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11/29/75

Ron:

The statement in this file was not strong enough for the President.

Jim Cavanaugh is working on a revised one to make it so. Thym Smith knows this and Cavanaugh should have it so that it can be put out on Monday. The Bill has not been announced anyet.

Ron

APPROVED

NOV 29 1975

Statement Issued 12/2/75

THE WHITE HOUSE
WASHINGTON

November 29, 1975

To Archive
12/2/75
ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR *JEC*

SUBJECT:

Enrolled Bill S. 6 - Education for All
Handicapped Children Act of 1975

This morning the President signed the above mentioned bill and returned it in his outbox with the following notation:

"A real toughie. I signed but think the signing statement can be strengthened -- no increase until 1978 and in meantime we must reduce later authorizations, etc. -- Check with Paul O'Neill."

Please follow-up with appropriate action.

cc: Dick Cheney
Paul O'Neill
✓ Robert Linder - with signed bill.



APPROVED
NOV 29 1975

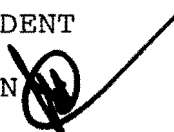
THE WHITE HOUSE

WASHINGTON

ACTION

Last Day: December 2, 1975

November 28, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON 
SUBJECT: Enrolled Bill S. 6 - Education for All
Handicapped Children Act of 1975

This is to present for your action S. 6, the Education for All Handicapped Children Act of 1975.

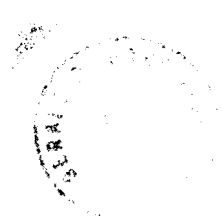
Background

S. 6 extends permanently, and establishes a new formula for, Federal grants to States and localities for education of handicapped children. It sets forth State eligibility requirements, including service to all handicapped children and individualized educational programs and grievance procedures.

The formula provision of S. 6 would result in a growing proportion of the costs of educating the Nation's handicapped children being borne by the Federal government. Its supporters believe State and local governments lack adequate financial resources to provide education for all handicapped children.

A series of court decisions have held that all handicapped children have a constitutional right to a free public education. Last year the Congress enacted the "Mathias amendment" which required all States to establish a goal of providing full educational opportunities for all handicapped children and to provide parents with information and an opportunity to challenge the services given their handicapped children. It is against this backdrop that S. 6 must be viewed.

On October 7 Secretary Mathews advised the conferees that unless S. 6 was substantially modified he would recommend you not sign it. The Administration's major concerns were not addressed by the conferees and the conference report was adopted 404-7 in the House and 87-7 in the Senate.



The authorization levels were reduced by the conferees and people such as Al Quie believe the best possible bill was produced. Al Quie has announced that should you veto, he would vote to override.

The allocation formula in the enrolled bill would be first applied in FY 78. The formula would produce increased authorizations each year until FY 82 and then level off. Grants to states would be reduced proportionately if appropriations were not sufficient to pay the full authorization under the formula.

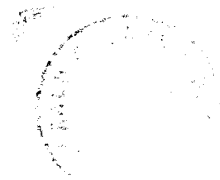
For FY 78, 50% of the allotments under the formula could be used by the States and 50% would pass through to local educational agencies. Starting in FY 79 the State share would be 25% and the local share 75%. Because of this provision in the enrolled bill the National Conference of State Legislatures has urged you to veto. It sees the pass through as lessening the State role, though it applauds the increased Federal commitment the bill would bring about. No other group has urged a veto.

The concept of "excess costs" is one to which we have raised objection throughout consideration of this bill. It is not an easy figure to obtain in an accounting sense and, conceptually, it opens the door to large scale Federal expenditures for areas of elementary and secondary education.

Budget Impact

The Congress has appropriated the full amount of the present statutory authorization for fiscal years 1976 and 1977 (advance funding) -- \$100 million and \$110 million, respectively. Your recent education rescission proposals included a recommended rescission of \$35 million for the fiscal year 1977 State grant funding, which would bring the level down to \$75 million for that year.

Estimates provided by HEW of the amounts required for fiscal years 1978-1982 to carry out the provisions of S. 6 are shown below:



Fiscal years. \$ in millions.

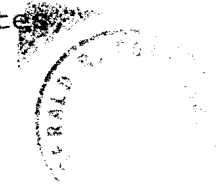
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Basic grants	387	794	1,500	2,300	3,100
Pre-school incentive grants	168	177	192	206	218
Evaluation and statistics	27	40	40	N/A	N/A
Architectural barrier removal grant	N/A	N/A	N/A	N/A	N/A

Arguments for Approval

1. Disapproval will be interpreted by many to reflect a lack of concern for the educational needs of the handicapped and the reasons for your disapproval are not likely to be well understood by the public.
2. The States cannot shoulder the burden of all the extra costs involved in the education of the handicapped.
3. Of the approximately 8 million handicapped children (from birth to age 19) in the United States, only 3.9 million are currently receiving an appropriate education.
4. While the enrolled bill entails potentially high budget costs in later years, the conferees scaled down drastically the authorizations for the earlier years and have provided for a gradual increase in the Federal Government's participation.

Arguments for Disapproval

1. Federal funding of education activities for handicapped children should be mainly aimed at assisting States in building capacity. S. 6 would drastically alter traditional Federal-State roles by having the Federal Government pay a substantial portion of the "extra costs."
2. The grant formula for "entitlements" in the enrolled bill is based on the erroneous assumption that only the States and not the Federal Government, have limited financial resources. Full funding of the formula would require appropriations which cannot realistically be expected.



The bill would thus falsely raise the expectations of the parents of millions of handicapped children. As Senator Muskie noted in the floor discussion, ". . . the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future.

3. The new formula contained in S. 6 presents a significant danger that States would classify children as handicapped too freely in order to qualify for more funding.
4. The revised provision for congressional disapproval of HEW regulations under all education statutes, requiring the congressional 45-day review period to begin only at the time the final regulation is issued would further restrict the Department's ability to issue regulations in a timely fashion. Moreover, S. 6 retains the present constitutionally defective authority for the Congress to disapprove HEW regulations by concurrent resolution.

Agency Recommendations

Office of Management and Budget	Disapprove
Department of Health, Education and Welfare	Disapprove
Department of Interior	No objection
Department of Justice	No objection
Department of Labor	No objection
General Services Administration	No objection
Civil Service Commission	Approve

Comments

Lynn: " . . . the arguments for a veto are more persuasive The implied Federal funding levels are clearly inconsistent with our current budgetary objectives Moreover, the proposed shift in the Federal role to permanent service cost funding and detailed control . . . is clearly

inconsistent with your desire to enhance State and local discretion Since a vote to override a veto is a virtual certainty, should you decide to approve the bill, we would suggest a signing statement pointing out that full implementation of its provisions would not take effect for some time, and that you will recommend amendments that will maintain the appropriate division of Federal and State-local government roles in educating handicapped children and that will be workable within realistic appropriation levels.

Mathews:

"The bill, while falsely raising the expectations of what all levels of government can do . . . is likely to impair our ability to deliver meaningful services to children by imposing unnecessary new administrative and procedural burdens on State and local educational agencies . . . My hope would be that the President's veto would induce some alternative legislation which would allow him to support this good objective in a sound fashion."

Secretary Mathews has indicated privately that he would be very comfortable with your signing the bill. His written veto request was to assure that should you veto, no one would attempt to undercut your position by citing HEW's views.

Friedersdorf:

Recommends veto from a Congressional Relations point of view because of the importance of being consistent once we give a strong veto signal. But from a political standpoint, recognizes it might be advantageous to sign. Says an override is virtually certain.

Marrs:

Recommends approval.

Buchen (Chapman):

"No objection to veto."



Recommendations

Although the arguments in favor of a veto are persuasive, I believe you should give consideration to signing this enrolled bill.

The arguments in favor of signing this bill are more political than programmatic. It is not good legislation, but I think you could sign it and not be inconsistent with your vetoes on other matters nor weaken your arguments on issues to come before the Congress in the coming months. As OMB notes, since full implementation of the provisions of the bill would not take effect for some time, you could sign the bill and then recommend amendments that will maintain the appropriate division of Federal and State and local government roles.

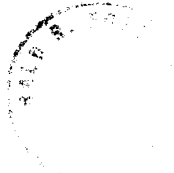
It is a very close decision, but I recommend you sign the enrolled bill and issue a signing statement which indicates in strong terms your concerns and your intention to recommend the law be amended. A proposed signing statement is at Tab B.

Decision

1. Approve S. 6 (Tab D) and issue signing statement at Tab B.

RA7

2. Disapprove S. 6 and issue veto message at Tab C.







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

NOV 26 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 6 - Education for All Handicapped
Children Act of 1975
Sponsor - Sen. Williams (D) N.J. and 23 others

Last Day for Action

December 2, 1975 - Tuesday

Purpose

Extends permanently, and establishes a new formula for, Federal grants to States and localities for education of handicapped children; prescribes State eligibility requirements, including service to all handicapped children, individualized educational programs and grievance procedures; and makes various other significant changes in the Education of the Handicapped Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
Department of the Interior	No objection
Department of Justice	No objection
Department of Labor	No objection
General Services Administration	No objection
Civil Service Commission	Approval

Discussion

S. 6 is acknowledged by its supporters to represent an assumption of permanent responsibility by the Federal Government to bear a growing portion of the costs of

educating the Nation's handicapped children. It contains a new "Statement of Findings and Purpose" which states that "State and local educational agencies have a responsibility to provide education for all handicapped children," but lack adequate financial resources, and that "it is in the national interest that the Federal Government assist State and local efforts...in order to assure equal protection of the law."

Federal aid specifically for the education of the handicapped originated in 1966. In 1970, the Education of the Handicapped Act (EHA) replaced the earlier legislation with a combination of formula-based State grants to help meet service costs and a number of categorical grant authorities designed to build the capacity of State and local agencies to provide services.

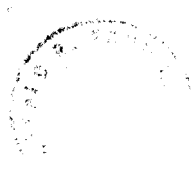
Efforts in recent years by the Executive Branch to emphasize the Federal role in innovation and capacity-building rather than service funding have not met with success.

Last year, the Congress, based on a series of court decisions that all handicapped children have a constitutional right to a free public education, and data indicating that a large number of handicapped children were not receiving an "appropriate" education, enacted the "Mathias amendment." This amendment changed the State grant formula, for fiscal year 1975 only, to authorize grants equal to \$8.75 for each child aged 3-21. The funds were to be used for early identification and assessment of handicapped children needing services.

The Mathias amendment also required all States to establish a goal of providing full educational opportunities for all handicapped children and to provide parents with information and opportunity to challenge the services given their handicapped children.

The original Senate bill was passed by a vote of 83-10, the House bill by 375-44. The conference report was adopted 87-7 in the Senate and 404-7 in the House.

During the Committee hearings, the Administration testified against the legislation for reasons indicated below. In a letter to the conferees on October 7, Secretary Mathews indicated that unless the bill were substantially modified, he would recommend that you not sign it.



Description of the enrolled bill

The provisions of S. 6 are described in some detail in an enclosure with the HEW views letter on the bill. The following summarizes the major features of the legislation.

Allocation formula--The enrolled bill would extend the Mathias formula through fiscal year 1977. Starting in fiscal year 1978, the amount of each State's grant would be computed by multiplying the number of handicapped children aged 3 to 21 receiving special education and related services by an increasing percentage of the average national per pupil expenditure--5% in fiscal year 1978, 10% in 1979, 20% in 1980, 30% in 1981, and 40% in 1982 and thereafter. Special allocation provisions are included for Indian children on reservations and for U.S. territories.

Grants to States would be reduced proportionately if amounts appropriated were not sufficient to pay the full authorization under the formula.

For fiscal year 1978, 50% of the allotments could be used by the States and 50% would pass through to local educational agencies (LEAs). Starting in fiscal year 1979, the State share would be 25% and the local share 75%.

To lessen the chance of mislabeling children to get Federal funds, the number of children in the formula could not exceed 12% of the total number of children between the ages of 5 and 17 in the State.

Grant eligibility requirements--A State would have to have in effect a policy that assures all handicapped children the right to a free appropriate public education. Such an education would have to be available for all handicapped children aged 3 to 18 not later than September 1, 1978 and for all such children aged 3 to 21 by September 1, 1980 (unless such requirement as applied to children aged 3-5 and 18-21 is inconsistent with State law or court order).

State plans would be required to be approved by the Commissioner of Education and would have to meet numerous requirements, as would applications by LEA's to the States for funds. Key requirements are:

-- Establishment of an individualized education program for each handicapped child at the beginning of each school year.

-- Establishment and implementation of a comprehensive system of personnel development.

-- Use of Federal funds only to supplement State and local expenditures and only to pay "excess costs" directly attributable to the education of handicapped children.

-- Priority, to be given, first, to those children not now receiving an education and, second, to those most severely handicapped children now receiving an inadequate education.

-- Maintenance of specific uniform records, provision of various types of information, involvement of the public and parents, conduct of evaluations, and submission of a uniform financial report as prescribed by the Commissioner.

-- Creation of an advisory panel in each State.

Procedural safeguards--S. 6 would expand on the procedural safeguards in the Mathias amendment, to provide parents and guardians of handicapped children with an opportunity to challenge their child's identification, placement, or treatment. Under the safeguards, parents could examine all relevant records, be given prior written notice whenever changes are to be made in the child's educational program, present complaints, obtain an impartial hearing, be accompanied by counsel, and appeal decisions made in such hearings to a State or U.S. district court.

Other major provisions--The enrolled bill contains various other significant provisions, including authorizations of "such sums" for (a) special incentive grants of up to \$300 per child to States which provide special education and related services to pre-school handicapped children aged 3 to 5; (b) grants to pay all or part of the cost of altering existing buildings and equipment consistent with the Architectural Barriers Act of 1968; and (c) measurement and evaluation of the programs authorized by the bill, including an annual statistical report prepared through the National Center for Education Statistics and an annual progress report by the Commissioner on the goal of providing a free appropriate public education for each handicapped child.

In addition, the Secretary would be authorized to enter into agreements with institutions of higher education, State and local educational agencies, and other non-profit agencies for the establishment and operation of centers on educational



media and materials for the handicapped. EHA currently authorizes funding of only a single National Center for that purpose.

Congressional disapproval of regulations--The enrolled bill would require that the 45-day period for congressional review and disapproval of regulations under all education laws begin at the time the regulations are published in final form, rather than when published in the Federal Register for comment as in present law.

Budgetary impact

Appropriations for the State grant program under present law totaled \$60 million for fiscal year 1974 and \$100 million for fiscal year 1975. (Under the Mathias amendment the potential funding for fiscal year 1975 amounted to \$680 million).

The Congress has appropriated the full amount of the present statutory authorization for fiscal years 1976 and 1977 (advance funding)--\$100 million and \$110 million, respectively. Your recent education rescission proposals included a recommended rescission of \$35 million for the fiscal year 1977 State grant funding, which would bring the level down to \$75 million for that year.

S. 6 contains specific authorizations of \$100 million and \$200 million for the basic State grants for fiscal years 1976 and 1977, respectively, but does not limit the authorizations in later years.

Estimates provided by HEW of the amounts required for fiscal years 1978-1982 to carry out the provisions of S. 6 are shown below:

	Fiscal years. \$ in millions.				
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Basic grants	387	794	1,500	2,300	3,100
Pre-school incentive grants	168	177	192	206	218
Evaluation and statistics	27	40	40	N/A	N/A
Architectural barrier removal grants	N/A	N/A	N/A	N/A	N/A

Although reliable estimates are not available, HEW believes there is potential for a very large authorization for the purpose of architectural barrier removal grants.

Arguments for approval of S. 6

The proponents of this legislation have argued the following:

1. The education of the Nation's handicapped children deserves priority among competing national needs. With proper educational services, many of these children can become productive citizens. Without them, the taxpayers will have to spend great sums of money to maintain such persons as dependents on welfare and often in institutions.

2. Although education is basically the responsibility of State and local governments, the Federal Government shares the duty to provide equal educational opportunity for handicapped children proclaimed in recent court cases. S. 6 would limit the Federal Government's participation to the excess cost of educating handicapped children and would represent only about 20% of the total cost involved by fiscal year 1982.

3. The need for this legislation is shown by estimates that of the approximately 8 million handicapped children (from birth to age 19) in the United States, only 3.9 million are currently receiving an appropriate education. Our educational system completely excludes 1.75 million of these children and provides inadequate services to 2.5 million.

4. While the enrolled bill entails potentially high budget costs in later years, the conferees scaled down drastically the authorizations for the earlier years and have provided for a gradual increase in the Federal Government's participation far below the levels contained in the original House and Senate bills. The proportionate reduction provision will enable Federal funding levels to be dealt with each year in the budget resolution and appropriation bills.

5. Despite greatly increased awareness of the problems and needs relating to education of handicapped children, the rate of progress to date demonstrates the importance of providing statutory goals and timetables for serving all such children adequately, requiring necessary data and evaluations, and offering parents strong procedural safeguards against improper labeling and handling of their children in the educational system.

Arguments against approval of S. 6

The Administration has made the following main points in opposing S. 6:

1. The Federal Government is already committed to the goal of making full equality of opportunity in education available to all handicapped children. Existing law, in section 504 of the Rehabilitation Act of 1973, prohibits all discrimination against the handicapped in federally assisted programs and activities. In addition, the Education Amendments of 1974 contains specific requirements for approving State plans to provide special education. HEW review of State plans submitted under EHA indicates that the States are moving toward meeting the full educational opportunity goal.

2. Federal funding of education activities for handicapped children should be mainly aimed at assisting States in building capacity--such as training for teachers and administrators, demonstration and dissemination of exemplary programs and improved utilization of existing techniques and technologies. S. 6 would drastically alter traditional Federal-State roles in the education of the handicapped by having the Federal Government pay a substantial portion of the extra costs.

3. Approval of S. 6 would leave the Administration vulnerable to future efforts to provide Federal funding of education service costs for other special groups, such as bilingual children, who are also entitled to equal educational opportunity.

4. The grant formula for "entitlements" in the enrolled bill is based on the erroneous assumption that only the States, and not the Federal Government, have limited financial resources. Full funding of the formula would require appropriations which cannot realistically be expected. The bill would thus falsely raise the expectations of the parents of millions of handicapped children. As Senator Muskie noted in the floor discussion, "...the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future."

5. The major new and extensive administrative responsibilities and burdens imposed on Federal, State, and local education officials by S. 6 would result in a significant percentage of any increased Federal funds being diverted from educational services to meeting administrative demands. For example, determining and auditing the "excess cost" requirement would present serious difficulties and would be costly to implement. The bill would also result in increased administrative costs for individualized education programs, uniform accounting procedures, uniform financial reports, additional advisory panels, and detailed grievance procedures. These and other provisions would be perceived by State and local educational agencies as an unwelcome Federal intrusion.

6. The new formula contained in S. 6 presents a significant danger that States would classify children as handicapped too freely in order to qualify for more funding. This would be a problem particularly where less than 12% of the children in an LEA are handicapped. A similar problem exists with respect to the proposed incentive grant program providing \$300 per handicapped child aged 3 to 5.

7. The revised provision for congressional disapproval of HEW regulations under all education statutes, requiring the congressional 45-day review period to begin only at the time the final regulation is issued would further restrict the Department's ability to issue regulations in a timely fashion. Moreover, S. 6 retains the present constitutionally defective authority for the Congress to disapprove HEW regulations by concurrent resolution.

Recommendations

HEW recommends disapproval of S. 6. In his views letter, the Secretary notes many of the objections to the bill cited above, and states:

"Our ultimate conclusion after studying all the features of the final bill is that it contains little that is likely to improve Federal efforts to assist States and localities in meeting their responsibilities in the education of handicapped children. On the contrary, the bill, while falsely raising the expectations of what all levels of government can do in this regard, is likely to impair our ability to deliver meaningful services to children by imposing unnecessary new administrative and procedural burdens on State and local educational agencies."

"I recommend that the bill not be approved for reasons cited above and because of the strong stance the President has taken on excessive spending. My hope would be that the President's veto would induce some alternative legislation which would allow him to support this good objective in a sound fashion."

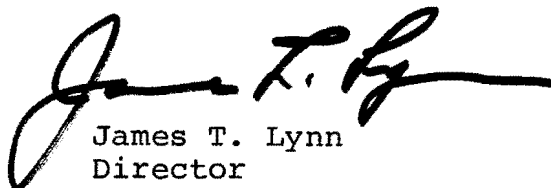
CSC objects to a provision in the enrolled bill authorizing the Commissioner to hire up to 20 personnel for data collection and evaluation activities without regard to civil service law. The Commission believes this provision is unjustified, but does not warrant a veto recommendation.

* * * * *

We believe the arguments for a veto are more persuasive than those in favor of approval of this enrolled bill. The implied Federal funding levels are clearly inconsistent with our current budgetary objectives over the next few years. Moreover, the proposed shift in the Federal role to permanent service cost funding and detailed control over State and local procedures is clearly inconsistent with your desire to enhance State and local discretion and reduce the regulatory burdens imposed by the Federal Government.

In light of your recent statements that you would veto bills providing for excessive funding levels, we join HEW in recommending disapproval of S. 6. A draft veto message is attached.

Since a vote to override a veto is a virtual certainty, should you decide to approve the bill, we would suggest a signing statement pointing out that full implementation of its provisions would not take effect for some time, and that you will recommend amendments that will maintain the appropriate division of Federal and State-local government roles in educating handicapped children and that will be workable within realistic appropriation levels. A draft statement along these lines is also attached.


James T. Lynn
Director

Enclosures



November 28, 1975

DRAFT SIGNING STATEMENT: S. 6, "EDUCATION FOR ALL
HANDICAPPED CHILDREN ACT OF 1975"

I have today approved S. 6, the "Education for all Handicapped Children Act of 1975."

I have signed this bill very reluctantly. It promises more than the Federal Government can deliver and its good intentions could be thwarted by the many unwise provisions it contains.

Nevertheless, there has been considerable progress at the State and local level in the education of handicapped children. This progress must be maintained and expanded.

If the provisions of S. 6 are carried out ^{as} ~~are~~ enacted, however, Federal assistance in educating handicapped children would increase from \$100 million now to over \$1 billion in just over three years. This amount would escalate to more than \$3.3 billion by fiscal year 1982. But this is deceptive. Even the strongest supporters of this measure know as well as I that they are falsely raising the expectations of the groups affected by claiming authorization levels which are excessive and unrealistic.

Despite my strong support for full educational opportunities for our handicapped children, the funding levels proposed in this bill will simply not be possible if Federal expenditures are to be brought under control and a balanced budget achieved over the next few years.




There are other features in the bill which I believe to be objectionable, and which should be changed. It contains a vast array of detailed, complex and costly administrative requirements which would unnecessarily assert Federal control over traditional State and local Government functions. It establishes complex requirements under which tax dollars would be used to support administrative paperwork and not educational programs. Unfortunately, these requirements will remain in effect even though the Congress appropriates far less than the amounts contemplated in S. 6.

Despite these and other objections, I have signed S. 6 and will work with the Congress to improve it.

Fortunately, since it will not become fully effective until fiscal year 1978, there is time to revise this legislation and come up with a program that is effective and realistic. I therefore call upon the Congress to use this time to design a program which will recognize the proper Federal role in helping States and localities fulfill their responsibilities in educating handicapped children. The Administration will send amendments to the Congress that will accomplish this purpose.

#



TO THE SENATE OF THE UNITED STATES:

I am today returning, without my signature, S. 6, a bill entitled the "Education for All Handicapped Children Act of 1975."

Everyone can agree with the objective stated in the title of this bill -- namely, educating all handicapped children in our Nation. Unfortunately, the approach contained in this bill is not the best way to accomplish that objective nor is it responsible.

If this bill were to be carried out as written, it would require an increase in the budget for Federal assistance in educating handicapped children from \$100 million in the current fiscal year to over \$1 billion in just three years and more than \$3.3 billion by fiscal year 1982. Such funding levels for this one program will simply not be possible and even the strongest supporters of this measure know that. We mislead our citizens when we claim high authorization levels knowing full well they are excessive and unrealistic.

When the House Education and Labor Committee reported its version of this legislation, minority members stated the following about the authorization levels:

"The kindest thing that we can say about such authorization levels is that it is unrealistic. To expect or even suggest that it can be reached, given the restrictions and limitations of the Federal budget today and in the future is pure folly. This is not to say that considerable dollars are not needed today to help states provide full and appropriate education to handicapped children, but it is simply irrational to suggest that figures such as these will be

achieved from the Federal government over the next five years. These figures represent a dream which we feel is an empty promise for the handicapped and their parents.


"We believe that authorizations more in line with what is achievable would be a more honest way to proceed with this legislation."

Despite these strong minority views, the conferees did not fundamentally change the bill. The Chairman of the Senate Budget Committee, in the floor discussion leading to the vote on the conference report, noted:

"...we appear to be establishing a program that may not look like a big commitment now but may soon become a substantial one.

"However, the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future."

S. 6 has other serious defects. It contains a vast array of detailed and complex administrative requirements and procedures which would expand the role of the Federal Government from assistance and encouragement to an assertion of Federal control. These requirements -- including individualized education plans, uniform accounting procedures, evaluations and data collection, advisory panels, and detailed grievance procedures -- would divert for administrative expenses tax dollars more appropriately spent on improved educational services to handicapped children. They represent an unwarranted intrusion into traditional State and local government functions.



The increased cost of meeting these requirements would generate unrealistic pressures in State legislatures for additional funds. Worse yet, they would create a bureaucratic straitjacket for State and local governments to accept in the hope of receiving large increases in Federal funds -- increases which the Congress knows will not be forthcoming.

I have repeatedly promised the American people that I would veto legislation which would call for Federal spending commitments beyond our ability to meet. Nevertheless, on final passage of S. 6, only 7 Members of the House and 7 Members of the Senate were willing to be recorded as against this bill. In the Congress, it has become a commonplace event to pretend to offer up the taxpayer's dollar in amounts far beyond what the members intend or can expect to deliver. I cannot join in this cynical approach.

Our handicapped children should have an opportunity for an appropriate education. The States are moving toward meeting that goal. And certainly the Federal Government has a role to play in assisting their efforts. That role should not be distorted through false hopes and red tape, as S. 6 would do. I therefore cannot give this measure my approval.

THE WHITE HOUSE,

STATEMENT BY THE PRESIDENT

I have today approved S. 6, the "Education for all Handicapped Children Act of 1975."

I have signed this bill very reluctantly. It promises more than the Federal Government can deliver and its good intentions could be thwarted by the many unwise provisions it contains.

Nevertheless, there has been considerable progress at the State and local level in the education of handicapped children. This progress must be maintained and expanded.

If the provisions of S. 6 are carried out as enacted, however, Federal assistance in educating handicapped children would increase from \$100 million now to over \$1 billion in just over three years. This amount would escalate to more than \$3.3 billion by fiscal year 1982. But this is deceptive. Even the strongest supporters of this measure know as well as I that they are falsely raising the expectations of the groups affected by claiming authorization levels which are excessive and unrealistic.

Despite my strong support for full educational opportunities for our handicapped children, the funding levels proposed in this bill will simply not be possible if Federal expenditures are to be brought under control and a balanced budget achieved over the next few years.

There are other features in the bill which I believe to be objectionable, and which should be changed. It contains a vast array of detailed, complex and costly administrative requirements which would unnecessarily assert Federal control over traditional State and local Government functions. It establishes complex requirements under which tax dollars would be used to support administrative paperwork and not educational programs. Unfortunately, these requirements will remain in effect even though the Congress appropriates far less than the amounts contemplated in S. 6.



Despite these and other objections, I have signed S. 6 and will work with the Congress to improve it.

Fortunately, since it will not become fully effective until fiscal year 1978, there is time to revise this legislation and come up with a program that is effective and realistic. I therefore call upon the Congress to use this time to design a program which will recognize the proper Federal role in helping States and localities fulfill their responsibilities in educating handicapped children. The Administration will send amendments to the Congress that will accomplish this purpose.



FOR IMMEDIATE RELEASE

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today approved S. 6, the "Education for all Handicapped Children Act of 1975."

I have signed this bill very reluctantly. It promises more than the Federal Government can deliver and its good intentions could be thwarted by the many unwise provisions it contains.

Nevertheless, there has been considerable progress at the State and local level in the education of handicapped children. This progress must be maintained and expanded.

If the provisions of S. 6 are carried out as enacted, however, Federal assistance in educating handicapped children would increase from \$100 million now to over \$1 billion in just over three years. This amount would escalate to more than \$3.3 billion by fiscal year 1982. But this is deceptive. Even the strongest supporters of this measure know as well as I that they are falsely raising the expectations of the groups affected by claiming authorization levels which are excessive and unrealistic.

Despite my strong support for full educational opportunities for our handicapped children, the funding levels proposed in this bill will simply not be possible if Federal expenditures are to be brought under control and a balanced budget achieved over the next few years.

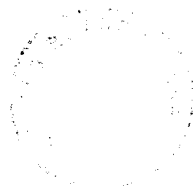
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Despite these and other objections, I have signed S. 6 and will work with the Congress to improve it.

Fortunately, since it will not become fully effective until fiscal year 1978, there is time to revise this legislation and come up with a program that is effective and realistic. I therefore call upon the Congress to use this time to design a program which will recognize the proper Federal role in helping States and localities fulfill their responsibilities in educating handicapped children. The Administration will send amendments to the Congress that will accomplish this purpose.

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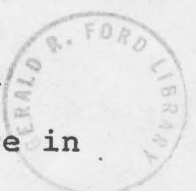
Message
DRAFT: VETO STATEMENT

I am today returning, without my signature, S. 6, a bill entitled the "Education for All Handicapped Children Act of 1975."

Everyone can agree with the objective stated in the title of this bill -- ^{namely,} educating all handicapped children in our Nation. ^{unfortunately,} ~~The key question is whether the approach of this~~ ^{contained in} ~~is~~ ^{no is it significant} the best way to accomplish that objective. ~~The answer is "no."~~

S. 6 is still another example of the irresponsible legislation process that has become ingrained in the Federal Government in recent years. What we have seen repeated all too frequently is the passage of legislation promising to solve a problem and then failing to carry through on that promise. Small wonder that the American people have lost faith in their Government. We must not promise more than we can deliver.

If this bill were to be carried out as written, it would require an increase in the budget for Federal assistance in educating handicapped children from \$100 million in the current fiscal year to over \$1 billion in just three years and more than \$3.3 billion by fiscal year 1982. Such



DHL/11/28/75
Page 2

funding levels for this one program will simply not be possible and even the strongest supporters of this measure know that. We mislead our citizens when we ^{claim} trumpet high authorization levels knowing full well they are excessive and unrealistic.

When the House Education and Labor Committee reported its version of this legislation, minority members stated the following about the authorization levels:

"The kindest thing that we can say about such authorization levels is that it is unrealistic. To expect or even suggest that it can be reached, given the restrictions and limitations of the Federal budget today and in the future is pure folly. This is not to say that considerable dollars are not needed today to help states provide full and appropriate education to handicapped children, but it is simply irrational to suggest that figures such as these will be achieved from the Federal government over the next five years. These figures represent a dream which we feel is an empty promise for the handicapped and their parents."

"We believe that authorizations more in line with what is achievable would be a more honest way to proceed with this legislation."

← Despite these strong minority views, the conferees did not fundamentally change the bill. The Chairman of the Senate Budget Committee, in the floor discussion leading



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Despite these strong minority views, the conferees did not fundamentally change the bill. The Chairman of the Senate Budget Committee, in the floor discussion leading to the vote on the conference report, noted:

"...we appear to be establishing a program that may not look like a big commitment now but may soon become a substantial one."

"However, the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future."

S. 6 has other serious defects. It contains a vast array of detailed and complex administrative requirements and procedures which would expand the role of the Federal Government from assistance and encouragement to an assertion



of Federal control. These requirements--including individualized education plans, uniform accounting procedures, evaluations and data collection, advisory panels, and detailed grievance procedures--would divert for administrative expenses ^{that} dollars more appropriately spent on improved educational services to handicapped children. They represent an unwarranted intrusion into ~~the minute details of~~ traditional State and local government functions.

The increased cost of meeting these requirements would generate unrealistic pressures in State legislatures for additional funds. Worse yet, they would create a bureaucratic straitjacket for State and local governments to accept in the hope of receiving large increases in Federal funds--increases which the Congress knows will not be forthcoming.

I have repeatedly promised the American people that I would veto legislation which would call for Federal spending commitments beyond our ability to meet. Nevertheless, on final passage of S. 6, only 7 Members of the House and 7 Members of the Senate were willing to be recorded as against this bill. In the Congress, it has become a commonplace event to pretend to offer up the taxpayer's dollar in amounts far beyond what the members intend or can expect to deliver. I cannot join in this cynical approach.

Our handicapped children should have an opportunity for an appropriate education. The States are moving toward meeting that goal. And certainly the Federal Government has a role to play in assisting their efforts. That role should

not be distorted through false hopes and red tape, as S. 6 would do. I therefore cannot give this measure my approval.

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

NOV 26 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 6 - Education for All Handicapped
Children Act of 1975
Sponsor - Sen. Williams (D) N.J. and 23 others

Last Day for Action

December 2, 1975 - Tuesday

Purpose

Extends permanently, and establishes a new formula for, Federal grants to States and localities for education of handicapped children; prescribes State eligibility requirements, including service to all handicapped children, individualized educational programs and grievance procedures; and makes various other significant changes in the Education of the Handicapped Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of Health, Education, and Welfare	Disapproval (Veto message attached)
Department of the Interior	No objection
Department of Justice	No objection
Department of Labor	No objection
General Services Administration	No objection
Civil Service Commission	Approval

Discussion

S. 6 is acknowledged by its supporters to represent an assumption of permanent responsibility by the Federal Government to bear a growing portion of the costs of



TO THE SENATE

I am today returning, without my signature, S. 6, a bill entitled the "Education for All Handicapped Children Act of 1975."

Everyone can agree with the objective stated in the title of this bill--educating all handicapped children in our Nation. The key question is whether the bill will really accomplish that objective. The answer is "no," as the Congress well knows.

S. 6 is still another example of the irresponsible legislative process that has become ingrained in the Federal Government in recent years. What we have seen repeated all too frequently is the passage of legislation promising to solve a problem and then failing to carry through on that promise. Small wonder that the American people have lost faith in their Government.

If this bill were to be carried out as written, it would require an increase in the budget for Federal assistance in educating handicapped children from \$100 million in the current fiscal year to over \$1 billion in just three years and more than \$3.3 billion by fiscal year 1982. Such funding levels for this one program will simply not be possible if we are to have any hope of bringing Federal expenditures under control and achieving a balanced budget over the next few years.

When the House Education and Labor Committee reported its version of this legislation, minority members stated the following about the authorization levels:

"The kindest thing that we can say about such authorization levels is that it is unrealistic.

To expect or even suggest that it can be reached,

given the restrictions and limitations of the Federal budget today and in the future is pure folly. This is not to say that considerable dollars are not needed today to help states provide full and appropriate education to handicapped children, but it is simply irrational to suggest that figures such as these will be achieved from the Federal government over the next five years. These figures represent a dream which we feel is an empty promise for the handicapped and their parents."

"We believe that authorizations more in line with what is achievable would be a more honest way to proceed with this legislation."

Despite these strong minority views, the conferees did not fundamentally change the bill. The Chairman of the Senate Budget Committee, in the floor discussion leading to the vote on the conference report, noted:

"...we appear to be establishing a program that may not look like a big commitment now but may soon become a substantial one."

"However, the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future."

S. 6 has other serious defects. It contains a vast array of detailed and complex administrative requirements and procedures which would expand the role of the Federal Government from assistance and encouragement to an assertion

of Federal control. These requirements--including individualized education plans, uniform accounting procedures, evaluations and data collection, advisory panels, and detailed grievance procedures--would divert for administrative expenses dollars more appropriately spent on improved educational services to handicapped children. They represent an unwarranted intrusion into the minute details of traditional State and local government functions.

The increased cost of meeting these requirements would generate unrealistic pressures in State legislatures for additional funds. Worse yet, they would create a bureaucratic straitjacket for State and local governments to accept in the hope of receiving large increases in Federal funds--increases which the Congress knows will not be forthcoming.

I have repeatedly promised the American people that I would veto legislation which would call for Federal spending commitments beyond our ability to meet. Nevertheless, on final passage of S. 6, only 7 Members of the House and 7 Members of the Senate were willing to be recorded as against this bill. In the Congress, it has become a commonplace event to pretend to offer up the taxpayer's dollar in amounts far beyond what the members intend or can expect to deliver. I cannot join in this cynical approach.

Our handicapped children should have an opportunity for an appropriate education. The States are moving toward meeting that goal. And certainly the Federal Government has a role to play in assisting their efforts. That role should not be distorted through false hopes and red tape, as S. 6 would do. I therefore cannot give this measure my approval.

THE WHITE HOUSE

November , 1975

STATEMENT BY THE PRESIDENT

I have today approved S. 6, the "Education for All Handicapped Children Act of 1975."

I have signed this bill very reluctantly since it promises more than the Federal Government can deliver and because its good intentions could be thwarted by the many unwise provisions it contains.

If S. 6 were to be carried out as written, it could require an increase in the budget for Federal assistance in educating handicapped children from \$100 million now to over \$1 billion in just three years. This amount would escalate further to more than \$3.3 billion by fiscal year 1982. Such increases in funding for this program will simply not be possible if we are to have any hope of bringing Federal expenditures under control and achieving a balanced budget over the next few years.

Members of Congress who support this measure, and would undoubtedly vote to override if I were to veto it, know as well as I that they are falsely raising the expectations of the groups affected. They know as well as I that they are merely pretending to offer up the taxpayer's dollar in amounts far beyond what I can reasonably request in the budget or what they intend to provide.

There are other features in the bill which I believe to be objectionable, and which should be changed. It contains a vast array of detailed, complex, and costly administrative requirements which would unduly assert Federal control and intrusion into the minute details of traditional State and local government functions. America is too vast and diverse to force-fit every local program into a Procrustean bed designed in Washington. Attempts to meet such detailed requirements can only result in the creation of new Federal, State, and

local bureaucracies to syphon off funds that should be devoted to quality education for all young Americans, the handicapped included. More tragically, these complex requirements will become effective even when the Congress appropriates for less than the amounts contemplated in S. 6. The full burdens will be there even when the full funding is not.

Another provision of this bill contains a distribution formula that could easily result in mislabeling of educationally disadvantaged and minority children as handicapped--just to get money. The Congress has already heard the story of mislabeling of handicapped in the Head Start program. When the small amounts of money are appropriated the temptation to mislabel to get a larger share will be great.

Fortunately, these unwise provisions will not become fully effective until fiscal year 1978. We have time to correct the errors. I therefore call upon the Congress to use this time to design a program which not only recognizes the proper Federal role to help States and localities fulfill their responsibilities, not usurp them, but also is workable within the resources we can realistically provide. The Administration will send amendments to the Congress that would accomplish this purpose.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NOV 25 1975

Dear Mr. Lynn:

This responds to your request for our views on the enrolled bill S. 6, "To amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

We would have no objection to approval of the bill by the President.

S. 6 provides for comprehensive amendments to the Education of the Handicapped Act (20 U.S.C. 1411). These include a new entitlement formula for payments to States, new application and eligibility requirements, and new sections relating to the employment and advancement in employment of qualified handicapped individuals and to grants for the removal of architectural barriers.

We note with approval that certain provisions of S. 6 would extend authority for the education of handicapped children in schools on Indian reservations serviced by the Bureau of Indian Affairs of this Department.

Another provision of the bill would authorize the Commissioner of Education of the Department of Health, Education and Welfare to make payments to the Secretary of the Interior according to the need of such assistance to handicapped children on Indian reservations, provided that the amount of such payment for any fiscal year shall not exceed 1 percent of the aggregate amounts available to all States.

Sincerely yours,

Commissioner of Indian Affairs

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



Department of Justice
Washington, D.C. 20530

November 24, 1975

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

Dear Mr. Lynn:

Pursuant to your request, we have examined a facsimile of the enrolled bill S. 6, "An Act to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

The principal purpose of this bill is to provide grants to the States to assist in the education of handicapped children. As to those aspects of the enrolled bill, the Department of Justice defers to the views of those Executive agencies with competence with respect to the subject matter.

There are, however, a number of provisions in the bill which are of interest to the Department of Justice.


Section 5 of the bill would amend the Education of the Handicapped Act (20 U.S.C. §1401 et seq.). These amendments could add to the burdens of the federal courts (§615(e)(2) and (4) and §616(b) of the Act as amended). Section 5 of the bill also provides for committee review of regulations prior to their issuance by the Commissioner of Education (§620(b)(2) of the Act as amended). Section 7(b) of the bill amends the Education Act Amendments of 1974 (20 U.S.C. §1232(d)(1)) by adding a provision to the effect that the failure of Congress to disapprove regulations shall not be deemed to represent Congressional approval thereof and shall have no probative value in any proceeding.

The only provision of the enrolled bill which suggests a constitutional problem is the section concerning committee review of regulations (§620(b)(2) of the Act as amended). As we read this provision, the Congressional committees have not

been vested with the power to veto or indefinitely delay the regulations subject to this provision. The Department of Justice has consistently taken the position that a committee veto provision is unconstitutional because it permits a committee of Congress to veto executive action the authority for which has been lawfully delegated to the Executive by formal legislative enactment. However, a simple notice provision which is not so unduly protracted as to impede the agency from meeting its statutory responsibilities is not objectionable on this ground.

The Department of Justice has no objection to Executive approval of the enrolled bill.

Sincerely,



Michael M. Uhlmann
Assistant Attorney General
Office of Legislative Affairs

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

NOV 21 1975

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

Dear Mr. Lynn:

This is in response to your request for our views on S. 6, an enrolled enactment, which would amend the Education of the Handicapped Act to provide educational assistance to all handicapped children.

Since this legislation does not affect any program administered by this Department, we defer to the recommendations of the Department of Health, Education and Welfare, the agency which will be directly involved in its implementation.

Sincerely,


Secretary of Labor

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



NOV 21 1975

Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, DC 20503

Dear Mr. Lynn:

By letter of November 20, 1975, you asked that the General Services Administration (GSA) review and comment upon enrolled bill S. 6, a bill "To amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

GSA has completed its review of this bill and, as it has no effect upon GSA programs, the agency offers no opposition to its approval by the President.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Yook".

(Signed) Robert J. Yook
Acting Assistant Administrator



UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

CHAIRMAN

November 24, 1975

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

Attention: Assistant Director for
Legislative Reference

Dear Mr. Lynn:

This is in response to your request for the Commission's views on enrolled S. 6, an act "to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

We are limiting our comments to the one personnel provision of this bill.

Section 5 would authorize the Commissioner of Education to employ no more than 20 personnel at any time for data collection and program evaluation activities without regard to the provisions of law relating to the competitive service, position classification, and General Schedule pay rates. We find nothing, either in the bill itself or in the Committee report, to justify the statutory exception of these positions from the general personnel laws. The Commission is opposed to such exceptions since we have substantial authority to modify the requirements administratively--if warranted.

Although we object to the provision, our objection is not sufficiently overriding to warrant a veto recommendation. We therefore recommend, insofar as the personnel provision is concerned, that the President sign the bill into law.

By direction of the Commission:

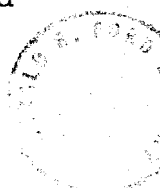
Sincerely yours,

Handwritten signature of Robert Hampton in cursive script.
Chairman

PROPOSED VETO MESSAGE FOR S. 6

I have today returned to the Congress without my approval S. 6, the Education for All Handicapped Children Act of 1975. This legislation is intended to extend a worthwhile Federal program to assist State and local educational agencies in the education of handicapped children. That is an objective that I and my Administration strongly endorse. But, as seems to be a growing tendency of late, Congress would expand the role of the Federal government in this area from that of providing assistance and encouragement to that of asserting Federal control. This would be accomplished in S. 6 not only by increasing the amount of Federal support from \$100 million in the current year to approximately \$3.1 billion in 1982, but also through the imposition of detailed and complex Federal administrative requirements with which States and localities must comply in order to benefit from the program.

My objection to S. 6 is based in part on the excessive authorizations contained in the bill. Even Members of Congress who support the basic purposes of the bill have noted that from a budget standpoint it would create a "wedge" for an increased Federal commitment that is inconsistent with foreseeable Federal resources. But I also object, and I am joined in this regard by spokespersons for State governments, to the concept embodied in S. 6 that the Federal government should act as a super-legislature in dictating to States the minute details of how they should operate social programs designed to better the lives of their citizens. The States have also complained that this bill, by mandating a vast range of services and administrative procedures at the State and local level, will generate unwarranted and unrealistic pressures on State legislatures for additional funds.



I share the concern of Congress that all handicapped children in the country should have an opportunity for an appropriate free public education. This is certainly a goal worthy of our immediate attention, and the States, with Federal assistance, are moving to meet that goal. There are better means than S. 6 to these ends. This bill, while falsely raising the expectations of millions of handicapped children and their parents, will only serve to frustrate that purpose by imposing burdensome and expensive administrative requirements on State and local governments that will interfere with their ability to deliver meaningful services. I therefore cannot give this particular measure my support but remain open to alternative proposals to accomplish these good ends.





DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

NOV 5 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 for a report on S. 6, an enrolled bill "To amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

The enrolled bill would extend the present part B of the Education of the Handicapped Act, with a number of amendments, through fiscal year 1977. Effective in fiscal year 1978, part B would be completely revised, with a new formula which would greatly increase the entitlements of State and local educational agencies. The new part B would also set forth additional Federal requirements for State and local programs. These requirements, some of which would be effective immediately and some in fiscal year 1978, would be designed to ensure, among other things, that all handicapped children will receive an appropriate free public education. A summary of the bill is enclosed for your information.

You are aware of the many concerns this Department has expressed over this legislation during the course of its development. While the Congress has modified or eliminated some of the objectionable features of earlier versions of the bill, our basic objections have not been met and I have reluctantly concluded that the bill should not be approved.

Authorization levels. The authorization of appropriations for part B of the Act would be limited to \$100,000,000 for fiscal year 1976 and \$200,000,000 for fiscal year 1977; but under the revised entitlement formula in section 611, it has been estimated that authorizations would increase to \$387,000,000 in fiscal year 1978, \$794,000,000 in fiscal year 1979, \$1,500,000,000 in fiscal year 1980, \$2,300,000,000 in fiscal year 1981, and \$3,200,000,000 in fiscal year 1982

and thereafter. While it is difficult to assess the accuracy of these estimates, we believe that they are conservative. These unrealistically high levels would result in expectations among the handicapped, their families, and State and local agencies which are not likely to be met under existing fiscal realities. The enclosed estimate of expected costs under the bill indicates other authorizations in the bill (e.g., special grants for early childhood programs and for the removal of architectural barriers) that will undoubtedly exceed available Federal resources for these activities.

Federal-State roles. The theory of the new formula for part B (effective in fiscal year 1978) is that the Federal government should bear a substantial and gradually increasing share of the financial burden of educating handicapped children. This would drastically alter traditional Federal-State roles in education at a time when all available evidence indicates that States are moving toward meeting the goal of providing an appropriate education for all handicapped children.

Administrative burdens. The bill would impose a vast array of new administrative requirements the cost of which is likely to absorb a substantial portion of any increased Federal funding for the education of the handicapped. While the concept of a formal State compliance entity has been eliminated, the bill would still result in increased administrative costs for individualized education plans, uniform accounting procedures, evaluation and data collection, additional advisory panels, and detailed grievance procedures.

Labeling of children. Because the new formula in S. 6 would provide for payments on the basis of the number of handicapped children served, there would be a significant danger that educationally disadvantaged children would hereafter be labeled as handicapped in order to maximize a State's entitlement. The twelve percent limit on the number of children for whom a State could claim payment would not substantially reduce the risk that children will be unnecessarily stigmatized through this process.



Excess costs. The introduction of the concept of excess costs would result in a new uncertainty for State and local educational agencies in determining how Federal funds may be used. Not only would this provision be difficult for those agencies to administer, but also it would be virtually impossible to audit.

Review of regulations. The modification of section 431(d) of the General Education Provisions Act to apply the 45-day Congressional review procedure to final instead of proposed regulations would further restrict our ability to issue regulations in a timely fashion, and because of the absence of such regulations, we may in many cases be prevented from obligating program funds prior to the end of a fiscal year.

With a few exceptions noted above, the final version of S. 6 contains most of the objectionable features which we pointed out to the Congress before the conference committee met. Our ultimate conclusion after studying all the features of the final bill is that it contains little that is likely to improve Federal efforts to assist States and localities in meeting their responsibilities in the education of handicapped children. On the contrary, the bill, while falsely raising the expectations of what all levels of government can do in this regard, is likely to impair our ability to deliver meaningful services to children by imposing unnecessary new administrative and procedural burdens on State and local educational agencies.

Despite all of these objections which we have repeatedly submitted to Congress in the form of testimony and letters, the votes in the Congress (404-7 and 87-7 on the conference report) and our own assessment of congressional views lead me to conclude that the chances for sustaining a veto are bleak at best. I recommend that the bill not be approved for reasons cited above and because of the strong stance the President has taken on excessive spending. My hope would be that the President's veto would induce some alternative legislation which would allow him to support this good objective in a sound fashion. A proposed veto message is enclosed.

Secretary



Secretary

Enclosures

SUMMARY OF THE PRINCIPAL PROVISIONS OF S. 6, THE
EDUCATION FOR ALL HANDICAPPED CHILDREN ACT OF 1975

EXTENSION OF EXISTING LAW

Section 2 of the bill would extend through fiscal year 1977 those provisions of part B of the Education of the Handicapped Act (hereinafter "EHA") relating to authorizations of appropriations and allocation of funds which were in effect for fiscal year 1975 (the so-called "Mathias Amendment"). The only changes from existing law that would be made in this regard are:

(1) Puerto Rico would be treated as a State and the other outlying areas would be entitled to no more than 1 per centum of the aggregate of the States entitlements;

(2) State allocations would be held harmless at their 1975 levels or \$300,000, whichever is greater;

(3) The authorization levels would be specified at \$100,000,000 for fiscal year 1976, such sums as may be necessary for the period July 1, 1976-September 30, 1976, and \$200,000,000 for fiscal year 1977.

The Commissioner would be required to promulgate regulations necessary to implement these changes not later than 120 days after enactment.

STATEMENT OF FINDINGS AND PURPOSE

Section 3 of the bill would add a statement of findings and purpose to EHA. The thrust of the findings would be to the effect that the special educational needs of handicapped children are not currently being met, that families are forced to use their own resources to provide education for handicapped children, and that State and local educational agencies do not have adequate resources to meet these needs. The purpose of the Act would therefore be to assure that all handicapped

children have access to an appropriate free public education, to assist States and localities to provide such education, and to protect certain rights of handicapped children and their parents.

DEFINITIONS

Section 4 of the bill would amend a number of existing definitions in EHA and would also add a number of new definitions. The definition of "handicapped children" would be amended to include children with specific learning disabilities. The definition of "children with specific learning disabilities" would be clarified to exclude children whose learning problems are the result of cultural or economic disadvantage. The new definitions would include a description of both "special education" and "related services" that would be eligible for funding under the Act, as well as standards for "free appropriate public education" and "individualized education program". The term "excess costs" (which is relevant to a determination of allowable costs for State and local programs) would be defined as those costs in excess of the average annual per student expenditure for either elementary or secondary education in a local educational agency in the preceding fiscal year, excluding funds received under titles I and VII of the Elementary and Secondary Education Act and State and local funds expended for programs that would meet the requirements of EHA.

REVISION OF PART B OF EHA

Section 5(a) of the bill would completely revise part B of EHA, with the revision to be effective beginning in fiscal year 1978 (except for a number of provisions which, as discussed hereinafter, would be effective upon enactment).

ENTITLEMENTS AND ALLOCATIONS

Section 611 sets out the entitlements and allocations under part B. Starting in the fiscal year ending September 30, 1978, the formula for determining the amount of the grant to which a State is entitled would be computed by multiplying the

number of handicapped children aged 3-21 in the State who are receiving special education and related services by a rising percentage (5 percent in fiscal year 1978, 10 percent in fiscal year 1979, 20 percent in fiscal year 1980, 30 percent in fiscal year 1981 and 40 percent in fiscal year 1982) of the average national per pupil expenditure. No State would receive an amount less than that sum received in the fiscal year ending September 30, 1977.

In determining the allotment of each State, no more than 12 percent of the children 5-17 may be counted as handicapped. Moreover, no more than 1/6th of that number (2 percent of the total number of children in a State) may be counted as children with special learning disabilities.

For the fiscal year ending September 30, 1978, 50 percent of the funds may be used by the State in a manner consistent with the priorities established under section 612 and 50 percent of the funds would pass through to local educational agencies on the basis of the number of handicapped children served. No State could use more than 5 percent of its allotment, or \$200,000, whichever is greater, for administrative costs related to carrying out sections 612 and 613. Beginning with the fiscal year ending September 30, 1979, 25 percent of the funds may be used by the State in a manner consistent with the priorities set forth in section 612 and 75 percent of the funds would pass through to local educational agencies. No funds would be distributed to any local educational agency entitled to less than \$7,500.

The aggregate of the entitlements for the outlying areas (Guam, American Samoa, the Virgin Islands, and the Trust Territory) would be limited to 1 percent of the aggregate entitlements of all the States, and the Commissioner would be authorized to make payments, not exceeding 1 percent of the aggregate amount available to all States, to the Secretary of the Interior according to the need for such assistance for the education of handicapped children on reservations, in schools operated for Indian children.

If appropriated sums should not prove sufficient to pay States the full amount to which they are entitled, grants would be ratably reduced.



ELIGIBILITY

Section 612 would establish eligibility requirements for State participation under part B. In order to qualify for assistance a State would have to prove to the Commissioner that it has in effect a policy that assures all handicapped children the right to a free appropriate public education. This section would further require that such a free appropriate public education be available for all handicapped children 3-18 not later than September 1, 1978, and for all handicapped children 3-21 not later than September 1, 1980 (unless such requirement would be inconsistent with State law or practice or the order of any court). A State would also have to submit an amended plan which sets forth in detail the policies and procedures necessary to fulfill the above goal and meet the prescribed timetable. This latter requirement would go into effect immediately. In addition, a State would have to establish priorities to assure that those children not presently receiving an education and those children with the most severe handicaps within each disability who are receiving an inadequate education be served first. Finally, a State would have to demonstrate to the Commissioner that it will maintain, review, and revise the individualized education program for each handicapped child, establish a number of procedural safeguards, take responsibility for education programs for the handicapped within the State, and develop procedures for consultation and public hearings with reference to the State plan.

STATE PLANS

Section 613 would set forth the required contents of the State plan. Any State meeting the eligibility requirements described in section 612 would submit to the Commissioner through its State education agency a State plan which would assure that:

(1) funds will be spent in accordance with the provisions of the law;

(2) funds for the education of handicapped children provided under other Federal programs will be utilized in a manner consistent with the goal of providing a free appropriate public education;



(3) programs and procedures for personnel development will be established;

(4) provision will be made for the participation of handicapped children in private schools and facilities;

(5) Federal funds will be used to supplement State and local expenditures (except where a State provides clear and convincing evidence that all handicapped children have available to them a free appropriate public education in which case the Commissioner could waive the no supplant language);

(6) procedures for at least annual evaluation of the effectiveness of programs in meeting the educational needs of handicapped children will be established; and

(7) the State has an advisory panel which would comment on unmet needs and State rules and regulations and assist the State in developing and reporting data and evaluations needed by the Commissioner.

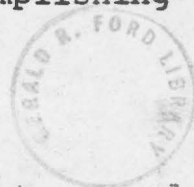
APPLICATIONS

Section 614 sets out the application requirements for part B funds by a local educational agency. In order to receive payments a local education agency would have to submit an application to the appropriate State educational agency which shall:

(1) provide satisfactory assurance that payments would be used for excess costs required to identify, locate, and evaluate children in need of special education and related services;

(2) establish a goal of providing full educational opportunities to all handicapped children consistent with stated priorities with regard to service;

(3) establish a detailed timetable for accomplishing the above goal;



(4) provide satisfactory assurance that funds provided under part B would be spent to supplement State and local funds and to pay only for the excess costs directly attributable to the education of handicapped children;

(5) provide such information as may be necessary to enable the State educational agency to perform its duties;

(6) provide for keeping such records as the State educational agency may find necessary; and

(7) provide satisfactory assurances that a local educational agency would fulfill its responsibilities with regard to individualized education programs, eligibility, and procedural safeguards.

Section 614 also would provide procedures for approval and disapproval of local educational agency applications. Further, a State educational agency would be allowed to require a number of local educational agencies to submit a consolidated application. In certain specific cases a State would be allowed to provide special education and related services directly to handicapped children at such locations as it considers appropriate.

PROCEDURAL SAFEGUARDS

Section 615 of part B would prescribe procedures which each educational agency receiving assistance under EHA would be required to implement to provide parents and guardians of handicapped children with an opportunity to challenge their child's identification, placement, or treatment. The procedures would be required to include:

(A) opportunity for access to records and for an independent educational evaluation of the child,

(B) protection for children whose parents and guardians are not available,

(C) written prior notice of a change, or refusal to initiate a change, in the identification, evaluation, or educational placement of the child,



(D) written notice to parents of the procedures available under this provision, in the native language of the parents (unless that is not feasible), and

(E) opportunity to present complaints with regard to any matter relating to the identification, placement, or provision of free appropriate public education to the child.

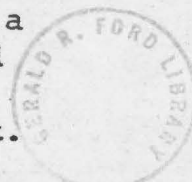
Whenever a complaint is filed, the parent would have an opportunity for a hearing, conducted by the agency involved or the State educational agency, and presided over by a person who is not an employee of the agency involved. Where the hearing is conducted by that agency, the parent would have a right to appeal to the State educational agency.

A party to any such hearing would have all the rights to a due process hearing, including the right to be accompanied and advised by counsel and individuals with special knowledge or training in the education of the handicapped. Any party aggrieved by the outcome of such a hearing would be able to bring a civil action in a State court of competent jurisdiction or in a U.S. district court. The court would receive the record of the hearing as well as any additional evidence, and basing its decision on the "preponderance of the evidence", would grant such relief as may be appropriate.

WITHHOLDING AND JUDICIAL REVIEW

Section 616 of part B would provide authority, similar to current law, for the Commissioner to withhold funds from a State or local educational agency which fails to comply with a requirement in section 612 or 613, with any other provision of part B, or with a requirement in an application of a local or intermediate educational agency. Additional authority would be provided for the Commissioner to withhold from a State any other Federal funds designated for handicapped children under titles I and III of the Elementary and Secondary Education Act and the Vocational Education Act.

The judicial review provisions of current law would be continued.



ADMINISTRATION

Section 617 of part B would provide a number of administrative requirements applicable to the Commissioner and the States, including--

(1) a requirement for each State, within one year after enactment, to certify to the Commissioner the actual number of handicapped children receiving special education in the State;

(2) a requirement for the Commissioner to prescribe a uniform financial report to be utilized by the States in submitting their State plans;

(3) a requirement for the Commissioner to issue necessary regulations not later than January 1, 1977; and

(4) authority for the Commissioner to hire, without regard to the provisions of title 5, U.S. Code relating to appointments in the competitive service and classification and pay rates, not more than 20 qualified personnel for data collection and evaluation activities under section 618.

EVALUATION

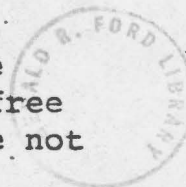
Section 618 of part B sets forth requirements for the measurement and evaluation of the program authorized under that part. These requirements include--

(1) an annual statistical report, prepared through NCES, setting forth:

-- the number of handicapped children in each State, by disability,

-- the number of such children in each State within each disability receiving an appropriate free public education and the number who need, but are not receiving, such an education,

-- number of such children participating in regular classes and the number in special, separate classes,



-- the amount of Federal, State, and local expenditures in each State for special education and related services, and

-- the number of personnel, by disability category, employed in the education of handicapped children and the additional number needed to carry out this Act.

(2) an evaluation of programs assisted under this part, including the development of effective evaluation procedures and methods, the testing and validation of such procedures and methods, and the actual conduct of evaluations to test the effectiveness of such programs.

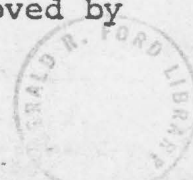
The Commissioner would also be required to transmit to the appropriate committees of Congress not later than 120 days after the close of each fiscal year a progress report on the goal of providing a free appropriate public education to each handicapped child. There is a separate authorization of such sums as may be necessary to carry out this section.

INCENTIVE GRANTS

Section 619 of part B would add new authority for the Commissioner to make special grants to States which provide special education and related services for handicapped children aged three to five. The maximum amount of such grants would be \$300 per child. There would be a separate authorization for the appropriation of such sums as may be necessary for this section.

PAYMENTS

Section 620 would require the Commissioner to make payments to each State in the amounts they are eligible to receive under this part. State educational agencies in turn would distribute to each local and intermediate educational agency the amounts for which they are eligible under an application approved by the SEA.



REQUIREMENTS RELATING TO SPECIFIC
LEARNING DISABILITIES

Section 5(b) of the bill would require the Commissioner, not later than one year after the date of enactment, to prescribe regulations (1) which establish specific procedures to determine whether a particular disorder or condition is a specific learning disability, (2) which establish and prescribe diagnostic procedures for identifying such children, and (3) establish monitoring procedures to ensure that State and local educational agencies are complying with such criteria. These regulations would be required to be submitted to the appropriate Congressional committees at least 15 days prior to their publication. The Commissioner would also be required to submit to Congress any changes in the definition of the term "children with specific learning disabilities" which he determines to be necessary.

Upon the date when the regulations described above become effective, the 2 percent limit on the number of children within a State who may be designated as having specific learning disabilities for the purposes of section 611(a) (Entitlements and Allocations) would be eliminated.

EMPLOYMENT OF HANDICAPPED PERSONS AND REMOVAL
OF ARCHITECTURAL BARRIERS

Section 6(a) of the bill would add a new section 606 to the Act to provide that the Secretary shall assure that each recipient under the Act takes positive efforts to employ and advance handicapped persons in programs assisted under the Act.

A new section 607 would also be added to authorize the Commissioner to pay to each State, intermediate, or local educational agency all or part of the cost of altering existing buildings and equipment, consistent with the Architectural Barriers Act of 1968. A separate authorization of appropriations would be provided for this section.



CENTERS ON EDUCATIONAL MEDIA AND MATERIALS FOR
THE HANDICAPPED

Section 6(b) of the bill would amend the current authority in section 653 of the Act to authorize agreements between the Secretary and institutions of higher education, State and local educational agencies, and other non-profit agencies for the establishment and operation of centers on educational media and materials for the handicapped. Current law authorizes the funding of only a single National Center for that purpose.

CONGRESSIONAL DISAPPROVAL OF REGULATIONS

Section 7 of the bill would amend section 431(d) of the General Education Provisions Act to provide that the 45-day Congressional review period shall apply only to final regulations, rather than to proposed regulations, as in current law. A new sentence would also be added to section 431(d)(1) to provide that the failure of Congress to enact a resolution of disapproval with respect to any regulation shall not be deemed to indicate Congressional approval of the regulation or be construed as evidence of a finding that the regulation is consistent with the statute from which it derives its authority.



"Estimated Costs of the "Education for All Handicapped Children Act of 1975"

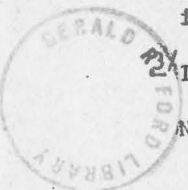
	1976	1977	1978	1979	1980	1981	1982
Part B- Basic Entitlement	\$100,000,000	\$200,000,000	\$387,000,000	\$794,000,000	\$1,500,000,000	\$2,300,000,000	\$3,100,000,000
Section 619, Incentive Grants ^{1/}	---	---	\$168,444,000	\$177,498,000	192,132,000	205,812,000	217,692,000
Section 607, Grants for the Removal of Architectural Barriers ^{2/}							
Section 618, Evaluation ^{3/}	<u>1,000,000</u>	<u>6,000,000</u>	<u>27,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>NA</u>	<u>NA</u>
TOTAL	\$101,000,000	\$206,000,000	\$582,444,000	\$1,011,498,000	\$1,732,132,000	\$2,505,812,000	\$3,317,692,000

^{1/} Estimate based on 6% (National incidence rate of handicapping conditions in pre-school children) of the entire estimated 3-5 year population multiplied by \$300.

^{2/} Reliable estimates are not available. However, the GAO Report of July 15, 1975, Further Action Needed To Make All Public Buildings Accessible To The Physically Handicapped, p. 88, indicates that the current cost of altering buildings to comply with the ANSI Standard would range from 2.4 percent to .06 percent of the project cost. Very preliminary findings of a not yet completed sample survey of DHEW funded facilities being conducted by the Office of Facilities Engineering and Property Management, Office of the Secretary, DHEW indicate that the cost of bringing educational institutions up to standard range from \$500--\$100,000 per building: Potential for a very large additional authorization.

^{3/} Includes additional staff authorized.

NA -- Not available



TO THE SENATE OF THE UNITED STATES:

I am today returning, without my signature, S. 6, a bill entitled the "Education for All Handicapped Children Act of 1975."

Everyone can agree with the objective stated in the title of this bill -- namely, educating all handicapped children in our Nation. Unfortunately, the approach contained in this bill is not the best way to accomplish that objective nor is it responsible.

If this bill were to be carried out as written, it would require an increase in the budget for Federal assistance in educating handicapped children from \$100 million in the current fiscal year to over \$1 billion in just three years and more than \$3.3 billion by fiscal year 1982. Such funding levels for this one program will simply not be possible and even the strongest supporters of this measure know that. We mislead our citizens when we claim high authorization levels knowing full well they are excessive and unrealistic.

When the House Education and Labor Committee reported its version of this legislation, minority members stated the following about the authorization levels:

"The kindest thing that we can say about such authorization levels is that it is unrealistic. To expect or even suggest that it can be reached, given the restrictions and limitations of the Federal budget today and in the future is pure folly. This is not to say that considerable dollars are not needed today to help states provide full and appropriate education to handicapped children, but it is simply irrational to suggest that figures such as these will be



achieved from the Federal government over the next five years. These figures represent a dream which we feel is an empty promise for the handicapped and their parents.

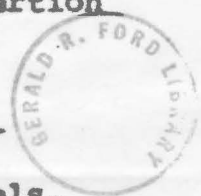
"We believe that authorizations more in line with what is achievable would be a more honest way to proceed with this legislation."

Despite these strong minority views, the conferees did not fundamentally change the bill. The Chairman of the Senate Budget Committee, in the floor discussion leading to the vote on the conference report, noted:

"...we appear to be establishing a program that may not look like a big commitment now but may soon become a substantial one.

"However, the probability that we will fully meet these needs seems small. Unless we forfeit on commitments to other important priorities in the Federal budget, it strikes me as unlikely that we will be able to fund this program at the full authorization in the near future."

S. 6 has other serious defects. It contains a vast array of detailed and complex administrative requirements and procedures which would expand the role of the Federal Government from assistance and encouragement to an assertion of Federal control. These requirements -- including individualized education plans, uniform accounting procedures, evaluations and data collection, advisory panels, and detailed grievance procedures -- would divert for administrative expenses tax dollars more appropriately spent on improved educational services to handicapped children. They represent an unwarranted intrusion into traditional State and local government functions.



The increased cost of meeting these requirements would generate unrealistic pressures in State legislatures for additional funds. Worse yet, they would create a bureaucratic straitjacket for State and local governments to accept in the hope of receiving large increases in Federal funds -- increases which the Congress knows will not be forthcoming.

I have repeatedly promised the American people that I would veto legislation which would call for Federal spending commitments beyond our ability to meet. Nevertheless, on final passage of S. 6, only 7 Members of the House and 7 Members of the Senate were willing to be recorded as against this bill. In the Congress, it has become a commonplace event to pretend to offer up the taxpayer's dollar in amounts far beyond what the members intend or can expect to deliver. I cannot join in this cynical approach.

Our handicapped children should have an opportunity for an appropriate education. The States are moving toward meeting that goal. And certainly the Federal Government has a role to play in assisting their efforts. That role should not be distorted through false hopes and red tape, as S. 6 would do. I therefore cannot give this measure my approval.

THE WHITE HOUSE,



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: November 26

Time: 730pm

FOR ACTION:

David Lissy
Max Friedersdorf *veto*
Ken Lazarus *no obj to veto*
Paul Theis
Ted Marrs sign

cc (for information): Jack Marsh
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: November 28

Time: 1100am

SUBJECT:

H. 6 - Education for all Handicapped Children Act of 1975

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



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

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

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Time: 730pm

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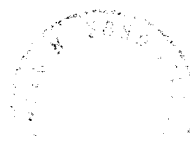
x

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



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James H. Cavanaugh
For the President

THE WHITE HOUSE
WASHINGTON

November 28, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

MAX FRIEDERSDORF

M.B.

SUBJECT:

S. 6 - Education for all Handicapped
Children Act of 1975

The Office of Legislative Affairs recommends subject bill
be vetoed.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: November 26

Time: 730pm

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Max Friedersdorf
Ken Lazarus
Paul Theis

cc (for information): Jack Marsh
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- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection to veto. Dudley Chapman for
Ken Lazarus 11/28/75

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James H. Cavanaugh
For the President

Date: November 26

Time: 730pm

FOR ACTION: David Lissy
Max Friedersdorf
Ken Lazarus
Paul Theis

cc (for information): Jack Marsh
Jim Cavanaugh

Ted Marrs ✓

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For Necessary Action

For Your Recommendations

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REMARKS:

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*Recommended signing
J. Marsh*

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James H. Cavanaugh
For the President

D



STATEMENT BY THE PRESIDENT

I have [today] approved S. 6, the "Education for All Handicapped Children Act of 1975."

Unfortunately, this bill promises more than the Federal Government can deliver and its good intentions could be thwarted by the many unwise provisions it contains. Everyone can agree with the objective stated in the title of this bill--educating all handicapped children in our nation. The key question is whether the bill will really accomplish that objective.

Even the strongest supporters of this measure know as well as I that they are falsely raising the expectations of the groups affected by claiming authorization levels which are excessive and unrealistic.

Despite my strong support for full educational opportunities for our handicapped children, the funding levels proposed in this bill will simply not be possible if Federal expenditures are to be brought under control and a balanced budget achieved over the next few years.

There are other features in the bill which I believe to be objectionable, and which should be changed. It contains a vast array of detailed, complex and costly administrative requirements which would unnecessarily assert Federal control over traditional State and local Government functions. It establishes complex requirements under which tax dollars would be used to support administrative paperwork and not educational programs. Unfortunately, these requirements will remain in effect even though the Congress appropriates far less than the amounts contemplated in S. 6.

Fortunately, since the provisions of this bill will not become fully effective until fiscal year 1978, there is time to revise the legislation and come up with a program that is effective and realistic. I will work with the Congress to use this time to design a program which will recognize the proper Federal role in helping States and localities fulfill their responsibilities in educating handicapped children. The Administration will send amendments to the Congress that will accomplish this purpose.

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9:53 a.m. Tues., Dec. 2:

Marsh just talked with Cheney.
The President approved this.

THE WHITE HOUSE

WASHINGTON

November 29, 1975

SEND TO DICK CHENEY
ABOARD AIR FORCE 1

*Approved
J. Cavanaugh*

MEMORANDUM FOR THE PRESIDENT

THROUGH: DICK CHENEY

FROM: JIM CAVANAUGH 

We received your note on the changes you wanted made in the signing statement on the Education for Handicapped Children Act of 1975. Paul O'Neill and I have effected the changes you requested and the following proposed statement by the President has been cleared by Paul Theis.

STATEMENT BY THE PRESIDENT

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APPROVE

DISAPPROVE