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APPROVED
DEC 31 1975

signed 12/31/78

ACTION

THE WHITE HOUSE
WASHINGTON
December 30, 1975

Last Day: January 2

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: H.R. 8304 - National Reading Improvement Act Amendments

Attached for your consideration is H.R. 8304, sponsored by Representative Quie, which:

- Amends the National Reading Improvement Act to permit HEW to continue funding programs previously funded under the Cooperative Research Act; and
- Authorizes a new categorical program of Federal assistance in the purchase and distribution of inexpensive books for children.

A detailed discussion of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 8304 at Tab B.

*Posted
1/1
To archive
1/2*



DEC 31 1978

A



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 24 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8304 - National Reading
Improvement Act Amendments
Sponsor - Rep. Quie (R) Minnesota

Last Day for Action

January 2, 1976 - Friday

Purpose

Amends the National Reading Improvement Act to permit HEW to continue funding programs previously funded under the Cooperative Research Act; authorizes a new categorical program of Federal assistance in the purchase and distribution of inexpensive books for children.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health, Education, and Welfare	Approval

Discussion

Except for one significant amendment discussed below, H.R. 8304 is substantially similar to draft legislation proposed by the Department of Health, Education, and Welfare (HEW) on June 5, 1975. That proposal was designed to permit HEW to continue funding certain reading activities formerly funded under the Cooperative Research Act authority which was repealed in the Education Amendments of 1974 (P.L. 93-380). These amendments would not require additional funding in fiscal year 1976 and are consistent with the 1977 budget decisions.

Under present law, the National Reading Improvement program (title VII of P.L. 93-380) consists of three major parts. Part A authorizes the support of reading projects at the local



level, part B authorizes support for State reading programs, and part C authorizes a number of special reading projects. However, no funds may be appropriated for the part B State programs unless at least \$30 million is appropriated for local projects under part A. Since only \$17 million has been appropriated for the National Reading program for the current fiscal year, and \$12 million is expected to be requested for fiscal year 1977, no funds are available for support of State level programs under existing law.

One aspect of the Right to Read effort involves grants to States for leadership and training activities. Those projects are in part B and therefore could not be continued under present law. The enrolled bill would permit up to \$5.3 million of the amount appropriated for part A for fiscal year 1976 and the transition quarter to be used for State leadership and training projects. After fiscal year 1976, these projects would become a separate activity under part C.

Another amendment in H.R. 8304 would authorize the Commissioner of Education to support a number of low-cost, promising new reading projects designed to have a substantial impact in reducing reading deficiencies by demonstrating activities that could be adopted by educational systems throughout the Nation. Of the amount currently authorized for fiscal year 1976 and the transition quarter, up to \$600,000 would be available for this purpose. For fiscal years 1977 and 1978, \$800,000 would be authorized for this activity.

Several other provisions of the bill either embody, or do not vary significantly from, HEW's proposed reading amendments:

-- the Department had proposed that the 14 statutory requirements which local projects must meet under present law be made optional in order to allow greater local flexibility and innovation; the bill would, instead, eliminate two of those requirements: inclusion of preservice training, and involvement of other agencies and organizations in reading projects.

-- the Administration had proposed that up to 5% of the total of the reading grants to a State be set aside to cover administrative costs. The bill would allow up to 1% for this purpose.



-- the Administration's bill proposed new authority so that the Department could accept conditional gifts made for any education program under its authority. H.R. 8304 would allow such authority only for the reading programs.

-- the enrolled bill contains the Administration's proposal to allow both in-school as well as out-of-school youths to participate in reading academies.

The Congress added to H.R. 8304, however, the provisions of another bill introduced by Rep. Quie, which would establish a new categorical financial assistance program in HEW designed to motivate children to learn to read through the purchase and distribution of inexpensive books. The bill would authorize the Commissioner of Education to pay up to 50% of the costs of purchasing such books under a contract with a private nonprofit group or public agency. Basically, this proposal is intended to provide Federal support for private volunteer programs now supported primarily by private donations, such as Reading is Fundamental (RIF). The program would be authorized at \$4 million for fiscal year 1976 and \$9 million for each of the two succeeding fiscal years.

HEW indicates that while it supports the concept of RIF, the Department sees no need for the Federal Government to assist such an effort, and intends to request no funding for this authority in the foreseeable future.

Recommendations

In its views letter on the enrolled bill, HEW states:

"Except for our reservations concerning the new program...the enrolled bill substantially embodies the proposal submitted to Congress by this Department earlier this year. These amendments to the National Reading Improvement program are necessary to enable us to continue the reading strategy we have adopted."

We concur with HEW and recommend approval.


James M. Frey
 Assistant Director for
 Legislative Reference

Enclosures



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

DEC 24 1975

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request of December 22, 1975, for a report on H.R. 8304, an enrolled bill "To amend the national reading improvement program to provide more flexibility in the types of projects which can be funded, and for other purposes."

Because a number of the amendments in this bill are necessary to enable us to continue a substantial portion of our Right to Read effort, we support the enactment of H.R. 8304. However, we do not endorse, nor do we expect to request funding for, the new program in the bill to subsidize the distribution of inexpensive books to children.

Under present law the National Reading Improvement program (title VII of P.L. 93-380) consists of three major parts. Part A authorizes the support of reading projects at the local level, part B authorizes support for State reading programs, and part C authorizes a number of special reading projects. However, no funds may be appropriated for part B State programs unless at least \$30,000,000 is appropriated for local level projects under part A. Since only \$17,000,000 has been appropriated for the National Reading program this fiscal year, no funds are available this year for support of State level programs under existing law.

An important aspect of our Right to Read effort involves grants to States for leadership and training activities. Those projects could not be continued under present law. The enrolled bill would amend the National Reading Improvement program to permit up to \$5,300,000 of the amount appropriated for part A in fiscal year 1976 to be used for State leadership activities. After fiscal year 1976, State leadership and training projects would become a separate activity fundable under part C. This amendment will permit us to continue our support of these important reading projects.



Another amendment in the enrolled bill which is important for the continuation of our Right to Read effort is section 6 which authorizes the Commissioner to carry out innovation and development projects of national significance which show promise of having a substantial impact in reducing reading deficiencies throughout the Nation. This authority, for which \$600,000 of the amount appropriated for reading programs this year would be made available, would permit the Department to support a number of low-cost, but highly promising new reading projects, including the development and dissemination of television programs to teach reading to adults.

The other aspects of the enrolled bill which either embody, or are consistent with, the Department's reading proposal are as follows:

(1) An amendment to section 705(b) of the Act to eliminate from the list of fourteen requirements for local projects two requirements--relating to preservice training and involvement by other agencies and organizations in reading projects--the costs of which would be excessive in relation to the amount of the grants for local reading projects. (Our proposal would have made all of the requirements optional.)

(2) Authority for the Commissioner to pay to each State up to one percent of the total of the reading grants in that State for administrative costs arising under part A, including the cost of State reading advisory councils. (Our proposal was for five percent to be so made available.)

(3) An amendment to the authority for support of reading academies to authorize in-school as well as out-of-school youths to participate in that activity. (Our bill did not contain this provision.)

(4) An authorization for the Commissioner to receive gifts made for the benefit of reading programs. (Our proposal would have authorized the acceptance of gifts made for any education program in the Department.)

None of the amendments discussed above would result in additional costs. Those amendments would merely authorize the use of existing appropriations for activities that are consistent with our Right to Read effort.



However, section 9 of the bill would establish a new program designed to motivate children to learn to read through the distribution of inexpensive books. This program is intended to provide Federal support for programs such as Reading Is Fundamental (RIF), a private volunteer program which has received support in the past from over eighty charitable foundations. Under the enrolled bill \$4,000,000 would be authorized for this activity for fiscal year 1976 and \$9,000,000 for each of the two succeeding fiscal years. While we continue to support the concept of RIF, we see no need for the Federal Government to initiate a new program to assist this activity which has received substantial support from the private sector. We therefore do not expect to request funding for this program in the foreseeable future.

Except for our reservations concerning the new program discussed in the preceding paragraph, the enrolled bill substantially embodies the proposal submitted to Congress by this Department earlier this year. These amendments to the National Reading Improvement program are necessary to enable us to continue the reading strategy we have adopted. Our approach, which features State leadership activities and national impact programs as well as support for local projects, promises to have a substantial effect in reducing the reading deficiencies that plague children and adults across the Nation.

We therefore urge that the enrolled bill be approved. A summary of the bill is enclosed for your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "David Watkins". The signature is fluid and cursive, with the first name "David" being larger and more prominent than the last name "Watkins".

Secretary

Enclosure

SUMMARY OF H.R. 8304 AMENDMENTS TO THE
NATIONAL READING IMPROVEMENT PROGRAM

Section 1(a) would add a new paragraph to section 705(a) of the Act to authorize support under part A for State leadership and training activities during fiscal year 1976. These activities would be limited to (i) assessments of reading needs in the State (including personnel needs), (ii) inservice training for local reading program personnel, and (iii) provision to technical assistance and dissemination of information to local projects. \$5,300,000 would be available for this activity in fiscal year 1976. Subsection (b) of section 1 would provide similar authority under part C which would be effective beginning in fiscal year 1977, at an authorization level of \$6,400,000 for FY 1977 and 1978.

Section 2 of the bill would amend section 705(b) of the Act to authorize an exception in the case of two of the fourteen requirements for local reading projects. Under the amendment, the requirements (1) that the project include preservice training and (2) that other organizations and agencies be involved in the project would need to be met only "to the extent practicable."

Section 3 of the bill would authorize the Commissioner to pay to each State, for administrative expenses, up to one percent of the total amount of grants made under the Act within that State. These administrative costs would include the expenses of advisory councils required by the Act to be established in each State.

Section 4 would amend section 714 of the Act to make clear that the advisory council required to be established in a State in order to enable the State to participate in part B programs could be the same as the council required to be established under part A.

Section 5 would amend the authority in section 723 of the Act, relating to reading academies, to permit in-school as well as out-of-school youths to participate in the academies.

Section 6 of the enrolled bill would authorize a new National Impact Reading program to support innovation and development projects of national significance which show promise of having a substantial impact in reducing reading deficiencies throughout the nation. Dissemination of information related to such programs would also be authorized. Not to exceed

\$600,000 of the amount already appropriated for the reading program in fiscal year 1976 would be available for this activity. In fiscal years 1977 and 1978, \$800,000 would be authorized to be appropriated for this purpose.

Section 7 would revise the date for submission of the Commissioner's annual evaluation report on the reading programs from March 31 to February 1. This would conform the date for submission of this report to the date for submission of the Commissioner's evaluation reports relating to other programs.

Section 8 would add a new provision to the National Reading Improvement program to authorize the Commissioner to accept, on behalf of the United States, gifts made for any of the activities authorized to be carried out under that program.

Section 9 of the bill would authorize a new program designed to motivate children to read by distributing to them inexpensive books. The program would be operated through a contract with a private nonprofit group or public agency which would then subcontract with, and provide technical assistance to, local organizations or agencies which will operate the programs and provide the non-Federal share (50 percent) of the cost of the program. The Commissioner would be prohibited from paying the Federal share of any project unless he determines that the books to be acquired will be obtained from publishers or distributors on terms as favorable as would be the case in the absence of Federal assistance. For fiscal year 1976, \$4,000,000 would be authorized to be appropriated for this activity, and \$9,000,000 would be authorized in fiscal years 1977 and 1978. Up to 10 percent of any such appropriation would be available for use by the prime contractor in providing technical assistance.

Section 10 of the bill is a technical amendment which makes it clear that all of the requirements for local reading projects under part A apply as well to special emphasis projects funded under section 721 of part C.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 1547

Date: December 29

Time: 1030am

FOR ACTION: David Lissy
Max Friedersdorf
Ken Lazarus

cc (for information): Jack Marsh
Jim Cavanaugh
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date:

December 30

Time: 600pm

SUBJECT:

H.R. 8304 - National Reading Improvement Act Amendments

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 12/30/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

SEARCHED _____
SERIALIZED _____
INDEXED _____
FILED _____

THE WHITE HOUSE

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FOR ACTION: David Lissy
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For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

12/29
Recommend Approval.
[Signature]



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

2025 RELEASE UNDER E.O. 14176

THE WHITE HOUSE

WASHINGTON

December 30, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: H.R. 8304 - National Reading Improvement Act
Amendments

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 24 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8304 - National Reading
Improvement Act Amendments
Sponsor - Rep. Quie (R) Minnesota

Last Day for Action

January 2, 1976 - Friday

Purpose

Amends the National Reading Improvement Act to permit HEW to continue funding programs previously funded under the Cooperative Research Act; authorizes a new categorical program of Federal assistance in the purchase and distribution of inexpensive books for children.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health, Education, and Welfare	Approval

Discussion

Except for one significant amendment discussed below, H.R. 8304 is substantially similar to draft legislation proposed by the Department of Health, Education, and Welfare (HEW) on June 5, 1975. That proposal was designed to permit HEW to continue funding certain reading activities formerly funded under the Cooperative Research Act authority which was repealed in the Education Amendments of 1974 (P.L. 93-380). These amendments would not require additional funding in fiscal year 1976 and are consistent with the 1977 budget decisions.

Under present law, the National Reading Improvement program (title VII of P.L. 93-380) consists of three major parts. Part A authorizes the support of reading projects at the local

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 1547

Date: December 29

Time: 1030am

FOR ACTION: David Lissy *DL*
Max Friedersdorf *MF*
Ken Lazarus *KL*

cc (for information): Jack Marsh
Jim Cavanaugh
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: December 30

Time: 600pm

SUBJECT:

H.R. 8304 - National Reading Improvement Act Amendments

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

NATIONAL READING IMPROVEMENT ACT AMENDMENTS

DECEMBER 12, 1975.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. PERKINS, from the Committee on Education and Labor,
submitted the following

REPORT

[To accompany H.R. 8304]

The Committee on Education and Labor, to whom was referred the bill (H.R. 8304) to amend the national reading improvement program to provide more flexibility in the types of projects which can be funded, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause and inserts in lieu thereof a substitute text which appears in italic type in the reported bill.

SUMMARY OF THE BILL

H.R. 8304, as reported by the Committee, amends the National Reading Improvement Act (Title VII of the Education Amendments of 1974) to provide more flexibility in the types of projects which can be funded under the Act. Two basic changes are achieved by these amendments.

The purpose of the first set of amendments is to allow the U.S. Office of Education to continue to fund the same types of programs under the National Reading Improvement Act during fiscal year 1976 and beyond that it has funded in previous years under the Right to Read program. These activities include providing funds to the States for leadership and training programs and providing funding for reading programs having a national impact. No additional authorizations of appropriations are needed to accomplish this purpose.

The second purpose of the bill as reported is to authorize the Commissioner of Education to contract with a private non-profit group or

a public agency for the distribution of inexpensive books to children to motivate them to take a more active interest in reading.

Under the bill, the Commissioner can pay up to 50% of the costs of purchasing these books through a contract with such an organization as Reading is Fundamental, Inc. For fiscal year 1976 there would be authorized \$4 million for this purpose; and for each of the two succeeding fiscal years there would be authorized \$9 million.

COMMITTEE CONSIDERATION

H.R. 8304 was introduced on June 26, 1975 by Congressman Quie. H.R. 9048 was introduced on June 30, 1975, also by Congressman Quie. The Subcommittee on Elementary, Secondary, and Vocational Education conducted a hearing on June 3rd on the proposal which became H.R. 8304 and another hearing on both H.R. 8304 and H.R. 9048 on November 13, 1975. The Committee received testimony at both hearings from the U.S. Office of Education, and from various State and local administrators of education such as Mr. Edwin E. Cain, Director of Federal/State Programs, Minnesota Department of Education. Other witnesses included Mrs. Robert McNamara, Chairman of Reading is Fundamental, Inc., Mr. Roy Forbes, Director of the National Assessment of Educational Progress, and Mr. William Turnbull, President of the Educational Testing Service.

All of the witnesses supported the legislation, except for the Administration which opposed H.R. 9048 although it agreed with its objectives. Because of the necessity for prompt action and since there was bipartisan agreement on the need for both bills, the full Committee acted on December 9, 1975, to discharge the Subcommittee from further consideration of the bill. The full Committee on the same date reported the bills to the House in the form of the reported bill by a unanimous vote.

NEED FOR THE LEGISLATION

Right to Read amendments

At the Subcommittee's hearing on these bills on November 13th, testimony was presented showing serious reading problems in the United States. Mr. William W. Turnbull, President of the Educational Testing Service, testified on the disturbing decline which has occurred recently in test scores on the college entrance examinations. Test scores have declined every year for the past twelve years with the most dramatic decline being experienced this past year. Mr. Roy H. Forbes from the National Assessment of Educational Progress testified on their recent surveys showing that 11% of 17 year olds are functionally illiterate. Reference was also made to a recent University of Texas survey showing that 19.7% of adult Americans are unable to cope with daily tasks such as addressing an envelope or computing the amount of pay they are due from their employers. One basic cause of this inability to cope lies in the inability to read.

Obviously our society is faced with serious problems concerning the ability to read among our youths and adults. The Federal government, since 1971, has sought to focus attention on this problem through

the Right to Read program. That program funds leadership training at State departments of education, school and community-based demonstration programs, projects in reading education for teachers and administrators, projects designed to have a national impact on reading activities, and reading academies for persons not reached by schools.

Although the funding for these activities has been extremely limited—averaging approximately \$12 million a year, significant results seem to have been achieved. For instance, Mr. Edwin E. Cain, Director of Federal/State Programs, Minnesota Department of Education, told the Subcommittee that students in Minnesota's Right to Read program, after 7 months, achieved 2½ times more than those who did not participate.

The Right to Read program was begun in 1971 with funds provided to the Commissioner of Education to use at his discretion under the now-repealed Cooperative Research Act. The Congress sought to give the program greater stability and status through incorporating it into a new law called the National Reading Improvement Act. This law appears as Title VII of the Education Amendments of 1974, P.L. 93-380.

When that law was written, it was anticipated that greatly increased funding would be provided for these activities. Therefore, the Act was structured in such a way as to operate most efficiently with increased funds. Unfortunately though, the increase in appropriations for the program has been minimal—from \$12 million in fiscal 1974 to \$17 million in fiscal 1976.

This lack of increased appropriations is the principal reason for the first set of amendments contained in this legislation. H.R. 8304, as reported, would permit the U.S. Office of Education to continue to fund various activities under the National Reading Improvement Act which it had been funding previously under the Right to Read program. Most of the funds for these activities will terminate by February of 1976 unless this bill is enacted.

The major activity which the reported bill would permit continuing is the making of grants to State educational agencies for training and leadership activities. The Right to Read program has been providing up to \$5.3 million a year in grants to States for this purpose. These activities affect 3.7 million children yearly and comprise 43.8% of the total funds spent for reading activities under the National Reading Improvement Act.

Without the passage of H.R. 8304 these grants to the States will be terminated. The only way in which they could continue under the present legislation would be if a funding level of \$30 million were attained. But since the appropriation for this Act is only \$17 million for fiscal 1976, it is highly unlikely that an increase in appropriations to \$30 million will be achieved in this or in the succeeding fiscal year.

The national impact programs will also terminate unless H.R. 8304 is enacted. These five programs, which are being funded with \$569,000 of the appropriations for the Act, provide assistance to nearly all of the 400 other programs being funded. This assistance is provided through dissemination of information about model programs, teaching methods, and research findings.

The present law also makes it very difficult for smaller reading projects in schools to operate since they must meet fourteen requirements specified in section 705(b) of the Act. The average grant to a school-based project has been \$45,881. Yet, it is estimated that to meet effectively all fourteen requirements would require grants of \$100,000 or more. Imposition of all these requirements would lead to several fine local projects not being continued.

A table of fiscal year 1975 obligations for the Right to Read program appears below. This table is broken down by the type of activity funded and type of recipient.

Activity	State educational agencies	Local educational agencies	Other Public and Private Agencies
State grants program.....	\$5,215,122	0	0
School-based projects.....	11,653	\$1,273,016	0
Community-based projects.....	40,005	52,000	\$1,921,362
Reform of reading.....	0	0	1,496,497
Reading academies.....	73,926	311,721	1,063,574
Dissemination and printing.....	0	0	459,416
Total.....	5,340,706	1,636,737	4,940,849
Percent.....	44.8	13.7	41.5

With the passage of the new Title VII in Public Law 93-380, activities which account for 33.3 percent of fiscal year 1975 obligations could not continue to be Federally funded for lack of authorization. Further, the State grant program could not be continued, because fiscal year 1976 appropriations were not sufficient to trigger the part B program. Thus, in effect, activities which accounted for 77.1 percent of fiscal year 1975 obligations could not be continued in 1976.

A table follows comparing the distribution of funds among the activities conducted by the Office of Education in fiscal 1975 with the activities which would be permitted during fiscal 1976 under present law and under present law as it would be amended by H.R. 8304.

DISTRIBUTION OF READING FUNDS BY ACTIVITY, FISCAL YEAR 1975-76

[In millions]

Type of activity	Fiscal year 1975	Tentative fiscal year 1976 ¹ prior to H.R. 8304	Tentative fiscal year 1976 if H.R. 8304 adopted
State educational agencies.....	\$5.2	0	\$5.3
Part A, LEA demonstrations.....	² 1.3	\$10.2	5.2
Part B, State grants.....	0	0	0
Special emphasis projects.....	0	1.0	1.0
Reading academies.....	1.4	5.6	4.7
Evaluation.....	0	.2	.2
Community projects.....	2.0	0	0
Teacher preparation.....	1.5	0	0
National impact.....	.6	0	.6
Total.....	³11.9	17.0	17.0

¹ If rescission not accepted.

² School-based projects comparable to part A projects.

³ Items don't equal total because of rounding.

Source: Department of Health, Education, and Welfare.

Book distribution program

The second purpose of H.R. 8304 as reported by the Committee is to create a new authorization of appropriations for a program to assist a non-profit private agency or a public agency in purchasing inexpensive books for distribution to children. There is authorized to be appropriated \$4 million for this purpose for fiscal year 1976, and there is also authorized \$9 million a year for fiscal year 1977 and fiscal year 1978.

Testimony presented at the Subcommittee's hearing on H.R. 8304 and H.R. 9048 showed that millions of children in the country do not own books and that eleven states do not even require school districts to supply textbooks to school children. Furthermore, less than one-tenth of 1% of public education funds go toward the provision of books and materials in schools.

Since 1966 Reading is Fundamental Inc. has been seeking to motivate children to read as well as to meet the need for books by encouraging the formation of local groups to purchase inexpensive books for distribution at a reduced cost, or for free distribution, to children. RIF is a non-profit organization designed to serve as a clearinghouse, consultation center, advisor and organizer of local RIF projects. The organization has never been the subject of Federal legislation although it has received Federal grants and cooperated with Federal reading programs. Funds for RIF come from foundation grants, from private contributions, and from participation in some Federal programs.

Since its inception in 1966, RIF has distributed over 5½ million books to over 3 million children. During the past five years the program has grown as follows:

1971 programs.....	18	1974 programs.....	209
1972 programs.....	55	1975 programs.....	400
1973 programs.....	128		

It is estimated that by fiscal year 1977 RIF could be funding 700 programs in every State in the country reaching five million students with twenty-five million books. However, due to increased costs there will be a need for further Federal aid to meet this goal. In the past few years, RIF has gone from being able to purchase 5 books for every dollar to only being able to purchase 1½ books per dollar. Because of the country's economic situation foundation grants and private funding have not increased sufficiently to enable RIF to continue at its present level of operations, much less to be able to expand its program to meet the demand created by local interest in virtually every State in the Union.

DISCUSSION OF THE BILL AS REPORTED

The first eight sections of the reported bill contain a set of amendments which have as their main purpose permitting the U.S. Office of Education to continue to fund activities under the National Reading Improvement Act which it had been funding under the Right to Read program. Section 9 of the reported bill contains a new program to assist in purchasing books for distribution to children.

Right to Read amendments

The bill, as reported, permits the Commissioner to enter into agreements with State educational agencies for the carrying out by such agencies of leadership and training activities designed to prepare personnel to continue projects which have been demonstrated to be effective in overcoming reading deficiencies. The Committee bill, however, limits these activities to the precise three categories of programs which the U.S. Office of Education has been carrying on in the past, namely assessments of need, in-service training and provision of technical assistance and dissemination of information. The Committee bill also limits the amount of funds which can be spent in any fiscal year for these purposes to not to exceed \$5.3 million of the appropriation for Part A of the Act. The reason for these limitations in the Committee bill is to permit the U.S. Office of Education to continue these activities but not to expand them at the expense of local programs. Instead, the other appropriations for the Act ought to be used to carry out the provisions of the National Reading Improvement Act as it was originally enacted subject, of course, to the other amendments contained in the Committee bill.

The Committee bill also authorizes the Commissioner to pay States an amount equal to 3% of the total grants in the State under part A for the purpose of carrying out the States' responsibilities under the Act in reviewing the applications for these grants and in supporting the State advisory councils on reading which are required by the Act. It is expected by the Committee that almost all of these funds will be used for supporting the activities of the State advisory councils. A minimal amount of these funds may be used for State administrative costs. The bill also eliminates the need for two separate advisory councils in the existing legislation by permitting the advisory council required to be established under part B to perform the functions of the advisory council required to be established under part A.

Regarding reading grants to local school districts, the Committee bill removes the requirements that each school-based program must provide pre-service training programs for teacher personnel and must involve leaders of cultural and education resources in the area in the operation of the reading programs. The Committee has removed these requirements because the costs of carrying them out could be excessive for a number of smaller projects presently being funded. It is the Committee's expectation, however, that all the requirements will continue to be applied to programs receiving sufficiently large grants. The Committee bill also removes the requirement that the State educational agency must monitor the operation of school-based programs since these grants are made directly from the U.S. Office of Education to local school districts with the approval of the State agency.

The Committee bill also amends the section of the Act which authorizes the creation of reading academies in order to permit the involvement of children enrolled in school in those programs. Presently, only out-of-school youths are permitted to participate under the regula-

tions. The Committee feels that frequently youths enrolled in school are there in body only and many of them could benefit from the innovative approaches to teaching which the reading academies use.

The Committee bill also permits the Commissioner of Education to continue to fund reading programs having a national impact. These programs have included the development and dissemination of TV programs for teaching adults to read and assessments of functional literacy. The Committee feels that these types of activities should be continued. However, as with the State leadership activities, the U.S. Office of Education should only be permitted to continue to fund these projects at approximately the same level of appropriations and should use the other appropriations under the Act for carrying out the other provisions of the National Reading Improvement Act.

Lastly, the Committee bill moves the reporting date for the Commissioner's report on the reading program from March 31 to February 1. This amendment will permit the filing of the reading report with other appropriate reports required to be submitted to the Congress by the Commissioner. The Committee bill also permits the Commissioner to receive gifts on behalf of the reading program. The absence of this authority has prevented U.S.O.E. from being able to use additional private resources to combat reading deficiencies.

Book distribution program

Section 9 of the reported bill authorizes a new program which would permit a grant to be made by the Commissioner to a private non-profit group or a public agency for the purpose of assisting in the distribution of inexpensive books to students.

The contractor must be an organization which has as its primary purpose the motivation of children to learn to read; and the contractor must enter into subcontracts with local private non-profit groups or with public agencies for reading motivational programs which include the distribution of books, free or at a nominal price, to children in pre-elementary, elementary, and secondary schools.

The Commissioner would be permitted to pay for up to 50% of the costs of this program from Federal funds, and he would be permitted to make a separate contract with the contractor designated under the Act for the purpose of providing technical assistance to the subcontractors.

For fiscal year 1976, \$4 million would be authorized for these purposes; and for the two succeeding fiscal years \$9 million would be authorized.

OVERSIGHT

No findings or recommendations concerning oversight of these programs have been received by the Committee from the Committee on Government Operations. The Committee on Education and Labor has made no oversight findings on these programs, except for the finding that activities which had been funded under the Right to Read program ought to be continued under the National Reading Improvement Act.

COSTS

The Committee estimates that no additional costs will be involved in carrying out the amendments contained in sections 1 through 8 of the bill. The amendment contained in section 9 authorizing a new program for three fiscal years will cost the following amounts:

	<i>Millions</i>
For fiscal 1976-----	\$4
For fiscal 1977-----	9
For fiscal 1978-----	9

Although requested by the Committee, no cost estimates have been received from the Congressional Budget Office or the Administration.

INFLATIONARY IMPACT

The Committee estimates that since no additional expenditures of funds are involved in carrying out the amendments in section 1 through 8, there will be no inflationary impact on the economy of these sections.

Regarding section 9 of the bill, the Committee estimates that the inflationary impact will be negligible since the total expenditure to carry out that section—if it is fully funded—will only be \$22 million over 3 years. In terms of the total budget for the Federal Government the new authorization for fiscal 1976 would amount to .00098% of the budget. In terms of the gross national product the new authorization for fiscal 1976 would amount to .00023% of the GNP.

SECTION-BY-SECTION ANALYSIS

Section 1. This section authorizes grants to State educational agencies for leadership and training activities under the Reading Improvement Act. Not to exceed \$5.3 million of appropriations under Part A of that Act can be used for this purpose.

Section 2. This section waives the provisions requiring preservice training and the involvement of educational and cultural resources in local reading projects receiving assistance under the Act. It also repeals the requirement for monitoring by the State educational agencies of local grants.

Section 3. This section authorizes use of an amount equal to 3% of the State's grants under Part A for State administrative expenses and for operation of the State advisory councils.

Section 4. This section permits the State advisory council required under part B of the Act to perform the same functions under part A.

Section 5. This section permits children in school to participate in reading academies.

Section 6. This section permits the funding of national impact reading programs from not to exceed \$600,000 of the appropriations under Part A of the Act.

Section 7. This section moves the date for the report on the program from March 31 to February 1.

Section 8. This section permits the Commissioner of Education to receive gifts for the reading program.

Section 9. This section authorizes \$4 million for fiscal 1976 and \$9 million a year for the two succeeding fiscal years for a contract with a private nonprofit group or a public agency for the purchase of inexpensive books to be given or sold at a minimal cost to schoolchildren. The Federal government, however, cannot pay for more than 50% of the costs of the program.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italics*, existing law in which no change is proposed is shown in roman):

EDUCATION AMENDMENTS OF 1974

* * * * *

TITLE VII—NATIONAL READING IMPROVEMENT
PROGRAM

* * * * *

PART A—READING IMPROVEMENT PROJECTS

PROJECTS AUTHORIZED

SEC. 705. (a)(1) * * *

(3)(A) *Notwithstanding the requirements of paragraphs (b) through (g) of this section, the Commissioner is authorized to enter into agreements pursuant to this paragraph with State educational agencies for the carrying out by such agencies of leadership and training activities designed to prepare personnel throughout the State to conduct projects which have been demonstrated in that State or in other States to be effective in overcoming reading deficiencies. These activities shall be limited to (i) assessments of need, including personnel needs, relating to reading problems in the State, (ii) inservice training for local reading program administrators and instructional personnel, and (iii) provision of technical assistance and dissemination of information to local educational agencies and other appropriate non-profit agencies.*

(B) *Not to exceed \$5,300,000 of any sums appropriated pursuant to subsection (a) of section 732 for any fiscal year may be used for carrying out this paragraph.*

(b) No agreement may be entered into under this part, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall set forth a reading

program which provides for the following (except that the requirements contained in paragraphs (4) and (13) shall be met to the extent practicable)—

(c) Each such applicant, in addition to meeting the requirements of subsection (b), except for paragraphs (4) and (13) thereof, shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level;

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three; and

(3) whenever appropriate, sufficient measures will be taken to coordinate each preelementary reading program with the reading program of the educational agencies or institutions at which such preelementary school children will be next in attendance.

(e) No agreement may be entered into under this part unless the application submitted to the Commissioner—

[(1) has first been approved by the State educational agency, and

[(2) is accompanied by assurances that such agency will supervise compliance by the local educational agency in that State with the requirements set forth in subsection (b) of this section.] has first been approved by the State educational agency.

(f) The Commissioner may approve any application submitted under this part which meets the requirements of subsections (b), (c), (d), and (e). In approving such applications, the Commissioner may not use any panel (other than employees of the Office of Education) for the purpose of such approval.

(g) In approving applications under this part the Commissioner shall, to the maximum extent feasible, assure an equitable distribution of funds throughout the United States and among urban and rural areas. Not more than 12½ percent of the funds expended under this part in any fiscal year may be expended in any State in that year.

(h) From the sums appropriated for the purposes of this part for any fiscal year, the Commissioner may pay to each State educational agency, in addition to any amounts paid to such agency pursuant to subsection (a) of this section, the amount necessary to meet the costs of carrying out its responsibilities under this section, including the costs of the advisory council required to be established pursuant to subsection (d). However, such amount may not exceed 3 per centum of the total amount of grants under this part made within that State for that fiscal year.

AGREEMENTS WITH STATE EDUCATIONAL AGENCIES

SEC. 714. (a) * * *

(f) The functions of the State advisory council on reading, required to be established by subsection (a) (2) of this section, may be carried out by the State advisory council created pursuant to section 705 (d) (1).

PART C—OTHER READING IMPROVEMENT PROGRAMS

READING ACADEMIES

SEC. 723. (a) The Commissioner is authorized to make grants to and to enter into contracts with State and local educational agencies, institutions of higher education, community organizations and other nonprofit organizations, having the capacity to furnish reading assistance and instruction to in-school as well as out-of-school youths and adults who do not otherwise receive such assistance and instruction.

(b) Grants made and contracts entered into under this section shall contain provisions to assure that such reading assistance and instruction will be provided in appropriate facilities to be known as "reading academies".

NATIONAL IMPACT READING PROGRAMS

SEC. 724. (a) The Commissioner is authorized to carry out, either directly or through grants or contracts, (1) innovation and development projects and activities of national significance which show promise of having a substantial impact in overcoming reading deficiencies in children, youths, and adults through incorporation into ongoing State and local educational systems throughout the Nation, and (2) dissemination of information related to such programs.

(b) Not to exceed \$600,000 of any sums appropriated pursuant to subsection (a) of section 732 for any fiscal year may be used for carrying out this section.

INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

SEC 725. (a) The Commissioner is authorized (1) to enter into a contract with a private nonprofit group or public agency (hereinafter in this section referred to as the "contractor"), which has as its primary purpose the motivation of children to learn to read, to support and promote the establishment of reading motivational programs which include the distribution of inexpensive books to students and (2) to pay the Federal share of the cost of such programs.

(b) This contract shall provide that—

(1) the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies (hereinafter referred to as "subcontractors") under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift, loan, or sale at a nominal price to children in preelementary, elementary, or secondary schools;

(2) funds made available by the Commissioner to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1);

(3) the contractor will meet such other conditions and standards as the Commissioner determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide technical assistance in furtherance of the purposes of this section.

(c) The Commissioner shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless he determines that the contractor or the subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

(d) For purposes of this section—

(1) the term "nonprofit", when used in connection with any organization, means an organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

(2) the term "Federal share" means, with respect to the cost of books purchased by a local private nonprofit group, organization, or public agency for a program in a locality for distributing such books to schoolchildren in that locality, 50 per centum of the cost of that agency or group or organization for such books for such program;

(3) the term "preelementary school" means a day or residential school which provides preelementary education, as determined under State law, except that such term does not include education for children who have not attained three years of age;

(4) the term "elementary school" has the same meaning as provided in section 801 (c) of the Elementary and Secondary Education Act of 1965; and

(5) the term "secondary school" has the same meaning as provided in section 801 (h) of the Elementary and Secondary Education Act of 1965.

PART D—GENERAL PROVISIONS

EVALUATION

SEC. 731. (a) The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than [March 31] February 1, in each fiscal year ending prior to fiscal year 1979. Each such report shall—

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 732. (a) There are authorized to be appropriated to carry out the provisions of parts A and B of this title \$30,000,000 for the fiscal year ending June 30, 1975, \$82,000,000 for the fiscal year ending June 30, 1976, \$88,000,000 for the fiscal year ending June 30, 1977, and \$93,000,000 for the fiscal year ending June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 721, relating to special emphasis projects, \$15,000,000 for the fiscal year ending June 30, 1975, \$20,000,000 for the fiscal year ending June 30, 1976, and \$25,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 722, relating to reading training on public television, \$3,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 723, relating to reading academies, \$5,000,000 for the fiscal year ending June 30, 1975, \$7,500,000 for the fiscal year ending June 30, 1976, and \$10,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

(e) There are authorized to be appropriated to carry out the provisions of section 725, relating to inexpensive book distribution programs for reading motivation, \$4,000,000 for the fiscal year ending June 30, 1976, and \$9,000,000 for each of the following two fiscal years. Under such conditions as the Commissioner determines to be appropriate, not to exceed 10 per centum of the amounts appropriated for each fiscal year shall be available for a contract from the Commissioner to the contractor designated under section 725 for technical assistance under subsection (b) (3) of section 725 to carry out the provisions of such section.

ACCEPTANCE OF GIFTS

SEC. 733. Notwithstanding the provisions of section 408(a) (3) of the General Education Provisions Act, the Commissioner may accept on behalf of the United States, gifts or donations (made with or without conditions) of services, money or property (real, personal, or mixed; tangible or intangible) made for any activities authorized to be carried out by such agency under the authority of this title.

* * * * *

○

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To amend the national reading improvement program to provide more flexibility in the types of projects which can be funded, and for other purposes.

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

STATE LEADERSHIP AND TRAINING PROJECTS

SECTION 1. (a) Section 705(a) of the Education Amendments of 1974 is amended by adding at the end thereof the following new paragraph:

“(3) (A) Notwithstanding the requirements of paragraphs (b) through (g) of this section, the Commissioner is authorized to enter into agreements pursuant to this paragraph during the fiscal year 1976 and the period beginning July 1, 1976 through September 30, 1976, with State educational agencies for the carrying out by such agencies of leadership and training activities designed to prepare personnel throughout the State to conduct projects which have been demonstrated in that State or in other States to be effective in overcoming reading deficiencies. These activities shall be limited to (i) assessments of need, including personnel needs, relating to reading problems in the State, (ii) inservice training for local reading program administrators and instructional personnel, and (iii) provision of technical assistance and dissemination of information to local educational agencies and other appropriate nonprofit agencies.

“(B) Not to exceed \$5,300,000 of any sums appropriated pursuant to subsection (a) of section 732 for the fiscal year 1976, and for the period from July 1, 1976 through September 30, 1976, may be used for carrying out this paragraph.”.

(b) (1) Part C of such Act is amended by adding after section 723 the following new section:

“STATE LEADERSHIP AND TRAINING PROJECTS

“SEC. 724. The Commissioner is authorized to enter into agreements pursuant to this section with State educational agencies for the carrying out by such agencies of leadership and training activities designed to prepare personnel throughout the State to conduct projects which have been demonstrated in that State or other States to be effective in overcoming reading deficiencies. The activities authorized by this section shall be limited to—

“(1) assessments of need, including personnel needs, relating to reading problems in the State,

“(2) inservice training for local reading program administrators and instructional personnel, and

“(3) provision of technical assistance and dissemination of information to local educational agencies and other appropriate nonprofit agencies.”.

(2) The amendment made by paragraph (1) of this subsection shall take effect on October 1, 1976.

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(3) Section 705(a)(3) of the Education Amendments of 1974 as added by subsection (a) of this section is repealed effective September 30, 1976.

(c) Section 732 of such Act is amended by adding at the end thereof the following new subsection:

“(e) There are authorized to be appropriated to carry out the provisions of section 724, relating to State leadership and training projects, \$6,400,000 each for the fiscal year ending September 30, 1977, and for the succeeding fiscal year.”

READING PROGRAM REQUIREMENTS

SEC. 2. (a) Section 705(b) of such Act is amended by striking out “Each such application shall set forth a reading program which provides for—” and by inserting in lieu thereof “Each such application shall set forth a reading program which provides for the following (except that the requirements contained in paragraphs (4) and (13) shall be met to the extent practicable)—”.

(b) Section 705(c) of such Act is amended by striking out “, in addition to meeting the requirements of subsection (b)”, and by inserting in lieu thereof “, in addition to meeting the requirements of subsection (b), except for paragraphs (4) and (13) thereof,”.

(c) Section 705(c)(3) of such Act is amended by inserting “at” before the phrase “which such preelementary”.

(d) Section 705(e) of such Act is amended to read as follows:

“(e) No agreement may be entered into under this part unless the application submitted to the Commissioner has first been approved by the State educational agency.”

STATE ADMINISTRATIVE COSTS

SEC. 3. Section 705 of such Act is amended by adding at the end thereof the following new subsection:

“(h) From the sums appropriated for the purposes of this part for any fiscal year, the Commissioner may pay to each State educational agency, in addition to any amounts paid to such agency pursuant to subsection (a) of this section, the amount necessary to meet the costs of carrying out its responsibilities under this section, including the costs of the advisory council required to be established pursuant to subsection (d). However, such amount may not exceed 1 per centum of the total amount of grants under this part made within the State for that fiscal year.”

STATE ADVISORY COUNCILS

SEC. 4. Section 714 of such Act is amended by adding at the end thereof the following new subsection:

“(f) The functions of the State advisory council on reading, required to be established by subsection (a)(2) of this section, may be carried out by the State advisory council created pursuant to section 705(d)(1).”

READING ACADEMIES

SEC. 5. Section 723(a) of such Act is amended by inserting “in-school as well as out-of-school” before “youths”.

NATIONAL IMPACT READING PROGRAMS

SEC. 6. (a) Part C of title VII of such Act is amended by adding the following new section after section 724:

“NATIONAL IMPACT READING PROGRAMS

“SEC. 725. (a) The Commissioner is authorized to carry out, either directly or through grants or contracts, (1) innovation and development projects and activities of national significance which show promise of having a substantial impact in overcoming reading deficiencies in children, youths, and adults through incorporation into ongoing State and local educational systems throughout the Nation, and (2) dissemination of information related to such programs.

“(b) Not to exceed \$600,000 of any sums appropriated pursuant to subsection (a) of section 732 for the fiscal year 1976, and for the period from July 1, 1976 through September 30, 1976, may be used for carrying out this section.”

(b) (1) Section 725 of the Education Amendments of 1974 as added by subsection (a) of this section is amended by striking out “(a)” after the section designation and by striking out subsection (b) of such section.

(2) The amendment made by paragraph (1) of this subsection shall take effect on September 30, 1976.

(c) Section 732 of such Act is amended by adding at the end thereof the following new subsection:

“(f) There are authorized to be appropriated to carry out the provisions of section 725, relating to national impact reading programs, \$800,000 each for the fiscal year ending September 30, 1977 and for the succeeding fiscal year.”.

REPORTING DATE

SEC. 7. Section 731(a) of title VII of such Act is amended by striking out “March 31” and inserting in lieu thereof “February 1”.

ACCEPTANCE OF GIFTS BY AN ADMINISTRATIVE HEAD OF AN EDUCATION AGENCY

SEC. 8. Part D of such Act is amended by adding the following new section after section 732:

“ACCEPTANCE OF GIFTS

“SEC. 733. Notwithstanding the provisions of section 408(a)(3) of the General Education Provisions Act, the Commissioner may accept on behalf of the United States, gifts or donations made with or without conditions of services, money or property (real, personal, or mixed; tangible or intangible) made for any activities authorized to be carried out by such agency under the authority of this title.”.

INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

SEC. 9. (a) Part C of title VII of such Act is amended by adding at the end thereof the following new section:

“INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

“SEC. 726. (a) The Commissioner is authorized (1) to enter into a contract with a private nonprofit group or public agency (hereinafter in this section referred to as the ‘contractor’), which has as its primary purpose the motivation of children to learn to read, to support and promote the establishment of reading motivational programs

which include the distribution of inexpensive books to students and (2) to pay the Federal share of the cost of such programs.

“(b) This contract shall provide that—

“(1) the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies (hereinafter referred to as ‘subcontractors’) under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift, loan, or sale at a nominal price to children in preelementary, elementary, or secondary schools;

“(2) funds made available by the Commissioner to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1);

“(3) the contractor will meet such other conditions and standards as the Commissioner determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide technical assistance in furtherance of the purposes of this section.

“(c) The Commissioner shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless he determines that the contractor or the subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

“(d) For purposes of this section—

“(1) the term ‘nonprofit’, when used in connection with any organization, means an organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

“(2) the term ‘Federal share’ means, with respect to the cost of books purchased by a local private nonprofit group, organization, or public agency for a program in a locality for distributing such books to schoolchildren in that locality, 50 per centum of the cost of that agency or group or organization for such books for such program;

“(3) the term ‘preelementary school’ means a day or residential school which provides pre-elementary education, as determined under State law, except that such term does not include education for children who have not attained three years of age;

“(4) the term ‘elementary school’ has the same meaning as provided in section 801(c) of the Elementary and Secondary Education Act of 1965; and

“(5) the term ‘secondary school’ has the same meaning as provided in section 801(h) of the Elementary and Secondary Education Act of 1965.”

(b) Section 732 of such Act is amended by adding at the end thereof the following new subsection:

“(g) There are authorized to be appropriated to carry out the provisions of section 726, relating to inexpensive book distribution programs for reading motivation, \$4,000,000 for the fiscal year ending June 30, 1976, and \$9,000,000 for each of the following two fiscal years.

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Under such conditions as the Commissioner determines to be appropriate, not to exceed 10 per centum of the amounts appropriated for each fiscal year shall be available for a contract from the Commissioner to the contractor designated under section 726 for technical assistance under subsection (b) (3) of section 726 to carry out the provisions of such section."

SPECIAL EMPHASIS PROJECTS

SEC. 10. Section 721(b) (1) of such Act is amended by inserting "and (c)" after "section 705(b)".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

December 22, 1975

Dear Mr. Director:

The following bills were received at the White House on December 22nd:

✓ H.J. Res. 749 ✓	✓ H.R. 8304 ✓	✓ H.R. 11184 ✓
✓ H.R. 4016 ✓	✓ H.R. 9968 ✓	✓ S.J. Res. 157 ✓
✓ H.R. 4287 ✓	✓ H.R. 10035 ✓	✓ S. 95 ✓
✓ H.R. 4573 ✓	✓ H.R. 10284 ✓	✓ S. 322 ✓
✓ H.R. 5900 ✓	✓ H.R. 10355 ✓	✓ S. 1469 ✓
✓ H.R. 6673 ✓	✓ H.R. 10727 ✓	✓ S. 2327 ✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.