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WITHDRAWAL SHEET

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DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
1	FORM	REQUEST FOR APPOINTMENTS (FORM SSF 2037)	1	12/7/1981	B6
2	FORM	REQUEST FOR APPOINTMENTS (FORM SSF 2037)	1	12/9/1981	B6

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]
B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 6, 1981

TO: Elizabeth H. Dole

FROM: Morton C. Blackwell MB

RE: Briefing on the Family Protection Act

The purpose of this meeting is to begin dialogue between Administration policy makers and private sector groups which are supporting the Family Protection Act.

The private sector groups represented at this meeting will be:

1. Connie Marshner, National Pro-Family Coalition
2. Ron Godwin, Louise Ropog, Moral Majority
3. Gordon Jones, United Families of America
4. Noreen Barr, Eagle Forum

Also present at the meeting will be the principal sponsors in both House of Congress:

Senator Roger Jepsen
Congressman Albert Lee Smith

In the last Congress the predecessor Family Protection Act was sponsored by Senator Paul Laxalt, who strongly supports the bill now, but has relinquished principal sponsorship this year to Senator Jepsen.

In addition to yourself and me, Administration representatives will be:

Don Moran, OMB
Gary Bauer, OPD
Robert Rubin, Assistant Secretary for Planning and Evaluation at HHS
John Rodriguez, Deputy Under Secretary of Education for Intergoverenmental and Inter Agency Affairs
Mary Gall, Vice President's office
Lyn Nofziger, (tentative)
Bill Gribbin, (tentative)

The Family Protection Act has been divided by Senator Jepsen into several separate bills. Hearings in the Senate on segments of the act are commencing later this month.

SUGGESTED TALKING POINTS

- This meeting is part of our job in the Office of Public Liaison as facilitators of policy communications between private sector organizations and the Administration

- The Family Protection Act is strongly supported by many pro-family organizations which have been very helpful by their support of the President's legislative program

- I think the best way to start this conversation is to ask Senator Jepsen to summarize the purpose and provisions of the Family Protection Act

Family Protection Act

THE WHITE HOUSE

WASHINGTON

December 14, 1981

Dear Albert Lee:

Thank you for your letter of October 26.

I have passed your suggestion to revise the definition of a "family" used in the food programs on to David Stockman of OMB.

I agree that we should move away from definitions of a "family" that do not contain a concept of "relatedness" in all Federal programs.

If I can be of further assistance, please contact me.

Cordially,

Morton

Morton C. Blackwell
Special Assistant to the President

Hon. Albert Lee Smith, Jr.
House of Representatives
Washington, D.C. 20515

cc: David Stockman

ALBERT LEE SMITH, JR.
6TH DISTRICT, ALABAMA

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Congress of the United States
House of Representatives
Washington, D.C. 20515

October 26, 1981

Mr. Morton Blackwell
Special Assistant to the President
The White House
Room 191
Washington, DC 20500

Dear Morton:

A number of my constituents have pointed out to me their concerns about the definition of "family" currently used for the Food Stamp Program and the School Lunch Program. This definition does not contain a concept of "relatedness." Its focus is on those who live in "economic units" and it opens the programs to a number of abuses.

It is my understanding that the legal definition of "family," containing the relatedness concept, is used in other federal programs such as Social Security.

Would it not be logical, especially in light of the pressing need for budget reductions, to reduce abuses by revising the definition of a family used in the food programs?

Answer

With best wishes, I am

Sincerely yours,

Albert Lee

ALBERT LEE SMITH, JR.
Member of Congress

ALS/sen

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DEC 28 REC'D M.B.

United States Senate
WASHINGTON, D. C. 20510

ROGER W. JEPSEN
IOWA

December 23, 1981

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

Dear Mr. President:

Because of our shared concern that the elitist attitude of the federal government has been one of the key factors in the breakdown of the family unit, I wanted to encourage you to pay special tribute to the American family during your State of the Union address on January 26, 1982.

As you are aware, earlier this year I joined with Senator Paul Laxalt in introducing the Family Protection Act of 1981. Over the past decade we have seen government policies expand under the guise of solving human problems in the areas of health, education, and social services. These programs have been put into place and allowed to run their course with little or no consideration being given to the impact upon the family. The Family Protection Act seeks to restore to the family its essential functions and to return the balance in favor of the family.

The Act seeks to remove the government from the position of mandating social change. It would encourage local control of education by returning to school boards and parents the oversight of classrooms, textbooks, curriculum and sex intermingling policies. In other areas, this legislation would seek to encourage families to care for their own by providing incentives for home health care, by helping to defray the costs of adoption, by encouraging corporations to set up on-site day care facilities for their employees. Additionally, this bill would challenge the judiciary to consider religious freedom questions on the "free exercise" clause of the First Amendment of the Constitution.

Not only does the Family Protection Act strongly reflect the concepts embodied in the Republican platform, but it seeks to offset the liberal so-called Bill of Rights for Families that would "give support for families in all their varieties, free community controlled child care, adequate health care, and full employment."

As the American author William Thayer so aptly put it, "As are families, so is society. If well ordered, well instructed, and well governed, they are the springs from which go forth the streams of national greatness and prosperity -- of civil order and public happiness.

Mr. President, I am aware of your deep commitment to the American family and I would like to make myself, my staff and the extensive research that we have compiled in this area, available to you and your staff.

Best wishes for a joyous holiday season.

Respectfully,

Roger W. Jepsen
I O W A

United States Senate

MEMORANDUM

Kathy-

Look at some of this info on federal funding of homosexual activities.

It will make your blood boil.

Leaping Lesbian Follies?

Gina

COMPARISON OF

THE FAMILY PROTECTION ACT OF 1981

AND

S. 1808 (96th Congress)

The Family Protection Act of 1979 (S.1808) was originally introduced in the United States Senate on September 24, 1979, by Senator Paul Laxalt (R-Nev).

The Family Protection Act of 1981 was formally introduced in the United States Senate on June 17, 1981, by Senator Roger Jepsen (R-Iowa), and on behalf of Sen. Laxalt, and by Rep. Albert Lee Smith.

The Family Protection Act of 1981 is the product of two years of discussion and recommendations to S.1808. It reflects, in a large degree, a difference in statutory construction and Congressional approach to the concepts presented in S.1808.

Following is a comparison between the Family Protection Act of 1981 and S.1808:

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
1) Rights of Parents--Reinforces the responsibility and legal rights of parents to direct the religious and moral upbringing of their children.	--Declares a legal presumption in favor of an expansive interpretation of parental supervision of religious and moral formation of offspring.
2) Provides that parents be notified when an unmarried minor receives contraceptive devices or abortion-related services from a federally-funded organization.	--Requires that parents be informed when an unmarried minor receives contraceptive appliances, or abortion-related services from a federally-financed clinic. Parents must be informed of venereal disease treatment provided.
3) Prohibits the federal government from preempting or interfering with state statutes pertaining to juvenile delinquency. (Interstate compacts will be maintained)	--Protects the rights of states to enact their own statutes on juvenile delinquency, without pressure from the federal government; and grants automatic tax-exempt status to private associations wishing to provide treatment for juvenile runaways, providing no federal funds are received.
4) Restricts the federal government from preempting or interfering with state statutes pertaining to child abuse. Revises the definition of child abuse to exclude corporal punishment (spanking) "applied by a parent of individual specifically authorized by a parent	--Forbids federal influence from attempting to change any state statute on child abuse; defines child abuse so that spankings are not considered abuse; prohibits the use of federal funds for operation of a child abuse program without specific authorization from the state legislature.

(cont)

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
...to perform such function." Federal funds for operating a child abuse program are subject to specific authorization from state legislatures.	
5) Restricts the federal government from preempting or interfering with state statutes pertaining to spouse abuse.	--States that family relationships are beyond the scope of federal influence; protects state statutes on the subject from federal influence; facilitates the establishment of private community associations to provide care and treatment to domestic violence victims.
6) Prohibits any funds under the Legal Services Corporation from being used in litigation seeking to compel abortions, assistance, or compliance with abortion, or funding for abortion.	--Prohibits funds of the Legal Services Corporation from being used in litigation seeking to compel abortions, compel assistance or compliance with abortion, or compel funding for abortions.
7) Prohibits any funds under the Legal Services Corporation from being used in litigation involving divorce.	--Prohibits Legal Services funds for divorce litigation.
8) Prohibits any funds under the Legal Services Corporation from being used in litigation involving homosexual rights.	--Prohibits Legal Services funds for homosexual rights litigation.
9) Reinstates Department of Defense provision that service personnel living separately from their families automatically send home a predetermined "dependent's allowance" for family support.	--No comparable provision.
10) Denies federal funds to any organization which uses the funds for the express purpose of advocating homosexuality as a lifestyle.	--Forbids allocation of federal funds under any authority from being awarded to any organization, group, or other entity which advocates homosexuality, or presents homosexuality as an acceptable alternative lifestyle.
11) Establishes a savings plan whereby relatives may deposit up to $2500 tax-exempt, per year, to save for a child's education.	--Establishes the Family Savings for Education Plan--a special account which parents could deposit up to $2500, tax-exampt, per year, to save for their children's education.

(cont)

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
12) Qualified schools are given tax-exempt status if they fulfill certain requirements, and are granted accreditation for all purposes of federal education law.	--Establishes a separate tax category for parent-run schools, granting them automatic tax-exemption if they fulfill certain requirements, and grants them automatic accreditation for all purposes of federal education law.
13) Allows a tax credit of $250 or a tax exemption of $1,000 for each household which includes a dependent person age 65 or older.	--Allows a tax credit of $250 or a tax exemption of $1,000 for each household which includes a dependent person age 65 or more.
14) Establishes a trust account procedure similar to the Individual Retirement Account, under which taxpayers can save $1,500 a year for the support of an aged parent or handicapped relative.	--Establishes a trust account procedure, similar to an Individual Retirement Account, under which taxpayers could save money for their parents' old age support. The maximum deduction from income allowed would be $1,500 per year, per parental support account.
15) Contributions by an employed person to a savings account for the non-salaried spouse are tax-deductible up to $1,500 a year.	--Creates within the Internal Revenue Code a new provision, creating a tax-exempt savings account, a Retirement Savings Plan for spouses. This would allow an employed taxpayer to set aside up to $1,500 a year of non-taxed savings for his non-working spouse.
16) A corporation may deduct from taxes its contributions to a joint employee-employer day care facility.	--Allows a corporation which contributes funds to a cooperative, employee-employer day care facility, to deduct its costs from taxes.
17) Married couples filing jointly are granted an additional $1,000 tax exemption for the year in which the child is either born or adopted. The exemption increases to $3,000 if the child is born handicapped or if the adopted child is handicapped, over the age of 6, or biracial. Additionally, this provision allows the individual to deduct the amount of adoption expenses paid during the taxable year.	--Grants an additional $1,000 tax exemption for married couples filing jointly during the year in which a child is either born or adopted. The exemption increases to $3,000 if the adopted child is handicapped, over the age of 3, or biracial. The exemption may be carried over to subsequent years if it exceeds the tax liability of the couple during year of the birth or adoption.

(cont)

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
18) Provides a cause for action for parents if an educational institution receiving federal funds prohibits them from participating in decisions relating to their child's enrollment in religion courses.	--Witholds federal education funds from states which do not have procedures for guaranteeing parental consent as necessary for student enrollment in courses about religion in the public schools.
19) Provides a cause for action for parents if an educational institution receiving federal funds prohibits them from visiting their child's classroom.	--Provides that federal education funds will be witheld if schools attempt to exclude parents from visiting public school classrooms or school functions.
20) Provides a cause for action for individuals if an educational institution receiving federal funds requires forced payment of dues as a condition for the employment of teachers.	--This is a teacher right-to-work provision; it would deny any federal funds to school districts which require public school teachers to belong to a union.
21) Provides a cause for action for parents if an educational institution receiving federal funds prohibits parents from reviewing textbooks prior to their use in public schools.	--Denies federal funds to states which failed to establish a procedure whereby parents and community may review textbooks prior to their use in public schools.
22) Prevents federal funds from being used to promote educational material that denigrates the role of women as it has been historically understood.	--Denies federal funds for the purchase of textbooks or other educational materials which belittle traditional women's roles in society.
23) States are ensured the right to determine teacher qualifications unhampered by federal regulations.	--Ensures the rights of states to determine teacher qualifications, free from influence of federal law or regulation, or blackmail of federal funds.
24) States are ensured the right and authority to regulate attendance requirements at public schools without interference from the federal government.	--Reserves to states the authority to regulate attendance at public schools--and ensures that federal regulation or other coercion shall never occur.
25) Local schools are given back the authority over sex-intermingling in sports and other school activities.	--Would return to local authorities decisions regarding intermingling in sports or other school activities, removing the matter from federal jurisdiction.

(cont)

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
26) Private schools are exempted from National Labor Relations Board jurisdiction.	--Exempts private schools from National Labor Relations Board jurisdiction.
27) Titles I,II,III,IV,VII, and IX of the Elementary and Secondary Education Act are repealed and replaced with block grants to states to implement at their discretion.	--Repeals most titles of the Elementary and Secondary Education Act, and replaces it with block grants of money to states to use for education as they deem necessary.
28) If schools require a course on parenting, parents may arrange for their children to be taught the course by a church or by the parents on a release time basis.	--Ensures that, if schools require a parenthood course, parents may arrange for their children to be taught the course by a minister or church on a release-time basis.
29) Prohibits any funds under the Legal Services Corporation from being used in litigation involving busing soley for the achievement of racial quotas or for desegregation purposes.	--Prohibits Legal Services money for school desegregation litigation.
30) Guarantees the individual's right to the free exercise of religion, whether in public or in private. Any individual aggrieved by violation of this title may bring a civil action in the appropriate federal or state court.	--All federal funding under education authority shall be witheld unless state laws are enacted allowing voluntary prayer in public buildings.
31) Federal agencies may not regulate religious activities such as church schools, religious youth homes, and ministries of religious institutions. The provision in no way interferes with provisions of the Civil Rights Act of 1964 (with respect to race, creed, color or national origin) or with the authority of local governments to require reasonable fire, health and safety standards. Exempts religious organizations from regulations of affirmative action, quotas, guidelines, or actions designed to overcome racial imbalance.	--Prohibits agencies of the federal government from adopting and enforcing rules which violate the constitutional rights of religious institutions. Bans the imposition of federal regulations affecting religious activities such as church schools, religious homes and other ministries.
32) No comparable provision	--Removes the jurisdiction of the federal courts from the entire matter of voluntary prayer in public buildings, and from the entire matter of qualifications imposed by states on teacher selection and promotion.

(cont)

FAMILY PROTECTION ACT OF 1981	S.1808 (96th Congress)
33)No comparable provision.	--Makes it clear that college students may not receive food stamps.
34)No comparable provision.	--Eliminates the current "marriage tax", by eliminating the tax schedule "married filing separately," which currently penalizes married couples with two incomes.
35)No comparable provision.	--Allows the child care credit for expenses incurred in connection with charitable, civil, political, or religious volunteer work.
36)No comparable provision.	--Writes into law a statement that discrimination against declared homosexuals would never be considered an "unlawful employment practice."

(end)

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

Vol. 127 WASHINGTON, WEDNESDAY, JUNE 17, 1981 *No. 92*

Senate

S. 1378—THE FAMILY PROTECTION ACT

S. 1378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Protection Act".

SEC. 2. (a) The purpose of this Act is to preserve the integrity of the American family, to foster and protect the viability of American family life by emphasizing family responsibilities in education, tax assistance, religion, and other areas related to the family, and to promote the virtues of the family.

(b) In accordance with the purposes of this Act, the Congress finds that—

(1) a stable and healthy family is the foundation of a society and its culture;

(2) the family in America is the lifeline of America's continued existence and the cornerstone of America's growth and future development;

(3) certain Government policies have directly or benignly undermined and diminished the viability of the American family; and

(4) the policy of the Government of the United States should, on and after the date of the enactment of this Act, be directed and limited to the strengthening of the American family and to changing or eliminating any Federal governmental policy which diminishes the strength and prosperity of the American family.

TITLE I—FAMILY PRESERVATION

RIGHTS OF PARENTS

SEC. 101. (a) Chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following:

"§ 1657. Rights of parents

"In any action brought under the provisions of this title involving the parental role in supervising and determining the religious or moral formation of a child, there is a legal presumption in favor of an expansive interpretation of that role.".

(b) The table of sections for chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following:

"1657. Rights of families.".

PARENTAL NOTIFICATION

SEC. 102. (a) No program, project, or entity shall receive Federal funds, either directly or indirectly, under any provision of law unless such program, project, or entity, prior to providing any contraceptive device or abortion service (including abortion counseling) to an unmarried minor, notifies the parents or guardians of such minor that such contraceptives or abortion services are being provided.

(b) Part C of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"PARENTAL NOTIFICATION

"SEC. 440A. No program, project, or entity shall receive funds, either directly or indirectly, from the Federal Government under any applicable program unless such program, project, or entity, prior to providing any contraceptive device or abortion service (including abortion counseling), to an unmarried minor, shall notify the parents or guardians of such minor that such contraceptives or abortion services are being provided.".

JUVENILE DELIQUENCY

SEC. 103. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by inserting after section 103 the following new section:

"Sec. 104. (a) No Federal program, guideline, agency, directive, commission, or grant shall be construed to abrogate, alter, broaden, or supersede existing State statutes on juvenile delinquency.

"(b) Nothing in this section shall permit a State to fail to participate or cooperate in any program for the return of runaway youths, whether by interstate compact or otherwise.".

CHILD ABUSE

SEC. 104. (a) No Federal program, guideline, agency action, commission action, directive, or grant shall be construed to abrogate, alter, broaden, or supercede existing State statutory law relating to child abuse.

(b) No Federal funds shall be expended for the operations of any child abuse program in any State unless such program has been specifically authorized and established by the State legislature of the State in which such program operates.

(c) Section 3 of the Child Abuse Prevention and Treatment Act is amended to read as follows:

"DEFINITION

"SEC. 3. For purposes of this Act, the term 'child abuse and neglect' means the physical or mental injury, sexual abuse or exploitation, negligent treatment, or maltreatment of a child under the age of eighteen, or the age specified by the child protection law of the State in question, by a person who is responsible for the child's welfare under circumstances which indicate that the child's health or welfare is harmed or threatened, but such term does not include discipline or corporal punishment methods applied by a parent or individual explicitly authorized by a parent to perform such function.".

SPOUSE ABUSE

SEC. 105. No Federal law, program, guideline, agency action, commission action, directive, or grant shall be construed to abrogate, alter, broaden, or supercede existing State statutory law relating to spousal abuse or domestic relations.

LEGAL ASSISTANCE RESTRICTIONS

SEC. 106. (a) (1) So much of section 1007(b) of the Legal Services Corporation Act as precedes paragraph (1) thereof is amended to read as follows:

"(b) No entity receiving funds made available by the Corporation under this title, either by grant or contract shall—

(2) Section 1007(b) of such Act is amended by striking out "to" the first place it appears in paragraphs (1), (2), (3), (5), (6), (7), (9) and (10).

(3) Paragraph (4) of section 1007(b) of such Act is amended by striking out "for any of the" and inserting in lieu thereof "engage in any of the".

(b) Section 1007(b)(8) of such Act is amended to read as follows:

"(8) provide legal assistance with respect to any proceeding or litigation which seeks to procure an abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, or to compel State or Federal Government funding for an abortion;".

(c) Section 1007. (b) of such Act is amended by—

(1) striking out "or" at the end of paragraph (9).

(2) striking out the period at the end of such section and inserting in lieu thereof a semicolon, and

(3) adding at the end thereof the following new paragraphs:

"(11) provide legal assistance with respect to any proceeding or litigation seeking to obtain or arising out of a divorce; or

"(12) provide legal assistance with respect to any proceeding or litigation which seeks to adjudicate the issue of homosexual rights.".

ARMED FORCES DEPENDENTS' ASSISTANCE ALLOTMENTS

SEC. 107. (a) Chapter 13 of title 37, United States Code, relating to allotments and assignments of pay, is amended by adding at the end thereof the following new section:

"§ 708. Allotment for dependents of members of the armed forces

"(a)(1) Subject to the provisions of subsections (b) and (c) of this section and under such regulations as the Secretary of Defense shall prescribe, the Secretary concerned shall pay to the dependents of any member of the armed forces, when such dependents are living separate from such member, a monthly dependents' assistance allotment in the amount specified in paragraph (2) of this subsection. The amount paid under this section in any month to the dependents of any member shall be deducted from the pay and allowances of the member.

"(2) The amount of the monthly dependents' assistance allotment to be paid under this section shall be an amount equal to the amount of the basic allowance for quarters to which such member is entitled. A member may increase the amount of the monthly dependents' assistance allotment to be paid to the dependents of such member by requesting the Secretary concerned in writing to increase the amount of the deduction from such member's pay and allowances. The amount of any increase in the monthly dependents' assistance allotment and the corresponding amount deducted from the pay and allowances of the member may be any amount which is a multiple of 10.

"(b) Determinations made by the Secretary concerned under this section regarding the payment and amount of any dependents' assistance allotment shall be final and conclusive for all purposes and shall not be subject to review in any court, except for cases involving fraud or gross negligence.

"(c) As used in this section, the term 'dependent', with respect to a member of the armed forces, means—

"(1) the member's spouse; and

"(2) the member's unmarried child (including any of the following categories of children if such child is in fact dependent on the member: a stepchild; an adopted child; or an illegitimate child whose alleged member-father has been judicially decreed to be the father of the child or judicially ordered to contribute to the child's support, or whose parentage has been admitted in writing by the member) who either—

"(A) is under 21 years of age; or

"(B) is incapable of self-support because of a mental or physical incapacity, and in fact dependent on a member for over one-half of his support.

For the purposes of this section, the relationship between a stepparent and stepchild is terminated by the stepparent's divorce from the parent by blood.".

(b) The table of sections at the beginning of chapter 13 of such title is amended by adding at the end thereof the following new item:

"708. Allotment for dependents of members of the armed forces.".

FEDERAL FUNDS FOR HOMOSEXUALITY ADVOCACY

SEC. 108. No Federal funds may be made available under any provision of Federal law to any public or private individual, group, foundation, commission, corporation, association, or other entity for the purpose of advocating, promoting, or suggesting homosexuality, male or female, as a life style.

TITLE II—TAXATION

EDUCATION SAVINGS ACCOUNTS

SEC. 201. (a) In General.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. EDUCATION SAVINGS ACCOUNT.

"(a) DEDUCTION ALLOWED.—In the case of an individual, there is allowed as a deduction the sum of—

"(1) amounts paid in cash, and

"(2) the fair market value at time of transfer of stock, bonds, or other securities, which are readily tradeable on an established securities market, transferred.

during the calendar year which ends with or within the taxable year by such individual to an education savings account established for the benefit of an eligible individual.

"(b) LIMITATIONS.—

"(1) ACCOUNT MAY NOT BE ESTABLISHED FOR BENEFIT OF MORE THAN 1 INDIVIDUAL.—An education savings account may not be established for the benefit of more than 1 individual.

"(2) INDIVIDUAL MAY NOT BE BENEFICIARY OF MORE THAN 1 ACCOUNT.—An individual who is the beneficiary of more than 1 education savings account during any calendar year shall not be treated as an eligible individual for that calendar year.

"(3) MAXIMUM DEDUCTION PER ACCOUNT.—The amount allowable as a deduction under subsection (a) to an individual for amounts paid or transferred to an account for any calendar year shall not exceed $2,500.

"(4) CONTRIBUTIONS BY MORE THAN 1 PERSON.—If more than 1 individual makes contributions to an education savings account during a calendar year, the $2,500 amount under paragraph (3) shall be allocated proportionately among all individuals contributing to the account during that year on the basis of the amounts contributed by each such individual.

"(5) ADJUSTMENT OF LIMIT FOR INFLATION.—

"(A) IN GENERAL.—Beginning in 1983, the dollar amounts in paragraph (3), paragraph (4), and subsection (c)(2)(A) shall each be adjusted by multiplying such amounts by the inflation adjustment factor for the 12-month period ending on July 31 of the preceding calendar year and, as adjusted, shall be substituted for such amounts for taxable years ending with or within the calendar year next beginning after such 12-month period.

"(B) COMPUTATION OF INFLATION ADJUSTMENT FACTOR.—

"(i) DETERMINATION AND PUBLICATION.—The Secretary shall, not later than October 1 of each calendar year (beginning in 1982), determine and publish in the Federal Register the inflation adjustment factor for the immediately preceding 12-month period ending on July 31 in accordance with this paragraph.

"(ii) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the average monthly Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending on July 31 and the denominator of which is the average monthly Consumer Price Index (all items—United States city average) for the 12-month period ending on July 31, 1980.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means the taxpayer, a child of the taxpayer (within the meaning of section 151(e)(3)), or an individual who bears a relationship to the taxpayer described in paragraphs (1) through (8) of section 152 (a), unless such taxpayer, child, or individual—

"(A) has attained the age of 21 before the close of the calendar year for which the contribution is made, or

"(B) is enrolled as a full-time student at an eligible educational institution for more than 4 weeks during that calendar year.

"(2) EDUCATION SAVINGS ACCOUNT.—For purposes of this section, the term 'education savings account' means a trust created or organized in the United States exclusively for the purpose of paying the educational expenses of an eligible individual, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, stocks, bonds, or other securities which are readily tradeable on an established securities market, and contributions will not be accepted for the taxable year in excess of $2,500.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust assets will be invested in life insurance contracts (other than contracts the beneficiary of which is the trust) and the face amount of which does not exceed the excess of—

"(i) the amount by which the maximum amount which can be contributed to the account from the inception of the trust until the taxable year which includes the year in which the individual for whom the trust has been established attains age 25, over

"(ii) the sums of the amounts contributed to the account for all taxable years.

"(D) The assets of the account may be invested in accordance with the direction of the individual contributing to the account, but, if more than one individual has made contributions to the account, the consent of all such individuals shall be required for any such direction.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) Any balance in the account on the day before the date on which the individual for whose benefit the trust is established attains age 26 will be distributed on that date to each of the individuals who have contributed to the trust in an amount which bears the same ratio to such balance as such individual's contributions bear to the sum of all such contributions.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of a calendar year if the contribution is made on account of such calendar year and is made not later than the time prescribed by law for filing the return for the taxable year (including extensions thereof) with or within which the calendar year ends.

"(4) STOCK, ETC., TO BE VALUED AS OF TRANSFER DATE.—The fair market value of stocks, bonds, and other securities shall be determined as of the date on which they are transferred to the account. If the date of transfer falls on a Saturday, Sunday, or public legal holiday, then the fair market value shall be determined by reference to the last preceding day on which they could have been traded on an established securities market.

"(5) EDUCATIONAL EXPENSES.—The term 'educational expenses' means—

"(A) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

(B) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution,

(C) a reasonable allowance for meals and lodging, and

"(D) the liability for tax under this chapter of any individual who does not elect the application of subsection (d)(3)(B) which is attributable to any amount required to be included in income under subsection (d)(3)(A).

"(6) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution of higher education,

"(B) a vocational school,

"(C) a secondary school, or

"(D) an elementary school.

"(7) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965.

"(8) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined in section 195(2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(b) of such Act).

"(9) ELEMENTARY AND SECONDARY SCHOOLS.—

"(A) ELEMENTARY SCHOOL.—The term 'elementary school' means a privately operated, not-for-profit, day or residential school which provides elementary education and which meets the requirements of subparagraph (D).

"(B) SECONDARY SCHOOL.—The term 'secondary school' means a privately operated, not-for-profit, day or residential school which provides secondary education that does not exceed grade 12, and which meets the requirements of subparagraph (D).

"(C) HANDICAPPED FACILITIES INCLUDED.—The terms 'elementary school' and 'secondary school' include facilities (whether or not privately operated) which offer education for individuals who are physically or mentally handicapped as a substitute for regular public elementary or secondary education.

"(D) REQUIREMENTS.—An elementary school or secondary school meets the requirements of this subparagraph if such school—

"(i) is exempt from taxation under section 501(a) as an organization described in section 501(c)(3), and

"(ii) does not exclude persons from admission to such school, or participation in such school, on account of race, color, or national or ethnic origin.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of an education savings account shall be included in gross income by each individual who has contributed to the account, in an amount which bears the same ratio to such payment or distribution as the amount contributed by that individual for all taxable years bears to the amounts contributed by all individuals for all taxable years, for the taxable year in which the payment or distribution is received, unless such amount is used exclusively to pay the educational expenses incurred by the individual for whose benefit the account is established.

"(2) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an education savings account to the extent that such contribution exceeds the amount allowable as a deduction under subsection (a) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no deduction is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) INCLUSION IN INCOME OF QUALIFIED DISTRIBUTIONS.—

"(A) IN GENERAL.—Unless an individual elects the application of subparagraph (B) with respect to all amounts paid or distributed out of the account which were used exclusively to pay the educational expenses of such individual, all such amounts shall be included in the gross income of such individual in the taxable year in which such amounts were paid or distributed out of the account.

"(B) QUALIFIED DISTRIBUTIONS INCLUDED IN BENEFICIARY'S INCOME OVER 10-YEAR PERIOD.—If an individual for whose benefit an education savings account was established elects the application of this subparagraph, the gross income of such individual for the taxable year in which that individual attains age 25 and for each of the 9 succeeding taxable years shall be increased by 10 percent of the sum of the amounts paid or distributed out of the account which were used exclusively to pay the educational expenses incurred by that individual.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—An education savings account is exempt from taxation under this subtitle unless such account has ceased to be an education savings account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

"(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

"(A) IN GENERAL.—If, during any taxable year of an individual who contributes to an education savings account, that individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be an education savings account as of the first day of that taxable year.

"(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be an education savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

"(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit an education savings account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

"(1) DISTRIBUTION NOT USED FOR EDUCATIONAL EXPENSES.—If a distribution from an education savings account is made, and not used in connection with the payment of educational expenses of the individual for whose benefit the account was established, the tax liability of each of the individuals who has contributed to the account for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution which is includable in his gross income for such taxable year.

"(2) DISQUALIFICATION CASES.—If an amount is includable in the gross income of an individual for a taxable year under subsection (e), his tax under this chapter for such taxable year shall be increased by an amount equal to 10 percent of such amount required to be included in his gross income.

"(3) DISABILITY CASES.—Paragraphs (1) and (2) do not apply if the payment or distribution is made after the taxpayer becomes disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an education savings account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of an education savings account shall make such reports regarding such account to the Secretary and to the individual for whose benefit the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.".

(b) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Paragraph (10) of section 62 of such Code (relating to retirement savings) is amended—

(1) by inserting "or education" after "Retirement" in the caption of such paragraph, and

(2) by inserting before the period at the end thereof the following: "and the deduction allowed by section 221 (relating to deduction of certain payments to education savings accounts)".

(c) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "education savings accounts," after "accounts," in the caption c such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and b inserting after paragraph (1) the following:

"(2) an education savings account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO EDUCATION SAVINGS ACCOUNTS.—For purposes of this section, in the case of an education savings account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable as a deduction under section 221(b) for such taxable year. For purposes of this subsection any contribution which is distributed out of the education savings account and a distributor to which section 221(d)(2) applies shall be treated as an amount not contributed.".

(d) CONTRIBUTION NOT TO BE TREATED AS A GIFT FOR GIFT TAX PURPOSES.—Section 2503 of such Code (relating to taxable gifts) is amended by adding at the end thereof the following new subsection:

"(e) EDUCATION SAVINGS ACCOUNTS.—For purposes of subsection (b), any payment made by an individual for the benefit of his child to an education savings account described in section 221(c), shall not be considered a gift of a future interest in property to the extent that such payment is allowed as a deduction under section 221.".

(e) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) SPECIAL RULE FOR EDUCATION SAVINGS ACCOUNTS.—An individual for whose benefit an education savings account is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be an education savings account by reason of the application of section 221(e)(2)(A) to such account.", and

(2) by inserting "or an education savings account described in section 221(c)" in subsection (c)(1) after "described in section 408(a)".

(f) FAILURE TO PROVIDE REPORTS ON EDUCATION SAVINGS ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "or education savings accounts" after "annuities" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 221(i) to file a report regarding an education account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(g)(1) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Education savings accounts.

"Sec. 222. Cross references.".

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, education savings accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on education savings accounts.".

(h)(1) Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 128 and 129 and by inserting after section 127 the following new section:

"Sec. 128. Education Savings Account Distributions.

"In the case of an individual, and except as is provided in section 221(d)(1), gross income does not include distributions from an education savings account used exclusively for the payment of educational expenses of that individual (within the meaning of section 221(c)(5))."

(2) The table of sections for such part III is amended by inserting after the item relating to section 127 the following new items:

"Sec. 128. Education savings account distributions.

"Sec. 129. Cross references to other Acts.".

(i) Subsection (b) of section 152 of such Code (relating to definition of dependent) is amended by adding at the end thereof the following new paragraph:

"(6) A payment to an individual for whose benefit an education savings account (as defined in section 221(c)) is established from that account which is excluded from the gross income of that individual under section 128 shall not be taken into account in determining support for purposes of this section.".

(j) The amendments made by this section shall take effect with respect to taxable years beginning after December 31, 1981.

TAX EXEMPT SCHOOLS

Sec. 202. (a) Section 501 of the Internal Revenue Code of 1954 is amended by redesignating subsection (j) as (k) and by inserting after subsection (i) the following new subsection:

"(j) Schools.—An organization shall be treated as an organization described in subsection (c)(3) organized and operated exclusively for educational purposes, if—

"(1) it is organized and operated exclusively for the purpose of providing preschool, grammar school, high school, or college education;

"(2) it is incorporated as a nonprofit corporation in any State of the United States, its territories or possessions, or in the District of Columbia;

"(3) the bylaws of the organization prohibit discrimination in the hiring of teachers or admission of students, on grounds of race, nationality, or ethnic background;

"(4) the academic course of instruction of the organization requires attendance for at least the same number of days as are required in the public schools in the State in which the organization is located; and

"(5) a judicial order entered under section 202(b) of the Family Protection Act is not in effect with respect to such organization.".

(b)(1) Whenever the Attorney General has reasonable grounds to believe that an educational institution described in section 501(j) of the Internal Revenue Code of 1954 has violated any provision of section 1977, 1978, or 1979 of the Revised Statutes or of the Civil Rights Act of 1964, he shall file a civil suit for declaratory judgment in a Federal district court for the district in which the educational institution is located. If the Attorney General establishes before such court, by a preponderance of the evidence, that the school has, for at least 4 consecutive years prior to the filing of the suit, engaged in a policy of deliberate and intentional discrimination, the court shall issue a judicial order barring a tax exemption for such institution.

(2) If the court finds that the Attorney General brought a suit under this subsection out of malice, bias against the religious or ethnic composition of an academic institution's supporters, or any other improper motive, the court may, at its discretion, assess damages against the Attorney General and against the Internal Revenue Service agents and officers responsible for bringing of the action.

(3) No judicial order issued under the provisions of this subsection shall take effect until the first taxable year of the academic institution which begins after the institution has exhausted all rights of judicial review.

(4) A district court which has entered a judicial order under the provisions of this subsection shall retain jurisdiction over the case, and shall revoke its order at such time as the academic institution demonstrates, by a preponderance of the evidence, that its discrimination policies have been discontinued and will not be renewed.

MULTIGENERATIONAL HOUSEHOLDS

Sec. 203. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting before section 45 the following new section:

"Sec. 44F. Elderly Dependents.

"(a) General Rule.—In the case of an individual who maintains a household which includes as a member a dependent who, as of the close of such individual's taxable year, has attained the age of sixty-five, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, a credit of $250.

"(b) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) Special Rules.—For purposes of this section, the special rules set forth in paragraphs (1), (2), (3), and (4) of section 44A(f) shall apply with respect to the credit allowed by subsection (a).".

(b) Part VII of subchapter B of chapter 1 of such Code (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as 223 and by inserting after section 222 the following new section:

"Sec. 222. Elderly Dependents.

"(a) Allowance of Deduction.—In the case of an individual who maintains a household which includes as a member a dependent who, as of the close of such individual's taxable year, has attained the age of sixty-five, there shall be allowed a deduction of $1,000.

"(b) Special Rules.—Paragraphs (1), (2), (3), and (4) of section 44A(f) shall apply with respect to the deduction allowed by subsection (a).

"(c) Election To Take Credit in Lieu of Deduction.—This section shall not apply in the case of a taxpayer who, for the taxable year, elects to take the credit against tax provided by section 44F (relating to elderly dependents). The election shall be made in such manner and at such time as the Secretary shall prescribe.".

(c)(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44C the following new item:

"Sec. 44F. Elderly dependents.".

(2) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 222. Elderly dependents.
"Sec. 223. Cross references.".

(3) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44F" and inserting in lieu thereof "Section 44E, and section 44F".

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

PARENTAL SUPPORT ACCOUNTS

SEC. 204. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 223 as 224 and by inserting after section 222 the following new section:

"SEC. 223. CONTRIBUTIONS TO QUALIFIED PARENTAL OR HANDICAPPED RELATIVE CARE TRUST.

"(a) GENERAL RULE.—In the case of an individual there is allowed as a deduction the sum of the amounts paid or contributed by that individual for the taxable year to or under a trust described in section 645 established by that individual to provide care for a qualified beneficiary (within the meaning of section 645(c)(2)).

"(b) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) for any taxable year may not exceed $3,000 with respect to payments to or contributions under a trust established for a single beneficiary.".

(b) Subpart A of part I of subchapter J of chapter 1 of the Internal Revenue Code of 1954 (relating to general rules for taxation of estates and trust) is amended by adding at the end thereof the following new section:

"SEC. 645. QUALIFIED PARENTAL OR HANDICAPPED RELATIVE CARE TRUST.

"(a) EXEMPTION FROM INCOME TAXES.—

"(1) EXEMPTION FOR TRUST.—Except as provided in paragraph (3), a qualified parental or handicapped relative trust shall be exempt from taxation under this subtitle.

"(2) EXEMPTION FOR BENEFICIARY.—Except in the case of a mandatory distribution provided for in subsection (b), any amount distributed during the taxable year by a qualified parental or handicapped relative care trust shall not be included in the gross income for the taxable year of the qualified beneficiary to or for whose benefit such amount is so distributed to the extent that such amount is received by any individual—

"(A) who is not the spouse of the grantor of such trust, or

"(B) whose relationship to such grantor is not described in paragraphs (1) through (8) of section 152(a),

for the purpose of providing care for such beneficiary.

"(3) TRUST FUNDS TO BE TAXED ON DISTRIBUTIONS.—Except in the case of a mandatory distribution provided for in subsection (b), a qualified parental or handicapped relative care trust shall be treated as having taxable income for the taxable year in an amount equal to the sum of the amounts distributed by the trust during the taxable year, reduced by any portion of such distributions included in the gross income of a beneficiary for the taxable year under paragraph (2)

"(b) MANDATORY DISTRIBUTIONS.—

"(1) TO PARENT UPON ATTAINMENT OF AGE 64.—In the case of a trust established for the benefit of a parent of the grantor, the amount in the trust shall be distributed to the beneficiary not earlier than the close of the taxable year in which the beneficiary attains age 64.

"(2) DEATH OF BENEFICIARY.—If the qualified beneficiary of a qualified parental or handicapped relative care trust dies, the amount in the trust shall be distributed to—

"(A) in the case of a qualified beneficiary who is a parent of the grantor, the surviving spouse of the beneficiary, or, if there is no surviving spouse, the grandchildren of the beneficiary, or, if there are no grandchildren of the beneficiary, to the grantor, or

"(B) in the case of a trust established to provide care for a qualified beneficiary who is a handicapped relative, to the children of such beneficiary, or if there are not such children, to the grantor.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED PARENTAL OR HANDICAPPED RELATIVE CARE TRUST.—The term 'qualified parental or handicapped relative care trust' means any trust—

"(A) which is created and governed by a written instrument under which—

"(i) it is impossible, at any time before the termination of the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, any purpose other than the providing of care for any qualified beneficiary of the trust, the payment of administrative expenses of the trust, or a mandatory distribution required under subsection (b), and

"(ii) the grantor of the trust has no reversionary interest in any portion of the trust (other than in the case of a mandatory distribution required under subsection (b)(2)) which may take effect in possession or enjoyment before the death of all qualified beneficiaries of the trust or before all beneficiaries of the trust cease to be qualified beneficiaries of such trust;

"(b) the trustee of which is a bank (as defined in section 401(d)(1)) or any person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the purpose of the trust; and

"(C) no beneficiary of which is a beneficiary of any other qualified parental or handicapped relative care trust.

"(2) QUALIFIED BENEFICIARIES.—The term 'qualified beneficiary' means a parent of the grantor or any individual—

"(A) who bears a relationship to the grantor described in paragraphs (1) through (8) of section 152(a); and

"(B) who, under regulations prescribed by the Secretary, at the time such trust is established, is unable to engage in any substantial gainful activity because of a medically determinable mental or physical impairment which can be expected to be of long-continued and indefinite duration.".

(c) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and by inserting in lieu thereof the following:

"Sec. 223. Contributions to qualified parental or handicapped relative care trust.

"Sec. 224. Cross references.".

(d) The table of sections for subpart A of part I of subchapter J of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 645. Qualified parental or handicapped relative care trust.".

(e) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

RETIREMENT SAVINGS FOR SPOUSES

SEC. 205. (a) Subsection (a) of section 219 of the Internal Revenue Code of 1954 (relating to deduction for retirement savings) is amended by inserting "or for the benefit of his spouse" immediately after "benefit".

(b) Paragraph (2) of section 219(c) of such Code (relating to married individuals) is amended to read as follows:

"(2) MARRIED INDIVIDUALS.—In the case of an individual who claims a deduction under subsection (a) for payments made for the benefit of his spouse—

"(A) The maximum deduction under subsection (b) (1) shall be computed separately for the individual and his spouse. For the purpose of making the computation for the spouse, the spouse shall be treated as having compensation includable in gross income for the taxable year equal to the compensation includable in such individual's gross income for the taxable year.

"(B) The deduction provided by subsection (a) shall be allowed for payments made for the benefit of such individual's spouse only if the individual and his spouse file a joint return of tax for the taxable year.

"(C) In the case of payments made for the benefit of a spouse who is handicapped within the meaning of section 190(b)(3), $3,000' shall be substituted for '$1,500' in subsection (b)(1) and (b)(7).

"(D) No deduction shall be allowed under subsection (a) for payments for the benefit of a spouse for any taxable year for which—

"(i) the spouse has earned income includable in gross income, or

"(ii) a deduction would not be allowed if the spouse were the individual making the payment for the spouse's own benefit because of any limitation or restriction which would apply if the spouse were the individual making the payment.

"(E) This section shall be applied without regard to any community property laws. For purposes of this section, the determination of whether an individual is married shall be made in accordance with the provisions of section 143(a).".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

CORPORATE DAY CARE—CHARITABLE CONTRIBUTIONS

SEC. 206. (a) Subsection (b) of section 162 of the Internal Revenue Code of 1954 (relating to charitable contributions and gifts excepted) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply with respect to amounts paid or contributed by the taxpayer to a day care center which meets the requirements of section 501(c)(23).".

(b) Subsection (c) of section 501 of such Code (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(23) a corporation organized and operated in the United States exclusively for the purpose of providing day care for children, no part of the net earnings of which enures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office, and which—

"(A) has applied for (and such application has not been rejected),

"(B) has been granted (and such granting has not been revoked), or

"(C) is exempt from having,

a license, certification, registration, or approval as a day care center under the provisions of applicable State law.".

(c) In the case of a day care center described in section 501(c)(23) of the Internal Revenue Code of 1954—

(1) the Secretary of the Treasury may not promulgate any criterion of eligibility for exemption from tax under section 501(a) of such Code which is not described in paragraph (23) of section 501(c) of such Code,

(2) no certification or approval by the Internal Revenue Service shall be required as a condition for such tax exemption, and

(3) no agency or department of the United States Government may require compliance with any rule or regulation by such a center as a condition of such tax exemption.

EXEMPTIONS FOR CHILDBIRTH OR ADOPTION

SEC. 207. (a) Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL EXEMPTION FOR CHILDBIRTH OR ADOTION.—

"(1) IN GENERAL.—An exemption of $1,000 for each child born to, or adopted by, the taxpayer during the taxable year.

"(2) BIRTH AND ADOPTION OF SMALL CHILDREN.—In the case of—

"(A) a child who is born to the taxpayer and who is handicapped (within the meaning of section 190(b)(3)), or

"(B) the adoption of a child—

"(i) whose natural parents were not members of the same race, or

"(ii) who has attained the age of 6 before the beginning of the taxable year for which the additional exemption allowed by paragrahp (1) is claimed, or

"(iii) who is handicapped (within the meaning of section 190(b)(3)),

'$3,000' shall be substituted for '$1,000' in paragraph (1).

"(3) JOINT RETURN.—The additional exemption allowed by paragraph (1) for any taxable year shall not be allowed to an individual who is not a married individual (as defined in section 143) or to a married individual (as defined in such section) who does not make a joint return of tax with his spouse for the taxable year.

"(4) CARRYOVER OF UNUSED DEDUCTION.—In the case of a taxpayer for whom the exemption allowed by paragraph (1) for a taxable year reduces his tax liability to zero, and in the case of a taxpayer whose liability for tax under this chapter (determined without regard to the additional exemption allowed by paragraph (1)) is zero, the additional exemption allowed by paragraph (1) for that taxable year, or that portion of such exemption which is properly attributable to a reduction of the taxpayer's liability for tax under this chapter below zero, shall be carried over to the following taxable year and shall be treated, for such following taxable year, as an additional exemption allowed by paragraph (1) for that taxable year.".

(b)(1) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON DEDUCTIONS.—

"(1) MINIMUM DOLLAR AMOUNT.—No deduction shall be allowable under subsection (a) for the first $500 of adoption expenses paid or incurred with respect to the adoption of any child.

"(2) MAXIMUM DOLLAR AMOUNT.—The aggregate amount allowable as a deduction under subsection (a) for all taxable years with respect to the adoption of any child shall not exceed $3,500 ($4,500 in the case of an international adoption).

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowable under subsection (a) for any amount for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No deduction shall be allowable under subsection (a) for any adoption expense paid from any funds received under any Federal, State, or local program.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ADOPTION EXPENSES.—The term 'adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

"(2) INTERNATIONAL ADOPTION.—The term 'international adoption' means an adoption—

"(A) occurring under the laws of a foreign country, or

"(B) involving a child who was a citizen of a foreign country who—

"(i) was brought to the United States for the purpose of adoption, or

"(ii) came to the United States under circumstances with respect to which the necessity for the child's placement in adoption proceedings was reasonably foreseeable.".

(2) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) ADOPTION EXPENSES.—The deduction allowed by section 221.".

(3) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.

"Sec. 222. Cross references.".

(c)(1) The amendment made by this section shall apply with respect to taxable years beginning after December 31, 1980.

(2) The amendments made by subsection (b) shall apply to adoption expenses paid or incurred after December 31, 1978, in connection with any adoption which becomes final after December 31, 1980.

TITLE III—EDUCATION

COMMUNITY PARTICIPATION IN TEACHING OF RELIGION

SEC. 301. (a) Part C of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"PARENTAL PARTICIPATION; TEACHERS RIGHTS; EDUCATION ALTERNATIVES

"SEC. 440B. Notwithstanding any other provision of law, it shall be unlawful for any Federal, State or local educational agency or institution receiving any Federal funds to—

"(1) prohibit parents or representatives of the community from participating in decisions relating to the establishment or continuation of courses relating to the study of religion;

"(2) prohibit or unnecessarily limit parental visits to public schools or classes, or the right of parents to inspect their children's education records upon reasonable notice;

"(3) require the force payment of dues or fees as a condition of employment, for teachers; or

"(4) prohibit parental review of textbooks prior to their use in public school classrooms.".

(b) Part C of the General Education Provisions Act is further amended by adding at the end thereof the following new section:

"COURSES OF INSTRUCTION AND EDUCATION MATERIALS

"SEC. 440C. No funds authorized under any applicable program or any provision of Federal law shall be used to secure or promote education materials or studies relating to the preparation of education materials if such materials do not reflect a balance between the status role of men and women, do not reflect different ways in which women and men live and do not contribute to the American way of life as it has been historically understood.".

(c)(1) Any individual aggrieved by a violation of section 440B or 440C of the General Education Provisions Act may bring a civil action in the appropriate district court of the United States, or in any State court of competent jurisdiction, for damages, or for such equitable relief as may be appropriate, or both.

(2) Each district court of the United States, and each State court of competent jurisdiction, shall provide such equitable relief, including injunctive relief, as may be appropriate to carry out the provisions of sections 440A and 440B of the General Education Provisions Act.

(3)(A) It shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case brought under this subsection is pending immediately to designate a judge in such district to hear and determine the case. In the event that no judge in the district is available to hear and determine the case, the chief judge of the district, or the acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge), who shall then designate a district or circuit judge of the circuit to hear and determine the case.

(B) It shall be the duty of the judge designated pursuant to this subsection to assign the case for hearing at the earliest practicable date and to cause the case to be in every way expedited.

(4) In any action or proceeding brought under this subsection, the court may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs and any department or agency of the United States, of a State, or of a political subdivision of a State, shall be liable for costs the same as a private person.

(5) For the purpose of this subsection the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Marina Islands, or the Trust Territory of the Pacific Islands.

RIGHTS OF STATES AND LOCAL EDUCATIONAL AGENCIES

SEC. 302. (a) Federal funds shall not be withheld under any provision of Federal law nor shall any provision of Federal law be construed to prohibit—

(1) the right of any State or any State or local educational agency to determine the qualifications required of teachers within the jurisdictions of such agencies, including the right to make a determination that no certification requirement will be imposed;

(2) the right of any State to set or refuse to set attendance requirements at public or private schools within their jurisdictions, including the right to determine that no such attendance requirement will be imposed; or

(3) the right of any local educational agency, in consultation with parents of students enrolled in the schools of such agency, to limit or prohibit the intermingling of sexes in any sports or other school-related activities.

(b) Section 2(2) of the National Labor Relations Act is amended to read as follows:

"(2) The term 'employer' includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation, or any Federal reserve bank, or any State or political subdivision thereof, or any corporation or association operating a school, if no part of the net earnings inures to the benefit of any private shareholder or individual, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.".

EDUCATION BLOCK GRANTS

SEC. 303. (a) The Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new title:

"TITLE XI—ELEMENTARY AND SECONDARY SCHOOL ASSISTANCE PROGRAM

"STATEMENT OF PURPOSE

"SEC. 1101. In order to meet the rising costs of providing education in the public schools of the States and to assist the limited resources of State and local educational agencies, it is the purpose of this title to make unconditional education block grants to State and local educational agencies.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1102. There are authorized to be appropriated for the purpose of carrying out this title, $4,500,000,000 for the fiscal year 1982 and for each succeeding fiscal year ending prior to October 1, 1985.

"ALLOTMENT

"SEC. 1103. (a)(1) From the funds appropriated pursuant to section 1102, the Secretary shall allot not less than 1 per centum among Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands, according to their respective needs.

"(2) From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of children in each such State—

"(A) who are age five to seventeen inclusive; and

"(B)(i) who are enrolled in the public elementary and secondary schools of local educational agencies, and

"(ii) who are enrolled in such schools of the State educational agency of such State.

"(3) For the purposes of paragraph (2) of this subsection the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.

"(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Secretary determines will not be required, for the period such allotment is available for carrying out the purposes of this title shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum which the Secretary estimates will be needed in such State and will be used for such period for carrying out applications approved under this title, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under his subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"USES OF FUNDS

"SEC. 1104. Grants made under this title may be used in accordance with applications approved under section 1105 for educational programs and activities conducted by public elementary and secondary schools of local educational agencies and of State educational agencies.

"APPLICATIONS

"SEC. 1105. (a) A grant under this title may be made to any local educational agency upon application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary. Each such application shall—

"(1) provide that the programs and activities for which assistance under this title is sought will be administered by and under the supervision of the applicant;

"(2) in the case of a State educational agency, provide assurances that no more than 5 per centum of the funds for which the application is made by such agency will be expended for purposes other than programs and activities conducted by the public elementary and secondary schools of such agency; and

"(3) provide for making evaluations of programs and activities assisted under this title.

"(b) Applications for grants under this title may be approved by the Secretary only if—

"(1) the application meets the requirements set forth in subsection (a); and

"(2) the application is consistent with objective criteria established by the Secretary for the purpose of achieving an equitable distribution under this title within such State. Such criteria shall be based upon a consideration of—

"(A) the number of children aged five to seventeen, inclusive, who are enrolled in the public elementary and secondary schools of the local educational agencies within each such State; and

"(B) the relative need of the local educational agencies within the State for assistance under this title.

"(c) Amendments of applications shall, except as the Secretary may otherwise provide, be subject to approval in the same manner as the original applications.

"PAYMENTS

"SEC. 1106. Payments under this title shall be made from a State's allotment to any State or local educational agency which has an application approved under section 1105. Payments under this title shall be made for the cost of carrying out an application of a State or local educational agency and shall exclude any costs with respect to which payments were received under any other Federal program.

"WITHHOLDING

"SEC. 1107. Whenever the Secretary, after giving reasonable notice and opportunity for hearing to a grant recipient under this title, finds—

"(1) that the program or activity for which such grant was made has been so changed that it no longer complies wtih the provisions of this title: or

"(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Secretary shall notify such recipient of his findings and no further payments may be made to such recipient by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected. The Secretary may authorize the continuance of payment with respect to any program or activities pursuant to this title which are being carried out by such recipient and which are not involved in the noncompliance.

"JUDICIAL REVIEW

"SEC. 1108. (a) If any State or local educational agency is disatisfied with the Secretary's final action with respect to the approval of its application submited under section 1105, or with his final action under section 1107, such State or local educational agency may within sixty days after notice of such action file with the United States court of appeals for the circuit for which agency is located a petition for review of that action. A copy of that petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary shall file promptly in the court the record of the proceedings on which he based his action, as provided for in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Secretary, if supported by substantial evidence shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United State Code.

"PROHIBITIONS AND LIMITATIONS

"SEC. 1109. (a) Nothing contained in this title shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

"(b) Nothing contained in this title shall be construed to authorize the making of any payment under this title for the construction of facilities as a place of worship or religious instruction.

"DEFINITIONS

"SEC. 1110. As used in this title the term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.".

(b) Title I, II, III, IV, VII, and IX of the Elementary and Secondary Education Act of 1965 are repealed effective October 1, 1981.

RELEASED TIME FOR PARENTHOOD EDUCATION

SEC. 304. Nothing contained in this Act, any amendment made by this Act, or any other provision of Federal law shall be construed to prohibit release time for parenthood education to be conducted by churches or parents.

LEGAL SERVICES: BUSING

SEC. 305. Section 1007 (b) (9) of the Legal Services Corporation Act is amended to read as follows:

"(9) to provide legal assistance with respect to any proceeding or litigation relating solely to the achievement of racial quotas for, or the desegregation of, any elementary or secondary school or school system .".

TITLE IV—VOLUNTARY PRAYER AND RELIGIOUS MEDITATION

SHORT TITLE

SEC. 401. This title may be cited as the "Voluntary Prayer and Religious Meditation Act of 1981".

FINDINGS

SEC. 402. (a) The Congress finds that—

(1) America is a Nation founded on freedom;

(2) essential to freedom is the free exercise of the inalienable rights guaranteed to all by our creator;

(3) in order to preserve such rights it is equally essential that the Constitution be broadly interpreted in matters of individual freedoms; and

(4) the free exercise of religious expression whether public or private is a fundamental freedom which should not be benignly denied in order to protect other freedoms equally fundamental.

(b) In order to secure the right of individuals to the free exercise of religion guaranteed by the first amendment of the Constitution, the Congress pursuant to its authority under the necessary and proper clause of section 8, article I of the Constitution, enacts the provisions of this title.

DEFINITION

SEC. 403. As used in this title—

(1) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; and

(2) the term "voluntary prayer or religious meditation" includes individual prayer and devotional reading from religious literature initiated by members of the group, provided that any person so desiring is excused from participating in such prayer and devotional reading.

VOLUNTARY SCHOOL PRAYER AND RELIGIOUS MEDITATION RIGHT PROTECTED

SEC. 404. (a) Each individual shall have the right to participate in the free exercise of voluntary prayer or religious meditation in any public building or in any building which is supported in whole or in part through the expenditure of Federal funds.

(b) No department or agency of the United States, of any State, or of any political subdivision of a State, shall abridge the right of free exercise of voluntary prayer or religious meditation in any public building or any building which is supported in whole or in part through the expenditure of public funds.

CIVIL ACTIONS AUTHORIZED; JURISDICTION AND RELIEF

SEC. 405. (a) Any individual aggrieved by violation of this title may bring a civil action in the appropriate district court of the United States, or in any State court of competent jurisdiction, for damages or for such equitable relief as may be appropriate, or both.

(b) The district courts of the United States shall have jurisdiction of actions brought under this section without regard to the amount in controversy.

(c) Each district court of the United States, and each State court of competent jurisdiction, shall provide such equitable relief, including injunctive relief, as may be appropriate to carry out the provisions of this title.

(d)(1) It shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case is pending immediately to designate a judge in such district to hear and determine the case. In the event that no judge in the district is available to hear and determine the case, the chief judge of the district, or the acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge), who shall then designate a district or circuit judge of the circuit to hear and determine the case.

(2) It shall be the duty of the judge designated pursuant to this subsection to assign the case for hearing within 30 days of filing with the court. A hearing of the case must be held within 180 days upon the proper filing of the case with the court.

SAVINGS PROVISION

SEC. 406. The provisions of this title shall supersede all the provisions of the Federal law that are inconsistent with the provisions of this title.

TITLE V—RIGHTS OF RELIGIOUS INSTITUTIONS AND EDUCATIONAL AFFILIATES

RIGHTS OF RELIGIOUS INSTITUTIONS

SEC. 501. (a) With respect to admissions policies, instructional or training materials, instruction or methodological hiring or selecting of employees and staff, contractual relationships with employees and staff, or operating procedures, neither the Federal Government nor any instrumentality thereof shall by rule, regulation, or otherwise impose any legal obligation or condition on any childcare center, orphanage, foster home, social action training program, emergency shelter for abused children or spouses, school, juvenile delinquency or drug abuse treatment center or home, or similar program or institution which is directly or indirectly operated by a church or religious organization. For purposes of the preceding sentence, the promulgation of reasonable health and fire regulations by an instrumentality exercising the authority of a local government shall not be prohibited.

(b)(1) The provisions of subsection (a) shall not apply with respect to the administration of the Civil Rights Act of 1964 with respect to race, creed, color, or national origin.

(2) Nothing in this subsection shall be construed to permit rules or regulations relating to affirmative action, quotas, guidelines, or actions designed to overcome racial imbalance.

TITLE VI—MISCELLANEOUS

JURISDICTION

SEC. 601. (a) Except as otherwise provided in this Act, the district courts of the United States and any court in a territory which is vested with the powers of a district court shall have jurisdiction of any civil action brought under this Act, or under an amendment made by this Act, without regard to amount in controversy. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process may be served in any district of which the defendant is an inhabitant or wherever the defendant may be found.

(b) Except as otherwise provided by this Act, any action brought under this Act, or under an amendment made by this Act, in any State court of competent jurisdiction shall not be removed to any court of the United States, unless an officer or employee of the United States in his official capacity is a party. No costs sahll be assessed against the United States in any such action brought by or against the United States in any court of the United States, or of a State.

LIMITATION OF ACTION

SEC. 602. Any action brought under this Act, or an amendment made by this Act shall be brought within six years after the cause of action arises.

ENFORCEMENT

SEC. 603. (a) Except as otherwise provided by this Act, any person who violates any provisions of this Act, any amendment made by this Act, or any rule, regulation, or order issued thereunder, may be subject to a civil penalty, not to exceed $5,000 for each violation, after opportunity for a hearing pursuant to subsection (b). Each separate offense shall be a violation and, in the case of a continuing offense, each day shall constitute a separate violation.

(b) Each hearing pursuant to subsection (a) shall be public and any assessment of a penalty after such a hearing shall be based on the record. Each hearing shall be conducted in accordance with the provisions of section 554 of title 5, United States Code.

(c)(1) Any penalty assessed pursuant to subsection (b) may be collected in an action brought by the Attorney General or, if the Attorney General directs, by the head of the appropriate agency in any district court of the United States. In any such action, the validity and appropriateness of the final determination imposing the penalty shall not be subject to review.

(2) The penalty shall be payable to the United States Treasury.

(d) A person aggrieved by a final determination under subsection (b) is entitled to judicial review in an appropriate United States Court of Appeals, if petition for review is filed within twenty days after the determination is made. Review of the determination shall be in accordance with section 706 of title 5, United States Code.

CONTRARY STIPULATIONS VOID

SEC. 604. Any condition, stipulation, or provision binding any person to waive compliance with any provisions of this Act, any amendment made by this Act, or any rule or regulation issued thereunder is void.

REPORT TO CONGRESS

SEC. 605. The Secretary shall prepare and submit to Congress, within thirty months after the date of enactment of this Act, a comprehensive report on the administration of this Act and the progress of States.

EFFECT ON OTHER LAWS

SEC. 606. (a) The rights and remedies provided by this Act, or any amendment made by this Act, shall be in addition to any other right or remedy provided under Federal or State law.

(b) This Act, and any amendment made by this Act, does not limit any other right or remedy for the protection of the family under State or Federal common law or statutory law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 607. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEPARABILITY

SEC. 608. If any provision of this act or any amendment made by this Act, or the application of such provision or amendment to any person or circumstances, shall be held invalid, the remainder of this Act or such amendment or the application of such provision or amendment to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

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Senate

SUMMARY OF PROVISIONS CONTAINED IN THE FAMILY PROTECTION ACT OF 1981

RIGHTS OF PARENTS

Section 101. This section would amend Chapter 111 of Title 28 of the U.S. Code (28 U.S.C. 1651 *et seq.*) by adding at the end thereof a provision providing for a "legal presumption in favor of an expansive interpretation" of the parent's role "in supervising and determining the religious or moral formation of his child" in federal cases involving that role.

Although the legal presumption that would be stated by this section is not now codified in federal statutes, it would appear to conform to existing case law determinations regarding the parent's role in the religious and moral formation of his child as protected by the free exercise and due process clauses of the Constitution. In *Pierce* v. *Society of Sisters*, 268 U.S. 510, 534–35 (1925), the Supreme Court struck down a State statute requiring parents to send their children to public, but not private, school, stating:

. . . we think it entirely plain that the Act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control. . . The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with high duty, to recognize and prepare him for additional obligations.

In *Wisconsin* v. *Yoder*, *supra*, the Court upheld the right of Amish parents to withdraw their children from public school after the eighth grade, stating:

. . . this case involves the fundamental interest of parents, as contrasted with that of the State, to guide the religious future and education of their children. The history and culture of Western civilization reflect a strong tradition of parental concern for the nurture and upbringing of their children. This primary role of the parents in the upbringing of their children is now established beyond debate as an enduring American tradition. . . The duty to prepare the child for "additional obligations," referred to by the Court (in *Pierce*), must be read to include the inculcation of moral standards, religious beliefs, and elements of good citizenship. . . However read, the Court's holding in *Pierce* stands as a charter of the rights of parents to direct the religious upbringing of their children. 406 U.S. at 3232–233.

More recently, in *Parham* v. *J.R.*, 442 U.S. 584, 602–03 (1979) the Court reaffirmed this presumption in rejecting the argument that a parent's decision to commit his child to a mental institution must be reviewed by the government in a formal, adversary pre-admission hearing:

Our jurisprudence historically has reflected Western civilization concepts of the family as a unit with broad parental authority over minor children. Our cases have consistently followed that course . . . The statist notion that governmental power should supersede parental authority in *all* cases because *some* parents abuse and neglect children is repugnant to American tradition.

See also *H. L.* v. *Matheson*, —— U.S. ——, 49 USLW 4255 (1981); *Quilloin* v. *Walcott*, 434 U.S. 246 (1978); *Stanley* v. *Illinois*, 405 U.S. 645 (1972); *Ginsberg* v. *New York*, 390 U.S. 629 (1968).

This expansive view of parental authority over children is not without limit, of course.

The Court has affirmed the right of government to intervene in instances in which parents' decisions threaten significant harm to the health or safety of the child or create a social burden. See, *e.g.*, *Prince* v. *Massachusetts*, 321 U.S. 158 (1944); *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52 (1976); *Parham* v. *J. R.*, *supra*; *Application of President and Directors of Georgetown College, Inc.* 118 U.S. App. D.C. 80, 331 F. 2d 1000, *cert. den.* 377 U.S. 978 (1964). But absent proof of such significant threats to the child or society, the presumption is in favor of parental authority.

It is my opinion that this section is consistent with existing interpretations of that presumption, and thus would not alter existing law, but simply seek to codify existing case law which presumptively favors parental rights.

This section would appear to be within Congress' power, and therefore, poses no apparent constitutional implication.

PARENTAL NOTIFICATION

Section 102(a). This section would provide that no program may receive federal funds unless, prior to providing a contraceptive device, abortion, counseling, or an abortion to an unmarried minor, the agency notifies the minor's parents or guardian.

Federal law does not now require parental notification as a condition of federal funding of programs relating to family planning. For instance, family planning services specifically targeted to adolescents are funded through discretionary grants awarded by the Office of Adolescent Pregnancy Programs, authorized under titles VI of P.L. 95–626. The law requires that a grantee's family planning services be limited to counseling and referral unless other services are not available in the community. The grantee is required to inform any pregnant adolescent of the availability of counseling on all options regarding her pregnancy, which appears to include abortion counseling. However, the law specifically prohibits expenditure of any funds under the Act for the performance of an abortion. The law presently mandates grantees to "encourage" unemancipated minors receiving services to consult with their parents, but grantees are not required to make any services contingent on parental notification. Therefore, this section would mandate any services be contingent on parental notification.

Family planning services are also funded under title XIX of the Social Security Act (the Medicaid program), under title XX of the Social Security Act (social services), under title III-D of the Public Health Service Act (primary health care), and under title X of the Public Health Service Act (family planning). None of these programs requires parental notification, as follows:

"Title XIX of the Social Security Act specifically requires States to offer family planning services and supplies, including services and supplies to minors, in order to qualify for matching funds under the Medicaid program. There is no parental notification requirement. The law is silent on whether family planning services include abortion counseling or the provision of abortions.

"Under title XX of the Social Security Act, States are authorized to use their matched federal funds to offer family planning services, including medical care related to family planning, to anyone. There is no parental notification requirement. The law is silent on whether family planning services include abortion counseling or abortion, but, instead, appears to leave the matter to the States' discretion.

"Subpart I of title III-D of the Public Health Service Act authorizes grants to community hospitals (section 328), migrant health centers (section 329), and community health centers (section 330) for the provision of medical services including primary health services. Primary health services are defined to include family planning services, which, in turn, are left undefined. There are no provisions relating to family planning services specifically for minors, and no parental notification requirement.

"Title X of the Public Health Service Act authorizes direct grants and contracts to public and private nonprofit agencies (section 1001), formula grants to States (section 1002), and training grants to organizations and individuals (section 1003) to establish and operate family planning projects. Section 1001 specifically mentions family planning services for adolescents, and the other two sections do not exclude adolescents. There is no parental notification requirement in any of the three sections. Section 1008 of this title specifies that no funds may be used in programs where abortion is a form of family planning."

In addition to the above funded programs, title IV-A of the Social Security Act (Aid to Families with Dependent Children—AFDC) requires (but does not fund States to ensure that family planning services are available to AFDC recipients, including sexually active minors). There is no parental notification requirement.

Section 102 (b). This section would amend part C of the General Education Provisions Act (20 U.S.C. 1232 *et seq.*) by adding a new section stipulating that no programs under the Act may receive federal funds unless, prior to providing a contraceptive device, abortion counseling, or an abortion to an unmarried minor, the minor's parents or guardian have been notified.

JUVENILE DELINQUENCY

Section 103. This section would amend the Juvenile Justice and Delinquency Prevention Act (42 U.S.C. 5601 *et seq.*) by adding a new section. Subsection (a) of the new section would stipulate that no federal program, directive, guideline, or grant may be construed to override any existing State law relating to juvenile delinquency. Subsection (b) of the new section states that nothing in this new section should be construed to permit a State to fail to participate or cooperate in any program for the return on runaway youths, whether by interstate compact or otherwise.

The Juvenile Justice and Delinquency Prevention Act currently contains no provisions comparable to those in section 103.

CHILD ABUSE

Section 104.

Section 104(a) would provide that no federal program, directive, guideline, or grant be construed to override any existing State law relating to child abuse. Section 104(b) would provide that no federal funds for any program related to child abuse may be spent in any State unless that State's legislature specifically authorizes such a program. Section 104(c) would, for the purposes of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5010 *et seq.*), qualify the definition of "child abuse" to exclude discipline or corporal punishment by a parent or any persons designated by a parent.

There is no comparable provision to section 104(a) in current federal law, although federal law does not now appear to override State laws relating to child abuse. Section 104(b) adds a new condition to State programs on child abuse which seek federal funding under either the Child Abuse Prevention and Treatment Act of titles IV or XX of the Social Security Act, namely, that such program be "specifically authorized and established" by their State legislature(s). It would also bar direct grants from the federal government to child abuse programs that are privately operated in any State, (as is now possible under the Child Abuse Prevention and Treatment Act), and require that such grants be limited to, or channeled through, State programs that have been specifically authorized by the State legislature(s).

Section 104(c) takes the entire existing definition of "child abuse" in the Child Abuse Prevention and Treatment Act and adds a qualifying phrase at the end that would exclude from the definition corporal punishment administered by a parent or an agent of the parent. This latter change would not materially alter eisting law: in virtually every State, reasonable corporal punishment administered by a parent or a person standing *in loco parentis* is privileged. See *Baker* v. *Owen*, 423 U.S. 907, *aff'g* 395 F. Supp. 294 (M.D. N.C., 1975); *Ingraham* v. *Wright*, 430 U.S. 651 (1977).

SPOUSE ABUSE

Section 105. This section would provide that no federal program, directive, guideline, or grant shall be construed to override any existing State law "relating to spousal abuse or domestic relations."

There is no comparable provision to section 105 in current federal law.

LEGAL ASSISTANCE RESTRICTIONS

Section 103. This section would impose restrictions on the kinds of legal representation that could be offered by legal aid programs funded by the Legal Services Corporation (LSC). The section would amend section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 1996f(b)) to bar funding under that Act to entities which provide legal assistance:

"(1) which seeks to procure an abortion or to compel any individual or institution to perform an abortion or assist in the performance of an abortion, or provide facilities for the performance of an abortion, or to compel State or federal government funding for an abortion, or

"(2) in any case relating to a divorce, and

"(3) in any case seeking to adjudicate the issue of gay rights."

The restriction with respect to abortions is broader than existing law: Existing law bars such representation where the performance of the abortion or provision of facilities is "contrary to the religious beliefs or moral convictions of such individual or institution". The section would eliminate that proviso, and would further extend the bar on representation to include suits which seek "to compel State or federal government funding for an abortion." See 42 U.S.C. 2996f(b)(8).

The restriction with respect to divorce and gay rights would be new.

Finally, it should be noted that existing law imposes restrictions only on the use of federal funds made available through the Legal Services Corporation. This new section would place these restrictions on *all* activities of LSC grantees, whether paid for out of LSC funds or not.

ARMED FORCES DEPENDENTS' ASSISTANCE ALLOTMENTS

Section 107. This section would provide for the mandatory direct payment of an amount equal to a military member's basic allowance for quarters (BAQ) to the member's dependents, when those dependents are living separate from the member. The allotment would be deducted from the pay and allowances received by the member.

Subsection (a) of section 107 would add a new section 708 to chapter 13 of title 37, U.S. Code, Pay and Allowances of the Uniformed Services, entitled "Allotment for dependents of members of the armed forces." "Armed forces" are defined in 37 USC 101 as meaning the Army, Navy, Marine Corps, Air Force, and Coast Guard.

Subsection 708(a)(1) provides that subject to such regulations as may be prescribed by the Secretary of Defense, the Secretary concerned (defined in 37 USC 101 as the secretaries of the military departments or the Secretary of Transportation, in the case of the Coast Guard when it is not operating as part of the Navy) shall pay a monthly dependents' assistance allotment to the dependents of any member of the armed forces when such dependents are living separate from the member. All officers (commissioned and warrant) and enlisted personnel of all grades are included. The amount paid to the dependents of a member shall be deducted from the pay and allowances received directly by the member.

Subsection 708(a)(2) specifies that the amount of dependents' assistance allotment to be paid shall be equal to the BAQ to which the member is entitled. A member may, however, increase the amount of allotment to be paid to his dependents by requesting the Secretary concerned, in writing, to deduct an additional amount from the member's pay and allowances to be sent to the member's dependents. Such an additional allotment may be in any multiple of $10.00.

Subsection 708(c) defines the term "dependent," with respect to a member of the armed forces, as meaning (1) a member's spouse; and (2) a member's unmarried child (including the following categories of children if they are dependent on a member: a stepchild, an adopted child; and illegitimate child whose alleged father—if a member of the armed forces—has been judicially decreed to be the childs father or ordered to contribute to the child's support, or whose parentage has been admitted in writing by the military member. Such unmarried children must be either under 21 years of age or both (a) incapable of self-support because of mental or physical incapacity, and (b) in fact dependent on the military member for over one half of their support.) The relationship between a stepparent and a stepchild is deemed to be terminated—for purposes of eligibility for dependents' assistance allotments—if the stepparent is divorced from the parent by blood.

Subsection (b) of the proposed section 107 of the Family Protection Act would amend the table of sections of chapter 13 of title 37, U.S. Code, to add at the end a reference to the new section 708 of title 37.

Comparison with current law

Current law provides for no mandatory allotments of any portion of a military member's pay to his dependents when he is separated from them.[1]

No such allotments have ever been required for either commissioned or warrent officers. However, from 1950 through 1973 certain enlisted personnel were required to establish an allotment payable directly to their dependents in order to qualify for basic allowance for quarters (BAQ) rates specified for persons with dependents.

The Dependents' Assistance Act of 1950 (ch. 622, 64 Stat. 794; Act of September 8, 1950), required that all enlisted personnel make allotments such as those described to be eligible for BAQ as "with dependents" rates. It further authorized (in section 8 of the Act) that the Secretary concerned could, without the consent of an enlisted member, direct that a payment of BAQ with dependents be made, and the requisite allotment to a member's dependents be established, if the enlisted member had dependents and did not voluntarily make an allotment and thereby qualify for BAQ with dependents.

The Act of July 10, 1962 (76 Stat. 152) modified the system, in effect leaving the mandatory allotment requirement only for junior enlisted personnel (grades E-1 through E-3 and grade E-4 with less than four years of service). Rather than extending the allotment requirement (it had always been a temporary provision requiring extension every few years since its enactment in 1950) it was allowed to expire as of July 1, 1973. Since then, there has been no requirement of any sort for military personnel to directly allot any of their pay to their dependents.

[1] A family separation allowance is authorized by 37 USC 427 to equitably reimburse members of the uniformed services involuntarily separated from their dependents for the average extra expenses that result from the separation, and to reimburse members who must maintain a home in the United States for their dependents and another home overseas for themselves for the average expenses of maintaining the overseas home. The family separation allowance, however, is payable in addition to any other allowance or per diem to which the member may be entitled. It is not deducted from the member's pay and allowances and allotted directly to dependents.

There are several major differences between the old Dependents' Assistance Act (DAA) allotments and those which would be required by section 107 of the Family Protection Act:

"The DAA applied only to enlisted personnel and after 1962 only to junior enlisted personnel. Section 107 would apply to commissioned and warrant officers in all grades as well as all enlisted personnel.

"The DAA allotment procedure required the member to allot not only his monthly BAQ, but an additional amount deducted from his basic pay, to his dependents. The proposed statute requires only an amount equal to the BAQ to be allotted (although the member may voluntarily allot more).

"Under DAA, a direct allotment to dependents was made regardless of whether or not the member and his dependents were living separately. Section 107 would require such an allotment only if the member was living separate from his dependents.

"The DAA included dependent parents in its definition of dependents coming under its purview. Section 107 would apply only to spouses and unmarried children."

FEDERAL FUNDS FOR HOMOSEXUAL ADVOCACY

Sec. 108. This section would bar any federal funds from being made available to any individual or organization for the purpose of "advocating, promoting, or suggesting homosexuality, male or female, as a life style."

Changes from existing law

This condition on federal funding does not now exist in this form in federal law but would not appear to alter the existing situation. In 1981 Congress added to the continuing resolution for the fiscal 1981 appropriations for the Legal Services Corporation a prohibition on the use of federal funds "to provide legal assistance for any litigation which seeks to adjudicate the legality of homosexuality." P.L. 96-536 (Dec. 16, 1980). (incorporating by reference the restrictions contained in H.R. 7584 as enacted prior to its veto by the President). This section would not affect that prohibition. In addition, it might be noted that existing law does not appear to provide funds for the purpose of promoting homosexuality. Thus, this section would not appear to materially affect existing grant programs.

The section nevertheless is designed to codify into statutory law a prohibition of any federal funds which are used solely for the purpose of "advocating, promoting, or suggesting homosexuality, male or female, as a life style."

It is not the intention of this section to prohibit or deny social security benefits, welfare, veterans benefits, student assistance or other federal assistance to any individual who may suggest or intimate homosexuality as a life style.

TITLE II—TAXATION

Section 201.

Section 201 adds two new sections to the Internal Revenue Code to provide for education savings accounts which are similar in theory to individual retirement accounts which exist in present law for retirement savings.

Proposed new section 221 would allow individuals a deduction for contributions of cash or readily tradeable stocks, bonds, or other securities to an education savings account for an eligible individual. Each education savings account could only be established for one individual and an individual could not be the beneficiary of more than one account. (Proposed Code sections 221(a) and 221(b)(1) and (2)).

There would be a $2,500 limit on the amount which could be contributed to each account each year, but beginning in 1983 that amount would be adjusted annually for inflation. The Secretary of Treasury would determine and publish by October 1 of each year the inflation adjustment factor for the preceding 12-month period ending on July 31. The inflation adjustment factor would be determined by dividing the Consumer Price Index for all items—United States city average for the most 12-month period ending on July 31 by the same index for the 12-month period ending on July 31, 1980. This result would be multiplied by $2,500 to determine the inflation-adjusted amount. (Proposed Code section 221(b)(3), (5)).

If more than one person contributed to the same account during the year, the $2,500 or the inflation-adjusted amount deduction would be allocated proportionately among all individuals contributing to the account. (Proposed Code section 221(b)(4)).

Providing that the eligible individual was under age 21 during the year the contribution was made and was not enrolled as a full-time student at an eligible institution for more than four weeks during a calendar year, an education savings account could be set up for the taxpayer, a child or stepchild of the taxpayer, or any of the following relatives of the taxpayer: grandchildren or their descendants, brothers, sisters, stepbrothers, stepsisters, fathers, mothers, grandparents, nieces, nephews, aunts, uncles, sons-in-law, daughters-in-law, fathers-in-law, mothers-in-law, brothers-in-law, and sisters-in-law. (Proposed Code section 221(c)(1)). This definition prohibits contributions to an education savings account once the beneficiary enters an eligible institution. Since a private elementary school can be an eligible institution, this provision may not facilitate saving for secondary or higher education.

An education savings account would be a United States trust for the purpose of paying the eligible expenses of an eligible individual. (Proposed Code section 221(c)(2)). Custodial accounts where the assets were held by a bank or other person satisfactory to the Secretary of the Treasury could constitute education savings accounts if they would qualify as education savings accounts but for the fact that they were not trusts. The custodian would be treated as trustee. (Proposed Code section 221(h)).

The governing instrument of the trust or custodianship would have to meet these requirements:

(1) Contributions could not be accepted unless they were in cash, stocks, bonds, or other readily tradeable securities.

(2) Contributions could not exceed $2,500 per year.

(3) The trustee would have to be a bank or another person acceptable to the Secretary of the Treasury.

(4) The trust assets could not be invested in life insurance contracts unless the trust was the beneficiary of the contracts and the insured is the grantor of the trust. The face amount of the contracts must not exceed an amount equal to $2,500 times the potential life of the trust i.e. (the number of years from the establishment of the trust until the beneficiary of the trust reaches age 25).

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of the individual(s) contributing to the account, but if more than one individual has made contributions to the account, the consent of all the contributing individuals would be required.

(6) The assets of the trust would not be commingled with other property except in a common trust fund or common investment fund.

(7) The assets in the trust on the date that the beneficiary attains age 26 are required to be distributed to each of the trust's contributors in the proportion to their contributions to the trust. (Proposed Code section 221(c)(2)).

Contributions to the trust would be deemed made during the preceding calendar year if the contribution is made on account of that calendar year and is made by the time prescribed by law for filing the return for the taxable year which covers December 31, of the preceding year. (Proposed Code section 221(c)(3)).

Contributions of stocks, bonds, and the like will be valued at market value on the date of contribution or the last preceding day on which they could have been traded on an established securities market. (Proposed Code section 221(c)(4)).

Eligible expenses would mean tuition and fees required for enrollment and attendance of a student at an eligible educational institution, fees, books, supplies, and equipment required for courses, and reasonable allowance for meals and lodging and any income due because the beneficiary must include the distributions in his or her income.

Eligible educational institutions would include an institution of higher education, a vocational school, a secondary school, or an elementary school. Institution of higher education means institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965. (See 20 U.S.C. §§ 1141 and 1088). According to those sections an institution of higher education is one which has high school graduates or holders of an equivalency certificate as regular students, which is legally authorized to provide a postsecondary school education, which provides a program of education leading to a bachelor's degree or provides at least a two-year program which is acceptable for full credit to a bachelor's degree, which is a public or nonprofit institution, and is accredited or, if not accredited, meets certain alternative criteria. Schools of nursing, post secondary vocational institutions, and certain other proprietary institutions of higher education are also included in this definition. (Proposed Code section 221(c) (6) and (7)).

A vocational school would mean an area vocational education school, as defined in section 195(2) of the Vocational Education Act of 1963, which is in any State. (See 20 U.S.C. §§ 2461(2) and (8)). The term area vocational educational school is defined in that act to mean a specialized high school, the department of a high school, a technical or vocational school, or the department or division of a junior college, community college or university used exclusively or principally to provide vocational education to persons who are available for study in preparation for entering the labor market. Some of those types of schools have to meet additional requirements. A State is defined to include the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. (Proposed Code section 221(c)(8)).

Elementary school would mean a privately operated, not-for-profit, day or residential school which provides elementary education. Secondary school would mean a privately operated, not-for-profit, day or residential school which provides education that does not exceed grade 12. Both elementary and secondary schools would be required to be exempt from Federal income taxes under Code section 501(a) and (c)(3) and they could not exclude persons from admission to, or participation in, the school on account of race, color, or national or ethnic origin. Facilities which offer education for individuals who are physically or mentally handicapped as a substitute for regular public elementary or secondary education are included within the definitions of elementary and secondary schools; however, the handicapped facilities do not have to be privately operated. (Proposed Code section 221(c)(9)).

Proposed section 221(d) outlines the tax treatment of distributions from the education savings account. First, the general rule is that unless the distribution is used exclusively to pay the education expenses incurred by the beneficiary of the account, any distribution from the account will be included in the gross income of the contributors to the account in the same proportion as the amounts which they have contributed to the account over the years.

Second, distributions which are the result of corrections of excess contributions do not fall within the general rule, providing the correction is made within the time for filing the return for the year involved, that no deduction was taken for the excess contribution, and that any interest or dividends attributable to the excess contribution is also returned. The person to whom the excess contribution is returned must report the income earned on the excess contribution.

Third, the beneficiary of the savings account may elect to be taxed on distributions from the savings account which are spent on eligible expenses. First, he or she may elect to include the distribution of the gross income in the years the distributions are made. Second, he or she may elect to defer the taxes until the taxable year in which the individual turns age 25. In that year, and for the nine succeeding taxable years, the beneficiary will include in his or her gross income 10 percent of the amounts paid or distributed from the account which are used to pay that individual's educational expenses.

If a distribution from the account is not used for educational expenses of the beneficiary, the contributors to the account will be taxed on the amount not used properly plus an additional 10 percent of the deemed distribution. (Proposed Code section 221(f)(1)).

Although paragraph (f)(2) is entitled "Disqualification cases," the proposed statutory language states that if an amount is includable in the gross income of an individual under subsection (d), his tax shall be increased by an amount equal to 10 percent of the amount required to be included in his gross income. There is no reference to disqualification in the statutory language. Subsection (d) covers the tax treatment of almost all distributions. If paragraph (f)(2) is intended to describe a penalty provision, the reference to susbection (d) is too broad. If disqualification because of prohibited transactions is the object of the penalty, paragrarph (e)(2) might be referenced. If distribution of unused funds under paragraph (d)(1) is intended to be penalized, that paragraph should be mentioned.

Proposed Code section 221(e) outlines the tax treatment of the education savings accounts. Basically they would be exempt from taxation, but they would be subject to the unrelated business income taxes imposed by Code section 511. The tax exemption could be lost, however, if a contributor to the account engages in a transaction prohibited by Code section 4975. The account would retroactively lose its exemption as of the first of the year in which the prohibited transaction occurred. This would mean that the assets of the account would be treated as if they had been distributed to the contributors as of the first day of the year.

Prohibited transactions would include such transactions between the account and contributors as selling or leasing any property to each other; lending money to each other; furnishing goods, services or facilities to each other; dealing with the account assets as if they belonged to the contributor; or receiving kickbacks because of transactions involving the account.

If the beneficiary of the account were to pledge the account as security for a loan, the portion of the account which is pledged would be treated as if it had been distributed to the beneficiary. (Proposed Code section 221(e)).

There is no penalty for distributions made to the taxpayer after the taxpayer becomes disabled, even if the distribution is not used to pay educational expenses. (Proposed Code section 221(f)(3)).

Community property laws would not apply to this section.

Proposed Code subsection 221(i) requires the trustee of an education savings account to file reports with the Treasury and with the beneficiary of the account. The actual requirements would be established by regulations.

Bill section 201(b) would amend paragraph 10 of Code section 62 (which defines adjusted gross income) to provide that the deduction allowed by proposed Code section 221 would be used in arriving at adjusted gross income. In other words, taxpayers would be entitled to deduct contributions to education savings accounts whether or not they itemized deductions on their returns.

Bill section 201(c) would amend Code section 4973 to impose a tax of six percent on any excess contributions to an education savings account. The tax would not be imposed, however, if the excess contributions were timely corrected as provided in proposed Code section 221(d)(2).

Bill section 201(d) would amend Code section 2503 to provide that payment to an education savings account would not be considered a gift of a future interest in property to the extent that the payment is allowed as a deduction under section 221.

Bill section 201(e) would amend Code section 4975 by adding a new paragraph (c)(4) exempting the beneficiary of an education savings account from the tax on prohibited transactions imposed by Code section 4975 if the account ceases to be an education savings account by reason of a prohibited transaction.

Bill section 201(f) would amend Code section 6693 to provide penalties for failure to file the reports required by proposed Code section 221(i). There would be a $10 penalty for each failure unless the failure were due to reasonable cause.

Bill section 201(g) provides for amending the appropriate tables of contents of sections of the Code to take into account the changes that would be made by the bill.

Bill section 201(h) would redesignate Code "sections 128 and 129" (this appears to be a typographical error which should read "redesignate section 128 as 129") and insert a new section 128. New section 128 would provide that gross income does not include distributions from an individual higher education account used exclusively for the payment of educational expenses of that individual. Appropriate changes would be made in the table of sections.

Bill section 201(i) provides that payments made to an education savings account do not count for purposes of determining how much support is provided a dependent under Code section 152.

Bill section 201(j) provides for a December 31, 1981 effective date.

Nothing in the present Internal Revenue Code allows taxpayers to set aside money tax-free for the education of their children. The format of the education savings account appears to be modeled on the present Code provisions for individual retirement accounts.

Section 202.

Bill section 202(a), entitled "tax exempt schools," would create a new Code subsection 501(j). (Present subsection 501(j) would become 501(k)). Proposed subsection (j) outlines a sort of "safe harbor" for organizations qualifying as tax-exempt educational organizations. Under proposed subsection (j) an organization described in Code section 501(c)(2) would be treated as organized and operated exclusively for educational purposes if it met six requirements:

(1) It must be organized and operated exclusively for the purpose of providing preschool, grammar school, high school or college education;

(2) It must be incorporated as a nonprofit corporation in the District of Columbia, any State, territory, or possession of the United States;

(3) Its bylaws must prohibit discrimination in the hiring of teachers or admission of students on the grounds of race, nationality or ethnic background;

(4) It must require attendance for at least the same number of days as are required in public schools of the State in which it is located;

(5) A majority of its board of directors must be parents of students attending the school operated by the organization; and

(6) The school cannot be operating under a judicial order entered under section 202(b) of the Family Protection Act.

Section 202(b) provides a method whereby the Attorney General could obtain a judicial order barring a tax exemption for a school which had violated any provision of sections 1977, 1978, or 1979 of the Revised Statutes (i.e. 42 U.S.C. §§ 1981, 1982, or 1983) or of the Civil Rights Act of 1964. If the Attorney General has reasonable grounds to believe that a school has violated any of those provisions, the Attorney General is required to file a civil suit for a declaratory judgment in the Federal district court for the district where the school is located. If the Attorney General can establish by a preponderance of the evidence that the school has engaged in deliberate and intentional discrimination for at least four consecutive years prior to the filing of the suit, the court would be required to issue a judicial order barring a tax exemption for the school.

If the court found that the Attorney General brought the suit out of malice, bias against the religious or ethnic composition of the school's supporters, or any other improper motive, the court could assess damages against the Attorney General and against the Internal Revenue Service agents and officers responsible for bringing the action.

The judicial order barring tax exemption would not take effect until the beginning of the first taxable year after the school had exhausted its rights of judicial review. The court would be required to retain jurisdiction over the case and revoke its order when the school demonstrated, by a preponderance of the evidence, that its discriminatory policies had been discontinued and would not be renewed.

Proposed section 501(j) is narrower than existing interpretations of what educational institutions are covered by Code section 501(c)(3), because that section is not limited to preschools, grammar schools, high schools, or colleges. According to Treasury Regulation 1.501(c)(3)-1(d)(3) "educational" relates to instruction or training of the individual for the purpose of improving or developing his capabilities or instruction of the public on subjects useful to the individual and beneficial to the community.

Present law does not require that an exempt organization be incorporated. Present statutory law does not explicitly require that an educational institution's bylaws prohibit discrimination in the hiring of teachers or the admission of students. However, the courts and the Internal Revenue Service have interpreted section 501(c)(3) to require that educational organizations have a nondiscriminatory policy as to students. They require the organization's governing instruments and its brochures to contain a statement that the school has a racially nondiscriminatory policy as to students. In addition the school must publicize this policy. Rev. Rul. 71-447, 1971-2 C.B. 230 and Rev. Proc. 75-50, 1975-2 C.B. 587. The requirements as to number of days of required attendance and composition of the board of directors would be new.

Under existing law the Internal Revenue Service may revoke the tax exempt status of an organization without resorting to litigation. If the Service does so, the organization has the right under Code section 7428 to bring an action for a declaratory judgment for a determination as to its continuing qualification.

Under existing law, unless a school has received some Federal financial assistance, it is unlikely that the United States would be able to bring an action to affect the school's policies of racial discrimination. A private party may bring an action under 42 U.S.C. § 1981 (alleging violation of equal rights to make and enforce contracts), § 1982 (alleging violation of equal rights in dealing with property), or § 1983 (alleging deprivation of rights secured by the Constitution and laws of the United States under color of State law), but the United States may not bring such actions. If the school has received some Federal financial assistance, the United States could bring an action under Title VI of the Civil Rights Act of 1964. It is unlikely that many private elementary or secondary schools receive Federal financial assistance.

Under existing law a court may award reasonable fees and expenses of attorneys to the prevailing party in any civil action brought by or against the United States or any agency and any official of the United States acting in his or her official capacity in any court having jurisdiction over the action, to the same extent that any other party would be liable under common law or under the terms of any statute which provides for an award. 28 U.S.C. § 2412.

Section 203.

Section 203 is entitled "multigenerational households." Section 203(a) would create a new Code section 44F. Proposed section 44F would permit a taxpayer who maintains a household which includes a dependent who is at least 65 years old at the end of the taxable year to take a $250 credit against income tax. The credit would be non-refundable and would be applied after certain other credits such as the credit for the elderly, the general tax credit, the investment tax credit, the child care credit, and residential energy credit.

Certain special rules would be applied. An individual would be treated as maintaining a household only if the individual (or the married couple) furnished over half the cost of maintaining the household. Married couples would have to file a joint return to take advantage of the credit. Legally separated couples and divorced couples would not be considered married. In addition certain married individuals who file separate returns would be permitted to claim the credit if they maintained a home for a qualifying individual for more than one-half of the year, furnished over half the cost of maintaining the household during the year, and if their spouses did not live in the household during the last six months of the taxable year.

Bill section 203(b) would create a new Code section 222 (after moving section 222 to section 223). Proposed section 222 would be an alternative provision to the proposed section 44F credit. Proposed section 222 would permit a taxpayer to take a deduction of $1,000 per year for each year during which the taxpayer maintained a household for a dependent at least 65 years of age at the close of the taxable year. The same special rules regarding marital status and claiming the reduction discussed in connection with the credit would apply. The remainder of the proposed section would conform the Code to the changes made by this section of the bill. It provides for an effective date of taxable years beginning after December 31, 1980.

Both the credit and the deduction for maintaining an elderly dependent in a household would be new provisions. In certain aspects they resemble the section 44A household and dependent care credit and/or dependency exemption.

Section 204.

Bill section 204 is captioned "parental support accounts." Bill section 204(a) would create a new Code section 223 which would allow a deduction of up to $3,000 per year for contributions to a trust established to care for a qualified beneficiary.

Bill section 204(b) would create a new Code section 645 which would describe a qualified parental or handicapped relative care trust. Under proposed Code section 645 (a) the trust would be exempt from income tax, with certain exceptions. Amounts distributed by a qualified trust for the purpose of providing care for a beneficiary would not be taxable to the distributee unless the distributions were received by a spouse or relative of the grantor of the trust.

The trust would be taxable on amounts distributed to the extent that the distributions were not included in the income of a beneficiary during the year. There would be exceptions to this rule in the case of mandatory distributions. Proposed Code section 645(b) describes two kinds of mandatory distributions. First, if the trust is for the benefit of the grantor's parents, the amount in the trust must be distributed to the beneficiary not earlier than the close of the taxable year in which the beneficiary attains age 64. There is no deadline for mandatory distribution. Second, if the beneficiary of a qualified parental or handicapped relative care trust dies, the amount in the trust must be distributed to specified relatives.

Proposed Code section 645(c) contains definitions. Qualified parental or handicapped relative care trust would be defined as any trust which is created and governed by written instrument which meets the following requirements. It must be impossible for any part of the trust to be used for any purpose other than providing care for any qualified beneficiary, paying administrative expenses of the trust, or making a mandatory distribution. In addition, the grantor of the trust can have no reversionary interest in any portion of the trust which might take effect before the death of all qualified beneficiaries of the trust or before all beneficiaries of the trust cease to be qualified beneficiaries of the trust. The trustee of the trust must be a bank or similar institution or a person satisfactory to the Secretary of the Treasury. No beneficiary of the trust can be a beneficiary of any other qualified parental or handicapped relative care trust.

The term qualified beneficiary means a parent of the grantor or a relative of the grantor who is unable to engage in any substantial gainful activity because of a medically determinable mental or physical impairment which can be expected to be of long-continued and indefinite duration. (The term relative is described by the list of dependents in Code section 152(a)(1) through (8), i.e. children of the grantor or their decendents, stepchildren, siblings, or stepsiblings, parents or their ancestors, nieces, nephews, aunts, uncles, and parents-in-law, children-in-law, and brothers- and sisters-in-law.)

There are provisions to conform the Code to the changes proposed by section 223, and the proposed effective date is taxable years beginning after December 31, 1980.

Proposed sections 223 and 645 are new.

Section 205.

Bill section 205 would amend Code section 219 to allow an individual to make contributions to an individual retirement plan on behalf of the individual's spouse. In order to take advantage of this provision the spouse could not have any earned income of his or her own; however, for purposes of computing the amount of the spouse's contribution to the individual retirement account, the spouse would be deemed to have compensation equal to the compensation included in the working spouse's gross income for the taxable year.

The maximum deduction (the lesser of 15% of compensation or $1,500) would be computed separately for each spouse. If the spouse were handicapped, the maximum deduction would be $3,000. Handicapped would be defined in section 190(b)(3), i.e. a person who has a physical or mental disability (including, but not limited to blindness or deafness) which results in a functional limitation to employment or who has a physical or mental impairment which substantially limits one or more major life activities of such individual. The couple would be required to file a joint return. No contribution or deduction would be permited if the spouse had earned income includible in gross income or if a deduction would be disallowed if the spouse were the individual making the contributions.

Section 219 would be applied without regard to any community property laws. Whether or not a couple is considered married would be determined on the last day of the taxable year. The effective date would be taxable years beginning after December 31, 1980.

Under existing law, Code section 219 permits a deduction for contributions to an individual retirement plan; however, if both husband and wife contribute to such plans, each must have compensation included in gross income and each must meet the requirement for setting up a plan. If only one spouse has compensation, only that spouse may make a deductible contribution to his or her own plan under section 210. Couples are not required to file a joint return in order for the person making the contribution to claim the deduction. There is no special additional contribution for a handicapped spouse.

The proposed amendment of Code section 219(c)(2) would eliminate the current language which clarifies the fact that if both husband and wife have their own compensation incomes and each meets the requirements for setting up an individual retirement account, each may make his or her own contributions to his or her own plan. The language may have been unnecessary, but its elimination does raise a question as to the intended result.

Under current Code section 220, an individual with a non-earning spouse may make a contribution for both of them. Under this provision, however, the maximum contribution is $1,750, which is only $250 more than the individual could have contributed on his or her own behalf under current section 219. (Sections 219 and 220 are alternative provisions.) Section 220 does not require filing a joint return. In order for the non-earning spouse to benefit from section 220 the working spouse must be eligible to set up an individual retirement plan. If the working spouse is ineligible (perhaps as a result of participating in a plan at work), then the non-earning spouse receives no benefit from the existence of section 220. The proposed section 219 may change this result.

Section 206.

Section 206(a) is entitled "corporate day care—charitable contributions." It would amend Code section 162(b) to provide that taxpayers may take an ordinary and necessary business expense deduction for amounts paid to a day care center which meets the requirements of proposed Code section 501(c)(23).

Section 206(b) creates a new type of tax-exempt organization. The organization would be organized and operated in the United States for the purpose of providing day care for children. No part of the net earnings could inure to the benefit of any private individual. The day care center could not lobby, participate in political campaigns or spread propaganda. It must have or have not been rejected for any necessary certificates or licenses required by States law.

The Internal Revenue Service and other government agencies are prohibited from promulgating any other criteria for eligibility for the proposed section 501(c)(23) exemption.

Current law permits a corporation to deduct payments to a day care center to provide care for preschool children of its employees as an ordinary and necessary business expense deductible under section 152 of the Code. (See Rev. Rul. 73–348, 1973–2 C.B. 31). Under present law day care centers which are primarily educational or primarily charitable may qualify as tax-exempt organizations. See Rev. Rul. 68–166, 1968–1 C.B. 255; Rev. Rul. 70–533, 1970–2 C.B. 112. Under present law, however, these organizations must apply for exemption in order to have their exempt status recognized by the Internal Revenue Service.

Section 207.

Section 207 would amend Code section 151 to allow an additional $1,000 personal exemption for a taxpayer in the year that a child is born to or adopted by the taxpayer. An additional personal exemption of $3,000 would be allowed in the case of a child born to the taxpayer, which child is handicapped. In the case of the adoption of a child whose parents were not members of the same race or a child who is over age six, or a handicapped child an extra $3,000 exemption would be allowed under the section. The additional exemption would be allowed only to married individuals filing joint returns. If the exemption reduces a taxpayer's tax liability to zero, the extra amount could be carried over to the following year.

In addition section 207 would add a new Code section 221 which would allow the deduction of adoption expenses greater than $500 but not more than $3,500 or $4,500 in the case of an international adoption. Adoption expenses would include reasonable and necessary adoption fees, court costs, attorney fees, and other expenses directly related to the legal adoption of a child. Illegal expenses could not be deducted. International adoptions include adoptions in foreign countries, or involving a child who is a citizen of a foreign country who was brought to the United States to be adopted or whose placement for adoption was reasonably foreseeable. Reimbursed expenses or otherwise deductible expenses could not be deducted under this section.

These provisions are new. There are no special exemptions for childbirth or adoption in the year they occur.

TITLE III—EDUCATION

Section 301. This section would amend Part C of the General Education Provisions Act (20 USC 1230 et seq.) to make it unlawful for any educational agency which receives federal funds to: (1) bar "parents or representatives of the community from participating in decisions relating to the establishment or continuation of courses relating to the study of religion," (2) bar or unnecessarily limit the right of parents to visit the public schools or to inspect their children's education records, (3) require teachers to pay dues or fees as a condition of employment, or (4) bar parents from reviewing textbooks prior to their use in the classroom.

This section would further prohibit the use of federal funds to "secure or promote" educational materials which "do not reflect a balance between the status role of men and women, do not reflect different ways in which women and men live and do not contribute to the American way of life as it has been historically understood."

Finally, this section would authorize personal aggrieved by a violation of any of the above to seek judicial redress in state or federal court, would require the court in which such suit is brought to provide an expedited hearing on the matter, and would authorize the award of attorneys fees and costs to such persons if they prevail.

Section 301 would alter, and add to, existing law in a number of respects. The "Family Educational Rights and Privacy Act of 1974" (20 USC 1232g (a)(1)(A)) requires educational agencies receiving federal funds to give parents "the right to inspect and review the education records of their children," but that requirement is enforceable only administratively, not by private suit, as would be provided by this section. Section 14(b) of the "Labor Management Relations Act, 1947" permits states to allow collective bargaining agreements which require membership in a labor union as a condition of employment, a grant of discretion which twelve states now exercise. The section would bar such union security provisions with respect to teachers. 20 USC 1232a bars the federal government from exercising "any direction, supervision, or control over the curriculum, program of instruction, . . . or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system. . . ." and thus might be modified by this section. The remaining provisions of this section would appear to be new to federal law.

Section 302 (a). This section would provide that "federal funds shall not be withheld under any provision of federal law nor shall any provision of federal law be construed to prohibit" (1) the right of any state or local educational agency to determine the requisite qualifications of teachers within their jurisdictions (including the right not to require a certificate), (2) the right of any state to set or not to set attendance requirements at public or private schools within their jurisdiction, and (3) the right of any local educational agency, in consultation with parents, to limit or prohibit the "intermingling of the sexes in any sports or other school-related" activity.

The language of this section providing that "federal funds shall not be withheld under any provision of federal law" to affect (generally) every provision of federal law authorizing the withholding of federal funds under specified circumstances, such as Title VI of the Civil Rights Act of 1964 (42 U.S.C. 1000d), Title IX of the Education Amendments of 1973 (20 U.S.C. 1681), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

But the specific and narrow intent of this section is to link the limitation on withholding to the exercise of the three rights enumerated. In that sense the effect of the section on existing law would be considerably narrower.

Federal law at present does not authorize the withholding of funds or otherwise prohibit the exercise of discretion by the States in setting attendance requirements and determining the qualifications of teachers; such matters are now wholly prerogatives controlled by State law.

Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), however, does bar discrimination in federally assisted education programs on the basis of sex, and regulations issued pursuant to Title IX bar schools receiving federal assistance from offering athletic programs that are segregated on the basis of sex. (45 CFR Part 86.41(a))

The only exception to this requirement provided by the regulations is for athletic teams "where selection for such teams is based upon competitive skill or the activity involved is a contact sport." Id., af 86.41(b)) Thus, the first two "rights" summarized above would not appear to change existing law, but the third would appear to alter this aspect of Title IX.

It must be emphasized that the overall intent of this section is to codify protection from unnecessary federal intrusion in the rights enumerated.

Section 302(b). This section would amend the National Labor Relations Act (29 U.S.C. 151 *et seq.*) to add a new exemption for non-profit private schools. The section would amend Section 2(2) of the NLRA (29 U.S.C. 151(2)) to exclude from the definition of employer "any corporation or association operating a school, if no part of the net earnings inures to the benefit of any private shareholder or individual."

With one exception, each of these proposed amendments to the NLRA concerns amendments to the Act that were adopted by Congress in 1974.

The provision outlined above would add a new exemption to the NLRA for "any corporation or association operating a . . . school, if no part of the net earnings inures to the benefit of any private shareholder or individual." The extent to which such institutions are presently covered by the NLRA is not entirely clear. Not until 1970 did the National Labor Relations Board interpret the Act to cover private universities,[2] overruling in that case a contrary ruling it had made in 1951.[3] In subsequent cases it extended this ruling to private elementary and secondary schools, both sectarian and non-sectarian.[4] In *NLRB v. Catholic Bishop of Chicago*, 440 U.S. 490 (1979), however, the Supreme Court held that the NLRA does not cover teachers in private sectarian schools. More recently, in *NLRB v. Yeshiva University*, 444 U.S. 672 (1980) the Court held that the NLRA similarly does not extend to full-time faculty members in private universities who perform extensive managerial functions. These decisions leave open the possibility that the NLRA still covers efforts to organize nonteaching personnel at private schools, including those religiously affiliated, as well as efforts to organize faculty at private nonreligious schools who do not perform extensive managerial functions. The exclusion of private schools from the definition of "employer" in the NLRA that would be made by this section would eliminate that possibility.

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[2] *Cornell University*, 183 N.L.R.B. 424 (1970).

[3] *Trustees of Columbia University in the City of New York*, 97 N.L.R.B. 424 (1951).

[4] *Shattuck School*, 189 N.L.R.B. 886 (1971); *Roman Catholic Archdiocese of Baltimore*, 216 N.L.R.B. 249 (1975).

EDUCATION BLOCK GRANTS

Section 303. Specifically, this section would amend the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) by repealing Titles I, II, III, IV, VII, and IX of that Act and substituting in their stead a new Title XI. The states would have broad discretion in allocating funds at the local level.

This section was prepared prior to the time the Administration's block grant proposal was introduced. However, the section in many respects is similar to the Administration's block grant proposals.

It is my recommendation to the appropriate committee that this section be amended to reflect the Administration's elementary and secondary education block grant proposals.

Section 304.

Summary

This section provides that no provision of federal law "shall be construed to prohibit released time for parenthood education to be conducted by churches."

The Supreme Court has interpreted the establishment of religion clause of the First Amendment to prohibit "shared time" programs between schools to teach religion to consenting students. *Illinois ex rel. McCollum v. Board of Education*, 333 U.S. 203 (1948). The Court has further held, however, that it is constitutionally permissible under the First Amendment for the public schools to "release" consenting school children during the school day so that they can repair the nearby churches for purposes of religious instruction. *Zorach v. Clauson*, 343 U.S. 306 (1952). Thus, released time programs in themselves do not violate the First Amendment. But if the state becomes excessively implicated in such programs by such means as giving course credit for the religious instruction, the First Amendment likely is transgressed. *Lanner v. Wimmer*, 463 F. Supp. 867 (D. Utah 1978).

Thus, existing law does not prohibit released time programs of parenthood education conducted by churches, and this section would not change that situation.

Section 305. Legal Services: Busing. This section would amend section 1007 (b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) to prohibit funds received by LSC grantees from being used for legal assistance or litigation relating solely to achieve racial quotas or the desegregation of any elementary or secondary school or school system.

This restriction is broader than existing law. Existing law also bans legal services representation in proceedings related to desegregation, but does permit "the provision of legal advice to an eligible client with respect to such client's legal rights and responsibilities" in connection with such proceedings. This section would eliminate that exception from the bar. See: 42 U.S.C. 2996f (b)(9).

TITLE IV—VOLUNTARY PRAYER AND RELIGIOUS MEDITATION

Section 402. This section, entitled the "Voluntary Prayer and Religious Meditation Act of 1981", states that every individual "shall have the right to participate in the free exercise of voluntary prayer or religious meditation" in any building supported in whole or in part with federal funds, and bars any governmental agency from abridging that "right of free exercise of voluntary prayer or religious meditation." The section further provides a cause of action for individuals aggrieved by violations of this right, and requires the courts to give expedited review to such claims. The section defines "voluntary prayer or religious meditation" as "individual prayer and devotional reading from religious literature initiated by members of the group, and prayer and devotional reading from religious literature, provided that any person so desiring is excused from participating . . ."

In *Engel* v. *Vitale*, 370 U.S. 421 (1962) and *Abington School District* v. *Schempp*, 374 U.S. 203 (1963) the Supreme Court held unconstitutional as an establishment of religion, state sponsorship of prayer and devotional Bible reading in the public schools. A number of state and lower federal courts have extended these rulings to bar as well student-initiated prayer and Bible study groups in public elementary and secondary schools. *Brandon* v. *Board of Education of the Guilderland Central School District*, 635 F. 2d 971 (2d Cir. 1980); *Johnson* v. *Huntington Beach Union High School District*, 137 Cal. Rptr. 43, 68 Cal. App. 3d 1 (Ct. App.), *cert. den.* 434 U.S. 877 (1977); *Trietley* v. *Board of Education of the City of Buffalo*, 65 A. 2d 1, 409 N.Y.S. 2d 912 (App. Div. 1978).

Because a basic canon of statutory construction is to so construe statutes to avoid constitutional questions, this section has been deliberately designed to statutorily reverse the above rulings. The right stated by the section is a right of *individual* prayer or religious meditation although it is not designed to exclude some element of group devotional reading as well.

TITLE V—RIGHTS OF RELIGIOUS INSTITUTIONS AND EDUCATIONAL AFFILIATES

Section 501. This section would bar the federal government from imposing on a variety of church-related organizations any requirements with respect to admissions policies, instructional or training materials, instruction or methodological[5] hiring or selecting of employees and staff, contractual relationships with employees and staff, or operating procedures. The only exceptions would be "reasonable health and fire regulations", when promulgated by a federal instrumentality exercising the authority of a local government, and requirements imposed pursuant to the Civil Rights Act of 1964.

The latter would be limited to requirements with respect to race, creed, color, national origin, (i.e., not sex) and would include requirements "relating to affirmative action, quotas, guidelines, or actions designed to overcome racial imbalance." The church-related organizations covered by the section would be child care centers, orphan ages, foster homes, social action training programs, emergency shelters for abused children or spouses, schools, juvenile delinquency or drug abuse treatment centers or homes, and "similar" programs or institutions.

Most government regulation of the above named types of organizations would be State and local in nature rather than federal. But the federal government does regulate conditions of employment and does impose a variety of conditions on organizations receiving or desiring to receive federal financial assistance.

For instance, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) bars discrimination on the basis of race, color, and national origin in programs and activities receiving federal assistance; Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 *et seq.*) bars discrimination on the basis of sex in federally assisted education programs; Section 504 of the Rehabilitation Act 1973 (29 U.S.C. 794) bars discrimination in federally assisted programs on the basis of handicap. None except church-operated programs receiving federal assistance from these obligations.

Title VII of the Civil Rights Act of 1964 (42 U.S.C. 200e *et seq.*) bars discrimination in employment on the basis of race, color, national origin, sex, and religion, and does exempt church-operated schools and colleges with respect to discrimination on the basis of religion. But no such exemption attaches to such institutions for discrimination on the other prohibited basis, or for any prohibited discrimination by non-academic church programs. Similarly, the minimum wage and maximum hour provisions of the Fair Labor Standards Act (29 U.S.C. 201 *et seq.*) make no exception for religious organizations as such.

Particular grant-in-aid programs may impose additional requirements on the operating procedures of recipient organizations, without exception for church-operated programs. Title XX of the Social Security Act (42 U.S.C. *et seq.*), for instance, authorizes grants to the States for a variety of social services, such as day care, prevention of child abuse, and foster care. For at least some of these programs, the statute and/or the implementing regulations impose detailed requirements on the ultimate recipients with respect to staffing ratios, educational requirements for personnel, etc. See, *e.g.*, 42 U.S.C. 1397a(a)(9)(A) and 45 CFR Part 71, 45 Fed. Reg. 17881–86 (March 19, 1980) (day care requirements).

Section 301 is intended to eliminate the applicability of virtually all such Federal regulations and conditions to the named church-operated programs and organizations with the exception of certain aspects of the Civil Rights Act of 1964, and thus would substantially alter existing law.

TITLE VI—MISCELLANEOUS

Section 601. Jurisdiction.

Section 601(a) would provide jurisdiction in the United States district courts or any territorial court which has the powers of a district court for suits brought under the Act, without regard to the amount in controversy. Section 601(a) would also provide for venue in any district in which the defendant is an inhabitant, transacts business, or is found, and provides for similar service of process.

Section 601(b) would bar any action brought in State court under the Act from being removed to Federal court except when a Federal official or the United States is a party. The section would further provide that no costs may be assessed against the United States.

Jurisdiction: Under existing law the Federal courts would have jurisdiction of suits brought under the Act pursuant to the general Federal question jurisdiction statute (29 U.S.C. 1131). However, except when a Federal official or the United States is a party or another statute specifically waives the requirement, general Federal question jurisdiction requires a minimum amount in controversy of $10,000. Section 601(a) would remove that amount in controversy requirement for suits between private parties brought under this Act.

Venue and Service: The venue and service provisons appear to expand present law for suits brought under the Act. 28 U.S.C. 1391 (b) provides that venue lies in the district where all defendants reside, or where the

[5] This phrase may be intended to state "instruction or methodology."

claim arose. In the instance of an individual, section 601(a) of the Act would create liability to suit in any district where the individual transacts business or is found, even if only transiently. In the instance of a corporation, section 601(a) of the bill does not appear to alter venue (although the change in linguistic style may subject the proposed subsection to a different interpretation than current law).

In the instance of a government official of the United States as a defendant, 28 U.S.C. 1391(e) provides for venue (1) where the defendant resides, (2) where the cause arose, (3) where real property that is the subject of the action is situated, or (4) where the plaintiff resides if no real property is involved. Section 601(a) of the bill would appear to limit venue to the residence of the officer being sued and eliminate venue where the cause arose, where any real property may exist, or where the plaintiff resides.

Section 601(a) of the bill provides for service of process in any district in which the defendant may be found. Initial process is essential to personal jurisdiction over the defendant, and, accordingly, in the sense of service of the complaint, this subsection provides for nationwide service of process. This is not uncommon in terms of asserting jurisdiction.

Removal: Existing law permits the removal from State court of all civil actions over which the federal district courts have original jurisdiction. *See* 28 U.S.C. 1441. Existing law further permits the removal from State court to federal district court of all civil and criminal actions in which a federal official or the United States is the respondent. *See* 28 U.S.C. 1442. Thus, for suits brought under this Act, the removal authority granted by Section 601(b) would be generally consistent with the latter statute but substantially narrower than the former one.

Costs: Rule 54(d) of the Federal Rules of Civil Procedure states the general rule that costs may not be taxed against the United States unless specifically provided for by law. Section 601(b) of the bill restates that general rule.

Congress has the constitutional authority to set affirmatively the jurisdiction of the district courts and to provide for procedure in the courts. *Wayman v. Southard*, 23 U.S. (10 Wheat.) 1 (1825).

Section 602. Limitation on Actions. This section would provide that a civil action must be brought within six years after the cause of action arises.

This section further provides a common limitation in the law. The determination of a six year limitation is not unusual.

Congress possesses the authority to limit liability to a given period of time. *Wayman v. Southard, supra.*

Section 603. Enforcement.

Section 603(a) provides that any person who violates any provision of the bill or regulations thereunder may be subject to a civil fine not to exceed $5,000. The subsection provides that an offense is newly committed each day of the violation. The subsection also provides that the fine may only be imposed after a hearing.

Subsection 603(b) provides that hearings shall be conducted pursuant to the adjudication provisions of the Administrative Procedure Act (5 U.S.C. 554).

Subsection 603(c) provides that the Attorney General or a delegee may collect the civil fines, payable to the United States, in the district courts. The subsection limits review on the collection matters to exclude the validity and appropriateness of the final determination.

Subsection 603(d) provides that a person aggrieved by a final determination under subsection (b) may seek review in a United States Court of Appeals within twenty days after the determination. Review is to be in accordance with the Administrative Procedure Act (5 U.S.C. 706).

The imposition of a civil fine is common to federal regulatory schemes, usually subsequent to some form of proceedings as outlined above.

Thus, the provision, while new to federal law as part of this bill, would not be unusual. The authority of the Attorney General to collect the fine is a restatement of the Attorney General's authority under 28 U.S.C. 509, 514, 517, and 547.

The authority to delegate the collection function is a restatement of the Attorney General's authority under 28 U.S.C. 510. The provision requiring filing of an appeal from a determination within twenty days and the restriction on review of collection matters are not uncommon.

It is my opinion that Congress has the authority to enact these provisions.

Section 604. Contrary Stipulations Void. This section would provide that any agreement contrary to the provisions of the bill is void.

This provision is new, and therefore, would not directly affect existing law.

As long as this provision is applied prospectively, there would not appear to be any constitutional infirmity. However, should the provision be applied retroactively (to agreements made prior to the enactment of the bill), the Impairment of Contracts clause of Article 1, section 10, clause 1 of the Constitution or the due process clauses of the Fifth and Fourteenth Amendments (under a taking without just compensation theory), may be implicated. It is not possible to analyze in detail whether the provision, as applied, would violate these constitutional strictures, but the provision does not, on its face, appear to be unconstitutional.

Section 605. Report to Congress. The section requires the Secretary (what Secretary is not specified) to file a report with Congress within thirty months on the implementation of the bill.

Section 606. Effect on Other Laws. This section provides a rule of construction that the bill does not limit, but is in addition to, any other private right provided in federal or state law.

This section is new, and it is my view that Congress has authority to require such an interpretation.

Section 607. Authorization of Appropriations. This section authorizes appropriations to carry out the provisions of the bill and does not specify a limitation on the amount. The open limitation on the amount is *not* intended to imply "open-ended" or otherwise unlimited funding to carry out the provisions of the bill.

Section 608. Separability. This section provides for the separability of the provisions of the bill, if any provision is found invalid.

Such separability provisions are common, and it is my view that Congress has the authority to enact this provision.

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Senate

Mr. JEPSEN. Mr. President, today I join with Senator LAXALT in introducing a vital and innovative piece of legislation, the Family Protection Act. Vital, because this legislation seeks to tackle the problems that surround Government intervention in the lives of individuals and their families. Innovative because the 97th Congress version of this act is a novel effort to call attention to the value of the family unit and its definitive role in society as a whole.

As an elected public servant, a father of six children and a grandfather, I have great concern over the rise of Government intervention in the family. Government policies interfering with the family have increased over the past decade under the guise of solving human problems in the areas of health, education, and social services. Government oversight is no substitute for active participation by the community, the church, and in the final analysis, the family unit.

Government activists, although many times well intentioned, have adversely influenced the direction of American social policy. Very subtly, over a period of relatively few years, bureaucrats have spun a suffocating web of programs and regulations that has threatened the very existence of the traditional family. If you recall, after the 1970 White House Conference on Children and Youth, the Forum 14 report redefined the family as a group of individuals in interaction.

The American Home Economics Association has determined that the family is a unit of two or more persons who share values and have a commitment to one another over time.

Unfortunately, such all-encompassing definitions, while at first glance may appear bland and academically accurate, actually extend the meaning of family to include anyone and anything from group marriages to homosexual and lesbian couples who want to adopt children.

How did the traditional definition of two or more persons related by blood, heterosexual marriage, or adoption become so old fashioned and unacceptable.

As a young man growing up on a farm, I quickly learned the meaning of hard work and working together in a family unit. I realized that character and selflessness are uniquely inspired by household chores, well-placed words of encouragement and, on occasion, a prudent use of corporal punishment.

Truly, it is only through healthy family life that young people develop their habits and lifestyles. As a result of family upbringing, the individual realizes his essential character and grows into a participating member of society.

As noted author Richard Reilly stated:

> Without the family that formation is impossible. It is in and through human society that man naturally reaches his fullest completion, and the fundamental cell of that society is the family.

Robert Kennedy said that:

> One of the basic reasons we have had crime, lawlessness and disorder in the United States has been the breakdown of the family unit.

His statement demonstrates one of the fundamental truths about a society: Every attempt by a society to circumvent the structure of the family in establishing social change has been subject to dismal failure and moral disaster.

The family unit is so basic, so fundamental, and so necessary to society that it is hard to believe it is under attack—but it is. The family has become a favorite target of some organizations and intellectuals bent on transforming the existing social order.

As a Conservative, I strongly support the traditions and institutions which have served to strengthen the family and have stood the test of time. I cannot accept the concepts of these social planners who believe that times are changing and we need to adjust our basic values to fit the change in times.

There are many instances where Government policies have affected the integrity of the family. A few come immediately to mind.

Too often, compulsory busing disrupts family and neighborhood life and heightens racial tensions without improving the quality of education for children of any race or ethnic background. More importantly, it radically removes the responsibility from parents for directing their children's education.

Some of the rules and practices used in providing aid to families with dependent children—AFDC—are examples of how a Government program can disrupt family life. Under this program, low-income families deprived of a father's support are granted cash assistance while intact families in the same financial bracket do not meet eligibility requirements. This system provides no monetary incentive toward marriage for an unmarried couple who already have children.

Under title IX funding, human services professionals have received Federal grants to cure family-related social maladies. A percentage of these funds are being used to finance 15 race desegregation assistance centers and 10 sex-discrimination assistance centers.

The activities of these federally funded centers range from recruiting females or males for employment in jobs not traditionally held by members of their sex to identifying race stereotypes in textbooks and other curricular material and developing methods of countering their effects upon students.

At best, such design is counterproductive to efforts to treat each minority as an individual rather than each individual as a member of a minority.

Mr. President, I ask, Is the role of the Federal Government to shape the attitudes of the American people? Are we to seek our moral direction from the Federal Government?

For over a decade now there has been a concerted effort to detach sexual activity in young people from the imperatives of morality and responsibility. What began as an effort by the Federal Government to provide health care services for low-income women has expanded into other untouchable areas of family planning. The Federal Government now is funding abortion referrals and counseling and is distributing contraceptives to minors without parental consent.

I agree wholeheartedly with Eunice Kennedy Shriver when she stated:

> To do something helpful about teenage sex and pregnancy, we do not need more money for the mechanics of birth control or more value-free sex education. We need efforts that strengthen the family commitment and marriage and get at the problems that lead adolescents into early sexual activity.

I firmly believe that the Federal Government should not interfere or intrude into personal family life relationships. Families that have not been able to solve their personal problems have traditionally looked to their community's spiritual and religious leaders for direction.

Our role as elected officials should be one of protecting the freedoms of families as well as individual citizens. The time has come when protection that reflects the will of the people must be provided for and defined through legislation. With the accelerated erosion of basic family values due to Government intrusion and growing secular humanism—the time for family protection legislation has arrived.

The results of the November 1980 election clearly reflected the desire of the American people to see a change in the direction of our country's economic, educational, moral, and social policies. The elections were not won by just single issue, right-wing elements in our political system.

The widespread geographic unanimity of voting in last year's election was a true reflection of a growing concern among Americans across the country that America is in trouble.

The Family Protection Act is a nonpartisan legislative effort that is intended to send a clear signal to all parents that they have the primary rights and responsibilities in the character formation, education, and health care of their children.

The intention of the bill is simple. In key areas, such as education, taxation, religion, and domestic relations, the Family Protection Act seeks to restore the responsibilities for strengthening the family to the unit itself.

Specifically, the Family Protection Act is divided into six titles: Family preservation; taxation; education, voluntary prayer; the rights of religious institutions, and educational affiliates; and jurisdiction.

FAMILY PRESERVATION

Title I of the Family Protection Act seeks to revise several antifamily sections of the United States Code. Although much more needs to be done to preserve the integrity of the family, I believe this section is a step in the right direction.

The concepts contained in this section include:

A reinforcement of the parent's legal right to direct the religious and moral upbringing of their children.

A shift in responsibility from the Federal Government to the State and local government for maintaining programs dealing with juvenile delinquency, as well as child and spouse abuse;

A restriction of Legal Services funds for use in litigation cases dealing with abortion, homosexual rights, and divorce; and

A requirement that parents are to be notified when an unmarried minor receives contraceptive devices or abortion-related services from a federally funded organization.

I note, Mr. President, for the record, that in the last 15 to 20 years we have had an outpouring of money that totals in the millions of dollars in programs which were designed to address the problems of pregnancy and venereal disease among teenagers. Hundreds of millions of dollars in social programs, initiated in large part and supported by the Federal Government, agencies and organizations associated with Government, have tried to solve this problem. The results have been that we have an accelerated growth of teenage pregnancies; venereal disease is rampant and running higher than ever.

* * * * * * *

Mr. President, this act also includes a reinstatement of the 1973 Department of Defense requirement that service personnel separated from their families by military duty send home a predetermined allowance for family support each month.

It also provides a restriction of Federal funds for use in financing any organization that uses the funds for the express purpose of advocating homosexuality as a lifestyle.

TAXATION

Title II of the Family Protection Act seeks to reform the Internal Revenue Code to enable family members to care for each other. For too long, the Federal Government has used the tool of taxation to manipulate the individual as the central unit of our society at the expense of the family unit. This section addresses several inequities in the Federal tax code.

All too frequently, low- and moderate-income families are forced to put their elderly parents into subsidized nursing homes because they cannot afford to keep them at home. This bill proposes to allow a family a tax credit or a tax exemption if they take upon themselves the responsibility of caring for their aging relatives.

Although tax subsidies cannot attempt to match the amount of money required to keep an elderly dependent at home, it is certainly more cost-effective and more humane than putting an elderly relative out of sight in a federally regulated, subsidized, and controlled institution.

In the same vein, the Family Protection Act establishes a trust account procedure similar to the individual retirement account, under which taxpayers could save $1,500 a year for their aged parent's or handicapped relative's support.

In the area of educational savings, relatives would be allowed to set aside $2,500 tax exempt, per year, for a child's education.

Additionally, this section establishes a new Internal Revenue Code provision for educational institutions which wish to qualify for tax exempt status.

Employed individuals are given the option of saving $1,500 tax deductible, a year, for their nonsalaried spouse's retirement. Also, corporations are eligible to deduct the expenses of maintaining an employee-employer day care facility.

Additionally, Mr. President, this legislation allows a married couple to claim an additional $1,000 tax exemption for the year in which a child is either born or adopted. This exemption increases to $3,000 if the child is born handicapped, or over the age of 6, or biracial. This provision allows the individual to deduct the amount of adoption expenses paid during the taxable year.

EDUCATION

Beginning in the early 1960's, Mr. President, education became the center of the battle between Federal or local jurisdiction. Laws and grant programs were enacted one after another to aid those who had historically been left out: The underprivileged, the handicapped, the non-English speaking.

But somehow, the tail began to wag the dog. The few narrowly defined educational programs mushroomed into a vast series of contracts, activities, regulations, and unyielding Federal oversight. Local education became dominated by bureaucratic paperwork generated by the Federal Government.

Even though the Federal Government subsidizes only about 8 percent of local educational costs, local school boards can no longer be primarily responsible to parents. They have been forced to turn toward Federal policies and regulations for direction.

For example, in the past, there have been Federal challenges regarding all-male boys choir. The Government tried to regulate father-son banquets, mother-daughter banquets, all other similar functions.

In Iowa, we have an annual girls basketball season with highly competitive teams that I believe are second to none. Several years ago, the Federal Government of Washington, D.C., wanted to enforce a rule requiring the Iowa girls basketball program to change their rules to comply with the same rules required in boys basketball.

Today, Mr. President, many schools in this country are becoming closed fortresses to parents. The historic cooperation between parents and school boards in establishing and running local schools has broken down. Too often today, education officials view the parents with hostility. It is time to reverse this unfortunate trend.

The Family Protection Act would provide a cause of action—a cause of action, Mr. President—for parents if they were prohibited from participating in decisions vital to their child's educational development. If enacted, title III of this act would allow parents to visit public classrooms and review their children's school textbooks. This bill would also prevent States from using Federal funds to promote material that does not reflect a balance between the status roles of man and women.

It would also allow parents to withdraw their children on a release-time basis from classes teaching the functions of becoming a parent. Parents would also be notified if their child's curriculum required a course in religion.

Also, the Family Protection Act returns the right to the States to determine school attendance requirements, teacher qualifications, and the right, with parental consent, to determine policies for sex-intermingling in sports and other activities. As recommended by the Reagan administration, the bill would return certain education funds to the States in the form of block grants, rather than categorical, regulated grants.

Other education concepts would remove the private schools from the jurisdiction of the National Labor Relations Board as well as restrict the Legal Services Corporation from hearing cases dealing with school desegregation.

PRAYER

Mr. President, our forefathers framed the Constitution to insure that all Americans enjoyed the freedom of worship and the free exercise of prayer. However, in 1962, the U.S. Supreme Court ruled that both nondenominational prayer and Bible reading without comment conflicted with the first amendment prohibiting the establishment of religion. At the time of the decision, 26 States permitted Bible reading in schools and 13 permitted the recitation of the Lord's prayer.

I point out, Mr. President, that when I attended school, in a one-room country schoolhouse on a corner of our family land, each day began with pledge of alllegiance outside to the flag, regardless of what the weather was, cold or hot. We went inside, hung up our clothes, put our boots in a nice neat row if it was wet weather, went and stood beside our desks, recited the Lord's Prayer together, sat down, and went to work. I am very thankful for that school, that training, that discipline.

In addition to that discipline, I also learned to read, to write, to add, and to subtract without the Federal Government telling me how to do it.

Mr. President, I note for the record since the Senate's inception in the late 1700's, this Chamber has begun each day's activities by asking God's blessing. Yet, throughout this country, public school children are being denied that privilege.

In a novel manner, title IV of the Family Protection Act reinstates the individual's right to the free exercise of religion based on the free exercise clause of the U.S. Constitution, which, for some reason or other, the Supreme Court decided to either ignore, or make subordinate to the establishment clause.

RIGHTS OF RELIGIOUS INSTITUTIONS AND EDUCATIONAL AFFILIATES

Title V of the Family Protection Act deals with the rights of religious institutions and their educational affiliates. The ever-increasing authority of Federal agencies has caused major church-state conflicts never contemplated by Congress when it enacted much of the legislation these agencies claim as their source of authority. Numerous problems have occurred as a result of attempts to treat religious organizations as secular.

Many of the same religious schools long denied public funds because they are religious now find themselves subjected to Federal regulations because they are treated like secular institutions.

It has been a long-established policy that religious schools are an integral and definite part of the religious mission of the church.

Title V would prohibit agencies of the Federal Government from adopting and enforcing rules which violate the constitutional rights of religious institutions. It would ban the imposition of federally mandated requirements upon religious institutions.

This provision in no way interferes with the provisions of the Civil Rights Act of 1964, with respect to race, creed, color, or national origin, or with the ability of local government to require reasonable fire, health, and safety standards. Furthermore, religious institutions are protected from affirmative action guidelines, quotas, or goals.

JURISDICTION

The final section, title VI, outlines the various courts of jurisdiction to which an action under the act may be brought by an aggrieved party.

In addition, this section outlines the statute of limitations and other procedural questions.

Mr. President, this is the essence of the Family Protection Act. It is a lengthy but comprehensive piece of legislation intended to focus attention on the family unit and its historic place in American society. Clearly, the 1980's will provide a platform for all Americans who believe it is time to return the jurisdiction of the family back home where it belongs.

* * * * *

Mr. LAXALT. Mr. President, today I am pleased to cosponsor the 1981 version of the Family Protection Act. The 1981 Family Protection Act, sponsored by my good friend and very able colleague the senior Senator from Iowa, ROGER JEPSEN, marks another major step in the vital process of strengthening the traditional family structure in America and minimizing the harmful Federal intrusions in our Nation's churches, schools, and families.

As I am sure Senators recall, last Congress I was the chief sponsor of the Family Protection Act, with the strong support and cosponsorship of Senator JEPSEN. In the 97th Congress, I find myself more deeply involved than I could have anticipated, in many diverse areas, including chief legislative responsibility in the Senate for the regulatory reform bill, and as chairman of the President's task force on federalism. A bill as complex and important as the Family Protection Act requires more effort than I felt I could devote to it.

Yet my commitment to the family, to traditional values, and to religious freedom is every bit as strong as it was last year. Fortunately Senator JEPSEN has agreed to assume the responsibility of the Family Protection Act in addition to his many other senatorial duties. I was pleased to place the care of the bill into his capable hands; I have the highest regard for the senior Senator of Iowa and I am confident that the bill could be in no better hands.

The sincerity of the Senator's convictions is striking, and the amount of work he has put into this bill is truly impressive. Already Senator JEPSEN has carefully reviewed the former version and has made positive changes, including restructuring the provisions in a more logical way. The Family Protection Act of 1981 is a different and better bill than last year's version in that it reflects changes resulting from careful study and the wisdom of continuing dialog While I remain an enthusiastic supporter and a cosponsor, it is truly now the Jepsen Family Protection Act.

However, Mr. President, even more important than the language of the bill itself is what the bill represents. Like all pieces of legislation of this magnitude and complexity, changes have been made and more will be made during the legislative process. But behind the bill is a recognition of the necessity of this country to revitalize its family structure and to reemphasize the traditional values that made this a great nation.

When I originally introduced the Family Protection Act in 1979, it was the first time that conservatives offered a comprehensive family policy. Before that, for several decades family policy had been defined only by social activists who had called for ever-increasing Federal intervention in the most intimate of family relationships. Clearly, the vast array of Federal social programs has had a detrimental effect on all the intermediate institutions of our society such as the family, the schools, and the churches. It was a form of government activity that aroused the most hostile reaction from the American people, and with good reason.

The Family Protection Act turned the debate around in a healthy way. For the first time, policymakers began to take a look at their programs to make sure that they did not harm the family in some unintended way. People who had been previously politically apathetic rallied behind a measure designed to foster and protect their families. Americans began to reflect on the importance of the family and on traditional values. At the same time we witnessed a resurgence of traditional families and a return to the older ways that worked so well.

I believe that the policies of President Reagan will further strengthen the family. I do not expect a continuation of the social tinkering that we saw in the last 4 years under the Carter administration advocated by appointments openly hostile to traditional values. Instead I expect an administration deeply sympathetic to family concerns. Two of the provisions of the 1979 bill, elimination of the marriage tax penalty and educational block grants, have been embraced by the Reagan administration.

In short, Mr. President, I perceive the Jepsen Family Protection Act as an integral part of a process to develop a new awareness of the importance of the family to American society and to develop Federal policies designed to foster and encourage that family. I look forward to spirited hearings on the bill here in the Senate and to further changes to strengthen the bill. In essence today we are not merely reintroducing a Family Protection Act but we are reaffirming a family protection movement.

Along with Senator JEPSEN, I look forward to a resurgence of the American family in the 1980's.

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Senate

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Mr. JEPSEN. Mr. President, I am today introducing a bill, along with Senator LAXALT as the chief cosponsor, which is designed to strengthen the American family. Specifically, the purpose of the act is to preserve the integrity of the American family, to foster and protect the viability of the American family by emphasizing family responsibilities in education, tax assistance, religion and other areas related to the family and to promote the virtues of the family.

I ask unanimous consent that a factsheet I have prepared be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

[Fact Sheet]

FAMILY PROTECTION ACT OF 1981

The provisions of the Family Protection Act of 1981 fall into six Titles:

Title I. Family Preservation.—To preserve the integrity of the American Family, to foster and protect the viability of the American Family in the areas of parental rights, parental notification, juvenile delinquency, child abuse, spouse abuse, the restriction of Legal Services Corporation litigation pertaining to abortion, divorce, homosexual rights, and busing; Armed Forces Dependents allotments and homosexual advocacy.

Sec. 101. Rights of Parents. This section would amend the General Judiciary Procedures Provisions, Chapter 111 of Title 28 of the U.S. Code (28 U.S.C. 1651 *et seq.*) by adding at the end a provision providing for "a legal presumption in favor of an expansive interpretation" of the parental role in supervising and determining the religious or moral formation of a child.

Sec. 102. Parental Notification. This section amends the General Provision section of the U.S. Code to provide that no program may receive federal funds unless prior to providing a contraceptive device or abortion service (including abortion counseling) to an unmarried minor, the parents or guardian of such minor are notified.

The section further amends Part C of the General Education Provisions Act for the exact same purpose. Therefore, as drafted the "parental notification" provisions shall apply generally to the U.S. Code Statutes at Large, and specifically to Part C of the General Education Provisions Act.

Sec. 103. Juvenile Delinquency. This section amends the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415) by adding a new section stipulating that no federal program, directive, guideline, agency directive, commission or grant shall be construed to override existing state law relating to juvenile delinquency.

Section 103(b) is added for the purpose of preserving the integrity of state participation or cooperation in any program for the return of runaway youths through interstate compact or other similar legislative statutes or provisions.

Presently, the Juvenile Justice and Delinquency Prevention Act currently contains no provision comparable to sections 103(a) or 103(b).

Sec. 104. Child Abuse. This section provides that no federal program, directive, guideline, or grant be construed to provide any existing state law relating to child abuse.

Sec. 104 (b) would add a new condition to state programs on child abuse which seek federal funding under either the Child Abuse Prevention and Treatment Act of Title IV of the Social Security Act (42 U.S.C. 620 *et seq.*), specifically, that such programs be specifically authorized and established by the respective state legislature(s).

Sec. 104 (c) amends section 3 of the Child Abuse Prevention and Treatment Act by revising the definition of child abuse to conform with the definition of child abuse under the Child Welfare Amendments of 1979 (P.L. 96-272), (See H.R. 3434), and also by creating an exception for discipline or corporal punishment "applied by a parent or individual explicitly authorized by a parent to perform such function".

Sec. 105. Spouse Abuse. This section as drafted is amended to the General Provisions of the U.S. Code. It provides that no federal law, program, guideline, agency action, commission action, directive or grant shall be construed to pre-empt state statutory law relating to spousal abuse or domestic relations.

Sec. 106. Legal Assistance Restrictions. This section would impose numerous restrictions on the kinds of legal representation that could be offered by federally funded legal services offices.

Specifically, this section would amend section 1007 (b) of the Legal Services Corporation Act. (42 U.S.C. 2996 f (b) to ban funding under that Act to entities which provide legal assistance:

"To any proceeding or litigation which seeks to procure an abortion, or

"With respect to any proceeding or litigation seeking to obtain or arising out of a divorce, or

"To any proceeding or litigation which seeks to adjudicate the issue of homosexual rights.

Present law imposes restrictions only on the federal funds made available through Legal Services Corporation. This section would place the restriction under section 1007 (b) on *all* activities of the Corporation grantees, whether paid for out of Corporation funds or not.

Sec. 107. Armed Forces Dependents' Assistance allotments. This section amends Title 37 the "Pay and Allowances of the Uniformed Services" provisions, Chapter 13 by authorizing the Secretary of Defense to pay to the dependents of any member of the armed forces a monthly dependents' assistance allotment, which allotment shall be deducted from the pay and allowances of the member when such dependents are living separate from the member.

Public Law 93–64 (H.R. 8537, submitted by the DOD), enacted July 9, 1973, allowed the mandatory allotment provision in the Dependents' Assistance Act of 1959 to expire in 1973. The mandatory allotment provision required members in pay grade E–4 (with four years or less service), E–3, E–2, and E–1 to allot a portion of their pay directly to their dependents in order to qualify for Dependents Assistance Act benefits, which consisted of a quarters (housing) allowance.

NOTE: Public Law 87–531 (1962) removed the mandatory allotment requirement for members in pay grade E–4 (with four years service) and above.

Sec. 108. Federal funds for Homosexual Advocacy. This section would bar federal funds from going to any public or private individual or entity which presents that male or female homosexuality is an acceptable lifestyle. Presently, there is no federal statute which places such a condition on the receipt of federal funds.

This section is not intended to prohibit a homosexual from receiving social security, welfare, veterans benefits, student assistance or other public funds.

The policy pursuant with this section centers on the proposition that the government should not support either directly or indirectly homosexual advocacy. This is particularly true in regard to the use of taxpayers dollars.

Title II. Taxation.—To foster and protect the viability of the American family through taxation in the areas of education savings accounts, tax exempt schools, multigenerational households, parental support accounts, retirement savings account, corporate day care, charitable contributions, and exemptions for childbirth or adoptions.

Sec. 201. Education Savings Accounts. This section is modeled after S. 24, by Senator Dole of Kansas. The section adopts the education savings provisions of S. 24 with several modifications in the areas of private schools, insurance company participation, and participation by relatives. Specifically, this section would amend the Internal Revenue Code of 1954 to provide for the establishment of and the deduction of an education savings account for each child. Parents and the child may contribute up to 2,500 per year to this account and receive a corresponding tax deduction.

Contributions may be made each year of a child's life until the child reaches 21 or enrolls at a qualified elementary, secondary, college or vocational school whichever occurs first.

Amounts from the fund will not be subject to tax when used for tuition, fees, and reasonable living expenses while the child is at a qualified educational institution. However, the amounts so expended will be included ratably in the child's income over a 10-year period beginning in the year the child attains age 25.

The section also provides for relatives of the child or parent to contribute to the account.

Sec. 202. Tax Exempt Schools.

Sec. 202(a) of the bill would create a new subsection 501(j) of the Internal Revenue Code. (Present subsection 501(j) would become 501(k).) Proposed subsection (j) outlines several conditions for organizations which wish to qualify for tax-exempt status as educational organizations. Under proposed subsection (j) an organization described in section 501(c)(3) of the Internal Revenue Code would be treated as organized and operated exclusively for educational purposes if it met 5 requirements:

1. It must be organized and operated exclusively for the purpose of providing preschool, grammar school, high school or college education;

2. It must be incorporated as a nonprofit corporation in any state of the United States, its territories or possessions, or in the District of Columbia;

3. Its bylaws must prohibit discrimination in the hiring of teachers or admission of students on the grounds of race, nationality or ethnic background;

4. It must require attendance for at least the same number of days as are required in public schools of the state in which it is located;

5. The school cannot be operating under a judicial order entered under 202(b) of the Family Protection Act.

Paragraph 1 of subsection 202(b) would provide a method whereby the Attorney General (U.S.) could obtain a judicial order barring a tax exemption for a school which had violated any provision of sections 1977, 1978, or 1979 of the Revised Statutes (i.e. 42 U.S.C. sec. 1981, 1982, 1983) or of the Civil Rights Act of 1964. If the Attorney General has reasonable grounds to believe that a school has violated any of those provisions, the Attorney General is required to file a civil suit for a declaratory judgement in the federal district court for the district where the school is located.

If the Attorney General can establish by a preponderance of the evidence that the school has engaged in deliberate or intentional discrimination for at least four consecutive years prior to the filing of the suit, the court would be required to issue a judicial order barring a tax exemption for the school. Paragraph 6 would prevent the court from considering a school policy requiring the faculty to adhere to or subscribe to certain doctrines or beliefs to be a policy of deliberate and intentional discrimination.

Sec. 203. Multigenerational Households. This section would add two new sections to the Internal Revenue Code which would permit a taxpayer to take either a tax credit or a deduction for maintaining an elderly dependent in the household.

Section 203(a) would add a new section 44F which would permit a taxpayer who maintains a household which includes a dependent who is at least 65 years old at the end of the taxable year to take a $250 credit against his income tax. The tax credit would be non-refundable and would be applied after certain other credits such as the foreign tax credit, the credit for the elderly, the general tax credit, the investment tax credit, the child care credit and the residential energy credit.

Certain special rules would be applied. An individual would be treated as maintaining a household only if the individual (or the individual and spouse) furnished over half the cost of maintaining a household. Married couples would have to file a joint return to take advantage of the credit. Legally separated couples and divorced couples would not be considered married. In addition, certain married individuals who file separate returns would be permitted to claim the credit if they maintained a home for a qualifying individual for more than one-half of the year, furnished over half the cost of maintaining the household during the year, and if their spouses did not live in the household during the last six months of the taxable year.

Section 203(b) would create a new Code section 222 (after moving section 222 to section 223). Proposed section 222 would be an alternative provision to the proposed section 44F credit. Section 222 would permit a taxpayer to take a deduction of $1,000 per year for each year during which the taxpayer maintained a household for a dependent at least 65 years of age at the close of the taxable year. The same special rules regarding marital status and claiming the deduction discussed in connection with the credit would apply. The remainder of the section would conform the Code to the changes made by this section of the bill. It provides for an effective date of taxable years beginning after December 31, 1980.

Sec. 204. Parental Support Account. This section would create two new Code sections; 223 and 645. New section 223 would allow a deduction of up to $3,000 per year for contributions to a trust established to care for an individual's parents or a handicapped relative. A handicapped relative would have to fall into one of eight categories of relationship to the grantor in addition to being handicapped: (1) son, daughter, or grandchild; (2) stepson or stepdaughter; (3) brother, sister, stepbrother, stepsister; (4) father, mother, grandparent; (5) stepfather or stepmother; (6) niece or nephew; (7) aunt or uncle; (8) son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law.

New section 645 would describe a qualified parental or handicapped relative care trust. Under proposed section 645(a)(1) the trust would be exempt from tax, with certain exceptions. Under proposed section 645(a)(2) the amounts distributed by a qualified trust would not be included in the gross income of the beneficiary provided the beneficiary is not the spouse of the grantor of the trust and provided the beneficiary is not related to the grantor as (1) a son, daughter, grandchild; (2) stepson or stepdaughter; (3) brother, sister, stepbrother or stepsister; (4) father, mother, or grandparents; or (5) stepfather or stepmother.

Sec. 205. Retirement Savings Account. Section 205(a) would amend section 219 of the Internal Revenue Code to allow an individual retirement plan on behalf of the individual's spouse.

Subsection 205(b) of the bill would amend section 219(c) of the Code to explain how married individuals can claim the deduction for payments to an individual retirement plan for the benefit of a spouse. The spouse could have no compensation income in order for the taxpayer to claim the deduction for the payments; however, for purposes of computing the maximum allowable deduction the non-earning spouse would be treated as having compensation income equal to the earning spouse's compensation includable in gross income for the taxable year. The maximum deduction (the lesser of 15% of compensation or $1,500) would be computed separately for each spouse.

If the spouse were handicapped, the maximum deduction would be $3,000. (A handicapped individual is defined in Code section 190(b)(3) as an individual who has a physical or mental disability (including, but not limited to, blindness or deafness) which results in a functional limitation to employment or who has a physical or mental impairment which substantially limits one or more major life activities of such individual.)

The couple would have to file a joint tax return in order to claim the deduction for payments made for the benefit of the spouse. No deduction for payments to an individual retirement plan on behalf of a spouse would be permitted if the spouse had compensation includable in gross income or if a deduction would be disallowed if the spouse were making the contributions.

Sec. 206. Corporate Day Care—Charitable Contributions. This section would provide incentives for employers to establish day care centers for children of their employees. Section 203(a) would amend (section 162(b) of) the Internal Revenue Code to provide that an employer may take an ordinary and necessary business expense deduction for amounts paid to a day care center which meets the requirements of Code section 501(c)(22), which is operated by an employee of the taxpayer and which provides care for children of employees of the taxpayer.

NOTE: 501(c)(22) is the "Charitable Contributions" provision.

Sec. 207. Exemptions for Child Birth or Adoption. This section would amend section 151 of the Code to allow an additional personal exemption of $1,000 in the year that a child is born to, or adopted by, a taxpayer. A $3,000 exemption would be allowed in the case of a child born to the taxpayer who was handicapped and in the case of the adoption of a child "whose parents were not members of the same race," who had attained the age of 6 before the beginning of the taxable year of the adoption, or who was handicapped. The language "whose parents were not members of the same race" is intended to mean a child of mixed racial background.

In order to qualify for the additional exemption, a married couple would have to file a joint return in the birth or adoption year. The additional exemption would not be permitted to single persons or to married persons filing separate returns. If the taxpayers would not fully utilize the additional exemption because their incomes were not enough to absorb the additional deduction, the portion which could not be used could be carried over to the following year.

In addition, this section would allow an individual to deduct the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

The maximum dollar amount allowable as a deduction for all taxable years with respect to the adoption of any child shall not exceed $3,500 for domestic adoptions and $4,500 in the case of an international adoption.

Adoption expenses under the bill means reasonable and necessary adoption fees, court costs, attorney fees and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of state or federal law.

Title III. Education.—to preserve the integrity of the American family in the area of education pertaining to community and parental participation relating to a child's education and a child's religious instruction, state or local teacher qualification and certification, non-profit private school exemption amendment to the National Labor Relations Amendments Act (NLRA), and education block grants.

Sec. 301. Community Participation in Religious Instruction and Education. This section would amend Part C of the General Education Provisions Act (20 U.S.C. 1230 *et seq.*) to provide that it shall be unlawful for any federal, state or local educational agency or institution receiving any federal funds which (1) fail to provide procedures through which parents and communities can participate in decisions "relating to the establishment or continuation of courses relating to the study of religion" (including provision for parental consent to student enrollment in any courses), or (2) limit the right of parents to visit the public schools or classes or to inspect their children's school records. The section would also bar states and local educational agencies from using federal education funds in school districts which require teachers as a condition of employment to pay dues or fees.

This section would further amend Part C of the General Education Provisions Act (20 U.S.C. 1230 *et seq.*) to bar the extension of federal funds under applicable education programs (1) to states and local educational agencies which do not "provide for parental review of textbooks prior to their use in public school classrooms"; and (2) to purchase or prepare any educational materials which tend to denigrate, diminish, or deny the role differences between the sexes as it has been historically understood in the United States.

Finally, the section provides that any individual aggrieved by a violation of the act may bring a civil action in the appropriate district court of the United States for damages or equitable relief as may be appropriate.

Sec. 302. Rights of States and Local Educational Agencies. This section would provide that "federal funds shall not be withheld under any provision of federal law nor shall any provision of federal law be construed to prohibit" (1) the right of any state or local educational agency to determine the requisite qualifications of teachers within their jurisdictions (including the right not to require a certificate, so long as a college degree relevant to at least one of the subject areas to be taught by the teacher is required), (2) the right of any state to set or not to set attendance requirements at public or private schools within their jurisdiction, and (3) the right of any local educational agency, in consultation with parents, to limit or prohibit the "intermingling of the sexes in any sport or other school-related" activity.

302(b) would amend the National Labor Relations Act (29 U.S.C. 151 *et seq.*) to add a new exemption for non-profit private schools. The section would amend Section 2(2) of the NLRA (29 U.S.C. 152(2)) to exclude from the definition of employer "any corporation or association operating a non-profit private school, if on part of the net earnings inures to the benefit of any private shareholder or individual."

Sec. 303. Education Block Grants. This section was prepared prior to the time the Administration's block grant proposal was introduced. However, the section in many respects is similar to the Administration's block grant proposals.

Specifically, this section would amend the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 *et seq.*) by repealing Titles I, II, III, IV, VII, and IX of that Act and substituting in their stead a new Title XI. The states would have broad discretion in allocating funds at the local level.

It is my recommendation to the appropriate committee that this section be amended to reflect the Administration's elementary and secondary education block grant proposals.

Sec. 304. Released Time for Parenthood Education. This section provides that no provision of the Federal law shall be construed to prohibit release time for parenthood education to be conducted by churches in fulfillment of school requirements for required parenthood education courses.

Sec. 305. Legal Services: Busing. This section would amend section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) to prohibit funds received by LSC grantees from being used for legal assistance or litigation relating solely to achieve racial quotas or the desegregation of any elementary or secondary school or school system.

Title IV. Voluntary Prayer and Religious Meditation.—To ensure and protect the right to the free exercise of religious expression as guaranteed under the First Amendment to the Constitution of the United States.

Sec. 401. The Voluntary Prayer and Religious Meditation Act of 1981. This section is designed to reverse the last 19 years of Supreme Court decisions and subsequent case law regarding the constitutionality of state-sponsored religious exercises in the public schools.

The section directs its attention to the First Amendment to the Constitution, specifically the "Free Exercise Clause",

The First Amendment states that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; . . .

The Supreme Court has prohibited state involvement in school prayer or other religious activity strictly on the establishment clause.

The "Exercise Clause" has taken a secondary role to the "Establishment Clause" in determining the constitutionality of state sponsored religion. At best, the "Free Exercise Clause" should be given equal balance and authority with the establishment clause.

A strong case must be made for the free exercise of religious expression whether public or private. Such expression is a fundamental freedom which should not be benignly denied in order to protect other freedoms equally fundamental.

This section directly confronts the religious freedom and establishment clause issue through congressional statutory law.

Finally, this section provides that any individual aggrieved by a violation under Title IV of the bill may bring a civil action in the appropriate district court of the United States, or in any state court of competent jurisdiction, for damages or for such equitable relief as may be appropriate or both.

In short, a parent or guardian representing a student who is being denied the opportunity (right) to participate in religious exercises would have standing to bring a civil action in Federal or state district court .

Sec. 402. Congressional Findings.

Sec. 403. Definition.

Sec. 404. Voluntary School Prayer and Religious Meditation Right Protected.

Sec. 405. Civil Actions Authorized; Jurisdiction and Relief.

Sec. 406. Savings Provisions.

Title V. Rights of Religious Institutions and Educational Affiliates.—to preserve and protect the integrity of religious institutions and their related activities from government intrusion, regulations and other acts of governmental intervention.

Sec. 501. Rights of Religious Institutions. This section would bar the federal government from imposing "any legal obligation or condition" with respect to curriculum, religious activities, licensure, conditions of employment, and operating procedures on a variety of social service organizations, if the organizations are "directly or indirectly operated by a church or religious organization."

The types of organizations and programs covered by this exemption from federal regulation would be church-operated child care centers, orphanages, foster homes, social action training programs, emergency shelters for abused children or spouses, schools, juvenile delinquency or drug abuse treatment centers or homes, and "similar programs." This section would permit reasonable health and fire regulations, however, when promulgated by an instrumentality of the federal government exercising the authority of a local government.

501(b)(1) is designed to ensure that religious organizations (under the section) whether directly or indirectly affiliated with a church, are not exempt from the provisions of the Civil Rights Act of 1964 with respect to race, creed, color, or national origin.

501(b)(2) is designed to exempt church or religious organizations (under the section) from any rules or regulations relating to affirmative action, quotas, guidelines, or actions designed to overcome racial imbalance.

Title VI. Miscellaneous.

Sec. 601. Jurisdiction.

Section 601(a) would provide jurisdiction in the United States district courts or any territorial court which has the powers of a district court for suits brought under the Act, without regard to the amount in controversy. Section 601(a) would also provide for venue in any district in which the defendant is an inhabitant, transacts business, or is found, and provides for similar service of process.

Section 601(b) would bar any action brought in State court under the Act from being removed to federal court except when a federal official or the United States is a party. The section would further provide that no costs may be assessed against the United States.

Sec. 602. Limitations on Actions. This section would provide that a civil action must be brought within six years after the cause of action arises.

Sec. 603.

Section 603(a) provides that any person who violates any provision of the bill or regulations thereunder may be subject to a civil fine not to exceed $5,000. The subsection provides that an offense is newly committed each day of the violation. The subsection also provides that the fine may only be imposed after a hearing. Subsection 603(b) provides that hearings shall be conducted pursuant to the adjudication provisions of the Administrative Procedure Act (5 U.S.C. 554).

Subsection 603(c) provides that the Attorney General or a delegee may collect the civil fines, payable to the United States, in the district courts. The subsection limits review on collection matters to exclude the validity and appropriateness of the final determination. Subsection 603(d) provides that a person aggrieved by a final determination under subsection (b) may seek review in a United States Court of Appeals within twenty days after the determination. Review is to be in accordance with the Administrative Procedure Act (5 U.S.C. 706).

Section 604. Contrary Stipulations Void. This section would provide that any agreement contrary to the provisions of the bill is void.

Sec. 605. Report to Congress. This section requires the Secretary to file a report with the Congress within thirty months on the implementation of the bill.

Sec. 606. Effect on other laws. This section provides a rule of construction that, the bill does not limit, but is in addition to, any other private right provided by the federal or state law.

Sec. 607. Authorization of Appropriations. This section authorizes appropriations to carry out the provisions of the bill and does not specify a limitation on the amount.

Sec. 608. Separability. This section provides for the separability of the provisions of the bill, if any provision is found invalid.