office of International Education of the Department of Education.

TRANSFERS TO THE NATIONAL SCIENCE FOUNDATION

Sec. 307. There are transferred to the National Science Foundation all functions of the Secretary of Education and the Department of Education under the National Science Foundation

Act of 1950 that were transferred to the Secretary of Education by Section 304 of the Department of Education Organization Act and that remained in effect on the day prior to the effective date of this Act.

TRANSFERS TO THE DEPARTMENT OF INTERIOR

Sec. 308. There are transferred to the Secretary of Interior all functions of the Secretary of Education and the Department of Education under--

(a) Section 14(a) and (b) of the Act of September 23, 1950, Public Law 815, Eighty-first Congress, relating to Federal impact aid construction on Indian lands;

(b) Sections 422 and 423 of the Indian Education Act; and

(c) Section 314 of the Adult Education Act.

INCIDENTAL TRANSFERS: EFFECT OF TRANSFERS

Sec. 309. (a) Whenever any function is transferred by this title to a department or agency, or to the head of a department or agency, any office or unit of the Department of Education which was principally responsible for administering such function is transferred to such department or agency.

(b) Any advisory committee of the Department of

Education giving advice or making recommendations that primarily concern functions transferred to a department or agency, or to the head of a department or agency, is transferred to such department or agency.

(c) The transfer of a function or office from an officer or office to the head of any department or agency, or to the department or agency, includes any aspects of such function or office vested in a subordinate of such officer or in a component of such office.

TITLE IV -- ADMINISTRATIVE PROVISIONS

Part A -- Personnel Provisions

OFFICERS AND EMPLOYEES

Sec. 401. The Director is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Director and the Foundation. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws under Title 5 of the United States Code and their compensation fixed in accordance with Title 5 of the United States Code.

(b) The Director may appoint, without regard to the competitive service, scientific, technical, or

professional employees to perform functions under Section 203(b), and may compensate employees so appointed without regard to the provisions of Chapter 51 and Subchapter III of Chapter 53 of Title 5, United States Code, relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or in excess of the minimum rate of pay currently paid for GS-16 of the General Schedule under Section 5332 of such title.

(c) In accordance with section 3134 of Title V, United States Code, the Office of Personnel Management shall authorize Senior Executive Service positions for the positions established by or pursuant to subsections (c) and (d) of Section 202 of this Act. Senior Executive Service positions authorized pursuant to this subsection shall be general positions, as defined in Section 3132(9) of Title V, United States Code, and may be filled without regard to the limitations of Section 3134 of such Title.

EXPERTS AND CONSULTANTS

Sec. 402. The Director may, as provided in appropriation acts, obtain the services of experts and consultants in accordance with the provisions of Section 3109 of Title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS-15 of the General Schedule under Section 5332 of such Title.

Part B -- General Administrative Provisions

GENERAL AUTHORITY

Sec. 411. In carrying out any function transferred by this Act, the Director, or any officer or employee of the Foundation, may exercise any authority available by law (including appropriation acts), with respect to the function, to the official or agency from which the function is transferred. Any action of the Director in exercising such authority shall have the same force and effect as when exercised by such official or agency.

DELEGATION: REALLOCATION OF FUNCTIONS

Sec. 412. (a) Except as otherwise provided in this Act, the Director may delegate any function to such officers and employees of the Foundation as the Director may designate, and may authorize such successive redelegations of such functions within the Agency as may be necessary or appropriate. No delegation of functions by the Director under this section or any other provisions of this Act shall relieve the Director of responsibility for the administration of such functions.

(b) The Director is authorized to allocate or reallocate functions among the officers of the Foundation, and to establish, consolidate, alter, or discontinue such organizational entities within the Foundation as may be necessary or appropriate.

REGULATIONS

Sec. 413. (a) The Director is authorized to issue regulations

(1) necessary for the discharge of duties specifically assigned to the Director under any Act;

(2) relating to proper fiscal accounting for funds appropriated under any Act, and the method of making payments authorized under any Act, relating to the payments to be made by the Director; or

(3) which are deemed necessary and reasonable to ensure that there is compliance with the specific requirements and assurances required by any Act authorizing programs to be administered by the Foundation.

(b) In all other matters relating to the details of planning, developing, implementing, and evaluating programs and projects by States, local educational agencies, and other recipients of funds, the Director shall not issue regulations, but may consult with appropriate State, local, and private educational agencies. Upon request, the Director may provide technical assistance, information, and suggested guidelines that are not binding on recipients, designed to promote the development and implementation of effective instructional programs and otherwise to assist in carrying out the purposes of this Act and any Act authorizing the programs administered by the Foundation.

(c) Notwithstanding any other provision of law, no regulation of any department or agency affecting any institution of higher education in the United States, promulgated on or after the date of enactment of this Act, shall become effective unless such department or agency causes to be published in the Federal Register a copy of such regulation together with an educational impact assessment statement which shall determine whether any information required to be transmitted under such regulation is already being gathered by or is available from any other agency or authority of the United States.

AUTHORIZATION FOR NECESSARY

ADVISORY COUNCILS

Sec. 414. (a) The Foundation is authorized to create, and appoint the members of, such advisory councils as the Director determines in writing to be necessary to advise the Foundation with respect to --

(1) the organization of the Foundation and its conduct in the administration of applicable programs;

(2) recommendations for legislation regarding education programs and the means by which the educational needs of the Nation may be met; and

(3) special problems and areas of special interest in education.

(b) Each advisory council created under the authority of subsection (a) shall terminate not later than one year from the date of its creation unless the Director determines in writing not more than thirty days prior to the expiration of such year that its existence for an additional period, not to exceed one year, is necessary in order to complete the recommendations or reports for which it was created.

(c) Members of all advisory councils established under this section who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the advisory council or otherwise engaged in the business of the advisory council, be entitled to receive compensation at a rate fixed by the Director, but not exceeding the rate specified at the time of such service for grade GS-15 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the advisory council away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(d) The Director shall engage such personnel and technical assistance as may be required to permit advisory councils to carry out their functions.

GIFTS AND BEQUESTS

Sec. 415. The Foundation is authorized to accept, hold, administer, and utilize gifts, bequests, and devises of property, both real and personal, for the purpose of aiding and facilitating the work of the Foundation. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon the order of the Director.

STATISTICAL SERVICES

Sec. 416. (a) The Foundation is authorized to furnish transcripts or copies of its tables and other statistical records, and to make special statistical compilations and surveys, for State and local officials, public and private organizations, or individuals. The Foundation shall furnish such special statistical compilations and surveys as the Committees on Labor and Human Resources and Appropriations of the Senate, and the Committees on Education and Labor and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys, other than those carried out pursuant to the preceding sentence, shall be made subject to the payment of the actual or estimated cost of such work. In the case of nonprofit organizations or

agencies, the Foundation may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the Director; Provided, That the purposes of such projects are otherwise authorized by law.

(b) All funds received in payment for work or services emunerated under subsection (a) shall be deposited in a separate account which may be used to pay directly the costs of such work or services, to repay appropriations which initially bore all or part of such costs, or to refund excess sums when necessary.

ANNUAL REPORT

Sec. 417. The Foundation shall, as soon as practicable after the close of each fiscal year, make a single, comprehensive report to the President for transmission to the Congress on the activities of the Foundation during such fiscal year. The report shall include a statement of goals, priorities, and plans for the Foundation together with an assessment of the progress made towards--

- (a) the attainment of such goals, priorities, and plans;
- (b) the more effective and efficient management of the Foundation and the coordination of its functions; and

(c) the reduction of excessive and burdensome regulation and of unnecessary duplication and fragmentation of Federal education programs, accompanied where necessary by recommendations for proposed legislation for the achievement of such objectives.

ANNUAL EVALUATION REPORT

Sec. 418. (a) Not later than November 1 of each year, the Foundation shall transmit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate an annual evaluation report which evaluates the effectiveness of applicable programs in achieving their legislated purposes together with recommendations for the improvement of such programs in achieving such purposes.

AUTHORIZATION OF APPROPRIATIONS

Sec. 419. Subject to any limitation on appropriations applicable with respect to any function or office transferred to the Director or the Foundation, there are authorized to be appropriated for fiscal year 1983 and for each succeeding fiscal year such sums as may be necessary to carry out the provisions of this Act and to enable the Director to administer and manage the Foundation. Funds appropriated in accordance with this section shall remain available until expended.

Part C -- General Provisions Affecting Financial Assistance

AVAILABILITY OF APPROPRIATIONS ON ACADEMIC OR SCHOOL YEAR BASIS

Sec. 421. (a) Appropriations for any fiscal year for grants, loans, contracts, or other payments to educational agencies or institutions under any applicable program may, in accordance with regulations of the Foundation, be made available for expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year.

(b)(1) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds from appropriations to carry out any applicable programs during any fiscal year which are not obligated and expended by educational agencies or institutions prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure by such agencies and institutions during such succeeding fiscal year.

(2) Any funds under any applicable program which, pursuant to paragraph (1), are available for obligation and expenditure in the year succeeding the fiscal year for which they were appropriated shall be obligated and expended in accordance with --

(A) the Federal statutory and regulatory provisions relating to such program which are in effect for such succeeding fiscal year, and

(B) any program plan or application submitted by such educational agencies or institutions for such program for such succeeding fiscal year.

RECORDS

Sec. 422. (a) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement (other than procurement contracts awarded by the Foundation) shall keep records which fully disclose the amount and disposition by the recipient of those funds, the total cost of the activity for which the funds are used, the share of that cost provided from other sources, and such other records as will facilitate an effective audit. The recipient shall maintain such records for five years after the completion of the activity for which the funds are used.

(b) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit examination, to

any records of a recipient which may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements to which reference is made in subsection (a), or which may relate to the compliance of the recipient with any requirement of an applicable program.

PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

Sec. 423. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

Sec. 424. (a)(1)(A) No funds shall be made available under any applicable program to any educational agency or institution which has a policy of denying, or which effectively prevents, the parents of students who are or have been in attendance at a school of such agency or at such institution, as the case may be, the right to inspect and review the educational records of their children. If any material or document in the education record of a student includes information on more than one student, the parents of one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material. Each educational agency or institution shall establish appropriate procedures for the granting of a request by parents for access to the education records of their children within a reasonable period of time, but in no case more than forty-five days after the request has been made.

(B) The first sentence of subparagraph (A) shall not

operate to make available to students in institutions of postsecondary education the following materials:

(i) financial records of the parents of the student or any information contained therein;

(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (C), confidential recommendations --

(I) respecting admission to any educational agency or institution.

(II) respecting an application for employment, and

(III) respecting the receipt of an honor or honorary recognition.

(C) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (B), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making

confidential recommendations and (ii) such recommendations are used solely for the purposes for which they were specifically intended. Such waivers may not be required as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from such agency or institution.

(2) No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Foundation, to challenge the content of such student's educational records, in order to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy or other rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein and to insert into such records a written explanation of the parents respecting the content of such records.

(3) For the purposes of this section the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program.

(4)(A) For the purposes of this section, the term "education records" means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials, which --

(i) contain information directly related to a student; and

(ii) are maintained by an educational agency or institution, or by a person acting for such agency or institution.

(B) The term "education records" does not include --

(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

(ii) if the personnel of a law enforcement unit do not have access to education records under subsection (b)(1), the records and documents of such law enforcement unit which (I), are kept apart from records described in subparagraph (A), (II) are maintained solely for law enforcement purposes, and (III) are not made available to persons other than law enforcement officials of the same jurisdiction;

(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in

the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

(iv) records on a student who is eighteen years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment, except that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

(5)(A) For the purposes of this section the term "directory information" relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.

(b)(1) No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of permitting the release of education records (or personally identifiable information contained therein) other than directory information, as defined in paragraph (5) of subsection (a), of students without the written consent of their parents to any individual, agency, or organization, other than to the following --

(A) other school officials, including teachers within the educational institution or local educational agency, who have been determined by such agency or institution to have legitimate educational interests;

(B) officials of other schools or school systems in which the student seeks or intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

(C) authorized representatives of (i) the Comptroller General of the United States, (ii) the Foundation, (iii) State educational authorities, under the conditions set forth in paragraph (3) of this subsection.

(D) in connection with a student's application for, or receipt of, financial aid;

(E) State and local officials or authorities to whom such information is specifically required to be reported or disclosed pursuant to State statute adopted prior to November 19, 1974;

(F) organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students and their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted.

(G) accrediting organizations in order to carry out their accrediting functions.

(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1954; and

(I) subject to regulations of the Foundation, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons.

Nothing in clause (E) of this paragraph shall prevent a State from further limiting the number or type of State or local officials who will continue to have access thereunder.

(2) No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection unless --

(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

(B) such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena,

upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency.

(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Foundation, or (C) State educational authorities from having access to student or other records which may be necessary in connection with the audit and evaluation of Federally-supported education programs, or in connection with the enforcement of the Federal legal requirements which relate to such programs: Provided, That except when collection of personally identifiable information is specifically authorized by Federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of Federal legal requirements.

(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than

those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.

(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student.

(5) Nothing in this section shall be construed to prohibit State and local educational officials from having access to student or other records which may be necessary in connection with the audit and evaluation of any federally or State

supported education program or in connection with the enforcement of the Federal legal requirements which relate to any such program, subject to the conditions specified in the proviso in paragraph (3).

(c) The Foundation shall adopt appropriate regulations to protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Foundation. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Foundation unless such activities are authorized by law.

(d) For the purposes of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education, the permission or consent required of and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

(e) No funds shall be made available under any applicable program to any educational agency or institution unless such

agency or institution informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

(f) The Foundation shall take appropriate actions to enforce provisions of this section and to deal with violations of this section, according to the provisions of this Act, except that action to terminate assistance may be taken only if the Foundation finds there has been a failure to comply with the provisions of this section, and has determined that compliance cannot be secured by voluntary means.

(g) The Director shall establish or designate an office and review board within the Foundation for the purpose of investigating, processing, reviewing, and adjudicating violations of the provisions of this section and complaints which may be filed concerning alleged violations of this section.

(h) Except as provided in subsection (b)(1)(D) of this section, the refusal of a State or local educational agency or institution of higher education, community college, school, agency offering a preschool program, or other educational institution to provide personally identifiable data on students or their families, as a part of any applicable program, to any Federal office, agency, department, or other

third party, on the grounds that it constitutes a violation of the right to privacy and confidentiality of students or their parents, shall not constitute sufficient grounds for the suspension or termination of Federal assistance. Such a refusal shall also not constitute sufficient grounds for a denial of, a refusal to consider, or a delay in the consideration of, funding for such a recipient in succeeding fiscal years. In the case of any dispute arising under this section, reasonable notice and opportunity for a hearing shall be afforded the applicant.

PROTECTION OF PUPIL RIGHTS

Sec. 425. (a) All instructional material, including teachers' manuals, films, tapes, or other supplementary or instructional material, which will be used in connection with any research or experimentation program or project shall be available for inspection by the parents or guardians of the children engaged in such program or project. For the purpose of this section "research or experimentation program or project" means any program or project in any applicable program designed to explore or develop new or unproven teaching methods or techniques.

(b) No student shall be required, as part of any applicable program, to submit to psychiatric examination, testing, or treatment, or psychological examination, testing, or treatment, in which the primary purpose is to reveal information concerning:

- (1) political affiliations;
- (2) mental and psychological problems potentially embarrassing to the student or his family;
- (3) sex behavior and attitudes;
- (4) illegal, anti-social, self-incriminating and demeaning behavior;
- (5) critical appraisals of other individuals with whom respondents have close family relationships;
- (6) legally recognized privileged and analogous relationships, such as those of lawyers, physicians, and ministers; or
- (7) income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program), without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of unemancipated minor, without the prior written consent of the parent.

CIVIL RIGHTS PROVISIONS

Sec. 426. (a) The extension of Federal financial assistance to a local educational agency may not be limited, deferred, or terminated by the Department of Justice or the Foundation on the ground of noncompliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975, unless such agency is accorded the right of due process of law, which shall include --

(1) at least 30 days' prior written notice of deferral to the agency, setting forth the particular program or programs which the Department of Justice finds to be operated in noncompliance with a specific provision of Federal law;

(2) the opportunity for a hearing on the record before a duly appointed administrative law judge within a 60-day period (unless such period is extended by mutual consent of the Department of Justice and such agency) from the commencement of any deferral;

(3) the conclusion of such hearing and the rendering of a decision on the merits by the administrative law judge within a period not to exceed 90 days from the commencement of such hearing, unless the judge finds by a decision that such hearing cannot be concluded or such decision cannot be rendered within such period, in which case such judge may extend such period for not to exceed 60 additional days;

(4) the limitation of any deferral of Federal financial assistance which may be imposed by the Department of Justice to a period not to exceed 15 days after the rendering of such decision unless there has been an express finding on such record that such agency has failed to comply with any such discrimination provision of Federal law; and

(5) procedures, which shall be jointly established by the Department of Justice and the Foundation, to ensure the availability of sufficient funds, without regard to any fiscal year limitations, to comply with the decision of such judge.

(b) It shall be unlawful for the Department of Justice or the Foundation to defer or limit any Federal financial assistance on the basis of any failure to comply with the imposition of quotas (or any other numerical requirements which have the effect of imposing quotas) on the student admission practices of an institution of higher education or community college receiving Federal financial assistance.

(c) At any time that the Foundation establishes an entitlement, or makes an allotment, or reallocation to any State, under any applicable program, the Director shall reduce such entitlement, allotment, or reallocation by such amount as he determines it would have been reduced, had the data on which the entitlement, allotment, or reallocation is based excluded all data relating to local educational agencies of the State which on the date of the Foundation's action are ineligible to receive the Federal financial assistance involved because

of a failure to comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975. Any appropriated funds which will not be paid to a State as a result of the preceding sentence may be used by the Foundation for grants to local educational agencies of that State in accordance with Section 405 of the Civil Rights Act of 1964.

Part D - Enforcement

Education Appeal Board

Sec. 431. (a) The Director shall establish in the Foundation an Education Appeal Board (hereinafter in this part referred to as the "Board") the functions of which shall be to conduct --

(1) audit appeal hearings pursuant to Section 432 of this Act,

(2) cease and desist hearings pursuant to Section 433 of this Act, and

(3) other proceedings designated by the Director.

(b) The members of the Board shall be designated by the Director and may include individuals who are officers or employees of the United States, as well as individuals who are not full-time employees of the Federal Government.

(c) The Board shall be composed of not less than fifteen

nor more than thirty members, of whom no more than one-third shall be officers or employees of the Foundation. The Director shall designate one of the members of the Board to be the Chairman.

(d) For the purpose of conducting hearings as provided in subsection (a), the Chairman may appoint hearing panels of not less than three members of the Board, or the Chairman may designate the entire Board to sit as a panel for any case or class of cases. On any such panel --

(1) the majority of members shall not be individuals in the full-time employment of the Federal Government,

(2) the membership shall not include any individual who is a party to, or has any responsibility for, any particular matter assigned to that panel, and

(3) the Chairman of the Board shall designate one member of each such panel to be the presiding officer.

(e) The proceedings of the Board shall be conducted according to such rules as the Director shall prescribe by regulation in conformance with the rules relating to hearings in Title 5, United States Code, Sections 554, 556, and 557 respecting --

(1) the receipt of oral or written testimony,

(2) notice of the issues to be considered,

(3) the right to counsel,

(4) intervention of third parties,

(5) transcripts of proceedings, and

(6) such other matters as may be necessary to carry out the functions of the Board.

Audit Determinations

Sec. 432. (a) Whenever the Director determines that an expenditure not allowable under an applicable program has been made by an agency, organization, or institution that received a grant, cooperative arrangement, or contract other than a procurement contract (hereinafter in this part referred to as the "recipient"), or that such recipient has otherwise failed to discharge its obligation to account for funds under an applicable program, the Director shall give such recipient written notice of a final audit determination, and he shall at the same time notify such recipient of its right to have such determination reviewed by the Board.

(b) A recipient that has received written notice of a final audit determination and that desires to have such determination reviewed by the Board shall submit to the Board an application for review not later than thirty days after receipt of notification of the final audit determination. The application for review shall be in the form and contain the information specified by the Board. The Board shall return to the Director for such action as he deems appropriate any final audit determination which, in the judgment of the Board, contains insufficient detail to identify with particularity those expenditures which are not allowable. Unless the Board determines that a final audit determination lacks sufficient detail, the burden shall be upon the recipient to demonstrate the allowability of expenditures disallowed in the final audit

determination.

(c) When a recipient has submitted an application for review with respect to a final audit determination, no action shall be taken by the Director to collect the amount determined to be owing until the Board has issued a final decision upholding the audit determination as to all or any part of such amount. The filing of such an application shall not affect the authority of the Director to take any other adverse action against such recipient under this part.

(d) A decision of the Board with respect to an application for review under this section shall become final unless within sixty days following receipt by the recipient of written notice of the decision --

(1) the Director, for good cause shown, modifies or sets aside the decision, in whole or in part, in which case the decision shall become final sixty days after such action by the Director, or

(2) the recipient files a petition for judicial review as provided in Section 434 of this Act.

(e) A final audit determination by the Director under subsection (a) with respect to which review has not been requested pursuant to subsection (b), or a final decision of the Board under this section upholding a final audit determination, shall establish the amount of the audit determination as a claim of the United States which the recipient

shall be required to pay to the United States and which may be collected by the Director in accordance with the Federal Claims Collection Act of 1966.

(f)(1) Notwithstanding any other provision of law, the Director may, subject to the notice requirements of paragraph (2), compromise any claim established under this section for which the initial determination was found to be not in excess of \$100,000 where the Director determines that (A) the collection of any or all of the amount thereof would not be practical or in the public interest, and (B) the practice which resulted in the claim has been corrected and will not recur.

(2) Not less than forty-five days prior to the exercise of the authority to compromise a claim pursuant to paragraph (1), the Director shall publish in the Federal Register a notice of his intention to do so. Such notice shall provide interested persons an opportunity to comment on any proposed action under this subsection through the submission of written data, views, or arguments.

(g) No recipient shall be liable to refund any amount expended under an applicable program which is determined to be unauthorized by law if that expenditure was made more than five years before that recipient is given the notice required by subsection (a).

CEASE AND DESIST ORDERS

Sec. 433. (a) Whenever the Director has reason to believe that any recipient under any applicable program has failed to comply substantially with any requirement of law applicable to such funds, the Director may issue and cause to be served upon such recipient a complaint (1) stating the charges upon which his belief is based, and (2) containing a notice of a hearing to be held before the Board on a date at least thirty days after the service of that complaint.

(b) The recipient upon which such a complaint has been served shall have the right to appear before the Board on the date specified and to show cause why an order should not be entered by the Board requiring it to cease and desist from the violation of law charged in the complaint.

(c) The testimony in any hearing held under this section shall be reduced to writing and filed with the Board. If

upon that hearing the Board shall be of the opinion that the recipient is in violation of any requirement of law as charged in the complaint, it shall make a report in writing stating its findings of fact and shall issue and cause to be served upon the recipient an order requiring it to cease and desist from the practice, policy, or procedure which resulted in such violation.

(d) The report and order of the Board shall become final on the sixtieth day following the date upon which the order of the Board was served upon the recipient unless before that day such recipient files a petition for judicial review as provided in section 434 of this Act.

(e) A final order of the Board under this section may be enforced, as determined by the Director, by --

(1) the withholding of any portion of the amount payable, including amounts payable for administrative costs, under the affected program to the recipient against which the final order has been issued, or

(2) the Director certifying the facts to the Attorney General whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the order.

JUDICIAL REVIEW

Sec. 434. (a) Any recipient under an applicable program that would be adversely affected by any action under section 432 or 433 of this Act shall be entitled to judicial review of such action in accordance with the provisions of this section.

(b) Any recipient entitled to judicial review under subsection (a) that desires such review of any action by the Director or the Board qualifying for review under this section shall, within sixty days of that action, file with the United States Court of Appeals for the circuit in which that recipient is located, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director. The Director thereupon shall file in the court the record of the proceedings on which the action was based, as provided in section 2112 of title 28, United States Code.

(c) The findings of fact by the Board, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Board to take further evidence, and the Board may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall

likewise be conclusive if supported by substantial evidence.

(d) The court shall have jurisdiction to affirm the action of the Board or the Director or to set it aside, in whole or in part. The judgment of the court shall be 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.

USE OF RECOVERED FUNDS

Sec. 435.(a) Whenever the Director has recovered funds following a final audit determination with respect to any applicable program, he may consider those funds to be additional funds available for that program and may arrange to repay to the recipient affected by that action not to exceed 75 percent of those funds upon his determination that --

(1) the practices or procedures of the recipient that resulted in the audit determination have been corrected, and that such recipient is in all other respects in compliance with the requirements of that program.

(2) the recipient has submitted to the Director a plan for the use of those funds pursuant to the requirements of that program and, to the extent possible,

for the benefit of the population that was affected by the failure to comply or by the misexpenditure that resulted in the audit exception; and

(3) the use of those funds in accordance with that plan would serve to achieve the purposes of the program under which the funds were originally granted.

(b) Any payments by the Director under this section shall be subject to such other conditions as the Director deems necessary to accomplish the purposes of the affected programs.

(c) Notwithstanding any other provisions of law, the Director may authorize amounts made available under this section to remain available for expenditure, subject to such conditions as he deems appropriate, for up to three fiscal years following the fiscal year in which the audit determination referred to in subsection (a) was made.

(d) At least thirty days prior to entering into an arrangement under this section, the Director shall publish in the Federal Register a notice of his intent to do so and the terms and conditions under which payments will be made. Interested persons shall have an opportunity for at least thirty days to submit comments to the Director regarding the proposed arrangement.

TITLE V -- TRANSITIONAL, SAVINGS, AND CONFORMING
PROVISIONS

Transfer and Allocation of Appropriations and Personnel

Sec. 501. Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof, transferred by this Act, subject to Section 202 of the Budget and Accounting Procedures Act of 1950, shall be transferred to the appropriate department or agency for appropriate allocation. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

EFFECT ON PERSONNEL

Sec. 502. Except as otherwise provided in this Act, the transfer pursuant to this Act of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in compensation for three months after the date of transfer.

AGENCY TERMINATIONS

Sec. 503. (a) On the effective date of this Act, the following entities shall terminate:

- (1) the Education Department;

- (2) all offices of the Education Department provided for in Sections 202 through 214 of the Department of Education Organization Act;
- (3) the Office of Bilingual Education;
- (4) the Teacher Corps;
- (5) the Community College Unit;
- (6) the National Center for Education Statistics;
- (7) the National Institute of Education; and the National Council on Educational Research;
- (8) the Office of Environmental Education;
- (9) the Office of Consumers' Education;
- (10) the Office of Libraries and Learning Resources;
- (11) the Office of Indian Education;
- (12) the Office of Career Education;
- (13) the Office of Non-Public Education;
- (14) the Bureau for the Education and Training for the Handicapped;
- (15) the administrative units for guidance and counseling programs, the Veterans' cost of instruction program, and the program for gifted and talented children;

- (16) the Commission on National Development in Postsecondary Education;
- (17) the Advisory Council on Native Hawaiian Education;
- (18) the Commission on Proposals for the National Academy of Peace and Conflict Resolution;
- (19) the Commission on Review of the Federal Impact Aid Program; and
- (20) the National Council on Quality in Education.

(b) Each position which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for level IV or V of the Executive Schedule (5 U.S.C. 5315-5316), in an office terminated pursuant to this Act, shall also terminate.

INCIDENTAL TRANSFERS AND TERMINATIONS

Sec. 504. (a) The Director of the Office of Management and Budget is authorized and directed to make such determinations as may be necessary with regard to the functions, offices, or portions thereof transferred or terminated by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, or portions thereof, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of any entity terminated by this

Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions and offices transferred by this Act.

SAVINGS PROVISIONS

Sec. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges--

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act; and

(2) which are in effect at the time this Act takes effect shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Director, the head of a department or agency to which a

function is transferred under this Act, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Director, the head of a department or agency to which a function is transferred under this Act, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Director or the head of a department or agency to which a function is transferred under this Act is

authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Except as provided in subsection (e)--

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer, shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Director or to the head of any other department or agency, then such suit shall be

continued with the Director or other appropriate official substituted or added as a party.

(f) Orders and actions of the head of the department or agency in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Director or the head of the department or agency to which the function is transferred by this Act.

REFERENCE

Sec. 506. With respect to any function transferred by this Act and exercised on or after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or any officer or office the functions of which are so transferred shall be deemed to refer to the Director or to the head of the department or other agency to which this Act transfers such functions.

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CONFORMING AMENDMENTS

Sec. 507. (a) Section 19(d)(1) of Title III, United States Code, is amended by striking out the following:

"Secretary of Education".

(b) Section 101 of Title V, United States Code, is amended by striking out the following:

"The Department of Education".

(c) Section 5312 of Title V, United States Code, is amended by striking out the following:

"Secretary of Education".

(d) Section 5313 of Title V, United States Code, is amended by adding at the end thereof the following new item:

"Director, Foundation for Education Assistance".

(e)(1) Section 5314 of Title V, United States Code, is amended by striking out the following:

"Under Secretary of Education".

(2) Section 5314 of such Title is amended by adding at the end thereof the following new item:

"Deputy Director, Foundation for Education Assistance".

(f)(1) Section 5315 of Title V, United States Code, is amended by striking out the following:

"Assistant Secretaries of Education (6)".

"General Counsel, Department of Education".

"Inspector General, Department of Education".

(2) Section 5315 of such Title is amended by adding at the end thereof the following new item:

"Inspector General, Foundation for Education Assistance".

(g) Section 5316 of Title V, United States Code, is amended by striking out the following:

"Additional officers, Department of Education (4)".

"Administrator of Education for Overseas Dependents,
Department of Education".

(h)(1) Section 1402 of the Defense Dependents' Education Act of 1978 is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Defense, in his discretion, may request the Director of the Foundation for Education Assistance to provide information, advice, and technical support concerning educational programs and practices."

(2) Section 1410(b) of such Act is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense."

(3) Section 1411(a) of such Act is amended to read as follows:

"(a) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the "Council"). The Council shall be composed of--

"(1) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the "Assistant Secretary"), who shall be the Chairman of the Council;

"(2) twelve individuals appointed by

the Assistant Secretary, who shall be individuals versed by training or experience in the field of primary or secondary education and who shall include representatives or professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system;

"(3) a representative of the Director of the Foundation for Education Assistance; and

"(4) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary."

(4) Section 1411(b)(1) of such Act is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(5) Section 1411(c) of such Act is amended--

(A) by striking out clause (2);

(B) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(C) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (B) of this paragraph) and inserting in lieu thereof "Assistant Secretary".

(6) Section 1412(a)(2) of such Act is amended by striking out "one year after the effective date of this title" and inserting in lieu thereof "November 1, 1983".

(8) Section 1412(c) of such Act is amended by striking out "one year after the effective date of this title" and inserting in lieu thereof "November 1, 1983".

(i)(1) Section 203(a)(1) of the Rehabilitation Act of 1973 is amended by striking out "the Secretary of Education,".

(2) Section 507 of such Act is amended by striking out "The Secretary of Education,".

(j)(1) Section 2(1) of the Inspector General Act of 1978 is amended--

(A) by striking out "the Department of Education,";

(B) by striking out "and" after "the Small Business Administration,"; and

(C) by inserting a comma and "and the Foundation for Education Assistance" after "the Veterans' Administration".

(2) Section 9(a)(1)(C) of such Act is amended to read as follows:

"(C) of the Foundation for Education Assistance, all functions of the Inspector General of Education relating to functions transferred by Section 301 of the Foundation for Education Assistance Act;".

(3) Section 11(1) of such Act is amended--

(A) by striking out "Education,";

(B) by striking out "or" after "Transportation" and inserting in lieu thereof a comma; and

(C) by inserting "or the Director of the Foundation for Education Assistance" after "Veterans Affairs,";

(4) Section 11(2) of such Act is amended--

(A) by striking out "Education,";

(B) by striking out "or" after "Transportation" and inserting in lieu thereof a comma;

(C) by striking out "or" after "the Small Business Administration,"; and

(D) by inserting "or the Foundation for Education Assistance" after "Veterans' Administration,".

DESIGNATION OF DEPARTMENT AND SECRETARY
OF HEALTH AND HUMAN SERVICES

Sec. 508. (a) The Department of Health and Human Services, and the Secretary of the Department of Health and Human Services, shall continue to be designated as such.

(b) Any reference to the Department of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on or after May 4, 1980 shall be deemed to refer and apply to the Department of Health and Human Services or the Secretary of Health and Human Services, respectively, except to the extent such reference is to a function or office

transferred to another department or agency under this Act.

TITLE VI -- REPEALER; EFFECTIVE DATE; SEPARABILITY

Sec. 601. There are hereby repealed--

- (a) the Department of Education Organization Act;
- (b) the General Education Provisions Act;
- (c) Title I, Title II, Sections 415A-415D and 420, Title VIII, and Title IX of the Higher Education Act of 1965;
- (d) the Act of August 30, 1890 (7 U.S.C. 321-328);
- (e) section 395 of the Communications Act of 1934 (47 U.S.C. 395), relating to telecommunications demonstrations;
- (f) Public Law 92-506, relating to the Allen J. Ellender Fellowships Program;
- (g) Part B of Title XV of the Education Amendments of 1978;
- (h) the Library Services and Construction Act;
- (i) Section 303(c)(2) of the Comprehensive Employment and Training Act;
- (j) Section 525 of Public Law 94-462, relating to the Wayne Morse Chair of Law and Politics; and
- (k) Parts D and H of Title XIII of the Education Amendments of 1980.

EFFECTIVE DATE

Sec. 602. The provisions of this Act shall take effect October 1, 1982, or 60 days after the date of enactment of this Act, whichever is later.

SEPARABILITY

Sec. 603. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.



U.S. DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202

Dept of Ed

30

OFFICE OF THE
GENERAL COUNSEL

Mr. Morton C. Blackwell
Office of Public Liaison
The White House
Room 134
Old Executive Office Building
Washington, D.C. 20500

Dear Morton:

I just wanted to drop you a note to let you know that I have been enjoying my public service thus far. Daniel Oliver is a fine man to work for and he is, as you know, a thoroughly dedicated Reaganite. We are working hard to make the changes we all know are necessary for the expansion of liberty in our country. I hope that we will be able to have lunch together soon.

Sincerely,

Mark R. Disler
Special Assistant
to the General Counsel



The Conservative Caucus
Research, Analysis & Education
Foundation, Inc.

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CONSERVATIVE SPEAKERS BUREAU

NATIONAL SECURITY TASK FORCE

LEGISLATIVE DATA BANK

TAX REDUCTION PROJECT

PRESIDENTIAL POLICY PROJECT

CONSERVATIVE

LEADERSHIP SCHOOL

MEMORANDUM - DEPARTMENT OF EDUCATION

FROM: SUSAN PHILLIPS, DIRECTOR, RESEARCH AND PUBLICATIONS

Little improvement was made during FY 81 in stopping the flow of Federal tax dollars to groups who actively lobby for increases in public spending and increased Federal control in Education. The National Organization for Women Legal Defense and Education Fund, which supports Federally supported affirmative action programs in the schools and Federal intervention in local school spending decisions (for example, they feel that schools should not be allowed to spend any more money on athletic programs for boys than they do on girls' programs), has received more money from the Department of Education since President Reagan took office in January, than they did in the last year of the Carter Presidency. (\$105,577 on September 18, 1981 and \$330, 281 on June 30 from the Women's Educational Equity Program.)

Planned Parenthood, whose official policy is that parents are not routinely notified when their minor children receive birth control or abortions, received an August 1, 1981 grant of \$328,390 under the Handicap Research and Demonstration Model Centers program.

The American Friends Service Committee which is part of the Coalition for a New Foreign and Military Policy (an anti-defense lobby), received a June 30, 1981 grant of \$149,553.

Operation PUSH - EXCEL, despite Jesse Jackson's constant attacks on the Administration and, according to news reports, unfavorable comments in a Commerce Department inspection of their accounting system, received \$656,664 on September 30, 1981.

Other grant recipients include the Federation of Southern Coops (\$23,656.00 on 09/25/81), LULAC (\$2,427,600.00 on 05/31/81), the Feminist Press (\$64,635.00 on 07/02/81 and \$249,589.00 on 07/30/81), the National Council on the Aging (\$38,620.00 on 08/31/81), the United States Student Association (\$107,630.00 on 07/31/81), and the Mexican American Legal Defense and Education Fund (\$215,945.00 on 06/25/81).

Organized labor also benefitted from grants from the Department. The United Automobile Workers received \$214,812 on January 30, The Institute for Labor Education - \$195,368 on July 15, Working Women- \$155,314 on April 27, from the the Fund for the Improvement of Post Secondary Education.

Morton Blackwell

6.

Education Department end urged

By PETER COBUN

Register Washington Bureau
WASHINGTON — Dan Alexander, president of the Mobile County School Board, handed over to a presidential assistant here Monday 30,000 signed petitions calling for abolition of the U.S. Department of Education.

Alexander, making the presentation at the White House, represented the Taxpayers Education Lobby, an organization he founded in Mobile in January 1980.

The Mobile lawyer said in an interview, following picture-taking on the White House lawn, that special Reagan aide Morton Blackwell "totally believes in what we're trying to do."

President Reagan pledged to abolish the Department of Education during his presidential bid last year.



Washington Scene

The petitions were distributed nationwide by Alexander's organization, which had contracted the firm of Richard Viguerie, who has become the direct mailing king of "New Right" politics.

In the last three months, more than 200,000 petitions were mailed to individuals. It was those that were returned which were given to Blackwell Monday afternoon. Each petition sent out included a letter signed by Alexander, as well as a cover letter over the signature of Sen. Roger W. Jepsen, R-Iowa.

The White House aide assured Alexander that the petitions "will be brought to the president's attention."

The petitions call for "the demise" of the Education Department, said the Mobilian, but call for "the necessary functions of

government" to be transferred to other federal departments.

Civil rights matters involving schools would be turned over to the Justice Department, as Alexander sees it, and student loans could be handled by the Department of Treasury.

Viguerie, working with Alexander, will mail 1 million more letters between now and January.

This mailing will be essentially the same as the other, asking that recipients send a card to their congressman calling for the shutdown of the Department of Education, that the petition be returned for forwarding to the president, and that a contribution be made to

"continue the effort," in Alexander's words.

"This mailing ought to build our organization to the point that we can budget a full-time Washington office," Alexander said in the interview Monday.

Alexander met for about 45 minutes with Blackwell, a special assistant to the president.

The Mobile attorney also met with Alabama Sen. Howell Heflin and Indiana Sen. Dan Quayle Monday.

Quayle recently introduced a measure which Alexander says would legislate essentially the same things his Taxpayers Education Lobby promotes.

That legislation has been co-signed by North Carolina Sen. Jesse Helms.

Alexander said White House aide Blackwell "feels like I do, that we've got to get the control of education back to the local level."

The Mobile school board president said he founded the Taxpayers Education Lobby "because there's no voice for the average taxpayer in education matters."

He pointed out that 83 cents of every dollar in the Alabama state budget goes to education. And 8.5 cents of every dollar earned in Alabama goes to public school education in the state.

A PROPOSAL FOR A FOUNDATION FOR EDUCATION

Overview

A national foundation for education, under the supervision of a Presidentially-appointed Director, would have a supportive role rather than one of enforcement or intrusion.

It would administer block grants for State and local education agencies, including those currently authorized in the Education Consolidation and Improvement Act (ECIA) currently and others to be proposed. A foundation would continue support for compensatory education programs, assistance to developing colleges and historically black institutions, student financial assistance, and a core of information, statistical and research services for education.

Among a foundation's major responsibilities would be identification of programs that are more properly the responsibility of State and local governments.

It is the conviction of this Administration that education is primarily a State, local and citizen responsibility. Education does not begin with the Federal government, or even State and local officials. It begins with parents, and government is there simply to assist in this responsibility.

The Tenth Amendment to the Constitution makes it clear that this is not an area for the Federal government to take primary responsibility, as is the temptation with a Department-level entity. Departments regulate, dictate processes and procedures, and burden State and local governments in ways that should be preserved to those provinces specifically delegated to the Federal government. A foundation would provide support and assistance to States, families and communities. The Administration's primary concern is the quality of education and what role the Federal government should play in fostering a return to high standards of excellence in education at all levels.

This Country had a Department of Education in 1867. It was eliminated by an act of Congress one year later. We hope the 97th Congress will work as expeditiously with this Administration in redefining the Federal role in education as did their peers over one hundred years ago.

SUMMARY

- o Dismantling the Department of Education as a Cabinet agency.
- o Creation of a foundation for education.
- o Of 159 programs now authorized in the Department of Education:
 - 105 would be retained or blocked (under ECIA or new proposals) into 37 programs administered by the foundation;
 - 31 would be transferred to other mission agencies;
 - 23 would be terminated.
- o A foundation would reaffirm the appropriate role of the Federal government as one of assistance to States in improving the quality of and access to education.

BACKGROUND

- o On February 18, 1981, the President outlined his Program for Economic Recovery. It included the consolidation of more than 40 Federal elementary and secondary education programs into a block grant to the States and local communities.
- o On August 13, 1981, the President signed into law the Omnibus Reconciliation Act of 1981, which included a modified consolidation of Federal elementary and secondary education programs and continuation of the Title I grant program for low-income school districts as a separate categorical program.
- o On August 21, 1981, the Secretary of Education announced the elimination of 30 sets of regulations associated with consolidated Federal elementary and secondary education programs. The revocation of these regulations eliminated the flow of some 200,000 pages of grant applications, 7,000 pages of financial reports, and 20,000 pages of programmatic reports moving to the Federal government annually.
- o On September 24, 1981, in his nationwide address to announce further FY 1982 budget revisions, the President

announced his request of \$12.6 billion for Federal education programs under the jurisdiction of the Department of Education, reflecting a 12 percent reduction below his March budget request, and reiterated his campaign pledge to dismantle the Cabinet-level Department of Education.

PROPOSAL

It is the Administration's objective to reiterate its commitment to restrain the size and cost of government, and to eliminate unwarranted control and interference of American education, which is primarily a State and local responsibility. It will also reaffirm an appropriate Federal role to assist State and local efforts to improve the quality of education nationwide, as well as access to education by all our people.

The proposal would reduce and streamline Federal education programs, eliminate further unnecessary Federal regulations and bureaucratic control, and help return the Federal government to solely an assistance role in educational endeavors.

A. Features of Proposal

Briefly, this proposal includes:

- o Dismantling of the Department of Education as a Cabinet agency.
- o Creation of a foundation for education that will administer:
 - block grants and consolidated aid for State and local educational agencies that would eventually devolve to the States;
 - student grants and loans that would eventually devolve to States and individuals;
 - interim support for equal educational opportunity (compensatory) programs;
 - a core of continuing informational, statistical, and research services for education.

- o The foundation will be:
 - administered by a Director, who would be appointed by the President with the advice and consent of the Senate and directly responsible to the President;
 - advised by a non-governing board, limited by statute to an advisory capacity, whose members would be appointed by the President.
- o Overseas dependents' schools will remain with the Department of Defense.
- o 31 existing Federal education programs will be transferred to other mission agencies which have related programs.
- o 105 existing Federal education programs will be consolidated and reduced to 37 programs to be administered by the new foundation.
- o 23 existing Federal education programs will be terminated.

B. Details

Presented below are additional details on the proposal:

1. Foundation for education

- o It is proposed to reorganize all but 54 existing Department education programs in the new foundation. The total FY 1982 budget level of these programs under the President's September 24 budget revision is \$10,979,700,000, including funds for the Office of the Inspector General and Departmental management.
- o When in full effect, 42 existing programs consolidated under the Education Consolidation and Improvement Act of 1981 will be reduced to one block grant, plus the Secretary's set-aside discretionary fund.
- o If enacted as planned, 32 additional existing programs would be reduced to four consolidations and block grants.

2. Programs Proposed for Transfer to Other Agencies

<u>Program and FY 1982 Budget*</u>	<u>Location pre- Department of Education</u>	<u>Proposed Receiving Agency</u>
Rehabilitation Services (6 programs, \$861.0 million)	Department of Health, Edu- cation and Welfare	Department of Health and Human Services
International education, domestic centers, fellowships (1 pro- gram, \$15.0 million)	Department of Health, Edu- cation and Welfare	International Communications Agency
International education, overseas program (1 program, \$2.6 million)	Department of Health, Edu- cation and Welfare	International Communications Agency
Indian education programs (5 programs, \$71.4 million)	Department of Health, Educa- tion and Welfare	Department of the Interior

*September 24 budget revision

<u>Program and FY 1982 Budget</u>	<u>Location Pre- Department of Education</u>	<u>Proposed Receiving Agency</u>
Special Institutions (Printing, House, NTID, Gallandet - 6 programs \$83.2 million)	Department of Health, Educa- tion & Welfare	Department of Health & Human Services
Impact Aid -- Operations (3 programs, \$335.3 million)	Department of Health, Educa- tion & Welfare	Department of the Treasury
Impact Aid -- Construction (1 program)	Department of Health, Educa- tion & Welfare	Department of the Treasury
Impact Aid -- Federal Pro- perty construction (1 program, \$6.2 million)	Department of Health, Educa- tion & Welfare	Department of Defense
Impact Aid --Indian Lands construct.on (1 program, \$11.4 million)	Department of Health, Educa- tion & Welfare	Department of the Interior
College Housing subsi- dies and appropria- tions (2 programs, \$.2 million)	Department of Housing & Urban Development	Department of the Treasury
College Construction subsidies (3 pro- grams, \$74.4 million)	Department of Health, Educa- tion & Welfare	Department of the Treasury
Minority Institutions Science Improvement (1 program, \$4.4 million)	National Science Foundation	National Science Foundation

3. Programs Proposed for Termination

<u>Program</u>	<u>FY 1982 Budget*</u>
Institute of Museum Services	\$ 0.2 million
Migrant High School Equivalency	5.6 million
Migrant College Assistance	1.1 million
State Student Incentive Grants	67.5 million
Legal Training for the Disadvantaged (CLEO)	0.9 million

*September 24 budget revision

<u>Program</u>	<u>FY 1982 Budget*</u>
Cooperative Education (Title VII, Higher Education Act)	\$ 4.3 million
Fellowships for Graduate and Professional Studies (Title IX- A & B, Higher Education Act)	9.7 million
Libraries	58.1 million
Public Library Services	(41.2 million)
Interlibrary Cooperation	(10.6 million)
Library Career Training	(0.6 million)
Library Research & Demonstrations	(0.4 million)
Research Libraries	(5.3 million)
College Library Resources	---
Telecommunications Demonstrations	---
Veterans Cost of Instruction	---
Aid to Land Grant Colleges (Morrill Act)	---
Ellender Fellowships	---
Educational Outreach (Title I-B, Higher Education Act)	---
Public Service Grants and Fellowships (Title IX-A & B, Higher Education Act)	---
Mining Fellowships (Title IX-B, Higher Education Act)	---
Wayne Morse Chair of Law and Politics	---
National Academy of Peace and Conflict Resolution (Sec. 1511, Elementary & Secondary Education Act)	---
Law School Clinical Experience Program (Title IX-E, Higher Education Act)	---

*September 24 budget revision



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION AND PUBLIC AFFAIRS

THE ASSISTANT SECRETARY

JAN 26 1982

TO: The Secretary
THROUGH US _____
ES _____

FROM: Anne Graham *WGS*
Assistant Secretary
Legislation and Public Affairs

SUBJECT: Direct Mail Campaign Concerning Department

I believe that you will be interested in seeing the attached mailings which concern the Department.

Attachments

cc: Deputy Under Secretary for Budget & Planning
General Counsel
Assistant Secretary for Elementary & Secondary Ed

*Help me urge President Reagan
to keep his promise to scrap
the Department of Education*

Martha

Leadership Foundation

Dulles Road • P.O. Box 17418 • Washington, D.C. 20041

Martha Rountree, President

Dear Friend,

Please take a moment to sign and return the enclosed card to President Reagan.

I need you to return it to me within the next ten days so I can have it personally delivered to the President.

I am asking for your support to help him shut down the \$15,000,000,000 (\$15 BILLION DOLLAR!) federal agency known as the Department of Education.

President Reagan recently told the nation on TV he plans to scrap the Department of Education. But it will not be easy! Already the liberals are fighting to keep it.

Yet shutting down this huge bureaucracy could free up tax dollars to fund more worthwhile programs like Social Security and direct aid to your local schools.

And even more vital, it will help the President get rid of federal control over your local schools and bring back teaching of traditional American values.

As a patriotic American, you can help make the difference. For I hope you believe as I do in the Bible's words:

"Train up a child in the way he should go, and when he is old, he will not depart from it."

Proverbs, 22:6

Sadly, children are being trained in public schools but not in the way they should go.

Right now, many public schools are playgrounds of violence, drinking, drugs, cheating and classroom chaos.

You and I can barely recognize the American schools in which we grew up. And which we learned to love. A child cannot say prayers in school now. Many schools do not even ask children to say the Pledge of Allegiance.

Much of the blame lies with the bureaucrats in

(over, please)

Leadership Foundation

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Korea

Col. Raymond Sleeper,
American Security
Council

Washington who take more and more power away from parents and local school boards.

And Washington's interference has grown much worse since President Jimmy Carter set up his Department of Education in 1978. President Ronald Reagan promised many times in his election campaign that he would get rid of this huge agency.

Now we must help the President keep his promise. But it won't be easy for him. The fight is just starting.

So I urge you to support our drive to SCRAP THE DEPARTMENT OF EDUCATION! Let the President know you stand with him on this issue.

You see, President Carter set up his Department of Education as a pay-off to the teachers' trade union.

This trade union is called the National Education Association (NEA). It's the second biggest public trade union in the nation with over 1½ million members.

And Carter wanted to pay back his NEA union boss friends for all the help they gave him in the 1976 election.

Now the \$15 BILLION Department of Education is under almost total control of the NEA union bosses.

In fact, the head of the NEA openly boasted: "We're the only union with our own cabinet department."

What's more, the NEA union bosses are in the front line of the liberals' fight to stop us from letting children pray in school and from ending forced school busing.

And here's what the NEA stands for:

FOR forced school busing	FOR forced sex education
FOR bi-lingual education	FOR a nationalized school curriculum

They are even against little tots in kindergarten saying a blessing over their morning milk and cookies:

"God is great, God is good, and we thank Him for our food."

Instead, the NEA union bosses promote value-free education where a child is taught there is no such thing as absolute morality.

This liberal teachers' union works to allow indecent, even obscene, books in school classrooms and libraries.

Many of them promote secular-humanist thinking that is anti-Christian and anti-moral.

In fact, Dr. Carl Henry, former Editor of Christianity Today says, "A reasonable cause is no longer made in the public schools

(next page, please)

for moral absolutes."

And Time magazine recently quoted Dr. Lawrence Cremin, President of Columbia University's Teachers College, saying:

"public school educators are increasingly willing to concede they have been neglecting traditional values of character and citizenship in the classroom."

That's why we at Leadership Foundation have prepared a major drive to help the President scrap the Department of Education.

Our goal is to get the President to start shutting down the Department of Education in the next 6 months.

I founded Leadership Foundation over 15 years ago as a non-profit group working to protect America's traditions and family values.

We at Leadership Foundation, with over 140,000 members nationwide, actively campaign to inform the American public on such family issues as school prayer, forced school busing and cleaning up TV and movies.

I invite you now to join such famous friends of Leadership Foundation as Senators Jesse Helms, Strom Thurmond and Orrin Hatch in our goal: to scrap the Department of Education in the next 6 months.

Please rally your friends to support our Leadership Foundation efforts.

But we must start now. Once President Reagan's honeymoon with Congress is over, it will be much harder for him to scrap the Department of Education.

So I and Leadership Foundation have worked out a careful plan to tell Americans about his urgent need.

Our program calls for a closely coordinated media and research campaign to reach key leaders around the country:

- 1) CARDS TO PRESIDENT REAGAN: In the next few weeks we must print 1,000,000 cards like the one I've enclosed for you, and distribute them to key leaders to send to the President. This is the kind of support the President must get from across the U.S. before he can move against politically powerful liberals.
- 2) FACT SHEETS: We must prepare special Fact Sheets to show how the Department of Education wastes your tax dollars - and forces creeping socialism on our schools. We will distribute these Fact Sheets to TV and radio networks and leading papers to give Americans the facts they need now.
- 3) TV AND RADIO: We must schedule dozens of TV and radio appearances to get the message to Americans to scrap the Department of Education now.

(over, please)

But I need for you to help our drive. So send your card back today for me to have personally delivered to the President.

There is a problem though. Right now, we here at Leadership Foundation simply don't have the money to pay for some of our vital projects. We need an estimated \$150,000 to pay for

- printing and distribution of cards and information material
- expenses for our TV and radio campaign
- printing and distribution of our Fact Sheets

Will you help me raise this money? Will you send me your tax-deductible gift today for \$10 or \$15 or as much as you can?

If you can send me more than \$15, God bless you! Believe me, your gift will be put to good use right away.

Some supporters will send us \$500 or \$1,000 to set the pace for others to follow. Can you give a major gift to challenge others to join our campaign?

Unless we can raise the \$150,000 we need to fight the liberal special interest groups, we could see the Department of Education grow still bigger!

Liberal bureaucrats in Washington could control the life of every American child more and more.

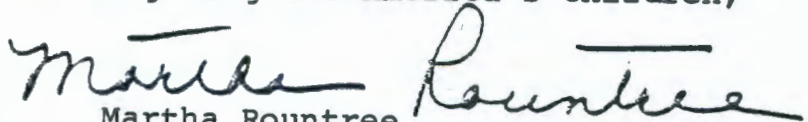
The time to shut down the Department of Education is now, so make it a point to do these two vital things today:

- 1) Sign and return the enclosed card for me to deliver to the President.
- 2) Send me your tax-deductible gift of \$10 or \$15 or more if you can, for our Leadership Foundation work.

Remember, liberal special interest groups and Washington bureaucrats are fighting now to stop school prayer and keep forced busing. So we must urge the President to shut down the Department of Education real soon.

You and I simply can't afford to lose this battle. So please let me hear from you today.

Fighting for America's children,


Martha Rountree
President
Leadership Foundation

MR/Rade

P.S. I must have your signed card to the President in the next 10 days so I can have it personally delivered to him. Please mail it today with your tax-deductible gift of \$10 or \$15 or more if you can.

Leadership Action

A national citizens' action movement
1200 South Sterling Boulevard
Sterling, Virginia 22170

Action Alert — Abolish Department of Education!

September 29, 1981
0090-316

Dear Mr. & Mrs. Lares,

There's an Open Letter to President Reagan enclosed with my letter.

Please take a moment to read it.

It calls on the President to keep his promise to abolish the Department of Education.

And abolish it now.

Through your past support of Leadership Action, you've shown me you are dedicated to the pro-family battles we are fighting -

for school prayer and against forced school busing.

And I want you to know how grateful I am for your support. You give me the heart to keep going.

But I need your continued help to win a victory that's important in our fight for school prayer and against forced school busing.

We must get rid of the Department of Education.

But we must act fast - just a few days ago I heard the White House has put this matter in the hands of a committee of private citizens.

A committee! That's like putting it in cold storage.

So I urgently need you to sign your Open Letter to the President today. Also I ask you to mail the enclosed photo postcard to your Congressman Carlos J. Moorhead.

Both the Open Letter and the Postcard are in support of Congressman William Whitehurst's (R., VA.) bill HR 1779 to scrap the Department of Education.

Here's why this huge federal bureaucracy must

(over, please)

Page two

go: It has a budget of over \$15,000,000,000 (that's 15 BILLION DOLLARS). It spends over \$28,000 of tax-payers' money every minute.

In just two years it has handed down over 1,400 pages of regulations. Over 10 MILLION man hours a year are spent by schools filling in paper work to meet these requirements.

What's more, many of the Department's staff of over 7,000 people are liberals left over from the Carter Administration.

The reason is simple:

The Department was set up by President Carter as a pay-off to the liberal teachers' union, the National Education Association (NEA).

In fact, the head of NEA openly boasted: "We're the only union with our own cabinet department."

And ultra-liberals control this teachers' union. With a budget of \$55,000,000 and over 1 1/2 million members, the NEA is the second biggest public union in the U.S.

Of course, their head office in Washington is real active. They push new liberal laws and block pro-family measures.

These liberal union bosses at NEA stand

FOR forced school busing
FOR bi-lingual education
FOR compulsory sex classes

AGAINST school prayer
AGAINST school board review of school books

What's more, just to show you how liberal it is, the NEA wants to:

- stop arrests of people who have marijuana
- force all public employees to join a union
- pass the ERA (Equal Rights Amendment).
- draft women in the armed forces
- disarm U.S. defenses.

You can be sure the liberal NEA bosses will fight tooth and nail to keep the Department of Education.

Yet, I think you will agree there is only one

(next page, please)

Page three

answer to the growth of this bureaucracy.

The answer is to hand education back to the states and local school boards.

And the President said time and time again in his election campaign that he wants to get federal government out of education.

So we must remind the President to stay true to his promises. Tell him not to get side-tracked by his White House staff who want to shelve it in committee.

Tell him to support Congressman Whitehurst's bill HR 1779.

Quite frankly, we can get a quick decision on scrapping the Department of Education ONLY if Americans across the nation write to the President and Congress.

I am sorry to tell you we will have a bitter struggle on our hands. We will have to fight the teachers' trade union to get this bill passed and abolish the Department of Education.

This is why I have already begun to lobby with my friends on Capitol Hill to push forward Congressman Whitehurst's bill.

But we can succeed only if we get massive grass-roots support. I believe you and Leadership Action can play a key role.

We have over 80,000 members like you across the country who can act today to help scrap the Department of Education.

Quite honestly, I must rely on every one of our supporters and that includes you.

We can impress the President and Congress ONLY if thousands of our members mail their Open Letters and postcards without delay.

We have the tools. We have the members. But our resources have been drained by our fight for school prayer and against forced school busing.

I estimate our fight to scrap the Department of Education will cost \$157,500.

Not just for the costs to print and mail to key

(next page, please)

Page 1001 of letter to Mr. & Mrs. Fred Lares

community leaders. But for all our other campaign costs as well.

Don't forget - the NEA has over \$15 MILLION in its budget! Our fight is like David against Goliath. But God being our helper, we will win.

But I need your financial support now to ensure a victory. Please help our campaign with your generous gift of \$10.00 or even \$15.00 if you can.

You can send your gift when you sign my Open Letter to the President. Ask him to scrap the Department of Education, now.

Just use the postage-paid envelope I've enclosed and simply place it in your mail box for your mail man to pick up.

I will have it personally delivered to the White House for you, Mr. & Mrs. Lares.

Also, please mail your photo postcard to your Congressman Carlos J. Moorhead today in support of Congressman Whitehurst's bill HR 1779.

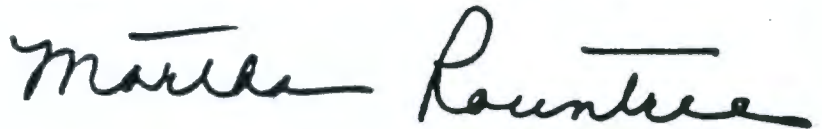
Remember, the 1982 elections are not far off. So Congressman Carlos J. Moorhead will really listen to voters like you.

And please send a generous gift of \$10.00 or even \$15.00 if you can - to help pay for our campaign costs.

It's urgent we get rid of the Department of Education fast.

I shall be waiting anxiously to hear from you. This is a fight we must win.

Yours for God, for country, for family,



Martha Rountree, President
Leadership Action

P.S. Don't forget - sign your Open Letter to the President, mail your postcard and send \$10.00 or even \$15.00 for our campaign to scrap the Department of Education.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET AND EVALUATION

2 BLAC

THE DEPUTY UNDER SECRETARY

FEB 22 1982

Mr. Jerry Skirvin
Executive Director
The Moral Majority of Virginia, Inc.
Post Office Box 2081
Lynchburg, Virginia 24501

Dear Mr. Skirvin:

Your letter to President Reagan concerning the Department of Education and its replacement by a Foundation has been referred to me for response.

It is the Administration's belief that the Federal Government's current control over education nationwide must be curtailed. This view is based on both (1) the Tenth Amendment, which reserves "to the States respectively, or to the people" powers, such as education, "not delegated" to the Federal Government, and (2) the nation's economy, which demands a priority for Federal fiscal actions that will assist education along with other pursuits of our citizens and of State and local government.

In his address to the nation on September 24, the President announced his commitment to dismantle the Department. At that time, he said:

"By eliminating the Department of Education . . . we (can) ensure that local needs and preferences rather than the wishes of Washington determine the education of our children."

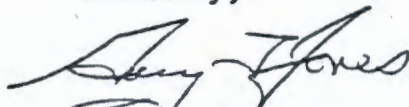
"Some of the activities . . . will, of course, be continued either independently or in other areas of government."

Following extensive discussion within the Administration and consultation with Members of Congress, the educational community and governmental leaders, the President's budget sent to Congress February 8 includes his proposal to create a Foundation for Education Assistance and abolish the Department of Education.

This Foundation will provide support and assistance to American education, rather than intrusion and control. It will be in keeping with the reservation of education powers to the States and to the people under the Tenth Amendment to the Constitution.

Your interest in preserving the rights of State and local governments is appreciated. Thank you for your support to the Reagan Administration.

Sincerely,


Gary L. Jones

THE WHITE HOUSE OFFICE

REFERRAL

JANUARY 26, 1982

TO: DEPARTMENT OF EDUCATION

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 057042

MEDIA: LETTER, DATED DECEMBER 29, 1981

TO: PRESIDENT REAGAN

FROM: MR. JERRY SKIRVIN
EXECUTIVE DIRECTOR
THE MORAL MAJORITY OF VIRGINIA,
INC.
POST OFFICE BOX 2081
LYNCHBURG VA 24501

SUBJECT: **URGES DISMANTLING AND ABOLISHMENT OF THE
DEPARTMENT OF EDUCATION**

CHC
SECRET
JAN 26 5 16 AM '82

7
OF

134418

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE



THE MORAL MAJORITY OF VIRGINIA, INC.

P.O. Box 2081 ☐ Lynchburg, VA 24501
(804) 528-0070

December 29, 1981

Donnie Cantwell
State Chairman

Jerry Skirvin
Executive Director

Donnie Cantwell

057042

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

Dear Mr. President:

During your 1980 presidential campaign you very strongly advocated the dismantling and abolishment of the Department of Education.

Now it seems that this department may be turned into a "Foundation" as suggested by Secretary Bell.

I am writing to urge you to carry out your campaign promise of dismantling the Department of Education because this is not an area for the federal government to be involved in.

Many citizens in this country voted for you because of promises like this one which halt government intrusion into issues which can be better addressed at a local and state level.

Sincerely,

Jerry Skirvin

Jerry Skirvin
Executive Director

JS/mtl



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202

OFFICE OF THE SECRETARY

Send to Maffie?

March 1, 1982

TO: MORTON BLACKWELL
FROM: BOB BILLINGS *Bob*
SUBJECT: WORD OF LIFE SINGERS

I am attaching a letter of request from Jack Wyrzten, Director of Word of Life Camps. Jack is one of the leaders of the evangelical movement and is one of the few men that can reach across denominational lines. If there is any opportunity for his singers to perform before the President on December 17, 1982, it would be a good move politically.

By the way, they are excellent singers!

RB/dg
Enclosure



WORD OF LIFE FELLOWSHIP, INC. *J-file*

Jack Wyrzten, Harry Bollback, Directors

Reaching Youth with the Gospel of Christ

February 23, 1982

Dr. Robert J. Billings
306 Corla Drive
Oxon Hill, Maryland 20745

Dear Bob:

I just want to thank you and Charlotte for being so kind to me in the midst of your busy schedule. Praise the Lord.

We are going to be with the Collegians in Washington performing "Ring The Bells" on December 17. We are going to put on a 40-minute concert in the Pentagon at noon. If you could arrange for our singers to sing 5 or 10 minutes before the President at the White House that day, I think this would be a good opportunity as it's just before Christmas. Maybe you had better do some footwork on it now with Mrs. Dole.

Mary-Anne Krupsak, our former Lt. Governor, wanted to know if you knew an Iriquos indian by the name of Duffy Wilson. He is a good friend of Mary-Anne's.

Looking forward to seeing you again one of these days real soon.

Yours on the Victory Side,

Jack Wyrzten, Phil. 2:16

JW:bjf

Personally dictated,
but signed in his absence.

Education Dept. Ousts No. 2 Man; Purge Is Seen

By Charles R. Babcock
Washington Post Staff Writer

In what is being viewed as an ideological purge, the No. 2 man at the Department of Education has been forced out of his job. Undersecretary William C. Clohan Jr. abruptly announced his resignation yesterday, after reportedly incurring White House wrath for making a comment about tuition tax credits 10 days ago.

There was no official explanation for his departure, but sources said conservatives in and out of the administration felt he was "too liberal" and not a strong enough advocate of the administration's attempt to dismantle the newest Cabinet agency and cut federal spending in education programs.

Secretary of Education Terrel H. Bell asked for the resignation after returning from a White House meeting Wednesday, sources said, adding that the dismissal wasn't Bell's idea.

Clohan, 33, couldn't be reached immediately for comment. Bell told Associated Press that he couldn't

See CLOHAN, A23, Col. 3

No. 2 Man Forced From Education Dept.

CLOHAN, From A1
speak for Clohan, but added: "Bill has served the Department of Education well over the past year since he arrived and we'll miss him." In response to a question, Bell said he has "no immediate plans to leave" the department.

Clohan's firing came the same day in which conservative leaders Richard Viguerie and Howard Phillips called for Bell's resignation "for failing to stop the flow of federal dollars to radical groups."

Viguerie and Phillips said in telephone interviews yesterday that they didn't know Clohan personally. Viguerie said he understood that "a lot of people felt he [Clohan] was a big part of the problem over there, and were unhappy that he ran the department." Phillips said he was more concerned about the administration's policies, and added, "Frankly, as

they said in the French revolution, we want more than that."

The dismissal leaves as Bell's ranking subordinate general counsel Daniel Oliver, who used to work at the conservative National Review magazine, undersecretary Gary L. Jones, a known internal foe of Clohan's, and acting deputy undersecretary Charles L. Heatherly, formerly of the Heritage Foundation.

Education lobbyists expressed shock at Clohan's firing. "It's a shame. It looks like the ideologues have taken over the department," said Charles B. Saunders, chief lobbyist for the American Council on Education, a college umbrella group. "Bill Clohan is an honest, decent man. Whatever credibility the department had left it owed to him."

"It looks like the right wing is trying to clean out the department of anyone even somewhat of a moder-

ate," said Allan S. Cohen, chairman of a coalition to save the department's Cabinet status.

August W. Steinhilber, associate executive director of the National School Boards Association, said, "I'm sorry to see Bill leave. He has been a person who understands the operation on the Hill and in the field. I wish he were still there."

Rep. John M. Ashbrook (R-Ohio), the ranking minority member of the Education Committee, said the firing was a surprise to him. "He's one of the most competent people I ever worked with. I'd be at a loss to find a reason why he should leave."

Criticism against both Bell and Clohan has been building for months, some administration officials said yesterday, because of their perceived failure to push the president's proposed budget cuts.

Bell, for instance, was quoted as

telling the nation's chief state school officials last week that he has "been very careful not to be out front expressing Ted Bell's philosophy of education, which would not represent the point of view of this administration."

The last straw for Clohan may have been his comment to the Associated Press after that same gathering. He said President Reagan had approved the outlines of a tuition tax credit proposal. White House officials said later that the plan wasn't complete and presidential counselor Edwin Meese III reportedly called Bell to complain about Clohan's comments. The fiscal 1988 budget said such a proposal would be sent to Congress this year, but its passage was considered unlikely because it would cost the Treasury billions of dollars at a time of rising deficits.