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"(d) Tax Credit Not Allowed for Amounts Paid to Racially Discriminatory Institutions. --

(1) Racial Discrimination Prohibited. -- No credit shall be allowed under subsection (a) for amounts paid to an educational institution that is found, pursuant to the procedures set forth in this sub-section, to follow a racially discriminatory policy.

"(2) Definition. -- For purposes of this subsection, an educational institution follows a 'racially discriminatory policy' if it refuses, on account of race --

(A) to admit applicants as students;

(B) to admit students to the rights, privileges, programs, and activities generally made available to students by the educational institution; or

(C) to allow students to participate in its scholarship, loan, athletic, or other programs. A racially discriminatory policy shall not include failure to pursue or achieve any racial quota, proportion, or representation in the student body. The term 'race' shall include color or national origin.

"(3) Declaratory Judgment Proceedings. -- If an educational institution is declared to have followed a racially discriminatory policy in an action brought pursuant to section 7408, then no credit shall be allowed under subsection (a) for amounts paid to such educational institution -- "(A) in the calendar year in which the declaratory judgment under section 7408 was entered against the educational institution, and

"(B) in succeeding calendar years until such time as an order vacating the declaratory judgment and reinstating credits is entered pursuant to subsection (f) of section 7408.

"(4) Required Annual Statements. -- No credit shall be allowed under subsection (a) for amounts paid to an educational institution during a calendar year unless, at the end of such calendar year, the educational institution files with the Secretary (in such manner and form as the Secretary shall by regulation prescribe) a statement, subject to the penalties for perjury, that

(A) attests that such institution has compliedwith the requirements of sub-section (e)(1)(iv) duringsuch calendar year;

(B) declares that such institution has notfollowed a racially discriminatory policy during suchcalendar year; and

(C) indicates whether a declaratory judgment has been entered against such institution under section 7408 and has not been vacated pursuant to sub-section (f) of section 7408.

On or before January 31 of the calendar year succeeding the calendar year to which the statement relates, the institution

shall furnish a copy of the statement to all persons who paid tuition expenses to the institution in the calendar year to which the statement relates. No credit shall be allowed to a taxpayer under subsection (a) for amounts paid to an educational institution during a calendar year unless the taxpayer attaches to the return on which the taxpayer claims the credit with respect to such calendar year a copy of the statement specified in this paragraph.

(5) Enforcement Responsibility. -- Under this section, the Attorney General has exclusive authority to investigate and to determine whether an educational institution is, in fact, following a racially discriminatory policy and to commence a declaratory judgment action under section 7408. Upon request of the Attorney General or upon his own motion, the Secretary shall supply the Attorney General with all information in the possession of the Secretary relevant to such investigation, rdetermination, or action.

"(e) Definitions. -- For purposes of this section --

"(1) Educational Institution. -- The term 'educational institution' means a school that

"(i) provides a full-time program of elementary or secondary education;

"(ii) is a privately operated, not-for-profit, day or residential school;

"(iii) is exempt from taxation under section 501(a) as an organization described in section 501(c)(3), including church-operated schools to which subsections (a) and (b) of section 508 do not apply; and

"(iv) to the extent it otherwise publishes by-laws, advertisements, admission application forms and other such publications, includes therein (as the Secretary shall by regulation prescribe) a statement that it does not discriminate against student applicants or students on the basis of race.

"(2) Tuition Expenses. -- The term 'tuition expenses' means tuition and fees paid for the full-time enrollment or attendance of a student at an educational institution, including required fees for courses, and does not include any amount paid for

"(A) books, supplies, and equipment for courses of instruction at the educational institution;

"(B) meals, lodging, transportation, or personal living expenses;

"(C) education below the first-grade level, such as attendance at a kindergarten, nursery school, or similar institution; or

"(D) education above the twelfth-grade level." SEC. 4. DECLARATORY JUDGMENT PROCEEDING.

Subchapter A of chapter 76 of the Internal Revenue Code of 1954 (relating to judicial proceedings) is amended by redesignating section 7408 as section 7409 and by inserting after section 7407 the following new section: "SEC. 7408. DECLARATORY JUDGMENT RELATING TO RACIALLY DISCRIMINATORY POLICIES OF SCHOOLS.

"(a) In General. -- Whenever the Attorney General receives a petition in accordance with paragraph (b), the Attorney General is authorized and directed, upon finding good cause to believe that an educational institution is following a racially discriminatory policy, to bring an action against the educational institution in the United States district court in the district in which the educational institution is located, seeking a declaratory judgment that the educational institution has followed a racially discriminatory policy.

"(b) Petition. -- Any person may file a petition under sub-section (a). The petition must allege with specificity that

(1) the educational institution has, pursuant to a racially discriminatory policy, discriminated against a named student applicant or student within one year preceding the filing of the petition; or

(2) the educational institution made a statement communicating an intent to follow a racially discriminatory policy within one year preceding the filing of the petition. "(c) Notification and Opportunity to Comment. -- Upon receipt of the petition, the Attorney General shall promptly notify the educational institution in writing of such petition and the allegations contained therein. Before filing an action, the Attorney General shall give the institution a fair

opportunity to comment on allegations made against it and to show that a racially discriminatory policy does not exist or has been abandoned. Prior to filing an action, the Attorney General may, at his discretion, enter into a settlement agreement with the educational institution if he finds that the institution has acted in good faith and has abandoned its racially discriminatory policy. No petition shall be required for the Attorney General to enforce the terms of the agreement.

"(d) Required Showing. -- In an action under this section, no finding that a school is following a racially discriminatory policy shall be made unless the Attorney General establishes

(1) that the institution has, pursuant to such policy,discriminated against a student applicant or student withinthe two years preceding commencement of the action;

(2) that the institution has made a statement communicating an intent to discriminate on racial grounds against student applicants or students within the two years preceding commencement of the action; or

(3) that the institution has engaged in a pattern of conduct intended to implement a racially discriminatory policy, and that some act in furtherance of this pattern of conduct was committed within two years preceding commencement of the action.

"(e) Reinstatement of Credits. --

(1) If a district court enters a declaratory judgment against an educational institution under this section, the district court shall retain jurisdiction of the case. After one (1) year has elapsed from the date of judgment, and at any time thereafter, the educational institution may file with the district court a motion to reinstate credits. Such motion shall contain affidavits showing that the educational institution --

(A) has stopped following a racially discriminatory policy; including a description, with specificity, of the ways in which the school has changed its previous discriminatory policy;

(B) has taken reasonable steps to communicate its policy of non-discrimination to students, to faculty, and school administrators, and to the public in the area it serves;

(C) has not discriminated against an applicant or student pursuant to a racially discriminatory policy during the preceding year; and

(D) has complied with the requirements of section 44 H(e)(1)(iv).

(2) When an educational institution has filed a motion complying with paragraph (1), the court shall enter an order vacating the prior judgment against the institution and reinstating credits for tuition payments to the educational institution, unless the Attorney General establishes that

(A) the institution has not in fact stopped following its previous discriminatory policy;

 (B) the institution has discriminated against an applicant or student pursuant to a racially discriminatory policy within the preceding year; (C) the institution has made statements communicating an intent to follow a racially discriminatory policy within the preceding year; or

(D) the institution has not, in fact, complied with the publications requirements of sub-paragraphs B and D of paragraph (1).

"(f) Attorneys Fees. -- If an educational institution prevails in an action under this section, the court shall award the institution costs and attorney's fees in such action.

"(g) Definitions. -- When used in this section, the terms 'educational institution' and 'racially discriminatory policy' shall have the same meaning as assigned to such terms in section 44H."

"(h) Statute of Limitations. -- If, for any reason, a judgment of the district court against an educational institution is stayed and is subsequently affirmed on appeal, credits allowed for tuition payments to such institution for taxable years dating back to year in which the district court judgment was entered shall be disallowed.

"(1) The period for assessing a deficiency attributable to the disallowance of such credit shall not expire before the expiration of 3 years from the date of the appellate decision affirming the district court judgment. Any such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise present such assessment. "(2) If a district court judgment against an educational institution is reversed on appeal, taxpayers for whom credits have been precluded by such judgment shall be entitled to file amended returns for tax years dating back to and including the year in which the district court judgment was entered. (d) DEFINITIONS.

(1) ELIGIBLE EDUCATIONAL INSTITUTION.

(A) The term 'eligible educational institution' means an elementary or secondary school as defined in section 198(a) (7) of the Elementary and Secondary Education Act of 1965, as in effect on January 1, 1983, which is a privately operated, not-for-profit, day or residential school which

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

(ii) has not during the calendar year for which a tax credit is claimed or the two immediately preceding calendar years been declared, in an action brought by the United States pursuant to this section, to follow a 'racially discriminatory policy'.

(B) (i) For purposes of this Act, an inguitation follows a 'racially discriminatory policy' if: (a) it refuses to admit applicants as students on account of race; (b) it excludes students, on account of race, from the rights, privileges, programs, and activities generally made available to students by that institution; or (c) it discriminates against students, on account of race, in administering its scholarship, loan, athletic or other programs.

(ii) A 'racially discriminatory policy' does not include: (a) using a bona fide plan to increase enrollment of a disadvantaged minority group, provided that no institution shall be required to use such a plan to be eligible under this section; (b) granting any privilege, preference or priority to members of, or adherents to, a particular religious organization or belief, or limiting admission to such members or adherents, provided that no such privilege, preference, priority or limitation is based upon race or upon a belief that requires discrimination on the basis of race; (b) failing to pursue or achieve any racial quota, proportion or representation in the student body.

(iii) The term 'race' shall include color or national origin. Notwithstending any other section provision of the section the section shall be enforced only by

(C) (i) To enforce this section, the Attorney General, upon petition by a person who has been discriminated against under a policy as described in paragraph (B)(i) of this subsection, is authorized, upon finding good cause, to bring an action against an institution in the federal district court in the district in which such institution is located, seeking declaratory judgment that the institution is located, seeking 'racially discriminatory policy' and has discriminated against the person filing the petition under such policy.

(ii) The petition must be filed with the Attorney General within one year of the act of racial discrimination alleged to have been committed against the person filing the petition. Upon receipt of the petition, the Attorney General shall promptly notify the affected institution of such petition and the allegations contained therein. Before any action may be filed, the Attorney General shall give the institution a fair opportunity to comment on all allegations made against it. An action may be filed by the Attorney General no later than two years after receiving the petition.

(iii) An institution is ineligible during the entire calendar year in which a judicial judgment that the institution follows a 'racially discriminatory policy' becomes final and during the two immediately succeeding calendar years.

(iv) A judicial judgment that an institution follows a 'racially discriminatory policy' as described in paragraph (B)(i) of this subsection shall not become final until all parties to the action have exhausted all appellate review.

(d) DEFINITIONS.

(1) ELIGIBLE EDUCATIONAL INSTITUTION. The term 'eligible educational institution' means an elementary or secondary school as defined in section 198(a)(7) of the Elementary and Secondary Education Act of 1965, as in effect on January 1, 1983, which is a privately operated, not-for-profit, day or residential school which

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

(B) has not during the calendar year for which a tax credit is claimed or the two immediately preceding calendar years been declared to be an ineligible institution in accordance with subsection (d)(2).

(2) INELIGIBLE EDUCATIONAL INSTITUTION.

(A) (i) An institution is an ineligible institution if it has been declared, in an action brought by the United States pursuant to this section, to have engaged in an 'act of racial discrimination'.

(ii) For purposes of this Act, an institution
engages in an 'act of racial discrimination' if: (a) it has
refused to admit as a student an applicant on account of race;
(b) it has excluded a student, on account of race, from the
rights, privileges, programs, and activities generally made
available to students by that institution; or (c) it has discriminated against a student, on account of race in administering
its scholarship, loan, athletic or other programs.

(iii) An 'act of racial discrimination' does not include: (a) using of a bona fide affirmative action plan on behalf of members of a disadvantaged minority group, provided that no institution shall be required to use such a plan to be eligible under this section; (b) granting any privilege, preference or priority to members of, or adherents to, a particular religious organization or belief, or limiting admission to such members or adherents <u>provided</u> that no such privilege, preference, priority or limitation is based upon race or upon a belief that requires discrimination on the basis of race; (c) failing to pursue or achieve any racial quota, proportion or representation in the student body.

(iv) The term 'race' shall include color or national origin.

(B)(i) To enforce this section, the Attorney General, upon petition by a person who has been discriminated against as described in paragraph (A)(ii) of this subsection, is authorized, upon finding good cause, to bring an action against an institution in the federal district court in the district in which such institution is located, seeking declaratory judgment that such institution has engaged in an 'act of racial discrimination'.

(ii) The petition must be filed with the Attorney General within one year of the act of racial discrimination alleged therein. The Attorney General shall promptly notify the affected institution of such petition. An action may be filed by the Attorney General no later than two years after receiving the petition.

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(iii) An institution is ineligible during the entire calendar year in which a decision that the institution is an ineligible institution becomes final and during the two immediately succeeding calendar years.

(iv) A judicial decision that an institution hasengaged in an act of racial discrimination described in paragraph(A) (ii) of this subsection shall not become final until allparties to the action have exhausted all appellate review.



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FACT SHEET: SENATOR BRADLEY'S AMENDMENTS TO THE TUITION TAX CREDIT BILL

The Administration has proposed substantial revisions to the anti-discrimination section of its tuition tax credit bill. These revisions meet most of Senator Bradley's concerns.

Two of Senator Bradley's proposed changes have not been adopted by the Administration. These are:

- the authorization of private enforcement actions that may be brought in federal court by any citizen against any private school; and
- o a mandate for IRS enforcement with no standards or limits on the intrusiveness or burden of such regulation.

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The Administration believes both proposals are unwise and, if adopted, would make the bill politically unpassable. On this point, all groups in favor of tuition tax credits agree with the Administration.

Private Enforcement Action

Senator Bradley has proposed an amendment that would:

". . . authorize a private right of action to seek a declaratory judgment that a school has followed a racially discriminatory policy by persons alleging they are harmed by the school's participation in the tuition tax credit program."

- o This amendment would depart from the general rule that public law is enforced by government authorities, not private citizens, especially when the law involves the denial of benefits or the exaction of penalties. (This is to be distinguished from private rights of action that are meant to compensate the victim of wrongful discrimination.)
- o The dangers of departing from this general rule are especially great when the potential defendants are small schools with very limited financial resources, which could easily be destroyed by the costs of defending against frivolous, harassing law suits. Litigation costs will ultimately be borne by the parents. The costs of defending against a groundless lawsuit, even for a short time, would often completely offset the value of the credits.

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- The amendment would expose a school to potential liability every time it makes any decision regarding a minority student: including decisions concerning admissions, discipline, placement on athletic teams, or even the grading of exams and papers.
- The amendment is so broadly worded that suits could even be brought by public school authorities or teachers unions that allege harm from a private school's participation in the tuition tax credit program.

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Unrestricted IRS Enforcement

Senator Bradley's amendments would give the IRS <u>carte</u> blanche. They would establish this IRS enforcement role in addition to other enforcement mechanisms, would direct the IRS to establish procedures for auditing schools that are eligible for tuition tax credits, and would require that audit procedures be done "in a manner that maximizes compliance with the legislation's anti-discrimination provisions."

Senator Bradley's amendments thus contemplate four tiers of policing mechanisms:

- (1) private enforcement actions;
- (2) Attorney General enforcement;
- (3) enforcement of the tax-exempt requirement under 501(c)(3) (as ultimately determined by the Supreme Court or by Congress); and
- (4) IRS enforcement of the anti-discrimination provisions of the tuition tax credit bill.

No institution, especially a small private school, can function effectively under four tiers of federal regulation.

Senator Bradley's amendments suffer from other flaws as well:

- o These amendments contain no limits whatever on the ability of the IRS to impose unwarranted burdens on schools, to apply unfair quota-based standards to define discrimination, or to presume schools guilty and make them prove their innocence -- all issues which have stirred great controversy in the past.
- IRS enforcement would by nature place the burden on each school to prove its innocence, since the IRS generally makes taxpayers prove eligibility for benefits.

- The mandate for aggressive audit procedures, with no stated limits, openly invites the IRS to implement procedures similar to its 1978-79 proposed revenue procedures concerning private schools, which created a bitter controversy and a record number of letters and comments.
- Because of past controversies over IRS enforcement, any attempt to define the enforcement role for IRS before the Supreme Court decides the <u>Bob Jones</u> case, will simply arouse passions on both sides of this controversy and make the tuition tax credit bill unpassable.

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Conclusion

The Administration's compromise strikes a fair balance by, on the one hand, guaranteeing that credits will not be used to promote discrimination and, on the other hand, ensuring that the integrity of racially fair-minded private schools is not jeopardized.

Senator Bradley's amendments would shift this salutary balance by conferring on the IRS unfettered enforcement power, while showing no sensitivity to the legitimate needs of racially fair-minded schools.

Further, Senator Bradley's amendments would set a bad precedent. If the Supreme Court holds that a new statute is required to authorize denial of tax-exempt status to racially discriminatory schools, the Administration has made it clear that it will seek such a statute. No one would want Senator Bradley's approach -- with its private enforcement actions and unfettered IRS role -- to serve as a model. Senator Bradley's ideas, if carried over into the area of 501(c)(3) status generally, would expose a broad range of private institutions, going beyond private schools, to unwarranted burdens and to excessive risks of intrusions and harassment.

Amendments To Modify The Anti-Discrimination Provisions of the Tuition Tax Credit Bill

1. New Eligibility Requirement

The amended bill would contain a provision requiring an eligible school to publish a statement of its nondiscriminatory policy in any published by-laws, brochures, admissions materials, and other published materials.

2. Annual Statement Under Oath is retained

The amended bill would retain the original requirement that each school file with the Secretary of the Treasury and send to parents an annual statement under oath that the school has not discriminated on the basis of race during the calendar year.

3. Changes in the Triggering of the Declaratory Judgment Procedure and Investigation by the Attorney General

The original bill provided that to trigger an investigation by the Attorney General, a person who had been discriminated against by a school had to file a complaint.

The amended provision would allow a petition to be filed by any person, provided that person alleges with specificity:

- (a) an act of discrimination, or
- (b) a communication expressing a discriminatory policy.

The petition must be filed within one year of the act or communication described in the petition.

Under the original bill, the Attorney General was <u>authorized</u> to file a declaratory judgment action whenever he finds good cause, upon investigation, to believe that a school follows a racially discriminatory policy. Under the new bill, the Attorney General would be authorized and directed to file suit under such circumstances, within one year of receiving the petition.

Once the Attorney General files suit, he must show that the school is following a racially discriminatory policy, but under the amended bill he is not bound or limited by the allegations contained in the petition that triggered the suit. The Attorney General must show actual evidence of racial discrimination occurring within the two year period preceding the filing of his complaint, not mere failure to meet a quota or numerical standard. Under the original bill the Attorney General was required to show that an act of discrimination against a student has occurred. Under the amended bill the Attorney General could also prevail upon showing that a statement had been made communicating a discriminatory policy or upon showing a pattern of conduct evidencing intent to maintain a discriminatory policy.

The original bill contains a provision allowing the Attorney General to enter into a settlement agreement with schools against which complaints have been received. This provision would be retained. Upon the violation of a settlement agreement, the Attorney General would be authorized and directed to seek a declaratory judgment against the school.

The amended bill would require regular reports by the Attorney General to Congress concerning the disposition of petitions and actions filed pursuant therto.

4. Reinstatement of Credits

Under the original bill, a school adjudged to be discriminatory became automatically re-eligible for credits after a three-year period of disallowance.

The amended bill would impose an indefinite period of disallowance, which continues until the school shows in court that it no longer discriminates.

The amended bill would provide that the school may not move to reinstate its eligibility for credits until it has maintained a clean record for at least one year following the judgment against it.

The school must make a prima facie showing that it has ceased its discriminatory policy, communicated its change in policy to the community, and complied with various publication requirements. The school's eligibility would then be restored unless the Attorney General established that the school's showing was false , or that the school was continuing to follow a discriminatory policy.

5. Stay of Penalties Pending Exhaustion of Appeals

The original bill stayed the disallowance of credits until all appeals have been exhausted. Under the amended bill, credits would be disallowed immediately upon entry of judgment by the district court against a school.

6. Commencement of Penalty Period

The original bill provided that disallowance of credits would not be imposed until final appeal, but that when imposed it would be retroactive to the year in which the complaint was filed.

Under the amended bill, the disallowance period would begin in the calendar year the district court judgment is entered. Tax returns filed for previous years will generally not, therefore, have to be reopened.

7. Enforcement Responsibility

The amended bill would direct the Secretary of the Treasury to provide the Attorney General all information relevant to the Attorney General's investigations and actions under the bill. The Secretary of the Treasury would be attorney for the the treasury of the Treasury would be the treasury of the treasury would be the treasury would be the treasury of the treasury would be the treasury would be the treasury of the treasury of the treasury would be the treasury of the treasury would be the treasury of the treasury of the treasury would be the treasury of the trea

DETAILED EXPLANATION OF ANTI-DISCRIMINATION PROVISIONS

The Bill ensures that no credits will be permitted for amounts paid to schools which follow racially discriminatory policies.

1. <u>501(c)(3) Status Required</u>: A tax credit cannot be claimed unless the school is a tax exempt organization under section 501(c)(3). Under current law, a school cannot retain 501(c)(3) status if it discriminates on the basis of race. The IRS enforces this requirement through investigations and administrative proceedings.

The IRS' authority to enforce the non-discrimination requirements of 501(c)(3) is being challenged in court. If the IRS prevails, the 501(c)(3) requirement in this Bill will continue to provide strong protection against discrimination. If the IRS loses, the Administration is committed to providing a new statutory basis for enforcement of non-discrimination requirements in connection with tax exemption.

Thus, the requirement that a school have 501(c)(3) status, standing alone, ensures that no credits will be allowed for amounts paid to schools that discriminate.

2. <u>New Two-Pronged Enforcement Mechanism</u>: The Bill also creates a new layer of protections above and beyond the 501(c)(3) requirement. It expressly disallows credits for schools that follow a "racially discriminatory policy". A school follows a racially discriminatory policy if it refuses, on account of race, either to admit student applicants or to allow students full participation in the school and its programs.

The Bill establishes a two-pronged enforcement mechanism:

- o <u>Perjury Prosecution</u>: No credit can be taken unless the school files a statement every year attesting that is has not followed a racially discriminatory policy. The statement must be made under oath and is subject to the penalties for perjury. If a school does discriminate and files a false statement, school officials are subject to criminal prosecution.
- <u>Civil Action by U.S. Against School</u>: If a person is discriminated against under a school's racially discriminatory policy and complains to the Attorney General, the Attorney General is authorized to file an action on behalf of the U.S. against the school. If the U.S. prevails, tax credits are automatically cut off for three years. The person discriminated against would continue to have a private right of action under 42 U.S.C. 1981.

3. Interests of Private Schools Adequately Protected: While the Bill contains potent protections against racial discrimination, it also protects the legitimate interests of private schools:

- A school cannot be found racially discriminatory simply because it fails to pursue or achieve racial quotas.
- Credits cannot be disallowed until court appeals have been completed. (However, if the school finally loses, the 3-year penalty period is applied retroactively to the year when the lawsuit started.)
- A school has an opportunity to comment on allegations made against it before the Attorney General brings a civil action. It also permits the Attorney General to settle the suit if the school promptly rectifies its policies.



OFFICE OF GOVERNMENT LIAISON

UNITED STATES CATHOLIC CONFERENCE

1312 MASSACHUSETTS AVENUE, NORTHWEST

September 14, 1982

Mr. William P. Barr
Deputy Assistant Director for
Legal Policy
235 Old Executive Office Building
Washington, D. C. 20510

Dear Mr. Barr:

The enclosed letter to Senator Bradley deals with the anti-discrimination provisions of the tuition tax credit bill.

We thought you would be interested in our views on this matter.

Sincerely,

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Frank J. Monahan Assistant Director

FJM/ctl

Enclosure



1312 MASSACHUSETTS AVENUE, N.W. • WASHINGTON, D.C. 20005

UNITED STATES CATHOLIC CONFERE

MOST REVEREND JOHN R. ROACH, D.D., ARCHBISHOP OF SAINT PAUL AND MINNEAPOLIS President

REVEREND MONSIGNOR DANIEL F. HOYE

REVEREND RONALD C. ANDERSON Associate General Secretary

September 14, 1982

REVEREND DONALD E. HEINTSCHEL Associate General Secretary

Dear Senator Bradley:

I am writing you concerning the anti-discrimination provisions of the Reagan Administration's tuition tax credit bill. The Catholic Bishops Conference is grateful for your support of tuition tax credit legislation and supports your concern that such legislation contain adequate provisions to ensure that no benefits be obtained by parents who send their children to schools which follow proscribed racially discriminatory policies.

As you know the United States Catholic Conference supports the President's tuition tax credit bill as a major step forward in achieving educational opportunity with justice for all. In particular, we consider this bill's anti-discrimination provisions as fair and reasonable.

I understand that you have proposed changes to the Administration's bill in this regard and that the Administration has found your proposals unacceptable. I have also been informed that the Administration has offered alternative proposals to strengthen its original language. We are hopeful that a resolution to this problem can be found without any further delay in order to expedite Congressional consideration of this vitally important legislation. After reviewing the Administration's revisions, we consider them a significant improvement on its original language and support their inclusion in any bill approved by the Senate Finance Committee.

We would urge you to support the Administration's new amendments and to do all that you can to secure agreement on provisions which would result in approval of legislation both in the Senate Finance Committee and in the Senate as a whole.

Once again, we would like to thank you for your continuing support for tuition tax credits and look forward to working together with you on this issue of such vital importance to the Catholic school community of the United States.

Sincerely,

Monsignor Daniel F. Hoy General Secretary

Senato: Bill Bradley Dirksen Senate Office Building Washington, D.C. 20510



FOR: BILL BALL FROM: JOER BURGESS

For your information \swarrow Per our conversation _____ Other:



NITED STATES CATHOLIC CONFERENCE

1312 MASSACHUSETTS AVENUE N.W. + WASHINGTON, D.C. 20005

MOST REVERTND JUHN R. ROACHE D.D. ARCHRINHOP OF NAINT PAUL AND MINNEAPOLIS President

REVEREND MONSIGNOR DANIEL F. HOYF General Secretary

REVEREND RONALD C. ANDERSON Associate General Secretary

September 14, 1982

REVEREND DONALD E. HEINTSCHEL Associate General Secretary

Dear Senator Bradley:

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We would urge you to support the Administration's new amendments and to do all that you can to secure agreement on provisions which would result in approval of legislation both in the Senate Finance Committee and in the Senate as a whole.

Once again, we would like to thank you for your continuing support for tuition tax credits and look forward to working together with you on this issue of such vital importance to the Catholic school community of the United States.

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Monsignor Daniel F. Ho General Secretary

Senato: Bill Bradley Dirksen Senate Office Building Washington, D.C. 20510