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THE WHITE HOUSE

WASHINGTON

OCT 8 1974

INFORMATION

MEMORANDUM FOR: THE PRESIDENT *MR*

FROM: ROY L. ASH

SUBJECT: Problems in the House Supplemental Bill

The Supplemental Appropriations Bill for 1975, as passed by the House, is \$181 million in excess of the \$5.8 billion Administration request for fiscal year 1975. This figure is somewhat misleading, however, because it includes a reduction of \$73 million for AEC which was actually a deferral for later action, thus making the real increase \$254 million. (Not included in these figures is a \$50 million increase in 1976 advance funding for education to the handicapped.)

The specific problem areas in the bill are as follows:

- \$316 million was added to the Federal impact aid program to maintain payments for Category B children at last year's levels of 69% of total entitlement. The Administration had proposed to eliminate these payments except for special payments to school districts losing more than 5% of their total 1974 operating budget as a result of the proposal.
- \$38 million was added to education for the handicapped in 1975 and \$50 million in 1976.
- Only \$200,000 was provided from the \$850,000 request for transitional expenses and allowances for the former President.
- A decrease of \$126 million was made in overall elementary and secondary education programs although only a minor decrease was made in Title I programs.

We will seek to overcome these problems in Senate action on the bill.

(Cole and Timmons concur.)