

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:25-AUG-1997 10:27:00.00

SUBJECT: finaidl on ED reauthorization--response to Barmak

TO: Patricia A. Smith (Patricia A. Smith@EOP [UNKNOWN])

READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

I know the bad news gets to you three, so I will try to get at least
some of the good news to you as well!

Date: Sun, 24 Aug 1997 01:28:14 -0400 From: Mark Kantrowitz

<mkant@FINAID.ORG>

Subject: Re: Department of Education's Title IV Reauthorization Proposals

I thought I'd follow up on Barmak's somewhat negative characterization of
the

Department of Education's reauthorization proposals with my more
optimistic
interpretation of the outline.

In case it isn't clear, this message represents my personal opinion only.

Overall, the Department's proposals seem like a reasonable collection of
improvements to the Higher Education Act. Nobody is going to get

everything they

wanted (e.g., I would have liked to see the elimination of loan fees and

the

establishment of special treatment for parents enrolled in college), but I

think

most people will be happy with most of the proposals. To summarize, I

think

students will benefit considerably from the Department's proposed changes.

Some things not mentioned in the department's summary, for which I'd like

to

hear answers:

+ How do the department's proposals concerning EFC affect the

treatment of prepaid tuition plans? Are they still considered

a resource, or are they now considered an asset and hence ignored due to

the

imputing of assets?

+ Does the department's proposals allow the cost of a computer to

be included as a cost of attendance component or not?

Some of the noteworthy elements of the Department's proposal include:

+ Higher Pell amounts to second year students with Zero EFC. +

Reinstates time

limits on Pell to 150% of the normal term

(e.g., six years for an undergraduate degree) with exemptions for disabled students. There's proration to take part-time students into account.

+ Makes the same repayment plan provisions available in both

Direct and FFEL loans. (I strongly disagree with AASCU's comment on this proposal. They say that direct consolidation is enough. I don't feel that this

is sufficient, since consolidation, with the rounding up of the interest rate,

is not in the student's best interest.) There are other proposals to establish

parity between other aspects of the two loan programs from a student perspective.

+ Lets schools certify Stafford loans for grad/prof at amounts

greater than \$18,500 if they pay a 10% insurance premium on the amount above

\$18,500. (I can appreciate AASCU's concern that this sets a dangerous precedent,

but I feel that this is

a reasonable approach to meeting the needs of graduate and professional students

with programs that cost substantially more than \$18,500 a year.)

+ Bans insurance companies from acting as lenders of FFELP loans. +

Allows

schools to set limits on borrowing by certain categories

of students (e.g., freshmen or students in particular programs) so long as the

limits don't discriminate on the basis of the usual eight no-nos.

- + Several provisions to give the department flexibility to adapt to technological changes, including the authority to accept faxed signatures and imaged documents as though they were original.
- + Simplifying proration.
- + Allows the schools to use PJ to change independent students to dependent students, just as schools can currently do the opposite.
- + Allows use of PJ to directly affect the EFC, instead of just the input data elements.
- + Fixes some flaws in the treatment of independent students. + Increases the dependent student income protection allowance from \$1,750 to \$3,500 to encourage students to earn money.
- + Eliminates assets from the FAFSA, instead imputing it from family income, parents age, and number of family members. I STRONGLY SUPPORT this proposal, since it encourages families to save for their education.

(Except for student assets, the current methodology depends minimally on assets.

In the case of student assets, it unfairly affects parents who conscientiously save for their children's education, but make the mistake of saving in their child's name for the tax advantages.) I applaud the department for including this proposal.

- + Prior Prior Year. Some people strongly oppose this, but many are strongly in favor. I'm strongly in favor, because it would permit a

data

match with the IRS, thereby eliminating much of verification (yes!), with

only a

minor increase in PJ (except at a handful of schools with unusual student populations).

+ Proposals necessary to allow a data match with the IRS. I strongly support this, as it is a relatively simple way to eliminate a large amount of fraud.

+ Simplifies the criteria used to determine automatic zero EFC.

+ Eliminate the simplified needs test to disregard assets. I strongly support this proposal, as many students are confused by it, and it would no

longer be necessary with assets imputed.

+ Simplify refund requirements!

Mark Kantrowitz

Publisher, FinAid Page, I===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01IMUQQDB3O0007WHI@PMDF.EOP.GOV>; Mon, 25 Aug 1997 10:34:46 -0400 (EDT)

Received: from storm.eop.gov (storm.eop.gov)

by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMUQQBQAWW009D0N@PMDF.EOP.GOV>; Mon,

25 Aug 1997 10:34:44 -0400 (EDT)

Received: from vader.ed.gov ([165.224.216.253])

by STORM.EOP.GOV (PMDF V5.1-7 #6879)

with ESMTP id <01IMUQPNIUXK002WIA@STORM.EOP.GOV>; Mon,

25 Aug 1997 10:34:11 -0400 (EDT)

Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.216.37])

by vader.ed.gov (8.8.5/8.8.4) with SMTP id KAA06844; Mon,

25 Aug 1997 10:31:58 -0400 (EDT)

Received: from ccMail by smtpgwyl.ed.gov

(IMA Internet Exchange 2.11 Enterprise) id 00015692; Mon,

25 Aug 1997 10:34:14 -0400

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Nancy.Coolidge (Nancy.Coolidge@ucop.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:28-AUG-1997 17:25:00.00

SUBJECT: House Oversight Committee Investigates Suspension of Direct Loa

TO: Patricia A. Smith (Patricia A. Smith@eop [UNKNOWN])

READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

For those of you who rely on me to filter some of the e-mail lists and

provide a kind of e-mail clipping service, the following is a

recently-posted note (to FINAID) concerning a debate that has been going on

between Mark Kantrowitz, keeper of the Financial Aid Web page, and Barmak

Nassirian, representing the American Association of State Colleges and

Universities (AASCU) on subjects related to the reauthorization of the

Higher Education Act. It has been a substantive and spirited exchange and

has promoted some excellent, thoughtful comment from other members of the

higher education financial aid community, as well. This note begins by

Barmak referring to an earlier point and saying that he has shared all he

has to say, but then going on to respond to Mark's request for evidence

that a hypothetical example postulated for illustrative purposes by Barmak

might have any basis in fact. Even though Barmak's example would have been

rhetorically purposeful without such evidence, as it turned out, Barmak has

documentation that suggests that his example was not strictly

hypothetical;

he shares this evidence in the note below.

The disturbing fact is that Direct Loans Consolidation has been suspended.

Colleagues at the Department have suggested that they may issue a public comment as early as Friday (tomorrow) and have indicated that they are considering some borrower relief measures to mitigate the negative effects that such a suspension might have on students affected by this suspension. I am distressed to learn that the Department made public comment regarding this suspension of service on Tuesday, August 26th, and that the announcement to the community is so delayed that rumors are flying.

I regret that I did not forward copies of the previous iterations of the debate between Mark and Barmak, but the statements are long and required concentrated reading to be fully appreciated; also, I feel that the various other community comments have value and, taken together, would constitute quite a load of e-mail messages. I always struggle with complaints of "too much e-mail," so those who rely on my clipping service occasionally miss out. This, I fear, is one of those times. If you would like me to collect the messages and send them, let me know. I have them stored...

In the meantime, you may want to read the letter from Congressman Pete Hoekstra to Secretary Riley below regarding the Department's administration of the Direct Loan contract focusing on the Direct Loan Consolidation problems and costs.

Forwarding:

>Date: Thu, 28 Aug 1997 15:55:41 -0400

>Reply-To: "Nassirian, Barmak" <NassirianB@AASCU.NCHE.EDU>

>Sender: ADMINISTRATION of USA Financial Aid Offices

> <FINAID-L@LISTS.PSU.EDU>

>From: "Nassirian, Barmak" <NassirianB@AASCU.NCHE.EDU>

>Subject: Re: Department of Education's Title IV Reauthorization

Proposals

>Comments: To: Mark Kantrowitz <mkant@FINAID.ORG>

>To: FINAID-L@LISTS.PSU.EDU

>

>Mark:

>

>I candidly don't follow your argument on consolidation. I think I have

>already said as much as I can as to where I believe the logic of your

>initial objection to AASCU's position was faulty.

>

>I do, however, want to respond to your request for additional

>information.

>

>I thought I would share the following letter from Congressman Pete

>Hoekstra, Chairman of the Subcommittee on Oversight and Investigation,

>to Secretary Riley:

>

>-----

>

>

>

>SUCOMMITTEE ON OVERSGHT AND INVESTIGATIONS

>COMMITTEE ON EDUCATION AND THE WORKFORCE

>U.S. HOUSE OF REPRESENTATIVES

>2161 Rayburn House Office Building

>WASHINGTON, D.C. 20515-6100

>

>

>

>

>August 28, 1997

>

>VIA FACSIMILE

>

>

>The Honorable Richard Riley

>Secretary of Education

>U.S. Department of Education

>600 Independence Ave., SW

>Washington, DC 20202

>

>Dear Secretary Riley:

>

> The Committee on Education and the Workforce's Subcommittee on

>Oversight and Investigations (Subcommittee) is charged with ensuring the

>effective, efficient and economical operation of the Department of

>Education (Department). The Subcommittee is also responsible for

>ensuring that the activities of the Department are consistent with all

>applicable laws.

>

> On June 12, 1997, this Subcommittee requested information about

>the loan consolidation process in the William D. Ford Direct Student
>Loan Program (FDSLP). Then on July 23, 1997, the Subcommittee requested
>further information about the loan consolidation process in the FDSLP.
>Copies of both letters are attached. As of this date, the Subcommittee
>has received incomplete responses from the Department. Significant
>concerns were raised in both out letters. These concerns are further
>exacerbated as a result of new information which has come to our
>attention.

>

> Specifically, on Tuesday August 26, 1997, the Subcommittee was
>briefed by Elizabeth Hicks, Deputy Assistant Secretary for Student
>Financial Assistance Programs, and Jerry Russomano, Director of Program
>System Services of the Office of Postsecondary Education. Ms. Hicks and
>Mr. Russomano informed the Subcommittee that the Department will no
>longer be consolidating loans in the FDSLP for an "undetermined period
>of time." The reason given for the indefinite shutdown was the need for
>greater accountability for the payments which the Department is making
>on behalf of students. Further, the magnitude of the problem has been
>sufficient to merit the shutdown of operations until a large scale audit
>of consolidation payments within the FDSLP is completed and the proper
>underwriting functions are in place.

>

> The problems the Department's decisions have created are
>detrimental to young men and women all across this country. Due to this
>shutdown, tens of thousands of students will be left in limbo. As of
>July 23, 1997, more than 70,000 applications were "in process" by EDS.
>Additionally, all new applicants will be sent letters from the

>Department explaining that the FDSLPL will be accepting no new
>applications for consolidation for an undetermined period of time.

>

> In a hearing before the Subcommittee on Postsecondary Education,
>Training, and Life Long Learning, Ms. Hicks identified the Department as
>the Microsoft and Citibank of higher education. Yet, the shutdown by
>the Department of consolidation operations, at Electronic Data Systems
>(EDS),

>will be the second time in less than two months the loan consolidation
>process has become so dysfunctional that a shutdown is necessary. These
>two shutdowns illustrate one of the main concerns of this Subcommittee
>with the management of the FDSLPL. The inherent complexity of large
>scale

>computer and financial systems contracts are beyond the technical and
>financial expertise of those charged with operating these systems and
>managing these contracts within the Department.

>

> In the next six weeks the Department may begin operating three
>new FDSLPL contracts. These three new contracts could ultimately cost the
>taxpayers more than \$1 billion. EDS alone has a contract with an
>expected value of more than \$378 million. Between the loan origination
>contract currently causing so many problems and the loan servicing
>contract, EDS will receive more than \$628 million. Before the three new
>servicing contracts become effective the Department needs to ensure that
>EDS and the other contractors are capable of meeting their contractual
>responsibilities.

>

> In the July 24, 1997, response by the Department to the
> Subcommittee's concerns, the Department stated, "EDS met the milestones
> and test criteria," and was therefore granted approval to start
> consolidating student loans. An explanation of how EDS met the test
> criteria with these fundamental flaws is necessary. Further, the
> Department stated, "we do not pay for services that are unacceptable."
> Since the consolidation services are clearly "unacceptable" the
> Subcommittee would like to know what remedies the Department is seeking.

>

> Pursuant to the Subcommittee's authority and responsibility
> under Rules X and XI of the Rules of the House of Representatives,
> please provide the following information:

>

> 1. An immediate and thorough response to the
> Subcommittee's June 12, 1997, and July 23, 1997, requests;

>

> 2. How much money the Department has paid EDS to date for
> consolidation services;

>

> 3. What plans are in place to provide means for former
> students to consolidate loans;

>

> 4. An explanation as to how EDS passed systems
> testing despite the existence of these ongoing problems; and,

>

> 5. What legal actions the Department is pursuing to
> reclaim money spent on unacceptable performance.

>
>
> Your cooperation in providing the Subcommittee with two copies
>of your written response no later than the close of business, September
>11, 1997, will be appreciated. We trust you will agree that the issues
>raised here need immediate attention if this program is to be operated
>effectively and
>efficiently. If there are any questions please contact Mark Brenner at
>202-225-7101.

>
> Sincerely,
>
>
>
>
>
> s/PETE HOEKSTRA
>
> Chairman
> Subcommittee on Oversight and Investigations
>
>
>

>cc: The Honorable Jim Jeffords
> The Honorable William Goodling
> The Honorable Howard "Buck" McKeon
> The Honorable William Clay
> The Honorable Dale Kildee

> Mr. Thomas Bloom, Office of Inspector General

> U.S. Department of Education===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01IMZBP78LLC005Z6J@PMDF.EOP.GOV>; Thu, 28 Aug 1997 17:18:41 -0400 (EDT)

Received: from storm.eop.gov (storm.eop.gov)

by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IMZBP55KZ400A2BL@PMDF.EOP.GOV>; Thu,

28 Aug 1997 17:18:39 -0400 (EDT)

Received: from ernie.ucop.edu ([128.48.141.1])

by STORM.EOP.GOV (PMDF V5.1-7 #6879)

with ESMTP id <01IMZBOFR9S8003CYD@STORM.EOP.GOV>; Thu,

28 Aug 1997 17:18:04 -0400 (EDT)

Received: from remote.ucop.edu (akaaka.ucop.edu [128.48.140.43])

by ernie.ucop.edu (AIX4.2/UCB 8.7/8.7) with SMTP id OAA31360; Thu,

28 Aug 1997 14:12:41 -0700 (PDT)

X-Sender: ncoolidg@popserv.ucop.edu

X-Mailer: Windows Eudora Pro Version 3.0 (32)

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: James_Kvaal (James_Kvaal@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:29-AUG-1997 11:44:00.00

SUBJECT: 9/4 distance learning conference

TO: William kincaid (william kincaid@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

The Department of Education is hosting a conference on distance learning through technology next Thursday, Sept. 4 from 9:00 until noon.

Attendees will include the Secretary, Govs. Romer and Leavitt, staff from ED and the Administration, the Hill, education associations, and other distance learning scholars and experts.

Topics discussed will include the challenges and opportunities facing postsecondary programs in distance learning; the proper role of the federal government in facilitating distance learning programs; and the reauthorization of the Higher Education Act.

The conference will be at the main Education building, 600 Independence Ave, SW in Barnard Auditorium (second floor).

Linda Roberts wanted to make sure that you were invited. Please let me know if you plan to attend or need more information.

thanks,

james.

708-9132===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

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id <01IN0EFR4CWG009EPI@PMDF.EOP.GOV> for "william kincaid"@oa.eop.gov; Fri,
29 Aug 1997 11:47:22 -0400 (EDT)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IN0EFNHL5C0084IC@PMDF.EOP.GOV> for
william_kincaid@oa.eop.gov; Fri, 29 Aug 1997 11:47:18 -0400 (EDT)

Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IN0EFF2OXY0018NJ@STORM.EOP.GOV> for
william_kincaid@oa.eop.gov; Fri, 29 Aug 1997 11:47:06 -0400 (EDT)

Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id LAA25143 for
<william_kincaid@oa.eop.gov>; Fri, 29 Aug 1997 11:44:52 -0400 (EDT)

Received: from ccMail by smtpgwyl.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 0001B63A; Fri,
29 Aug 1997 11:46:56 -0400

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: daily (daily@chronicle.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 2-SEP-1997 08:00:00.00

SUBJECT: 9/2/97 Daily Report from ACADEME TODAY

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

Academe Today's DAILY REPORT

for subscribers of The Chronicle of Higher Education

Good day!

Here are news bulletins from The Chronicle of Higher Education

for Tuesday, September 2.

* THE U.S. EDUCATION DEPARTMENT has indefinitely halted the process by which student loans are refinanced into the department's direct-lending program, because a contractor's computer problems have caused a backlog of nearly 135,000 applications. The delay comes at a terrible time for the Education Department, as lawmakers prepare to consider whether it is up to the task of reliably delivering aid to students and colleges.

* A SENIOR at the University of Illinois at Chicago filed a class-action lawsuit in federal district court on Thursday charging that the institution discriminates against white

students by letting most minority students register for classes first.

- * THE CHAIRMAN of the University of California's Board of Regents has been ousted by the Democrat-controlled state Senate over his support for various Republican causes, including the abolition of affirmative-action programs that grant preferences based on gender or race.
- * A FEDERAL JUDGE on Thursday put a hold on her decision to let an Illinois professor freely publish his work on computer encryption while the case against him is appealed.
- * ABOUT 700 SCHOLARS and artists formed a new organization on Monday -- Scholars, Artists, and Writers for Social Justice -- in an act of solidarity with the labor movement to celebrate Labor Day.
- * "U.S. NEWS & WORLD REPORT" announced Sunday that incorrect information provided by two colleges had resulted in erroneous rankings in the magazine's popular and controversial college guide.
- * CHILDREN WITH HIGH blood-cholesterol levels that put them at risk of developing heart disease later in life face an additional threat if they live in smoke-filled homes, according to a report in today's issue of the journal

"Circulation."

* A TEAM OF U.S. and Russian physicists working at the Brookhaven National Laboratory, in Upton, N.Y., has discovered an unusual subatomic particle, an "exotic meson." The discovery was announced in Monday's issue of the journal "Physical Review Letters."

* ADMINISTRATORS at Aims Community College, in Greeley, Colo., made a series of questionable expenditures, including a trip by the college's top two officials to a magic convention in Las Vegas, according to an audit made public last week.

* THE JOHNS HOPKINS UNIVERSITY announced Thursday that it had expelled a student, Robert Harwood, who pleaded guilty in the shooting death of a fellow student in 1996. The university also said it would deny a diploma to Mr. Harwood -- for violating the Hopkins code of conduct -- even though he had completed all the requirements for his degree at the time he shot the student.

* THE MAJORITY of high-school students in the United States are optimistic about their chances at future success, and they plan to take classes in mathematics and science, use computers, and complete college in order to better their odds, according to a survey released Monday by researchers at Drexel University.

* THE VIRGINIA TECH FOOTBALL TEAM had a few more fans on Saturday thanks to a bungled point spread issued by Canadian oddsmakers. The result has been red faces at the Ontario Lottery Corporation and possibly big wins for some lucky gamblers.

--> FOR MORE ON THOSE STORIES, go to The Chronicle's World-Wide Web site (<http://chronicle.com>).

INFORMATION TECHNOLOGY

* HOW MUCH THE UNITED STATES will spend on the Next Generation Internet depends on five spending bills that Congress will take up after returning to work this week.

--> FOR MORE, go to <http://chronicle.com/infotech>

A NEW FEATURE: THE HIGHER EDUCATION ACT

The law that governs most federal student-aid programs expires this fall, and Congress is now considering how the legislation should be changed. A new in-depth section on The Chronicle's Web site provides detailed information on current proposals and context stretching back to the 1992 reauthorization of the law.

GO TO <http://chronicle.com/che-data/indepth.dir/hea.dir/hea.htm>

ALSO ON THE CHRONICLE'S WORLD-WIDE WEB SITE

NEW GRANT COMPETITIONS: Fellowships to assess the risks of pollution for human beings and the environment.

A NEW QUESTION IN COLLOQUY: Do current rules on federal student aid unfairly penalize families that save and reward those that don't? Would a proposal under consideration by the Education Department improve the system?

TOP STORIES IN THIS WEEK'S CHRONICLE

- * THE HIGHER EDUCATION ACT OF 1997: As Congress debates the renewal of the law, which governs most federal student-aid programs, expensive private colleges hope it will raise the limits on how much students may borrow. (Government & Politics section)
- * STARTING THEIR CAREERS IN ACADEME: The Chronicle reports on how four top graduate students joined the faculty ranks. (The Faculty section)
- * THE INFLUENCE OF GAY ALUMNI: More groups of gay and lesbian

alumni are forming -- to the pleasure of some college officials and the consternation of others. (Money & Management section)

* **CRISIS MODE:** Information-technology administrators say that many colleges need bigger technical-support staffs, an often-ignored factor in keeping networks on line and users on track. (Information Technology section)

* **WAR NO MORE?** Two academics at Arizona State University hope that a special symposium in a multidisciplinary journal will bring together historians and political scientists, who often don't see eye to eye. (Research & Publishing section)

* **PUSHING CREATIVITY IN SINGAPORE:** The government fears that its university graduates lack the skills to keep the economy booming. (International section)

--> FOR THE FULL TEXT of those and other stories from the September 5 issue of The Chronicle of Higher Education, go to The Chronicle's World-Wide Web site (<http://chronicle.com>).

You may visit Academe Today as follows:

* via the World-Wide Web, at <http://chronicle.com>

* via telnet at chronicle.com

For information, send a message to help-today@chronicle.com

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ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IN61MSKHV400AFS9@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Tue,

02 Sep 1997 12:45:58 -0400 (EDT)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IN61MOD4E800BLH0@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Tue, 02 Sep 1997 12:45:55 -0400 (EDT)

Received: from merit.chronicle.com ([198.108.1.219])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IN61M9Y400003TJP@STORM.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Tue, 02 Sep 1997 12:45:35 -0400 (EDT)

Received: from localhost (daemon@localhost)
by merit.chronicle.com (8.8.7/Chronicle) with SMTP id MAA13975; Tue,
02 Sep 1997 12:39:52 -0400 (EDT)

Received: by merit.chronicle.com (bulk_mailer v1.5); Tue,
02 Sep 1997 08:04:03 -0400

Received: (from che@localhost) by merit.chronicle.com (8.8.7/Chronicle)
id IAA05939 for daily; Tue, 02 Sep 1997 08:04:01 -0400 (EDT)

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Ann_OLeary (Ann_O'Leary@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 2-SEP-1997 19:52:00.00

SUBJECT: Re: Latest proposals

TO: Mary I. Cassell (Mary I. Cassell@eop [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])
READ:UNKNOWN

TO: William R. Kincaid (William R. Kincaid@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Attached please find the latest DRAFT of the America Reads
counter-proposal to the Goodling outline.

I have also attached a revised side-by-side comparison of the
three proposals.

PLEASE SEND ME ANY COMMENTS ON THIS DRAFT BY C.O.B. ON THURSDAY.

Thank you.

-Ann O'Leary
401-2993

=====

==

CONFIDENTIAL

DRAFT

9/2/97

Staff Discussion Draft Outline

America Reads Response

Purpose

The purpose of this legislation is to improve the literacy skills of children and families to ensure that all children read well and independently by the end of the third grade so that they can succeed in school, later in the workplace, and in life.

This legislation assists in achieving that purpose by providing financial support from the Department of Education to:

- (1) improve in-school reading instruction through professional development of reading instructors;
- (2) improve out-of-school reading efforts through local reading programs which provide instruction to families, caregivers, and volunteer reading tutors. All out-of-school efforts would need to effectively link community literacy efforts to the in-school reading instruction; and
- (3) expand the study and evaluation of reading based on reliable, valid, and replicable research*, and establish a mechanism for such distribution.

*Reliable, valid, and replicable research is defined under the

bill to mean rigorous studies that include random samples of subjects; rely on measurements that meet established standards of reliability and validity; test competing theories, where multiple theories exist; and are approved through a peer review process.

Overview

Under this legislation States, through State Literacy Consortiums, compete for literacy grants to use towards the creation and support of effective local reading programs for preschool-aged children and children attending K-3 in a public or private school. Effective reading programs would include an in-service professional development component for reading instructors in public schools and an out-of-school community-school linked literacy program for all children.

State grants would be awarded competitively with the goal of phasing in all States, meeting the criteria for receiving a grant, by the end of the fifth year.

State Literacy Consortiums

Each State desiring to compete for a literacy grant must establish a State Literacy Consortium made up of the Governor and Chief State School Officer and representatives jointly

selected by the Governor and Chief State School Officer,

including:

the directors of curriculum and instruction, Title II and
other professional development programs, Title I, and special
education;

local education agencies within the State which include

one or

more Title I schools identified for school improvement;

higher education institution(s) within the State,

especially

those engaged in research on reading and the preparation of

reading

teachers if possible;

private nonprofit or for-profit professional development

providers;

community-based organizations involved in reading

programs;

family literacy/adult education providers; and

the State Commission on National and Community Service.

If a State already has an existing literacy consortium to

promote

literacy for all students, it may substitute such membership for

the

requirements above.

The State educational agency would act as the fiscal agent for the receipt and disbursement of grant funds if a State were to receive funds.

The functions of the consortium include:

preparing and submitting the literacy grant application to the Secretary;
and, if the consortium receives funding, solicitation of grantees within the State;
oversight of the performance of subgrantees;
enhancing the capacity of existing agencies to disseminate reliable, valid, and replicable reading research to schools and classrooms;
acting as an umbrella for all literacy efforts in the state,
e.g. Even Start, Reading Recovery, State-wide literacy programs,
etc.;
and
building on existing literacy programs within the State.

State Literacy Grant Application

The literacy grant application to the Secretary would be

required to:

describe how subgrants made by the consortium would achieve the goals of this Act and facilitate the coordination of school and community-based programs for reading;

describe the State's strategies for building on existing literacy initiatives in the State, including family literacy initiatives such as those carried out under the Even Start program,

and for attracting other resources to promote the purpose of this Act;

be integrated with State plans under ESEA, IDEA, and the Adult

Education Act; and

include information on the consortium including the roles of each of the participants.

Selection of Literacy Grant Applications

Applications from State Literacy Consortiums will go to the Secretary of Education, who would forward them to a Peer Review Panel for initial approval. Applications approved by the panel would be returned to the Secretary for final approval or disapproval.

The Peer Review Panel will consist of experts in the field of reading

who are appropriate to evaluate such grant applications.

Members

would be selected by the Secretary of Education in consultation

with

the National Institute for Literacy (NIFL); the National Academy

of

Sciences (NAS); and the National Institute of Child Health and

Human

Development (NICHD).

A priority would be given to applicants from States that

have

modified or plan to modify, State teacher certification in the

area of

reading to reflect reliable, valid, and replicable research.

Pre-Service Subgrants

THIS PURPOSE IS ADDRESSED IN THE ADMINISTRATION'S PROPOSAL FOR
TITLE V
OF THE HIGHER EDUCATION ACT.

Local Reading Program Subgrants

State literacy consortiums receiving funds under this

legislation

would be required to make subgrants to local applicants to

develop,

carry out, or expand local reading programs.

Definition of Local Reading Program:

1. helps children read well and independently by the end of

the

third grade through in-school and after-school programs;

2. serves an area with a high number or percentage of

children from

low-income families or with the greatest need for reading

assistance;

3. implements a clear model(s) of reading instruction in

schools

which is based on reliable, valid, and replicable research;

4. ensures that the school will use the professional

development

funds (in the area of reading) from IDEA and ESEA, in connection

with

such reading efforts;

5. provides appropriate and effective training for, tutors

for

after-school, weekend, or summer reading programs, or for other

proven

reading programs, for children from preschool through fourth

grade;

6. assesses student progress toward developing reading skills

based

on challenging academic standards in reading;

7. leverages resources from a variety of federal, state, and

local

programs to support reading.

Eligible Applicants: An eligible applicant is a consortium

consisting

of a local educational agency (or one or more schools of such

agency)

and at least one other public or private agency or organization

(such

as library, museum, or other cultural institution,

community-based

organization, business or other employer, senior citizen group,

youth

group, parent association, literacy organization, or institution

of

higher education), or Indian Tribe.

Local reading programs applying for subgrants from the State

would be

required to demonstrate how the reading program would be

coordinated

and integrated with Title I

schoolwide or non-schoolwide programs both fiscally and programmatically.

Grantees may use funds to:

- provide payment to instructors implementing reading models;

- provide payment to a reading specialist to link in-school

and

- out-of-school reading programs;

- support partnerships with Head Start, Even Start, Adult

- Education and/or community based organizations;

- support professional development, including the training

of

- volunteers;

- provide payment to a tutor coordinator;

- provide instruction for parents and others who volunteer

to be

- reading tutors; and

- train illiterate parents to read so that they may read to

their

- children and assist them in homework.

Priorities for funding applicants which:

- develop, carry out, or expand effective local programs,

such as

- family literacy programs, that provide appropriate support,

training,

and educational materials to involve and assist parents (and

other

adult primary caregivers) to help their children become

successful

readers by the end of the third grade.

If a State does not apply or it not awarded a grant, the

Secretary

will make available competitive grants directly to Local

Education

Agencies.

Local and Regional Grants

The Secretary shall make competitive grants to eligible

applicants to

develop:

1. large-scale local reading programs that will serve as

effective

models for helping large

numbers of children read well and independently by the end

of

the third grade;

2. national or regional networks that provide information to

interested persons on how

parents and families can help their children read better

and

that support the efforts of parents and families to provide a

solid

foundation for reading;

3. reading organizations in more than one State; or

4. other local, regional, or national activities that promote

the

most effective and

promising practices for helping all children read well and

independently by the end of

the third grade.

Program Evaluation

The legislation will include a program evaluation component to

measure

the overall success of the funds in meeting the purpose of this

Act.

In addition, it would provide funding to evaluate local programs

carried out under this Act.

Information Dissemination

The National Institute for Literacy (NIFL) would head up the

effort to

disseminate information on reliable, valid, and replicable

research on

reading to Federal programs that focus, or include a focus on reading.

These include programs under the ESEA, Head Start, IDEA, Even Start, and the Adult Education Act.

In doing so, NIFL would build upon applicable information networks

currently in existence including OERI and those established by States and private sector entities.

NIFL would be the main organization charged with disseminating information on reliable, valid, and replicable research. The OERI

Expert Reading Panel would provide advice to NIFL on the type of research to be disseminated.

Technical Assistance

The Department of Education's Comprehensive Technical Assistance Centers would be awarded grants to enhance their capacity to provide technical assistance to SEAs, LEAs, and schools in the area of reading.

begin 666 legcount.3

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M;(!D979E;&]P;65N=-!%0``P)```%\$#:``%!@`!(!4`T!R;V=R86US+(!4
M:71L98!)+(!A;F2`<W!E8VEA;(!E9'5C871I;VX[W0@7`(!(```)C;0P`
M`(@,``7`-V,T`07``-``L``@@"*",(R@C`B`7`-",W0D+`,`'''+`-W=
M!!``@@\$@```,`F/\_`\$`#=W04+`,`'''+`-W=!A,`@@\$@``(`F.`#0``\$P#=
M\("(&\.`P#`'''''(PP`X-T""P`#`''''P#=&]C86R`961U8V%T:6]N@&%G
M96YC:65S@'='I=&AI;H!T:&6`4W1A=&6`=VAI8VB`:6YC;'5D98!O;F6`;W*`

M;6]R98!4:71L98!)@'-C:&]O;/0'14'''L'"0'!)'^^!P@``2'5'-!I9&5N
M=&EF:65D@&9O<H!S8VAO;VR':6UP<F]V96UE;G0[W0@7'(!('''')CAPT'
M`*(-``7'-V,T'07'''-``L``@`@`\*",(R@C`B`7`-","W0D+``,````+`-W=
M!``@`@`\$@``,``F/\_`\$`#`=W04+``,````+`-W=!A,``@`@`\$@``(`F.5#@``\$P`#`=
M\("&\.`P#`''''''(!PP`X-T""P`#`''''''P`#`=:&EG:&5R@&5D=6-A=&EO;H!I
M;G-T:71U=&EO;BAS*8!W:71H:6Z`=&AE@%-T871E+(!E<W!E8VEA;&QY@'IH
M;W-E@&5N9V%G962`:6Z`<F5S96%R8VB`;V[0'14'''L'"0'!!!%@"0H``2'5
M`-!R96%D:6YG@&%N9(!T:&6`<')E<&%R871I;VZ`;V:.`<F5A9&EN9X!T96%C
M:&5R<X!I9H!P;W-S:6)L93O="!"<`@P\$@``(`F.5#@``L`X``!<`W8S0!!<`
M``T``P`''''`<H(P@`\*","(!<`T(S="0L``P`''``L`W=T\$`\$`''''''2``P`"8\_`0
M`-W=!0L``P`''``L`W=T&\$P`''''''2``P`"8\_`,`3``-WP(@;PX#`,`''''''@'
M#`#@W0<+``,````+`-UP<FEV871E@&YO;G!R;V9I=(!O<H!F;W\*\$`<')O9FET
M@'!R;V9E<W-I;VYA;(!D979E;&]P;65N=(!P<F]V:6IE<G,[W0@7'(!('``
M``)CPP``-X/``7'-V,T'0?``5`!`,`>020`L,``\$`''''`<H(P@`\*","(!`
MT(S="0L``P`''``L`W=T\$`\$`''''''2``P`"8\_`0`-W=!0L``P`''``L`W=T&\$P`''''
M`2``@`"8Y(0``3``-WP(@;PX#`,`''''''@`#`#@W0<+``,````+`-UC;VUM
M=6YI='F\$8F%S962`;W)G86YI>F%T:6]N<X!I;G9O;'9E9(!I;H!R96%D:6YG
M@'!R;V=R86US.X#="!"<`@P\$@``(`F.2\$``K1``!<`W8S0!!\``!4`\$P`!
MU!,P#`T``0(!R@C""<H(P(@`P#0C-T)"P`#`''''''P`#`=W000`(!('`#``)C
M_Q``W=T%"P`#`''''''P`#`=W083`(!('``'')C6A\$``!`,`W?`B!O#@`,`P`''''''
M""<`,`.#`=!PL``P`''``L`W69A;6EL>8!L:71E<F%C>2]A9'5L=(!E9'5C871I
M;VZ`<')O=FED97)S.X!A;F3="!"<`@P\$@``(`F-:\$0``=I\$``!<`W8S0!!`
M`!4`\$P`!Q!0@#0X``0(!R@C""<H(P(@`P#0C-T)"P`#`''''''P`#`=W000`(!
M(``#``)C_Q``W=T%"P`#`''''''P`#`=W083`(!('``'')C%!(``,`W?`B!O#@`
M,`P`''''''''<`,`.#`=!PL``P`''``L`W71H98!3=&%T98!#;VUM:7-S:6]N@&]N
M@\$YA=&EO;F%L@&%N9(!#;VUM=6YI='F`4V5R=FEC92[="!"<`@P\$@``(`F,4
M\$@``+Q(`!<`W8S0!!\``!4`\$P`!M!40#@``\``0(!R@C""<H(P(@`P#0C-T)

M"P'#"P#=\$EF@&&'4W1A=&6'86QR96%D>8!H87.`86Z`97AI<W1I;F>`
M;&ET97)A8WF`8VJN<VJR=&EU;8!T;X!P<FJM;W1E@&QI=&5R86-Y@&9O<H!A
M;&R`<W1U9&5N='L@&ETSVUA>8!S=6)S=&ET=71E@'-U8VB`;65M8F5R<VAI
M<(!F;W*`=&AE@')E<75I<F5M96YT<X!A8FJV92[0!!4``L`"0!A!C@\$!(
M`2`5`-#,&5&AE@%-T871E@&5D=6-A=&EO;F%L@&%G96YC>8!W;W5L9(!A8W2`
M87.`=&AE@&9I<V-A;(!A9V5N=(!F;W\*`=&AE@')E8V5I<2`86YD@&II<V)U
M<G-E;65N=,]O9H!G<F%N=(!F=6YD<X!!9H!A@%-T871E@'=E<F6`=&^<F5C
M96EV98!F=6YD<R[,S%1H98!F=6YC=&EO;G.`;V:`=&AE@&-O;G-O<G1I=6V`
M:6YC;'5D93K,S-T\$S`""2``P`"8\_ \0`-W=!0L`P``L`W=T&\$P`""2``
M`@"8WH4``3`-WP(@;PX#`,`""@'#`#@W0<+`,`""+`-UP<F5P87)I
M;F>`86YD@'-U8FUI='1I;F>`=&AE@&QI=&5R86-Y@&=R86YT@&%P<&QI8V%T
M:6]N@'1O@'1H98!396-R971A<GD[W0@7`(!(`""C>A0``)44``7`-V,
MT`0?``5`!,``10?<!<9`\$""<H(P@`*`,`(!\`T(S="0L`P``L`W=T\$
M\$`""2``P`"8\_ \0`-W=!0L`P``L`W=T&\$P`""2``@`"8T\5``3`-WP
M(@;PX#`,`""@'#`#@W0<+`,`""+`-UA;F0L@&EF@'1H98!C;VYS;W)T
M:75M@')E8V5I=F5S@&9U;F1I;F<L@'-O;&EC:71A=&EO;H!O9H!G<F%N=&5E
M<X!W:71H:6Z`=&AE@%-T871E.X#="!<`@P\$@``(`F-/ %0``:A4``!<`W8S0
M!!\`!4`\$P`!!"!@&!H`0((!R@C""<H(P(@P#0C-T)"P`#`""P#=W000
M`((!(`#``)C\_Q`W=T%"P`#`""P#=W083`((!(`""C+Q8``!,`W?`B
M!O#@,P`""""<`,`#=!PL`P``L`W6JV97)S:6=H=(!O9H!T:&6`<&5R
M9FJR;6%N8V6`;V:`<W5B9W)A;G1E97,[@.`1#`""`(%@P`X-T(%P"#`2``
M`@"8R\6``!%@``%P#=C-`\$P``%0`3``T(%`9&P`!`@@`*`,`(!R@C`B`?
M`-",W0D+`,`""+`-W=!``@@\$@`,`F/_`#`=W04+`,`""+`-W=!A,`
M@@@\$@``(`F,\*%P``\$P#="\(&\.`P#`""`(!PP`X-T""P`#`""P#=96YH
M86YC:6YG@'1H98!C87!A8VET>8!O9H!E>&ES=&EN9X!A9V5N8VEE<X!T;X!D
M:7-S96UI;F%T98!R96QI86)L92R`=F%L:60L@&%N9(!R97!L:6-A8FQET`\$5
M``+``D``>0A0!H<``\$@%0#0<F5A9&EN9X!R97-E87)C:(!T;X!S8VAO;VQS

M@&%N9(!C;&%S<W)O;VUS.]T(%P"#2""@`"8PH7""E%P""P#=C-`\$%P`
M#0`+`((!R@C""<H(P(@%P#0C-T)"P`#""P#=W000`((!(`#`)C_Q`
MW=T%"P`#""P#=W083`((!(`""")C\*!@`!,`W?`B!O#@,`P`""""<,
M`.#=!PL`P`""L`W6%C=&EN9X!A<X!A;H!U;6)R96QL88!F;W*`86QL@&QI
M=&5R86-Y@&5F9FJR=.`:6Z`=&AE@'-T871E+(!E+F<N@\$5V96Z`4W1A<G0L
M@%)E8611;F?0`14""L`"0"!Q",@!`X`2`5`-!296-O=F5R>2R`4W1A=&6\$
M=VED98!L:71E<F%C>8!P<F]G<F%M<RR`971C+CN`86YDW0@7`(!(`""")C
M*!@`\$8`7`-V,T`07""-`L`@@"*",(R@C`B`7`-",W0D+`,`""+
M`-W=!`"@@\$@`,`F/_`\$#=W04+`,`""+`-W=!A,`@\$@`(`F-'&0`
M\$P#="(&\.`P#""""(PP`X-T""P`#""P#=8G5I;&1I;F>`;VZ`97AI
M<W11;F>`;&ET97)A8WF`<)O9W)A;7.`=VET:&EN@`1H98!3=&%T92[="!<`
M@P\$@`(`F-'&0`8AD`!<`W8S0!!`!4`\$P`!`4`B`"0(!R@C""<H
M(P(@`P#0C-T)"P`#""P#=S/(\E-T871E@\$QI=&5R86-Y@\$=R86YT@\$%P
M<&QI8V%T:6]N[P[ST`05""+`D`80GX!\B``\$@%0#0S%1H98!L:71E<F%C
M>8!G<F%N=(!A<!L:6-A=&EO;H!T;X!T:&6`4V5C<F5T87)Y@'=O=6QD@&)E
M@`)E<75I<F5D@`1O.LS,W000`((!(`#`)C\_Q`W=T%"P`#""P#=W083
M`(!(`""")CCQH`!,`W?`B!O#@,`P`""""<`,`#=!PL`P`""L`W61E
M<V-R:6)E@&AO=X!S=6)G<F%N=.`:6%D98!B>8!T:&6`8V]N<V]R=&EU;8!W
M;W5L9(!A8VAI979E@`1H98!G;V%L<X!O9H!T:&ES@\$%C=-`!%0""P`)`%\$
M*Z`C)@`!(4`T&%N9(!F86-I;&ET871E@`1H98!C;V]R9&EN8711;VZ`;V:`
M<V-H;V]L@&%N9(!C;VUM=6YI='F\$8F%S962`<)O9W)A;7.`9F]R@`)E8611
M;F<[W0@7`(!(`""")CCQH`*H:``7`-V,T`8?``5`!,``30LD"0G``\$"
M""<H(P@`\*","(!`T(S="0L`P`""L`W=T\$`\$""2""P`"8\_`0`-W=!0L`
M`P`""L`W=T&\$P`""2""@`"8]0;``3`-WP(@;PX#`,`""@`#`#@W0<+
M`,`""+`-UD97-C<FEB98!T:&6`4W1A=&7P"3P<X!S=)A=&5G:65S@&9O
M<H!B=6EL9&EN9X!O;H!E>&ES=&EN9X!L:71E<F%C>8!I;FET:6%T:79E<X!I
M;H!T:&6`4W1A=&4LT`\$5""+`D`:`0""""`\$@%0#0:6YC;5D:6YG@&9A

M;6EL>8!L:71E<F%C>8!l;FET:6%T:79E<X!S=6-H@&%S@'IH;W-E@&-A<G)I
M962`;W5T@'5N9&5R@'IH98!%=F5N@%-T87)TSW!R;V=R86TL@&%N9(!F;W\*`
M871T<F%C=&EN9X!O=&AE<H!R97-O<G5C97.`=&^<')O;6]T98!T:&6`<'5R
M<&]S98!O9H!T:&ES@%\$C=#O="!<`@P\$@``('`F/4&P``[QL``!<`W8S0!!<`
M``T``P``""<H(P@\*","(!<`T(S="0L``P````L`W=T\$S`""2``P``"8_0
M`-W=!0L``P````L`W=T&\$P""2``@`"8V\=``3`-WP(@;PX#`,`````@'
M#`#@W0<+`,`````+`-UB98!l;G1E9W)A=&5D@'=I=&B`4W1A=&6`<&QA;G.`
M=6YD97*`15-%02R`241%02R`86YD@'IH98!!9'5L=(!%9'5C871I;VZ`06-T
M.X!A;F3="!<`@P\$@``('`F-O'0``BAT``!<`W8S0!!\``!4`\$P`!=`K0`@,`
M`0(!R@C""<H(P(@'P#0C-T)"P`#````"P#=W000`((!(`#``)C\_Q``W=T%
M"P`#````"P#=W083`((!(`#``)C3!X`!,`W?`B!O#@,`P````""<`,`.#=
M!PL``P````L`W6EN8VQU9&6`:6YF;W)M871I;VZ`;VZ`=&AE@&-O;G-O<G1I
M=6V`:6YC;'5D:6YG@'IH98!R;VQE<X!O9H!E86-H@&]F@'IH98!P87)T:6-I
M<&%N=',NW0@7`(!(`#``)C3!X``&>``7`-V,T`0?``5`!,``60+P`,`\$
M``\$``""<H(P@*","(!\T(S="0L``P````L`W<S,\@[R4V5L96-T:6]N@&]F
M@\$QI=&5R86-Y@\$=R86YT@\$%P<&QI8V%T:6]N<_,.)`\$%0``"P`)``\$T#I`&
M!P`!(!4`T,Q!<!L:6-A=&EO;G.`9G)O;8!3=&%T98!,:71E<F%C>8!#;VYS
M;W)T:75M<X!W:6QL@&=O@'IO@'IH98!396-R971A<GF`;V:.`161U8V%T:6]N
M+(!W:&_/=V]U;&2`9F]R=V%R9(!T:&5M@'IO@&&`4&5E<H!2979I97>`4&%N
M96R`9F]R@&EN:71I86R`87!P<F]V86PN@(!<`!L:6-A=&EO;G.`87!P<F]V
M962`8GG/= &AE@'!A;F5L@'=O=6QD@&)E@')E='5R;F5D@'IO@'IH98!396-R
M971A<GF`9F]R@&9I;F%L@&%P<')O=F%L@&]R@&1I<V%P<')O=F%L+LS,5&AE
M@%!E97*`4F5V:65W@%!A;F5L@'=I;&R`8V]N<VES=(!O9H!E>'!E<G1S@&EN
M@'IH98!F:65L9(!O9H!R96%D:6YG@'=H;X!A<F6`87!P<F]P<FEA=&6`=&_/
M979A;'5A=&6`<W5C:(!G<F%N=(!A<`!L:6-A=&EO;G,N@(!-96UB97)S@'=O
M=6QD@&)E@'-E;&5C=&5D@&)Y@'IH98!396-R971A<GF`;V:.`161U8V%T:6]N
MSVEN@&-O;G-U;'1A=&EO;H!W:71H@'IH98!.871I;VYA;(!);G-T:71U=&6`

M9FJR@\$QI=&5R86-Y@"A.249,*3N'=&AE@\$YA=&EO;F%L@\$%C861E;7F`;V;/
M4V-I96YC97.`\*\$Y!4RD[@&%N9(!T:&6`3F%T:6]N86R`26YS=&ET=71E@&]F
M@\$-H:6QD@\$AE86QT:(!A;F2`2`5M86Z`1&5V96QO<&UE;G3/*\$Y)0TA(1"DN
MS-T\$\$`""2``P`"8\_0`-W=!0L`P``L`W=T&\$P`""2``@`"8^,A``3
M`-WP(@;PX#`,`""@`#`#@W0<+`,`""+`-U!@`!R:6]R:71Y@`=O=6QD
M@&)E@&=I=F5N@'1O@&%P<&QI8V%N='.`9G)O;8!3=&%T97.`=&AA=(!H879E
M@&UO9&EF:65D@&]R@`!L86Z`=&_0`14``L`"0`!A!C@\$!(`2`5`-!M;V11
M9GDL@%-T871E@'1E86-H97*`8V5R=&EF:6-A=&EO;H!I;H!T:&6`87)E88!O
M9H!R96%D:6YG@'1O@')E9FQE8W2`<F5L:6%B;&4L@'9A;&ED+(!A;F3/<F5P
M;&EC86)L98!R97-E87)C:"[="!<`@P\$@``(`F/C(0``_B\$``!<`W8S0!!<`
M``T``P`""<H(P@`*`,`"(!<`T(S="0L`P``L`W<S,\@[R4')EA%-E<G9I
M8V6`4W5B<F%N=/S#O/0!!4``L`"0`!-!V0%1<`2`5`-#;5\$A)4X!055)0
M3U-%@\$E3@\$%\$1%)%4U-%1(!)3H!42\$6`041-24Y)4U12051)3T[P`3P4X!0
M4D]03U-!3(!&3U+/5\$E43\$6`5H!/1H!42\$6`2\$E'2\$52@\$5\$54-!5\$E/3H!!
M0U0NS,SR#O),;V-A;(!296%D:6YG@%!R;V=R86V`4W5B9W)A;G1ST`05```+
M``D``>0A0!H<`\$@%0#0\P[S4W1A=&6`;&ET97)A8WF`8V]N<V]R=&EU;7.`
M<F5C96EV:6YG@&9U;FIS@'5N9&5R@'1H:7.`;&5G:7-L8711;VZ`=V]U;&2`
M8F6`<F5Q=6ER962`=&^^;6%K9=`!%0``P`)``4(C`;0`!(!4`T'-U8F=R
M86YT<X!T;X!L;V-A;(!A<!L:6-A;GIS@'1O@&1E=F5L;W`L@&-A<G)Y@&]U
M="R`;W\*`97AP86YD@&QO8V%L@')E8611;F>`<)O9W)A;7,NS,Q\$969I;FET
M:6]N@&]F@\$QO8V%L@%)E8611;F>`4')O9W)A;3K,S-T\$\$`""3L`P"9UO\0
M`-W=!0L`P``L`W=T&\$P`""3L``@`"9UC0E``3`-W:`X`@P\$Z``\$``X`
MVC':`0H``P``"@#;+ML`&0``3H``0``!0\$``0``!``\$``0`9`-O@,`P`""
M``<`,`#=!PL`P``L`W6AE;!S@&-H:6QD<F5N@')E862`=V5L;(!A;F2`
M:6YD97!E;F1E;G1L>8!B>8!T:&6`96YD@&]F@'1H98!T:&ER9(!G<F%D98!T
M:)O=6=H@&ENA-`4%0``P`)``&\$)^(@`!(!4`T'-C:&]O;(!A;F2`869T
M97*\$<V-H;V]L@`!R;V=R86US.JT(%P"#`3L``@`"9UC0E``!/)0``%P#=C-`\$

M%P`#0`+`((!R@C`<H(P(@%P#0C-T)"P`#`""P#=W000`(!.P`#`)G6
M_Q`W=T%"P`#`""P#=W083`(!.P`#`)G6<28`!,`W=H`#@`#`3H`0`
M#@#:,MH!"@`#`""*-HNVP`9`(!.@`!`""%`@`!`\$`0`!`!D`V^`P`#`
M`(!PP`X-T""P`#`""P#=<V5R=F5S@&%N@&%R96&`=VET:(!A@&AI9VB`
M;G5M8F5R@&]R@`!E<F-E;G1A9V6`;V:8VAI;&1R96Z`9G)O;8!L;W>\$:6YC
M;VUE@&9A;6EL:65ST`\$5`"+`D`60IP"\$D`\$@%0#0;W\*`=VET:(!T:&6`
M9W)E871E<W2`;F5E9(!F;W\*`<F5A9&EN9X!A<W-I<W1A;F-E.]T(%P`#`3L`
M`@"9UG\$F`",)@`%P#=C-`\$%P`#0`+`((!R@C`<H(P(@%P#0C-T)"P`#`
M`""P#=W000`(!.P`#`)G6_Q`W=T%"P`#`""P#=W083`(!.P`#`)G6
MOB<`!,`W=H`#@`#`3H`0`#`#@#:,]H!"@`#`""*-HNVP`9`(!.@`!`""%
M`P`!`\$`0`!`!D`V^`P`#`""(!PP`X-T""P`#`""P#=:6UP;&5M96YT
M<X!A@&-L96%R@&UO9&5L*,I@&]F@`)E861I;F>`:6YS=)U8W1I;VZ`:6Z`
M<V-H;V]L<X!W:&EC:(!I<X!B87-E9(!O;M`!%0`"P`)`%\$*Z`C)@`!(!4`
MT`)E;&EA8FQE+(!V86QI9"R`86YD@`)E<&Q18V%B;&6`<F5S96%R8V@[W0@7
M`(!.P`#`)G6OB<`-DG`7`-V,T`8?`5`!,`30LD"0G`\$`""<H(P@`
M*",(!\`T(S="0L`P`""L`W=T\$`\$`""3L`P`9UO\0`-W=!0L`P`""L`
MW=T&\$P`""3L`@"9U@8I`3`-W:`X`@P\$Z`\$`X`VC3:0H`P`""@#:
M+ML`&0`""3H`0`!00`0`!`\$`0`9`-O@,`P`""<`,`#=!PL`P`
M`L`W65N<W5R97.`=&AA=(!T:&6`<V-H;V]L@`=I;&R`=7-E@`1H98!P<F]F
M97-S:6]N86R`9&5V96QO<&UE;G2`9G5N9.`\*&EN@`1H98!A<F5A@&]FT`\$5
M`"+`D`0`""\$@%0#0<F5A9&EN9RF`9G)O;8!)I\$5!@&%N9(!%4T5!
M+(!I;H!C;VYN96-T:6]N@`=I=&B`<W5C:(!R96%D:6YG@&5F9F]R=,[W0@7
M`(!.P`#`)G6!BD`""\$I`7`-V,T`07`-`L`@@"*,(!R@C`B`7`-`,
MW0D+`,`""+`-W=!`"@@\$[`,`F=;_`\$`#=W04+`,`""+`-W=!A,`"@@\$[
M`(`F=9F*@"`\$P#=V@`.`,`(!.@`!`""-HUV@\$*`,`H`VB[;`!D`@\$Z
M`\$`4%`\$`0`!`\$`&0#;X#`,`""@`#`#@W0<+`,`""+`-UP<F]V
M:61E<X!A<!R;W!R:6%T98!A;F2`969F96-T:79E@`1R86EN:6YG@&9O<BR`

M='5T;W)S@&9O<H!A9G1E<H1S8VAO;VPL@'=E96ME;F0L@&JRT`\$5`'+`D`
M`80)X`\$``\$@%0#0<W5M;65R@')E861I;F>`<')O9W)A;7,L@&JR@&9O<H!O
M=&AE<H!P<FJ]V96Z`<F5A9&EN9X!P<FJG<F%M<RR`9FJR@&-H:6QD<F5N@&9R
M;VW/<')E<V-H;VJL@'1H<FJU9VB`9FJU<G1H@&=R861E.JT(%P"#`3L``@`"9
MUF8J`""!`*`@``%P#=C-`\$%P``#0`+``(!R@C""<H(P(@%P#0C-T)"P`#`""`
M"P#=W000`(!.P`#`)G6_Q``W=T%"P`#`""P#=W083`(!.P`""G6\RL`
M`!,`W=H`#@`"#3H``0``#@#:-MH!"@`#`""*-HNVP`9`(!.@`!```%!@`!
M`\$``0`!`!D`V^`P#`""`(!PP`X-T""P`#`""P#=87-S97-S97.`<W1U
M9&5N=(!P<FJG<F5S<X!T;W=A<F2`9&5V96QO<&EN9X!R96%D:6YG@'-K:6QL
M<X!B87-E9(!O;H!C:&%L;&5N9VEN9J`!%0``"P`)``%4#+`\$!0`!(14`T&%C
M861E;6EC@'-T86YD87)D<X!;H!R96%D:6YG.JT(%P"#`3L``@`"9UO,K``.
M+```%P#=C-`\$%P``#0`+``(!R@C""<H(P(@%P#0C-T)"P`#`""P#=W000
M`(!.P`#`)G6_Q``W=T%"P`#`""P#=W083`(!.P`""G6*"T`!,`W=H`
M#@`"#3H``0``#@#:-]H!"@`#`""*-HNVP`9`(!.@`!```%!P`!`\$``0`!
M`!D`V^`P#`""`(!PP`X-T""P`#`""P#=:&5V97)A9V5S@')E<VJU<F-E
M<X!F<FJM@&&`=F%R:65T>8!O9H!F961E<F%L+(!S=&%T92R`86YD@&QO8V%L
M@`!R;V=R86US@'1O@'-U<!O<G30`14``L``0`!-`Z0!@<`2`5`-!R96%D
M:6YG+MT(%P"#`3L``@`"9UB@M`!#+0``%P#=C-`\$%P``#0`+``(!R@C""<H
M(P(@%P#0C-T)"P`#`""P#=S\$5L:6=I8FQE@\$%P<&QI8V%N=',Z@\$%N@&5L
M:6=I8FQE@&%P<&QI8V%N=(!I<X!A@&-O;G-O<G1I=6V`8VJN<VES=&EN9X!O
M9H!A@&QO8V%L@&5D=6-A=&EO;F%LSV%G96YC>8`H;W\*`;VYE@&JR@&UO<F6`
M<V-H;VJL<X!O9H!S=6-H@&%G96YC>2F`86YD@&%T@&QE87-T@&]N98!O=&AE
M<H!P=6)L:6.`;W\*`<')I=F%T9<JA9V5N8WF`;W\*`;W)G86YI>F%T:6JN@"AS
M=6-H@&%S@&QI8G)A<GDL@&UU<V5U;2R`;W\*`;W1H97*`8W5L='5R86R`:6YS
M=&ET=71I;VXL@&-O;6UU;FET>82\8F%S962`;W)G86YI>F%T:6JN+(!B=7-I
M;F5S<X!O<H!O=&AE<H!E;7!L;WEE<BR`<V5N:6JR@&-I=&EZ96Z`9W)O=7`L
M@'EO=71H@&=R;W5P+(!P87)E;G3/87-S;V-I871I;VXL@&QI=&5R86-Y@&JR

M9V%N:7IA=&EO;BR`;W\*:6YS=&ET=71I;VZ`;V:.`&EG:&5R@&5D=6-A=&EO
M;BDL@&]R@\$EN9&EA;H!4<FEB92Z`@,S,3&]C86R`<F5A9&EN9X!P<F]G<F%M
M<X!A<!L>6EN9X!F;W*`<W5B9W)A;G1S@&9R;VV`=&AE@%-T871E@'=O=6QD
M@&)E@')E<75I<F5D@'!OSV1E;6]N<W1R871E@&AO=X!T:&6`<F5A9&EN9X!P
M<F]G<F%M@'=O=6QD@&)E@&-O;W)D:6YA=&5D@&%N9(!I;G1E9W)A=&5D@'=I
M=&B`5&ET;&6`,`<QS8VAO;VQW:61E@&]R@&YO;H1S8VAO;VQW:61E@'!R;V=R
M86US@&)O=&B`9FES8V%L;'F`86YD@'!R;V=R86UM871I8V%L;'DN@,S,1W)A
M;G1E97.`;6%Y@'5S98!F=6YD<X!T;SK,S-T\$\$`""`2`P`"8\_0`-W=!0L`
M`P`""L`W=T&\$P`""2`""@`"8R(Q`"3`-WP(@;PX#`,`""@`#`#@W0<+
M`,`""+`-UP<F]V:61E@'!A>6UE;G2`=&^:6YS=)U8W1O<G.`:6UP;&5M
M96YT:6YG@')E861I;F>`,`6]D96QS.]T(%P`"#`2`""@`"8R(Q`"`,`P#=
MC-`\$P`""0`3`""\$*`4%@`!`@`@`\*",(!R@C`B`?`"-,W0D+`,`""+`-W=
M!`!`@`@\$@`,`F/\_\$`#`#`W04+`,`""+`-W=!A,`@`@\$@`(`F/I,0`\$P#=
M`"(&\\.P#`""""(!PP`X-T`"P`#`""P#`<=)O=FED98!P87EM96YT@'!O
M@&&`<F5A9&EN9X!S<&5C:6%L:7-T@'!O@&QI;FN`:6Z\$<V-H;V]L@&%N9(!O
M=72\$;V:\$<V-H;V]L@')E861I;F?0`14`"L`"0`!-!V0%1<`2`5`-!P<F]G
M<F%M<SO="!<`@P\$@`(`F/I,0`!#(`!<`W8S0!!<`"T`"P`""<H(P@'
M*",(!<`T(S="0L`P`""L`W=T&\$P`""2`""P`"8\_0`-W=!0L`P`""L`
MW=T&\$P`""2`""@`"8]XR`"3`-WP(@;PX#`,`""@`#`#@W0<+`,`""+
M`-US=7!P;W)T@'!A<G1N97)S:&EP<X!W:71H@\$AE862`4W1A<G0L@\$5V96Z`
M4W1A<G0L@\$%D=6QT@\$5D=6-A=&EO;H!A;F0O;W*`8V]M;75N:71YT`\$5`"+
M`D`"10?<`<9`\$@%0#08F%S962`;W)G86YI>F%T:6]N<SO="!<`@P\$@`(`
M`F/>,@`^3(`!<`W8S0!!<`"T`"P`""<H(P@`*",(!<`T(S="0L`P`
M`L`W=T&\$P`""2`""P`"8\_0`-W=!0L`P`""L`W=T&\$P`""2`""@`"8]TS
M`"3`-WP(@;PX#`,`""@`#`#@W0<+`,`""+`-US=7!P;W)T@'!R;V9E
M<W-I;VYA;(!D979E;&]P;65N="R`:6YC;'5D:6YG@'!H98!T<F%I;FEN9X!O
M9H!V;VQU;G1E97)S.X#="!<`@P\$@`(`F/=,P`^#`,`!<`W8S0!!\`!4`

M\$P'!]!"0&1L`0(!R@C""<H(P(@'P#0C-T)"P'#""""P#=W000`(!(`'#
M`)C\_Q`W=T%"P'#""""P#=W083`(!(`""")CL30`!,'W?'B!O#@,'P`
M""""<,'.#=!PL`P""L`W7!R;W9!9&6`<&%Y;65N=(!T;X!A@'!U=&]R
M@&-O;W)D:6YA=&]R.]T(%P"#`2""@`"8[\$T`#,-""%P#=C-`\$'P`%0`3
M`"D(4:`"!`@@"\*",(!R@C'B'?-" ,W0D+"" ,""+`-W=!""@@"\$@"` ,
M`F/\_\$`#=W04+"" ,""+`-W=!A,`@@"\$@"`(`F-D-0`\$P#="\("&\. `P#`"
M`"(!PP`X-T""P'#""""P#=<')O=FED98!I;G-T<G5C=&EO;H!F;W*`<&%R
M96YT<X!A;F2`;W!H97)S@`=H;X!V;VQU;G!E97*`=&^`8F6`<F5A9&EN9X!T
M=7!O<G,[@&%N9(#="!<`@P\$@`(`F-D-0`?S4`!<`W8S0!!`!`!4`\$P`!
MU"(P&QT`0(!R@C""<H(P(@'P#0C-T)"P'#""""P#=W000`(!(`'#`)C
M_Q`W=T%"P'#""""P#=W083`(!(`""")C0S8`!,'W?'B!O#@,'P""""
M""<,'.#=!PL`P""L`W7!R86EN@&EL;&ET97)A=&6`<&%R96YT<X!T;X!R
M96%D@'-O@'!H872`=&AE>8!M87F`<F5A9(!T;X!T:&5I<H!C:&EL9)E;H!A
M;F2`87-S:7-T@'!H96V`.6[0`14`"L`"0`!Q",@'!X`"2`5`-!H;VUE=V]R
M:R[="!<`@P\$@`(`F-#-@`"7C8`!<`W8S0!!<`"T""P`""<H(P@`*", "
M(!<`T(S="0L`P""L`W<Q0<FEO<FET:65S@&9O<H!F=6YD:6YG@&%P<&QI
M8V%N='.'=VAI8V@ZS,S=!""@@"\$@"` ,`F/_\$`#=W04+"" ,""+`-W=!A,`
M@@"\$@"`(`F-K-P`\$P#="\("&\. `P#`""""(!PP`X-T""P'#""""P#=9&5V
M96QO<"R`8V%R<GF`;W5T+(!O<H!E>!A;F2`969F96-T:79E@&QO8V%L@'!R
M;V=R86US+(!S=6-H@&%S@&9A;6EL>8!L:7!E<F%C>='!%0`""P`)``%T*-`@
M(P`!(!4`T`!R;V=R86US+(!T:&%T@'!R;W9!9&6`87!P<F]P<FEA=&6`<W5P
M<&]R="R`=)A:6YI;F<L@&%N9(!E9'5C87!I;VYA;(!M87!E<FEA;`.`=&_
M:6YV;VQV98!A;F2`87-S:7-T@'!A<F5N='.`*&%N9(!O=&AE<H!A9'5L=(!P
M<FEM87)Y@&-A<F5G:79E<G,I@'!O@&AE;""=&AE:7*`8VAI;&1R96[/8F5C
M;VUE@'-U8V-E<W-F=6R`<F5A9&5R<X!B>8!T:&6`96YD@&]F@'!H98!T:&ER
M9(!G<F%D92Z`"@[RW0@7`(!(`""")C:S<`(8W`"7`-V,T`0?`"5`!,'
M`40KH",F`\$`""<H(P@`*",("!\`T(S="0L`P""L`W9S0!A4`"L`"0`!

M-"R0)"<`2`5`-#S#O/Q`D<`9OQ`T<`4EF@&&`4W1A=&6`9&J<X!N;W2`
M87!P;'F`;W\*`:72`;FJT@&%W87)D962`88!G<F%N="R`=&AE@%-E8W)E=&%R
M>8!W:6QL@&UA:V6`879A:6QA8FQET`\$5`'+`D`:0`''''`\$@%0#08VJM
M<&5T:71I=F6`9W)A;G1S@&1I<F5C=&QY@'1O@\$QO8V%L@\$5D=6-A=&EO;H!!
M9V5N8VEE<R[R#/+0!!4`''L`"0`!E`CP``\$`2`5`-#S#//R#O+,\P[S\@SR
M3&]C86R`86YD@%)E9VEO;F%L@\$=R86YT<\_,\\_(.M`\$%0``"P`)``%T"M"
M`P`!(!4`T,SS#O-4:&6`4V5C<F5T87)Y@'-H86QL@&UA:V6`\0`!`_%C;VUP
M971I='9E\0%`!`_`Q`D<`6-O;7!E=&ET:79E\0-!`_&`9W)A;G1S@'1O@&5L
M:6=I8FQE@&%P<&QI8V%N='.`=&^`9&5V96QO<#K0!!4`''L`"0`!5`RP!`4`
M`2`5`-`Q+N`1#`''''''`(!PP`X&QA<F=EA'-C86QE@&QO8V%L@')E861I;F>`
M<`)O9W)A;7.`=&AA=(!W:6QL@'-E<G9E@&%S@&5F9F5C=&EV98!M;V1E;`.`
M9FJR@&AE;!!I;F>`;&%R9V70!!4`''L`"0`!1`V@!08``2`5`-#@`\$0P`''''`
M``<`,`!N=6UB97)S@&]F@&-H:6QD<F5N@')E862`=V5L;(!A;F2`:6YD97!E
M;F1E;G1L>8!B>8!T:&6`96YD@&]F@'1H98!T:&ER9(!G<F%D93O,,B[(@`\$0P`
M`''''''`<`,`!N871I;VYA;(!O<H!R96=I;VYA;(!N971W;W)K<X!T:&%T@'!R
M;W9I9&6`:6YF;W)M871I;VZ`=&^:6YT97)E<WIE9(!P97)S;VYS@&]N@&AO
M=X#0!!4`''L`"0`!)`^!P@``2`5`-#@`\$0P`''''''`<`,`!P87)E;G1S@)SQ
M`D@`\6%N9(!F86UI;&EE<X#Q`T@`\6-A;IN`:&5L<(!T:&5I<H!C:&EL9')E
M;H!R96%D@&)E='1E<H!A;F2`=&AA=(!S=7!P;W)T@'1H98!E9F9O<G1S@&]F
MSYSQ`DD`\>`1#`''''''`(!PP`X/\$#20?Q<&%R96YT<YN`G/\$"3`?Q86YD@&9A
M;6EL:65S@/\$#3`?Q=&\_Q`\$H\<R;X!\$,``''''`@`#`#@`0%*!`\_'Q`DL`8#Q
M`TL`\7!R;W9I9&6;@&&`<VJL:62`9FJU;F1A=&EO;H!F;W*`<F5A9&EN9SO,
M,R[(@`\$0P`''''''`<`,`!R96%D:6YG@&]R9V%N:7IA=&EO;G.`:6Z`;6JR98!T
M:&%N@&]N98!3=&%T93OQ`D8`\8!O<O\$#1@?QT`05`'+`D``?014`H+``\$@
M%0#0-"Z`X!\$,``''''`@`#`#@`0)!!`\_%O=&AE<H!L;V-A;"R`\0-!!`\_'Q`\$<`
M\?\$"00?Q<F5G\0-!!`\_'Q`4<`\?\$`0@?Q\0)!!`\_%A:6JN\0-!!`_'Q`4(`\?\$`
M1P?Q\0)#!`_%I;FJA;/\$#0P?
Q\0%M:&EL9')E;H!R96%D@'=E;&R`86YD@&EN9&5P96YD96YT;'F`8GF`=&AE@&5N

M9(!O9LS@\$0P''''''''<,'.!T:&6'=&AI<F2`9W)A9&4N\0-%!_'Q'D<^9SQ
M`T<^?(\M`\$%0`"P`)``\$%"-#@`!(!4`T/,_(\LQ0<F]G<F%MFX!%
M=F%L=6%T:6]NS,SS#/-4:&6';&5G:7-L8711;VZ`=VEL;(!I;F-L=61E@&&`
M<')O9W)A;8!E=F%L=6%T:6]N@&-O;7!O;F5N=(!T;X!M96%S=7)E@'1H98!O
M=F5R86QL@'-U8V-E<W/0`14``L`"0`!A!C@\$!(``2`5`-!O9H!T:&6`9G5N
M9!.`6Z`;65E=&EN9X!T:&6`<5R<&]S98!O9H!T:&ES@\$%C="Z`@\$EN@&%D
M9&ET:6]N+(!I=(!W;W5L9(!P<F]V:61E@&9U;F11;F>`=&\_/979A;'5A=&6`
M;&]C86R`<')O9W)A;7.`8V%R<FEE9(!O=72`=6YD97\*`=&AI<X!!8W0N\@SR
MT`05``'+`D``60:P!(4``\$@%0#0S\$EN9F]R;6%T:6]N@\$11<W-E;6EN8711
M;V[,S/,,\U1H98!.8711;VYA;(!);G-T:71U=&6`9F]R@\$QI=&5R86-Y@"A.
M249,*8!W;W5L9(!H96%D@'5P@'1H98!E9F9O<G2`=&^`9&ES<V5M:6YA=&70
M`14``L`"0`!)!Z`%A@``2`5`-!I;F9O<FUA=&EO;H!O;H!R96QI86)L92R`
M=F%L:60L@&%N9(!R97!L:6-A8FQE@')E<V5A<F-H@&]N@')E8611;F>`=&^`
M1F5D97)A;(!P<F]G<F%M<X!T:&%TSV9O8W5S+(!O<H!I;F-L=61E@&&`9F]C
M=7.`;VZ`<F5A9&EN9RZ`@%1H97-E@&EN8VQU9&6`<')O9W)A;7.`=6YD97\*`
M=&AE@\$5314\$L@\$AE862`4W1A<G0LSTE\$14\$L@\$5V96Z`4W1A<G0L@&%N9(!T
M:&6`061U;2`161U8V%T:6]N@\$%C="[,S\$EN@&1O:6YG@'-O+(!.249,@'=O
M=6QD@&)U:6QD@'5P;VZ`87!P;&EC86)L98!I;F9O<FUA=&EO;H!N971W;W)K
M<X!C=7)R96YT;'F`:6Z`97AI<W1E;F-ESVEN8VQU9&EN9X!/15))@&%N9(!T
M:&]S98!E<W1A8FQI<VAE9(!B>8!3=&%T97.`86YD@'!R:79A=&6`<V5C=&]R
M@&5N=&ET:65S+LS,3DE&3(!W;W5L9(!B98!T:&6`;6%I;H!O<F=A;FEZ8711
M;VZ`8VAA<F=E9(!W:71H@&11<W-E;6EN8711;F>`:6YF;W)M8711;VZ`;VZ`
M<F5L:6%B;&4LSW9A;&ED+(!A;F2`<F5P;&EC86)L98!R97-E87)C:"Z`@%1H
M98!/15))@\$5X<&5R=(!296%D:6YG@%!A;F5L@'=O=6QD@'!R;W9I9&6`861V
M:6-E@'1OSTY)1DR`;VZ`=&AE@'1Y<&6`;V:`<F5S96%R8VB`=&^`8F6`9&ES
M<V5M:6YA=&5D+LS,\@SRS%1E8VAN:6-A;(!!<W-I<W1A;F-ES,SS#/-4:&6`
M1&5P87)T;65N=(!O9H!%9'5C8711;V[P``3P<X!#;VUP<F5H96YS:79E@%1E

M8VAN:6-A;(!<W-I<W1A;F-E@\$-E;G1E<G.`=V]U;&2`8F70`Q4``L``0`!
M-"R0)"<`2`5`-!A=V%R9&5D@&=R86YT<X!T;X!E;FAA;F-E@'1H96ER@&-A
M<&%C:71Y@'1O@'!R;W9I9&6`=&5C:&YI8V%L@&%S<VES=&%N8V6`=&^`4T5!
M<RR`3\$5!<RS/86YD@'-C:&]O;'.`6Z`=&AE@&%R96&`;V:.`<F5A9&EN9RZ`
;\@[RT`05````+``D``:0``````\$@%0#0\P[S

end

begin 666 amlegch.wpd

M_U=00YP)``!"@(!``````@4````U,@````(```"#PD5K^X\E-ZA]>LNWCR2R8
ME2G!?!_!I@A]I'>N%]3R%C@F#M0\$F%R=.;-^\$)>Y!35C[*\3\$=,JR.BC((I
MBL>/2R).LB:A,&-1P<N]E[3*)"M/YMKRG_',P\$,L;^Q\$+'9LIZI\"):E@^H,
M_=;:[R^&.4WZ["Q0#F&7TQJZ;AVR-.PQ3CLSJ1L*72PX<>YPJK_#R`[0\$=U
MN51,#AF1#;V\OX"-#1-LU+1\$J"JEO"XE"06J/H^]D^*MD`!>)_ "Z/E4PV\$
MDJ;QF+K=%GV!W^@\$11%2O(+GW9N>9(/R7KCO(8F525S\$*+]>8X3ZTW%Y&"A>
M+O.\$?]+""CDK_%A,2*:". ""E2M\1R\$L`+!@1W\[-7%NYL>Y<1?N+.H!/\$8S
MY'N4?6I:"P/VP][\<MV6[F?:6^5!F:6J9Z4<E]JOANB:"27!5,H-MCM?<P
M?<OGL?>U`[[:%K7UD1ZK:GIOFPWWUG.:2+PC6][6@50K5\$UBM[V]1HTRS8P
MY*W/M-;\$1W5`;(U11D^X)L#BS\_G2LZ8Q#@MFOYEU@`>I-/(H.Z'DC_1CENAC
M.#`^,'G#S=7CPY9(/FT<.<&\`K:WXQ:\$V\$#DE5X!>3L[(44OH8Y;XDEV_&6
M'X]+E<Z(9\[F06&"XA"4V@""",``````````@C`0````L!``#J`P``
M`%4,````3@````/4\$````))0\$````&````0P4``LP`@````@````!)!0````&8"
M````@````\$%````80\$````4````<P4````@%`0````@````"!0````<!````
M0````(%````(-`\$````4````SP4````@``0````\````#C!0``6@!````C0,`
M`/(%``````````\@4``````````#R!0``````````/(%
M``````````\@4``````````#R!0``````````/(%````
M``````````\@4``````````#R!0``````````/(%````````

M'''''''\@4''''''''#R!0''''''''/(%''''''''

M'''''\@4''''''''#R!0''''''''/(%''''''''

M\@4''''''''#R!0''''''''/(%''''''''\@4'

M''''''''#R!0''''''''/(%''''''''\@4''E"

M`@`"!T`"!\_"0`")A(%`"(!,`&\$`<P!E`"(2@!E`0`("V`%`"+P`V

M`\$T`4``@`"T`("!3`0`80!N`&0`80!R`&0`''''''''''\$A0

M4\$,-4<''''''#(-`'\`''0`!\`#(-`',''''''''''

M''''''''''''''''''''''''''''''''

M''''''''''''''''''''''''''''''''

M''''''''''''''''''''''''''''''''

M'''''''+`0``\*`#6`L,/0@``!\$)''''6@`+`0`+%#8`5`!I`&T`90!S`''''

M3@!E`<(`!2`&`,`0!A`&X`(`!2`&4`9P!U`&P`80!R`''''''''''0`"

M`%@`"0`''0`*''''''''''''''''\$@(`)"A`''H0`''-0`

M%`''''%0`00!""\$P`10`@\$`\$`''!`'0``@`''H`''#<`@0`50#=`@\$`10#>

M`@@`@`@#?`@\$`10#`@`@(`@#A`@\$`10#B`@(`@#C`@\$`10#D`@\$`@#E`@8`

M98\$*F!LC''''''''''@S?!X`''''#E`@`''P\$`!0`L``\$`

M!0`''\$`\$P`1``4\$`''''!``4`''''!,`\$0`%!`''''''0`%`''''P`3

M`!\$`!00`''''\$`!0`!`''\$P`1``4\$`''''!``4`0`!`!,`\$0`%!`''

M`''''0`%``\$`@`3`!\$`!00`''''\$`!0`!``,`\$P`1``4\$`''''!``4`

M`@`''!,`\$0`%!`''''''0`%``(`0`3`!\$`!00`''''\$`!0`''('`\$P`1

M``4\$`''''!``4``@`#`!,`\$0`%!`''''''0`%``,``3`!\$`!00`''''

M``\$`!0`#``\$`@`5"",(``''''9`!00`''''\$`!0`#``(`@`5"",(

M`''''''0`!`!00`''''\$`!0`#``,`@`5"",(``''''/P`\_!00`''''

M``\$`!0`\$`''\$P`1``4\$`''''!``4`!`!`!X`%0@#``!F9F9F9F;F/P4\$

M`''''''!``4`!`''!`,`\$0`%!`''''''0`%``0``P`3`!\$`!00`''''\$`

M!0`%`''\$P`1``4\$`''''!``4`!0`!`!X`%0@#`''''''S`%0`4\$`''

M``!``4`!0`''!,`\$0`%!`''''''0`%``4``P`3`!\$`!00`''''\$`!0`&

M`\$\$\$P`I`4\$`!!!!`4!@`!`!,\$0`%!`!!!!`0`%`8``@`3`!\$`
M!00`!!!!`\$!0`&`,`\$P`I`4\$`!!!!`4!P`!,\$0`%!`!!!!`
M`0`%`<`0`3!\$!00`!!!!`\$!0``(\$P`I`4\$`!!!!`4!P`#`
M`!,\$0`%!`!!!!`0`%``@`3`!\$!00`!!!!`\$!0``(\$`\$P`I`4\$`
M`!!!!`4`"``"!,\$0`%!`!!!!`0`%``@`P`3`!\$!00`!!!!`\$`
M!0`)``\$P`I`4\$`!!!!`4`"0`!`!,\$0`%!`!!!!`0`%``D``@`3`
M`!\$!00`!!!!`\$!0`)`,`\$P`I`4\$`!!!!`4`"@`!,\$0`%!`!`
M`\$\$\$0`%`H`0`3!\$!00`!!!!`\$!0`*``(\$P`I`4\$`!!!!`4`
M"@`#`!,\$0`%!`!!!!`0\$`-!`0`?`5`!!\$(`3`!%`"00`4`%`
M\$\$\$&0`\$`!`!`1`0`\$`+`0`!`!!!!`9`W0H0`(!`!`#``(`1`
MW=T+"P`#`\$\$P#=\0+;`O&;\0/;`O`Q`-L`"9OQ`=L`"=\$15`\$4@`4!C8`
M)Y`S`0\$@3`!E`0`= `!E``(`!`&\$`;@!D`,`8P!A`90`!!!!`
M`!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!D#/8)P\$`
M`!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!`
M`!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!X`V">0,P\$!(\$P`90!T`0`90!R`
M`"3`!A`&X`9`!S`&`,`80!P`&4`!!!!!!!!!!!!!!!!`
M`!!!!!!!!!!!!!!!!^`D#/8)P\$`!!!!!!!!!!!!!!!!`
M`!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!`
M`!!!!!!!!!!!!4`=3!0P`\$``@`,`-/R#/)!;65R:6-A@%)E86!S@\$QE`
M9VES;&%T:79E@\$-O;7!A<FES;VZ`0VAA<G30!!4``L`"0`!L`0`!!!!`2`5`
M`-!!=6=U<W2`,`C,L@#\$Y.3?S#//0!!4``L`"0`!H`7P`\$``2`5`-#;U"IW`
M`(\$!0``"(`!@`2`!!!!`!D`@`!!!!`,`0`!!!!`
M`!D`&0`!!!!`!8`@`!!!!`&0`9`!!!!`(%@`"!!!!`9`!D`!!!!`@`
M6``(!!!!!!!!!!!!L`3@+K`\$X"YW`-34+!L``!\$``(P*9`!D`!!!!`@`
M`!!!!`,`-34+!L``!\$``(P*9`!D`!!!!`@`!!!!`,`-34+!L``!\$``(P*`
M9`!D`!!!!`@`!!!!`,`-34+!L``!\$``(P*9`!D`!!!!`@`!!!!`,`-34`
M*PH`P``"@#4T`L6`,`H`8`T`(#`\$?(!8`T`-`\*%0``"P`)``D!S0#`

M`'!(14`T-,%#`'0`'P`T\_(\E1H98!;!65R:6-A@%)E861ST`\$5`'+
M`D`>0`-,%`\$@%0#00VAA;&QE;F=E@\$%C=/,,\]`\*`@`'%`2`'4`'0\$
M!@`!'P`@`'######!X`T-,%\$`&`0`'!,#`'0`-/R#/+3!0P`'\$`@`,
M`--297`N@\$=O;V1L:6YG!P\$'\.3&ET97)A8WG0`14`'L`"0`!Y`<T`P<`
M`2`5`-!0<FJP;W-A;/,,\]`*`@`'%`2`'4`'0\$`'!P`@`'######!X`
MT-,%#`'0`'P`T\_(\D%M97)I8V&`4F5A9.`0V]U;G1E<H30%!4`'L`
M`0`!Y`<T`PD`2`5`-!0<FJP;W-A;/,,\]`+'@`'%`2`'4`'0\$`"@`!'P`@
M`######!X`T%!U<G!O<V4O1V]A;-`\*%0`'P`)``%8"J@%"P`!(14`T-0;
M'P`'0('`'F`F7M`P`F`@``6`('"%@`'??`-14;X!E;G-U<F6`=&AA=(!E
M=F5R>8!C:&EL9(!C86[0`14`'L`"0`!6`JH!0P`2`5`-!R96%D@`=E;&R`
M86YD@&EN9&5P96YD96YT;'F`8GG/= &AE@&5N9(!O9H!T:&6`=&AI<F2`9W)A
M9&74&R,'A@\$`'`@`6`+MCP`6`(#`"8" @`F`F7M<@0`'`,`U-`\*%0`'P`)
M`\$,%P#`@`!(14`T-0;P`'0('`'F`F7M`P`F`@``6`('"%@`"[8\?`-14
M;X!I;7!R;W9E@`1H98!L:71E<F%C>8!S:VEL;`,`;V;0`14`'L`"0`!6`JH
M!0`2`5`-!C:&EL9)E;H!A;F2`9F%M:6QI97.`=&AR;W5G:,]P<F6\$<V5R
M=FEC98!A;F2`:6Z\$<V5R=FEC98!F;W+/
F5A9&EN9X!I;G-T<G5C=&]R<X#4
M&R,'A@\$`'`@`6`+MCP`6`(#`"8" @`F`F7M-04`'`,`U-`\*%0`'P`))`F
M##8(\$@`!(14`T-0;P`'0('`'F`F7M`P`F`@``6`('"%@`"[8\?`-14;X!I
M;7!R;W9E@`1H98!L:71E<F%C>8!S:VEL;`,`;V;0`14`'L`"0`!6`JH!1,`
M`2`5`-!C:&EL9)E;H!A;F2`9F%M:6QI97.`=&^96YS=7)ESW1H872`86QL
M@&-H:6QD<F5N@`)E862`=V5L;(!A;F3/:6YD97!E;F1E;G1L>8!B>8!T:&6`
M96YD@&]F@`1H:7)DSV=R861ET`L5`'+`D`<`-\$`D7`\$@%0#0U!L?`(<!
M`@`('"%@`"[8`'%@`"P`F`@`())@E[1\`U%1H96]R>=0;(P"&`0('`'F`F7M
M`P`F`@``6`('"%@`"[8_D!@`'(P#4T`H5`'+`D`2X/?@H8`'\$@%0#026Z`
M;W)D97*`=&^:6UP<F]V98!T:&6`<F5A9&EN9]S:VEL;`,`;V;`>6]U;F>`
M8VAI;&1R96XL@`1H98!T:6UESW1H97F`<W!E;F2`;&5A<FYI;F>`<F5A9&EN
M9\N965D<X!T;X!B98!E>`1E;F1E9(!T;X!O=72\$;V:\$O`-C:&]O;(!H;W5R

M<RZ`5&AE@&5X=&5N<VEO;H!O9LJL96%R;FEN9X!T:6UE@&-A;H!B9<]A8V-O
M;7!L:7-H962`=&AR;W5G:(!V;VQU;G1E97+</F5A9&EN9X!T=71O<G,N@ (!!
M@'-U8V-E<W-F=6S/869T97*\$<V-H;VJL@'9O;'5N=&5E<H!R96%D:6YGSW!R
M;V=R86V`;&EN:W.`=VET:(!T:&6`:6Z\$<V-H;VJLSW)E861I;F>`:6YS=)U
M8W1I;VXN@(!);H!A9&1I=&EO;BS/8VAI;&1R96Z`;F5E9(!T;X!B96=I;H!G
M86EN:6YGSVQI=&5R86-Y@'-K:6QL<X!F<FJM@&)I<G1H+H""4&%R96YT<]C
M86Z`:&5L<(!C:&EL9'E;H!G86EN@'1H97-E@'-K:6QL<]T:')O=6=H@&QI
M=&5R86-Y@'1R86EN:6YG+H#0"A4``L`"0`!&AMJ%B<``2`5`-!296%D:6YG
M@'-K:6QL<X!O9H!C:&EL9'E;H!W:6QLSVEN8W)E87-E@&)Y@&EM<')O=FEN
M9X!T:&6`<75A;&ET><]O9H!I;H1S8VAO;VR`:6YS=)U8W1I;VZ`8VAI;&1R
M96[/<F5C96EV92Z`@%1H:7.`<75A;&ET>8!C86Z`8F7/:6UP<FJV962`=&AR
M;W5G:(!P<F6\$<V5R=FEC9<]I;G-T<G5C=&EO;H!A;F2`:6Z\$<V5R=FEC9<]P
M<FJF97-S:6JN86R`9&5V96QO<&UE;G2`@&9O<LJR96%D:6YG@'1E86-H97)S
M+H""26Z`861D:71I;VXLSV-H:6QD<F5N@'=I;&R`:6UP<FJV98!T:&5I<LJR
M96%D:6YG@'=I=&B`86Z`:6UP<FJV962`:&JM9<]L96%R;FEN9X!E;G9I<FJN
M;65N="Z`@%1H9<]I;7!R;W9E;65N=(!O9H!T:&6`:&JM9<]L96%R;FEN9X!E
M;G9I<FJN;65N=(!C86Z`;V-C=7+/=&AR;W5G:(!F86UI;F`;&ET97)A8WF`
M<')O9W)A;7,NT`H5``+``D``4`:D!4U``\$@%0#04F5A9&EN9X!S:VEL;`.`
M;V:`>6JU;F>`8VAI;&1R96[/=VEL;(!I;F-R96%S98!T:')O=6=H@&EM<')O
M=FEN9]I;H1S8VAO;VR`:6YS=)U8W1I;VXL@&]U=(1O9H2\<V-H;VJL@&QE
M87)N:6YG@'1I;64L@&%N9(!T:&7/;&EN:V%G98!B971W965N@'1H98!T=VN
M@(!);H2\<V-H;VJL@&EN<W1R=6-T:6JN@&-A;H!B9<]I;7!R;W9E9(!T:')O
M=6=H@'!R;V9E<W-I;VYA;.,]D979E;&]P;65N=(!O9H!R96%D:6YGSVEN<W1R
M=6-T;W)S@&%N9(!T:')O=6=H@'=O<FMI;F?/=VET:(!A9G1E<H1S8VAO;VR`
M<F5A9&EN9X!E9F9O<G1S+H#/069T97*\$<V-H;VJL@&5F9FJR='.`8V%N@&)E
MSVEM<')O=F5D@'1H<FJU9VB`=&AE@'=O<FN`;V;/=)A:6YE9(!V;VQU;G1E
M97*`<F5A9&EN9X!T=71O<G,N@,]!9&1I=&EO;F%L;'DL@&AO;66`;&5A<FYI

M;F>`= &EM9<]C86Z`8F6`:6UP<F]V962`= &AR;W5G:(!T:&7/<W5P<&]R=(!O
M9H!F86UI;'F';&ET97)A8WF`969F;W)T<R[B`0H`""@#BT`T5``+``D`
M`?0;1!=%`\$@%0#0U!L?`(<!'@`(' %@"[8\`%@"P`F`@(')@)E[I\`U\$9U
M;F1I;F?4&R,`A@\$``@` )@)E[0,`)@(``%@"@!8`NV^`P``,`U-`\*%0``
M"P`)``\$4!60``0`!(4`T"0R+C<U@&)I;&QI;VZ`;W9E<H!F:79E@'EE87)S
M.LQ;)#(V,(!M:6QL:6]N@&EN@'1H98!F:7)S=(!Y96%RSW5N9&5R@'1H98!\$
M97!T+H!O9H!%9'5C871I;V[/9G5N9.`\*`0R.3``:6Z`,FYD@'EE87(L@"0S
M,S6`:6[/,W)D@'EE87(L@"0S.#``:6Z`-'1H@'EE87(L@"0T-C#/:6Z`-71H
M@'EE87(I+(`D,C`P@&UI;&QI;VZ`<&5RS^(`"@`*****.)Y96%R@'5N9&5R
M@\$-O<G!O<F%T:6]N@&9O<L].871I;VYA;(!397)V:6-E@\$9U;F1ST`H5```+
M`D`0H+6@8)`\$@%0#0)#(V,(!M:6QL:6]N@&9O<H!T:&6`;W9E<F%L;,]I
M;FET:6%T:79ET`H5```+``D``>X%/@\$+``\$@%0#0\0#;`O&<0;`O\$D,2XW
M-?\$`VP+QF\_!\$!VP+Q@&)I;&QI;VZ`;W9E<H!F:79E@'EE87)SSRAS86UE@&)R
M96%K9&]W;H!O9H!F=6YD<X#Q`-L"\9SQ`=L"\75N9&5RSW1H98!\$97!A<G1M
M96YT@&]F@\$5D=6-A=&EO;H!I;O\$`VP+QF_!\$!VP+QSW1H98!;65R:6-A@%)E
M861S@\$-H86QL96YG9<_Q`-L"\9SQ`=L"\4%C="GQ`-L"\9OQ`=L"\= `+ %0``
M"P`)``%\",P#\$``!(4`T-0;P""0(`"!8`NV/^`!8`@,`)@(`""8"9>T?
M`-1\$:7-P97)S86R`;V:`1G5N9/4&R,`A@\$``@` )@)E[0,`)@(``%@"@!8
M`NV/:@`'',`U-`*%0``"P`)``%X#,@\$0`!(4`T%1O@%-T871E<SJ`@#<P
M)8!F;W)M=6QA@&=R86YT<RS/,S`E@&-O;7!E=&ET:79E@'1O@%-T871E<X!T
M; \JE;F-O=7)A9V6`97AE;7!L87)Y@'!R;V=R86US+LQ3=&%T97.`87=A<F2`
M8V]M<&5T:71I=F7/<W5B9W)A;G1S@'1O@\$QO8V%L@\$5D=6-A=&EO;L]!9V5N
M8VEE<X!W:&EC;(!H879E@'!A<G1N97)E9,]W:71H@&%N@&]U='-19&6`;W)G
M86YI>F%T:6]NS\$5A8VB`4W1A=&6`<VAA;&R`=7-E@#(P)8!O9H!T:&7/9G5N
M9`. :72`<F5C96EV97.`=&^`87=A<F2`4&%R96YT<\]A<X!&:7)S=(!496%C
M:&5R<X!S=6)G<F%N= /,3&]C86R`1W)A;G1S@(2`26:`4W1A=&6`9&]E<X!N
M;W3/87!P;'DL@&=R86YT<X!C86Z`8F6`;6%D98!T; \]L;V-A;(!E9'5C871I

M;VZ`86=E;F-I97.`T`H5``+``D``;`6`!(>``\$@%0#00V]M<&5T:7I=F6`
M9W)A;GIS@'IO@%-T87IE<X#,4')EA'-E<G9I8V6`4W5B9W)A;GIS@&9R;VW/
M4W1A=&5S@'IO@&EN<WII='5T:6]N<X!O9H!H:6=H97+/96IU8V%T:6]N@,Q)
M;H1397)V:6-E@'-U8F=R86YT<X!T;X!4:71L98!)SW-C:&]O;'.`:61E;G1I
M9FEE9(!F;W*`<V-H;V]LSVEM<')O=F5M96YT@'5N9&5R@\$5314\$L@&%N9,],
M14%S@'IH872`:6YC;'5D98!M;W)E@'IH86Z`;VYESW-U8VB`<V-H;V]L@'=I
M=&AI;H!T:&5I<L]J=7)I<V1I8W1I;V[0"A4``L``0`!(A1R#R@``2`5`-#Q
M`-L`"9Q#;VUP971I='9E\0;`O`Q`ML`"4-O;7!E=&ET:79E\0;`O&`9W)A
M;GIS@'IO@%-T87IE<X!W:71HSW1H98!G;V%L@&]F@'!H87-I;F>`:6Z`86QL
M@%-T87IE<]B>8!T:&6`96YD@&]F@'!H98!F:69T:(!Y96%R+H#/4W1A=&5S
M@&%W87)D@&-O;7!E=&ET:79ESW-U8F=R86YT<X!T;X!;;V-A;(!%9'5C871I
M;V[/06=E;F-I97.`=VAI8VB`:&%V98!P87)T;F5R963/=VET:(!A;H!O=71S
M:61E@&]R9V%N:7IA=&EO;BZ`@\$EFSU-T87IE@&1O97.`;F]T@&%P<&QY@&]R
M@&ES@&YO=,JA=V%R9&5D@&&`4W1A=&6`9W)A;G0L@&=R86YT<X!C86[/8F6`
M;6%D98!T;X!L;V/Q`-L`"9N<\0;`O%A;(!E9'5C871I;V[/86=E;F-I97,N
M\0#;`O&;\0;`O`0"Q4``L``0`!_!1,\$#,``2`5`-!);F9R87-T<G5C='5R
M98!T;X!3=7!P;W)TSU9O;'5N=&5E<H!296%D:6YG@%1U=&]R<]`*%0``"P`)
M``X&\$@4-0`!(!4`T\$1E<0N@&]F@\$5D@&9U;F1S@&-A;H!B98!U<V5D@'IO
MSVAI<F6`88!R96%D:6YG@'-P96-I86QI<W2`=&^`=)A:6[/='5T;W)S@&%N
M9(!L:6YK@'IO@'IH98!;H1S8VAO;VS/<F5A9&EN9X!P<F]G<F%M+H``26Z`
M861D:71I;VXLSV9U;F1S@&-A;H!B98!U<V5D@'IO@&AI<F6`88!T=71O<L]C
M;V]R9&EN871O<H!T;X!C87)R>8!O=72`=&AESW1U=&]R:6YG@'!R;V=R86TN
M@(!#3E.`9G5N9//=V]U;&2`8F6`=7-E9(!T;X!H:7)E@#\$Q+#`P,,]!;65R
M:4-O<G``;65M8F5R<X!T;X!R96-R=6ETSV%N9(!O<F=A;FEZ98!T=71O<G,N
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SUBJECT: Legislative Report 9/5

TO: Jason S. Goldberg (Jason S. Goldberg@EOP [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
Legislative Report 2

Friday, September 5, 1997

This report includes an update on Congressional action concerning FY98 Appropriations, Reauthorization of the Higher Education Act, and affirmative action as well as information about ENDA and the Coburn bill not covered in Legislative Report 1.

APPROPRIATIONS:

Areas of Significant Concern:

SSIG: As reported last week, neither the House or Senate Appropriations Committees allocated any money for the State Student Incentive Grant (SSIG) in their Labor, Health and Human Services, and Education appropriations bills. Senators Reed (D-RI) and Collins (R-ME) have been preparing to offer an amendment on the Senate floor to preserve the program, and due to the hard work on behalf of students and other educational groups, we expect the amendment to be successful. Flooded by

student phone calls Senators Smith (R-OR) and Wyden (D-OR) as well as Senators Chaffee (R-RI), Lautenberg (D-NJ), Kennedy (D-MA), Kerry (D-MA), Kohl (D-WI) and Feingold (D-WI) have signed on as co-sponsors of the amendment. Moreover, feeling the pressure from student groups, educational organizations, and other Senators, Senator Specter (R-PA), Chair of the Senate L, HHS, & ED agreed to support an amendment restoring \$35 million for the program. The SSIG amendment should be offered on Monday, September 8 and with Senator Specter's endorsement there should not be much opposition.

On the other hand, for the program to be preserved in FY98, the House must also agree to fund it. Once the Senate and House complete action on their separate appropriations bills, they will attempt to work out the differences in their bills in conference. We will need to apply a lot of pressure on House members and on both House and Senate members appointed as conferees to ensure that SSIG survives in the conferenced bill sent to the President. (Watch for a Legislative Alert next week suggesting specific action and targets).

PELL: The final Senate version of the L, HHS, & ED bill will not include any funding to increase access to the Pell grant program for independent students. However, during floor debate, Senator Specter admitted that there was a need to increase access for these students. He said that he would work during conference to preserve money designated in the House bill for this purpose. Although the House funding for Pell remains below the President's request, if the conferenced bill retains the total \$1.5 billion appropriated by the House (\$1 billion to bring the maximum grant

to \$3000 and \$500 million for independent student eligibility), hundreds of thousands more students will receive Pell grants. (Watch for a Legislative Alert on this issue as we approach conference.)

REAUTHORIZATION

The House Education and the Workforce Committee will release its Reauthorization proposals concerning modernization of the delivery system next week. The bill may contain a number of attacks on the Department of Education's management of student loan delivery, especially in light of the Department's recent announcement concerning direct loan consolidation. Due to a backlog of applications for consolidation into the direct loan program, the Department has been forced to temporarily refuse to accept new applications. The Department expects to solve the problem within a month and begin processing new consolidation applications at that time. USSA, long-time supporters of the direct loan program because of its numerous benefits to students, will work to defend the program while ensuring that students rights are protected.

Other large areas of concern will be preservation of SSIG and changes in the formulas used to compute a student's "need," thereby affecting the amount of grant and/or loan assistance received. As stated last week, USSA will be pushing the authorizers to address problems of access for low-income individuals and student indebtedness.

AFFIRMATIVE ACTION

No action was taken this week on the Canady-McConnell anti-affirmative action bills. However, Representative Riggs (R-CA) plans to introduce an

amendment to the House Labor, Health and Human Services, and Education bill that would close a loop hole in Proposition 209. Under Prop. 209, public agencies in California (including public schools) must abandon affirmative action policies. However, the Proposition also stated that it did not prohibit "action which must be taken to establish or maintain eligibility for any federal program, where eligibility would result in a loss of federal funds to the state." Rep. Riggs's amendment would deny public schools, colleges, and universities the ability to continue affirmative action programs based on a claim of loss of such federal funds by prohibiting the Dept. of Education from withholding funds from any federal grant recipient in a state where state law or court order bans affirmative action (currently, California, Texas, Mississippi, and Louisiana). The amendment would also bar the Department from enforcing a remedy for even the most blatant cases of discrimination in admissions.

The Department of Education reports that President Clinton will issue a veto threat if the amendment is, in fact, attached to the appropriations bill. USSA will send an alert if immediate action is necessary. However, as Rep. Riggs will most likely attempt to attach similar language to the Reauthorization bill, calls/letter/faxes/e-mails to Senators and Representatives expressing support for affirmative action will remain important throughout the year.

On Thursday, September 4, the Supreme Court denied an appeal from the American Civil Liberties Union and other civil rights organizations to block implementation of Proposition 209. The justices did not say whether they will review the merits of the case challenging the

constitutionality of Prop. 209 (Coalition for Economic Equity v. Wilson), but that decision should be made in upcoming weeks.

EMPLOYMENT NON-DISCRIMINATION ACT (ENDA)

The Employment Non-Discrimination Act (ENDA) (S. 869/H.R. 1858) would prohibit employers of 15 or more employees from discrimination of an individual on the basis of sexual orientation in job applications, hirings, advancements, discharges, compensation, job training, or any other term, condition, or privilege of employment. Although ENDA was defeated in the 104th Congress by one vote, the bill has been reintroduced in the 105th Congress. No action is currently pending.

COBURN BILL

Introduced by Rep. Tom Coburn (R-OK) on March 13, 1997 as the so-called "HIV Prevention Act of 1997," this bill would force all states to end anonymous testing and report all people who test positive to the U.S. Centers for Disease Control. The bill would also make state compliance with the bill's provisions a condition for receiving Medicaid funding and would allow professionals to refuse to treat persons who had not been tested for HIV. The Coburn bill has 85 Republican co-sponsors and 2 Democratic co-sponsors. A much better HIV prevention bill is that introduced by Representatives Nancy Pelosi (D-CA) and Connie Morella (R-MD) (H.R. 1219) on March 24, 1997. This bill entitled "The Comprehensive HIV Prevention Act of 1997" provides sound and meaningful HIV prevention legislation. The Pelosi/Morella bill has 11 Republican co-sponsors and 97 Democrat co-sponsors.

No immediate action on either bill is pending. Call USSA or Mike Shriver at the National Association of People With Aids (202-989-0414) to find out whether your representative is a sponsor of either bill.

Erica Adelsheimer Phone: 202.347.USSA

Legislative Director Fax: 202.393.5886

U.S. Student Association E-mail:

ussaleg@essential.org

1413 K Street NW 10th Floor

<http://www.essential.org/ussa>

Washington, DC 20005

===== ATTACHMENT 1 =====

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05 Sep 1997 21:29:46 -0400 (EDT)

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===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Ann_OLeary (Ann_O'Leary@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 8-SEP-1997 14:01:00.00

SUBJECT: Re[2]: Latest proposals

TO: Leslie S. Mustain (Leslie S. Mustain@eop [UNKNOWN])
READ:UNKNOWN

TO: Mary I. Cassell (Mary I. Cassell@eop [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])
READ:UNKNOWN

TO: William R. Kincaid (William R. Kincaid@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Thank you to all who gave their comments on the America Reads DRAFT
counter-proposal.

I have incorporated the comments into another DRAFT version of the
bill.

This draft is being considered for final approval to be shared with
Goodling's staff TOMORROW.

Please call me at 202/401-2993 if you have any concerns about this
piece.

Thank you and thanks one more time for taking the time to make
comments on the last draft. I appreciated the help of many hands.

-Ann

=====

CONFIDENTIAL

DRAFT

9/8/97

Staff Discussion Draft Outline

America Reads Response

Purpose

The purpose of this legislation is to improve the literacy skills of children and families by extending learning time for reading and improving in-school reading programs to ensure that all children read well and independently by the end of the third grade. This legislation assists in achieving that purpose by providing financial support from the Department of Education to:

(1) improve in-school reading instruction through professional development of reading instructors;

(2) improve out-of-school reading efforts through local reading programs which provide instruction to families and caregivers, and organize and manage trained volunteer reading tutors. All out-of-school efforts would need to effectively link community literacy efforts to the in-school reading instruction; and

(3) expand the study and evaluation of reading based on reliable, valid, and replicable research*, and establish a mechanism for such distribution.

*Reliable, valid, and replicable research is defined under the bill

to mean rigorous studies that include random samples of subjects; rely on measurements that meet established standards of reliability and validity; test competing theories, where multiple theories exist; and are approved through a peer review process.

Overview

Under this legislation States, through State Literacy Consortiums, compete for literacy grants to use towards the creation and support of effective local reading programs for preschool-aged children and children attending K-3 in a public or private school. Effective reading programs would include an in-service professional development component for reading instructors in public schools and an out-of-school community-school linked literacy program for children enrolled in public or private schools.

State grants would be awarded competitively with the goal of phasing in all States, meeting the criteria for receiving a grant, by the end of the fifth year.

State Literacy Consortia

Each State desiring to compete for a literacy grant must establish a State Literacy Consortium made up of the Governor and Chief State School Officer and representatives jointly selected by the Governor and Chief State School Officer, including:

- the directors of curriculum and instruction, Title II and other professional development programs, Title I, and special education;

- local education agencies within the State which include one or more

- Title I schools identified for school improvement;

- higher education institution(s) within the State, especially those engaged in research on reading and the preparation of reading teachers

- if such institutions exist within the State;

- private nonprofit or for-profit professional development providers;

- pre-school teacher(s) and K-3 reading instructor(s);

- community-based organizations involved in reading programs;

- family literacy/adult education providers; and

- the State Commission on National and Community Service.

If a State already has an existing literacy consortium to promote literacy for all students, it may substitute such membership for the requirements above. An example of such a consortium is the National

Institute For Literacy's State Literacy Resource Center in a State.

The State educational agency would act as the fiscal agent for the receipt and disbursement of grant funds if a State were to receive funds.

The functions of the consortium include:

- preparing and submitting the literacy grant application to the Secretary;

- and, if the consortium receives funding, solicitation of grantees within the State;

- oversight of the performance of subgrantees;

- enhancing the capacity of existing agencies to disseminate reliable, valid, and replicable reading research to schools and classrooms;

- ensuring the provision of technical assistance to subgrantees;

- acting as an umbrella for all literacy efforts in the state, e.g.

Even Start, Reading Recovery, State-wide literacy programs, etc.; and

- building on existing literacy programs within the State.

States receiving grants will be required to use a portion of their grant to support the requirements of the consortium.

State Literacy Grant Application

The literacy grant application to the Secretary would be required to:

describe how subgrants made by the consortium would achieve the goals of this Act and facilitate the coordination of school and community-based programs for reading;

describe the State's strategies for building on existing literacy initiatives in the State, including family literacy initiatives such as those carried out under the Even Start program, and for attracting other resources to promote the purpose of this Act;

be integrated with State plans under ESEA, IDEA, and the Adult Education Act; and

include information on the consortium including the roles of each of the participants.

Selection of Literacy Grant Applications

Applications from State Literacy Consortia will go to the Secretary of Education, who would forward them to a Peer Review Panel for review

and evaluation. The panel would return the applications to the Secretary with a recommendation for final approval or disapproval.

The Peer Review Panel will consist of experts in the field of reading and community-based literacy who are appropriate to evaluate such grant applications. Members would be selected by the Secretary of Education in consultation with the National Institute for Literacy (NIFL); the National Academy of Sciences (NAS); the National Institute

of Child Health and Human Development (NICHD); and the Corporation for National Service (CNS).

A priority would be given to applicants from States that have modified or plan to modify, State teacher certification in the area of reading to reflect reliable, valid, and replicable research and States that have existing teacher certification programs based on this criteria.

Pre-Service Subgrants

THIS COMPONENT OF THE INITIATIVE IS ADDRESSED IN THE ADMINISTRATION'S PROPOSAL FOR TITLE V OF THE HIGHER EDUCATION ACT.

Local Reading Program Subgrants

State literacy consortiums receiving funds under this legislation would be required to make subgrants to local applicants to develop, carry out, or expand local reading programs.

Definition of Local Reading Program:

1. helps children read well and independently by the end of the third grade through in-school and after-school programs;
2. serves an area with a high number or percentage of children from low-income families or with the greatest need for reading assistance;

3. implements a clear model(s) of reading instruction in schools

which

is based on reliable, valid, and replicable research;

4. ensures that the school will use the professional development

funds

(in the area of reading) from IDEA and ESEA, in connection with such reading efforts;

5. provides appropriate and effective training for tutors for

after-school, weekend, or summer reading programs, or for other

proven

reading programs, for children from preschool through fourth grade;

6. assesses student progress toward developing reading skills based

on

challenging academic standards in reading;

7. leverages resources from a variety of federal, state, and local

programs to support reading.

Eligible Applicants: An eligible applicant for a subgrant is a consortium consisting of a local educational agency (or one or more schools of such agency) and at least one other public or private agency or organization (such as library, museum, or other cultural institution, community-based organization, business or other

employer,

senior citizen group, youth group, parent association, literacy organization, or institution of higher education), or Indian Tribe.

Local reading programs applying for subgrants from the State would be

required to demonstrate how the reading program would be coordinated and integrated with Title I schoolwide or targeted assistance programs.

Subgrantees may use funds to:

- support extended-day and extended-year reading programs;
- provide payment to instructors implementing reading models;
- provide payment to a reading specialist to work with both the in-school and out-of-school reading programs;
- support partnerships with Head Start, Even Start, Adult Education and/or community based organizations;
- support professional development, including the training of volunteers;
- provide payment to a tutor coordinator;
- provide instruction for parents and others who volunteer to be reading tutors; and
- assist low literate parents in improving their own basic skills so they can participate more fully and effectively in their child's education through reading to their children; assisting with homework; responding adequately to report cards and school correspondence; and providing a home environment more supportive and conducive to learning.

State literacy consortia would be required to give priority to funding

applicants that propose to:

develop, carry out, or expand effective local programs, such as family literacy programs, which provide appropriate support, training, and educational materials to involve and assist parents (and other adult primary caregivers) and to help their children become successful readers by the end of the third grade.

Direct Grants to Local Education Agencies

If a State does not apply or is not awarded a grant, the Secretary will make available competitive grants directly to Local Education Agencies.

National and Regional Grants to Promote Exemplary Reading Programs

The Secretary shall make competitive grants to eligible applicants to develop:

1. large-scale local reading programs that will serve as effective models for helping large numbers of children read well and independently by the end of the third grade;
2. national or regional networks that provide information to interested persons on how parents and families can help their children read better and that support the efforts of parents and families to provide a solid

foundation for reading;

3. reading organizations in more than one State; or

4. other local, regional, or national activities that promote

the most effective and

promising practices for helping all children read well and

independently by the end of

the third grade.

Program Evaluation

The legislation will include a program evaluation component to
measure

the overall success of the funds in meeting the purpose of this Act.

In addition, it would provide funding to evaluate local programs
carried out under this Act.

Information Dissemination

The National Institute for Literacy (NIFL) would head up the effort
to

disseminate information on reliable, valid, and replicable research

on

reading to Federal programs that focus, or include a focus on
reading.

These include programs under the ESEA, Head Start, IDEA, Even Start,

the Adult Education Act and the national service laws. While the priority for dissemination is focused on federally supported programs,

such dissemination efforts may also target educators and other interested parties that are not recipients of federal funds.

In doing so, NIFL would build upon applicable information networks currently in existence including OERI, HHS, NICHD and those established by States and private sector entities.

NIFL would be the main organization charged with disseminating information on reliable, valid, and replicable research. The OERI Expert Reading Panel would provide advice to NIFL on the type of research to be disseminated.

Technical Assistance

The legislation will authorize the Department to award America Reads funds to the ESEA Title XIII Comprehensive Regional Technical Assistance Centers to enhance their capacity to provide technical assistance in the implementation of research-based reading programs to SEAs, LEAs, and schools in the area of reading.

NIFL and the ESEA Title XIII Comprehensive Regional Assistance Centers

would be required to coordinate their efforts and work with State
Literacy Consortiums to ensure dissemination of best practices in
reading and technical assistance in implementing best practices.

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M9X!;H!A;&R`4W1A=&5S+(!M965T:6YGSW1H98!C<FET97)I88!F;W\*`<F5C
M96EV:6YG@&&`9W)A;G0L@&)Y@'IH98!E;F2`;V:.`=&AE@&9I9G1H@'EE87(N
MS.`P#`""`#X!PP`X-`\$%P`#0`+`+X!R@C^`<H(P(@%P#0\@[RT`D9`"/
M`T`;@K""<I`\$2!""2(!D`T/(\O,\U-T871E@\$QI=&5R86-Y@\$-O;G-O
M<G1I=6US\PSST`05`+`+D`:0`""`\$@%#0S\$5A8VB`4W1A=&6`9&5S
M:7)I;F>`=&^`8VJM<&5T98!F;W*`88!L:71E<F%C>8!G<F%N=(!M=7-T@&5S
M=&%B;&ES:(!A@%-T871E@\$QI=&5R86-YST-O;G-O<G1I=6V`;6%D98!U<(!O
M9H!T:&6`1VJV97)N;W\*`86YD@\$-H:65F@%-T871E@%-C:&JO;(!/9F9I8V5R
M@&%N9(!R97!R97-E;G1A=&EV97//:FJI;G1L>8!S96QE8W1E9(!B>8!T:&6`
M1VJV97)N;W*`86YD@\$-H:65F@%-T871E@%-C:&JO;(!/9F9I8V5R+(!I;F-L
M=61I;F<ZS,S3!"H`!8`:`%!@`L`0!(`P"@!0`(!P!0"IA8`@&P!(`""<
M6`(J`-/=!`"@@\$@`,`F/\_\$`#=W04+`,`""+`-W=!A,`@@\$@`(`F/+
M"P`\$P#="(&\.`P#`""`(!PP`X-T""P`#`""`P#==&AE@&1I<F5C=&JR
M<X!O9H!C=7)R:6-U;5M@&%N9(!I;G-T<G5C=&EO;BR`5&ET;&6`24F`86YD

M@&]T:&5R@'!R;V9E<W-I;VYA;(!D979E;&]P;65N=-'!%0''P')``%\$#:`%
M!@'!(4`T!R;V=R86US+(!4:71L98!)+(!A;F2`<W!E8VEA;(!E9'5C871I
M;VX[W0@7`(!('````)CRPL``.8+``7`-V,T`07``-``L``@@*",(R@C
M`B`7`-",W0D+``,````+`-W=!!``@@\$@``,``F/\_\$`#=W04+``,````+`-W=
M!A,`@@\$@``(`F/E#``\$P#="(& \. `P#``````(!PP`X-T""P`#````"P#=
M;&]C86R`961U8V%T:6]N@&%G96YC:65S@`=I=&AI;H!T:&6`4W1A=&6`=VAI
M8VB`:6YC;'5D98!O;F6`;W*`;6]R98!4:71L98!)@'-C:&]O;'/0`14``L`
M"0`!)`^^!P@``2`5`-!I9&5N=&EF:65D@&9O<H!S8VAO;VR`:6UP<F]V96UE
M;G0[W0@7`(!('````)CY0P````-``7`-V,T`07``-``L``@@*",(R@C
M`B`7`-",W0D+``,````+`-W=!!``@@\$@``,``F/\_\$`#=W04+``,````+`-W=
M!A,`@@\$@``(`F/S#0``\$P#="(& \. `P#``````(!PP`X-T""P`#````"P#=
M:&EG:&5R@&5D=6-A=&EO;H!;G-T:71U=&EO;BAS*8!W:71H:6Z`=&AE@%-T
M871E+(!E<W!E8VEA;&QY@'1H;W-E@&5N9V%G962`:6Z`<F5S96%R8VB`;V[0
M`14``L`"0`!!!%@"0H``2`5`-!R96%D:6YG@&%N9(!T:&6`<)E<&%R871I
M;VZ`;V:`<F5A9&EN9X!T96%C:&5R<X#Q`%@(\9SQ`5@(\6EF\0!8"/&;\0%8
M"/Q`E@(\?\$#6`CQ\0!8"/&<\0%8"/&`<W5C:(!I;G-T:71U=&EO;G.`97AI
M<W2`=VET:&EN@'1H9<]3=&%T93OQ`%@(\9OQ`5@(\?\$"6`CQ\0-8"/="!<`
M@P\$@``(`F/S#0``#@X``!<`W8S0!!<``T""P`""<H(P@'\*",(!<`T(S=
M"0L``P````L`W=T\$S`""2``P`"8\_ \0`-W=!0L``P````L`W=T&\$P`""2``
M`@"8X\$/``3`-WP(@;PX#`,`````@`#`#@W0<+``,````+`-UP<FEV871E
M@&YO;G!R;V9I=(!O<H!F;W*\$<)O9FET@'!R;V9E<W-I;VYA;(!D979E;&]P
M;65N=(!P<F]V:61E<G,[W0@7`(!('````)C@0``)P/``7`-V,T`0?``5
M`!,``=03,`P-``\$""<H(P@'*",(!\`T(S="0L``P````L`W=T\$S`""2``
M`P`"8_ \0`-W=!0L``P````L`W=T&\$P`""2``@`"8U`0``3`-WP(@;PX#`,`
M````@`#`#@W0<+``,````+`-UP<F6\$<V-H;V]L@'1E86-H97(H<RF`86YD
M@N\$,X!R96%D:6YG@&EN<W1R=6-T;W(H<RD[W0@7`(!('````)C4!``&L0
M``7`-V,T`0?``5`!,``<04(`T.``\$""<H(P@'*",(!\`T(S="0L``P`

M`L`W=T\$`""2`P`"8\_0`-W=!0L`P`""L`W=T&\$P`""2`"@`"8Q`1
M``3`-WP(@;PX#`,`""@`#`#@W0<+`,`""+`-UC;VUM=6YI='F\$8F%S
M962`;W)G86YI>F%T:6JN<X!;G9O;'9E9(!;H!R96%D:6YG@'!R;V=R86US
M.X#="!<`@P\$@``(`F,0\$0`\*Q\$``!<`W8S0!!``!4`\$P`!M!40#@`\\`0((
M!R@C``<H(P(@`P#0C-T)"P`#`""P#=W000`((!(`#``)C_Q`W=T%"P`#
M`""P#=W083`((!(`""")CV!\$``!,`W?`B!O#@`,`P`""""<`,`#!=PL`
M`P`""L`W69A;6EL>8!L:71E<F%C>2JA9'5L=(!E9'5C871I;VZ`<)O=FED
M97)S.X!A;F3="!<`@P\$@``(`F/8\$0``Q\$``!<`W8S0!!``!4`\$P`!I!8`
M#Q``0((!R@C``<H(P(@`P#0C-T)"P`#`""P#=W000`((!(`#``)C_Q`
MW=T%"P`#`""P#=W083`((!(`""")CDA(`!,`W?`B!O#@`,`P`""""<`,`
M`.#!=PL`P`""L`W71H98!3=&%T98!#;VUM:7-S:6JN@&JN@\$YA=&EO;F%L
M@&%N9(!#;VUM=6YI='F`4V5R=FEC92[="!<`@P\$@``(`F.2\$@``K1(`!<
MW8S0!!``!4`\$P`!E!?P#Q\$``0((!R@C``<H(P(@`P#0C-T)"P`#`""P#=
MS\$EF@&&`4W1A=&6`86QR96%D>8!H87.`86Z`97AI<W1I;F>`;&ET97)A8WF`
M8VJN<VJR=&EU;8!T;X!P<FJM;W1E@&QI=&5R86-Y@&9O<H!A;&R`<W1U9&5N
M='L@&ETSVUA>8!S=6)S=&ET=71E@'-U8VB`;65M8F5R<VAI<(!F;W\*`=&AE
M@')E<75I<F5M96YT<X!A8FJV92Z`@\$%N@&5X86UP;&6`;V:`<W5C:(!ASV-O
M;G-O<G1I=6V`:7.`=&AE@\$YA=&EO;F%L@\$EN<W1I='5T98!&;W*`3&ET97)A
M8WGP`3P<X!3=&%T98!,:71E<F%C>8!297-O=7)C98!#96YT97\*`:6Z`8<J3
M=&%T92[,S%1H98!3=&%T98!E9'5C871I;VYA;(!A9V5N8WF`=VJU;&2`86-T
M@&%S@'1H98!F:7-C86R`86=E;G2`9FJR@'1H98!R96-E:7!T@&%N9(!D:7-B
M=7)S96UE;G3;/V:`9W)A;G2`9G5N9`.`:6:`88!3=&%T98!W97)E@'1O@')E
M8V5I=F6`9G5N9',NS,Q4:&6`9G5N8W1I;VYS@&JF@'1H98!C;VYS;W)T:75M
M@&EN8VQU9&4ZS,S=!!``@@\$@```,`F/\_`\$#=W04+`,`""+`-W=!A,`@@\$@
M``(`F,B%0``\$P#=\("&\\.P#`""""(!PP`X-T"P`#`""P#=<)E<&%R
M:6YG@&%N9(!S=6)M:71T:6YG@'1H98!L:71E<F%C>8!G<F%N=(!A<!L:6-A
M=&EO;H!T;X!T:&6`4V5C<F5T87)Y.JT(%P"#`2`"@`"8R(5``]j%0``%P#=

MC-`\$P`%0`3``4(C;`0`!`@@`\*",(!R@C`B`?`-",W0D+``,````+`-W=
M!:`@@\$@`,`F/\_\$`#=W04+``,````+`-W=!A,`@@\$@``(`F/W%0``\$P#=
M\"(&\.P#`````(!PP`X-T""P`#`````P#=86YD+(!I9H!T:&6`8V]N<V]R
M=&EU;8!R96-E:79E<X!F=6YD:6YG+(!S;VQI8VET871I;VZ`;V:`9W)A;G1E
M97.`=VET:&EN@`1H98!3=&%T93N`W0@7`(!(```)C]Q4``!(6``7`-V,
MT`0?``5`!,``<0C(!P>``\$````<H(P@`\*",(!\`T(S="0L``P````L`W=T\$
M\$````2``P``"8_`0`-W=!0L``P````L`W=T&\$P````2``@``"8]<6``3`-WP
M(@;PX#`,`````@`#`#@W0<+``,````+`-UO=F5R<VEG:`2`;V:``=&AE@`!E
M<F9O<FUA;F-E@&]F@`-U8F=R86YT965S.X#@`\$0P````"!8,`.#="!<`@P\$@
M``(`F/7%@``\A8``!<`W8S0!!\``!4`\$P`!M"00`1\``0(!R@C``<H(P(@
M'P#0C-T)"P`#`````P#=W000`(!(`#``)C\_Q``W=T%"P`#`````P#=W083
M`(!(```)CG!<``,`W?`B!O#@`,`P``````<`,`.#=!PL``P````L`W65N
M:&%N8VEN9X!T:&6`8V%P86-I=F`;V:`97AI<W1I;F>`86=E;F-I97.`=&^`
M9&ES<V5M:6YA=&6`<F5L:6%B;&4L@`9A;&ED+(!A;F2`<F5P;&EC86)L9=``!
M%0``"P`)``&D)0`>(`!(!4`T)E861I;F>`<F5S96%R8VB`= &^`<V-H;V]L
M<X!A;F2`8VQA<W-R;V]M<SO="!<`@P\$@``(`F.<%P``MQ<``!<`W8S0!!<`
M``T``P````<H(P@`\*",(!<`T(S="0L``P````L`W=T\$````2``P``"8_`0
M`-W=!0L``P````L`W=T&\$P````2``@``"8[H8``3`-WP(@;PX#`,`````@`
M#`#@W0<+``,````+`-UE;G-U<FEN9X!T:&6`<)O=FES:6]N@&]F@`!E8VAN
M:6-A;(!A<W-I<W1A;F-E@`!O@`-U8F=R86YT965S.]T(%P`#`2``@``"8[H8
M``#5&``%P#=C-`\$P`%0`3``&\$)^^?(@`!`@@`\*",(!R@C`B`?`-",W0D+
M``,````+`-W=!``@@\$@`,`F/\_\$`#=W04+``,````+`-W=!A,`@@\$@``(`
M`F.\$&0``\$P#="\(&\.P#`````(!PP`X-T""P`#`````P#=86-T:6YG@&%S
M@&%N@`5M8G)E;&QA@&9O<H!A;&R`;&ET97)A8WF`969F;W)T<X!I;H!T:&6`
M<W1A=&4L@&4N9RZ`179E;H!3=&%R="R`4F5A9&EN9]`!%0``"P`)``%T*-`@
M(P`!(!4`T%)E8V]V97)Y+(!3=&%T981W:61E@&QI=&5R86-Y@`!R;V=R86US
M+(!E=&,N.X!A;F3="!<`@P\$@``(`F.\$&0``GQD``!<`W8S0!!<``T``P``

M""<H(P@'*, "(!<'T(S="0L`P`""L`W=T\$`""2`"P`"8_`0`-W=!0L`
M`P`""L`W=T&\$P`""2`"@"8Z,:"`3`-WP(@;PX#',""""@'#`#@W0<+
M`,`""+`-UB=6EL9&EN9X!O;H!E>&ES=&EN9X!L:71E<F%C>8!P<FJG<F%M
M<X!W:71H:6Z`=&AE@%-T871E+MT(%P"#`2`"@"8Z,:"`^&@`"%P#=C-`\$
M'P`"%0`3`"%4\*K`B)0`!`@@"*",(!R@C`B`?`-",W0D+`,`""+`-W,4W1A
M=&5S@')E8V5I=FEN9X!G<F%N='.`=VEL;(!B98!R97%U:7)E9(!T;X!U<V6`
M88!P;W)T:6]N@&]F@'1H96ER@&=R86YT@'1O@'-U<!O<G2`=&AET`,5`"+
M`D`"30LD"0G`\$@%0#0<F5Q=6ER96UE;G1S@&]F@'1H98!C;VYS;W)T:75M
M+LSR#/)3=&%T98!,:71E<F%C>8!<F%N=(!!<!L:6-A=&EO;O,,\]'\$%0`
M"P`)"`&4"/`"0`!(!4`T,Q4:&6`;&ET97)A8WF`9W)A;G2`87!P;&EC871I
M;VZ`=&^`=&AE@%-E8W)E=&%R>8!W;W5L9(!B98!R97%U:7)E9(!T;SK,S-T\$
M\$`""2`"P`"8\_`0`-W=!0L`P`""L`W=T&\$P`""2`"@"8W<<`"3`-WP
M(@;PX#',""""@'#`#@W0<+`,`""+`-UD97-C<FEB98!H;W>`<W5B9W)A
M;G1S@&UA9&6`8GF`=&AE@&-O;G-O<G1I=6V`=V]U;&2`86-H:65V98!T:&6`
M9V]A;`,`V;`=&AI<X!!8W30`14`"L`"0`!5`RP!`4`2`5`-!A;F2`9F%C
M:6QI=&%T98!T:&6`8V]O<F1I;F%T:6]N@&]F@'-C:&]O;(!A;F2`8V]M;75N
M:71YA&)A<V5D@'!R;V=R86US@&9O<H!R96%D:6YG.]T(%P"#`2`"@"8W<<
M`"2`"%"P#=C-`\$%P`"#0`+`+`((!R@C""<H(P(@%P#0C-T)"P`#`""P#=
MW000`((!(`#`)C\_Q`W=T%"P`#`""P#=W083`((!(`""`)CM!T`!`,`
MW?`B!O#@,`P`""""<`,`#!=!PL`P`""L`W61E<V-R:6)E@'1H98!3=&%T
M9?`<!;!S@'-T<F%T96=I97.`9FJR@&]U:6QD:6YG@&]N@&5X:7-T:6YG@&QI
M=&5R86-Y@&EN:71I871I=F5S@&EN@'1H98!3=&%T92S0`14`"L`"0`!-`Z0
M!@<`2`5`-!;F-L=61I;F>`9F%M:6QY@&QI=&5R86-Y@&EN:71I871I=F5S
M@'-U8VB`87.`=&AO<V6`8V%R<FEE9(!O=72`=6YD97*`=&AE@\$5V96Z`4W1A
M<G3/<)O9W)A;2R`86YD@&9O<H!A='1R86-T:6YG@&]T:&5R@')E<V]R=6-E
M<X!T;X!P<F]M;W1E@'1H98!P=7)P;W-E@&]F@'1H:7.`06-T.]T(%P"#`2`"
M`@"8[0=`#/'0`"%P#=C-`\$%P`"#0`+`+`((!R@C""<H(P(@%P#0C-T)"P`#

M`""P#=W000`(((`#`))C_Q`W=T%"P`#`""P#=W083`(((`""))C
M3Q`!`,`W?`B!O#@`,`P`""""<`,`.#=!PL`P`""L`W6)E@&EN=&5G<F%T
M962`=VET:(!3=&%T98!P;&%N<X!U;F!E<H!%4T5!+(!)!\$5!+(!A;F2`=&AE
M@\$\$D=6QT@\$5D=6-A=&EO;H!!8W0[(@&%N9-T(%P"#`2`"@`8T\?`!"P`
M%P#=C-`\$P`"%0`3`\$\$6`)"@`!`@@`*";(!R@C`B`?`-";W0D+`,`""+
M`-W=!`"@@\$@`,`F/_`#`=W04+`,`""+`-W=!A;`@@\$@``(`F,L(``
M\$P#="\(&\.`P#`""""(!PP`X-T""P`#`""P#=:6YC;'5D98!!;F9O<FUA
M=&EO;H!O;H!T:&6`8V]N<V]R=&EU;8!;F-L=6!;F>`=&AE@`)O;&5S@&]F
M@&5A8VB`;V:.`=&AE@`!A<G!I8VEP86YT<R[="!<`@P\$@``(`F,L(``!R`
M`!<`W8S0!!\`!4`\$P`!;!%0"@L`0((!R@C""<H(P(@`P#0C-T)"P`#`""
M"P#=S,SR#/)396QE8W!;VZ`;V:.`3&ET97)A8WF`!W)A;G2`07!P;&EC87!I
M;VYS\PSST`05`"+`D`<04(`T.`\$@%0#0S\$%P<&Q!8V%T:6]N<X!F<F]M
M@%-T87!E@\$Q!=&5R86-Y@\$-O;G-O<G!I=6US@`=I;&R`9V^`=&^`=&AE@%-E
M8W)E=&%R>8!O9H!%9`5C87!I;VXL@`=H;]W;W5L9(!F;W)W87)D@`!H96V`
M=&^`88!0965R@%)E=FEE=X!086YE;(!F;W\*`<F5V:65W@&%N9(!E=F%L=6%T
M:6]N+H""5&AE@`!A;F5L@`=O=6QDSW)E=`5R;H!T:&6`87!P;&EC87!I;VYS
M@`!O@`!H98!396-R97!A<GF`=VET:(!A@`)E8V]M;65N9&%T:6]N@&9O<H!F
M:6YA;(!A<!R;W9A;(!O<L]D:7-A<!R;W9A;";[S%!H98!0965R@%)E=FEE
M=X!086YE;(!W:6QL@&-O;G-I<W2`;V:.`97AP97)T<X!;H!T:&6`9FEE;&2`
M;V:.`<F5A9&EN9X!A;F2`8V]M;75N:7!YA&)A<V5DSVQI=&5R86-Y@`=H;X!A
M<F6`87!P<F]P<FEA=&6`=&^`979A;'5A=&6`<W5C:(!G<F%N=(!A<!L:6-A
M=&EO;G,N@(!-96UB97)S@`=O=6QD@&)ESW-E;&5C=&5D@&)Y@`!H98!396-R
M97!A<GF`;V:.`!6!U8V%T:6]N@&EN@&-O;G-U;'!A=&EO;H!W:7!H@`!H98!.
M87!I;VYA;(!);G-T:7!U=&6`9F]RSTQI=&5R86-Y@"A.249,\*3N`=&AE@\$YA
M=&EO;F%L@\$%C86!E;7F`;V:.`4V-I96YC97.`\*\$Y!4RD[(@`!H98!.87!I;VYA
M;(!);G-T:7!U=&6`;V:.`0VAI;&3/2&5A;'!H@&%N9(!=6UA;H!\$979E;&]P
M;65N=(`H3DE#2\$A\$\*3N`86YD@`!H98!#;W)P;W)A=&EO;H!F;W\*`3F%T:6]N

M86R`4V5R=FEC9<\H0TY3\*2[,W000`((!(`#``)C_Q`W=T%"P`#`""P#=
MW083`((!(`""")C&B0`!,`W?`B!O#@,`P`""""<`,`#=#!PL`P`""L`
MW4&`<`)I;W)I='F'=V]U;,&2`8F6`9VEV96Z`=&^`87!P;,&EC86YT<X!F<F]M
M@%-T87!E<X!T:&%T@&AA=F6`;6]D:69I962`;W*`<&QA;H!T;J`!%0``P`)
M``T(%`9&P`!(!4`T&UO9&EF>2R`4W1A=&6`=&5A8VAE<H!C97)T:69I8V%T
M:6]N@&EN@!IH98!A<F5A@&]F@')E86!I;F>`=&^`<F5F;,&5C=(!R96QI86)L
M92R`=F%L:60L@&%N9,]R97!L:6-A8FQE@/\$`6`CQG/\$!6`CQ<F5S96%R8VCQ
M`%<(\9OQ`5<(\8!A;F2`4W1A=&5S@!IH872`:&%V98#Q`E8(\65X:7-T:6YG
M@/\$#5@CQ=&5A8VAE<H!C97)T0!/"`/Q`DX(\6ER\0-."`/Q`4(\?\$"4`CQ
M:69I8V%T:6]N@!R;V=R86WQ`U`(\?\$`40CQ\0)0"/&`<_`\$#4`CQ\0%1"/Q
M`E(\7/Q`U(\?\$"5PCQ@&)A<V5D@&]NSW1H:7.`8W)I=&5R:6\$N\0-7"/Q
M`E(\8#Q`U(\?\$`4PCQ\0)2"/%L8?#\$4@CQ\0%3"/Q`%4(\?\$"5`CQ86QR
M961A>8!I;H!P;,&%C98#Q`U0(\?\$!50CQ\0!8"/&:\0%8"/Q`E@(\?\$#6`CQ
MW0@7`(!(`""")C&B0`#4D``7`-V,T`07``-``L``@@"*",(!R@C`B`7
M`-",W0D+`,`""+`-W,S/(\E!R981397)V:6-E@%-U8G)A;G1S\PSST`05
M``+`D``90F\!XA``\$@%0#0S%1(25.`0T]-4\$].14Y4@\$]&@%1(18!)3DE4
M24%4259%@\$E3@\$%\$1%)%4U-%1(!)3H!42\$7/041-24Y)4U12051)3T[P"3P
M4X!04D]03U-!3(!&3U*`5\$E43\$6`5H!/1H!42\$6`2\$E'2\$52@\$5\$54-!5\$E/
M3L]!0U0NS,SR#/,;V-A;(!296%D:6YG@%!R;V=R86V`4W5B9W)A;G1S\@[R
M\PSST`85``+`D``30LD"0G``\$@%0#0P[S4W1A=&6`;&ET97)A8WF`8V]N
M<V]R=&EU;7.`<F5C96EV:6YG@&9U;F1S@'5N9&5R@!IH:7.`;&5G:7-L87!I
M;VZ`=V]U;,&2`8F6`<F5Q=6ER962`=&^`;6%K9='!%0``P`))`&D!P`""!`
M(!4`T`-U8F=R86YT<X!T;X!L;V-A;(!A<!L:6-A;G1S@!IO@&1E=F5L;W`L
M@&-A<G)Y@&]U="R`;W\*`97AP86YD@&QO8V%L@')E86!I;F>`<)O9W)A;7,N
MS,Q\$969I;FET:6]N@&]F@\$QO8V%L@%)E86!I;F>`4')O9W)A;3K,S-T\$\$`""
M`3L``P"9UO\0`-W=!0L``P`""L`W=T&\$P`""3L``@"9UF@H``3`-W:`X`
M@P\$Z``\$``X`VC':0H`P`""@#:+ML`&0""3H`0``!0\$`0`!``\$`0`9

M`-O@,'P`''''''<,'.#=!PL`P`''L`W6AE;!S@&-H:6QD<F5N@')E862`
M=V5L;(!A;F2`:6YD97!E;F1E;G1L>8!B>8!T:&6`96YD@&]F@'!H98!T:&ER
M9(!G<F%D98!T:)O=6=H@&ENA-`4%0`''P`)'`%4#+`\$!0`!(!4`T'-C:&]O
M;(!A;F2`869T97\*\$<V-H;V]L@'!R;V=R86US.JT(%P"#`3L``@`9UF@H``"#
M*`''%P#=C-`\$%P``#0`+'`(!R@C""<H(P(@%P#0C-T)"P`#`''''P#=W000
M`(!.P`#`)G6_Q``W=T%"P`#`''''P#=W083`(!.P`'')G6I2D`!,'W=H`
M#@`"#`3H``0``#@#:,MH!"@`#`''*`-HNVP`9`(!.@`!`''%`@`!`'\$`0`!
M`!D`V^P#`''''''(!PP`X-T""P`#`''''P#=<V5R=F5S@&%N@&%R96&`=VET
M:(!A@&AI9VB`;G5M8F5R@&]R@'!E<F-E;G1A9V6`;V:`8VAI;&1R96Z`9G)O
M;8!L;W>\$:6YC;VUE@&9A;6EL:65ST`\$5``+'`D``30.D`8``\$@%0#0;W*`
M=VET:(!T:&6`9W)E871E<W2`;F5E9(!F;W*`<F5A9&EN9X!A<W-I<W1A;F-E
M.JT(%P"#`3L``@`9UJ4I``#`*0``%P#=C-`\$%P``#0`+'`(!R@C""<H(P(@
M%P#0C-T)"P`#`''''P#=W000`(!.P`#`)G6_Q``W=T%"P`#`''''P#=W083
M`(!.P`'')G6\BH``!,'W=H`#@`"#`3H``0``#@#:,]H!"@`#`''*`-HNVP`9
M`(!.@`!`''%`P`!`'\$`0`!`!D`V^P#`''''''(!PP`X-T""P`#`''''P#=
M:6UP;&5M96YT<X!A@&-L96%R@&UO9&5L*,I@&]F@')E861I;F>`:6YS=)U
M8W1I;VZ`:6Z`<V-H;V]L<X!W:&EC:(!I<X!B87-E9(!O;M`!%0`''P`)'`\$4
M\$`("0`!(!4`T)E;&EA8FQE+(!V86QI9`R`86YD@')E<&QI8V%B;&6`<F5S
M96%R8V@[W0@7`(!.P`'')G6\BH``TK``7`-V,T`07``-`L``@@"*",(
M!R@C`B`7`-",W0D+`,`'''+`-W=!`''@@\$['`,`F=;\_`#`=W04+`,`'''+
M`-W=!A,`@@\$['`('F=8R+``\$P#=V@`.`,`(!.@`!`''`'-HTV@\$*`,`''H`
MVB[;`!D`@`\$Z``\$``4\$``\$`0`!``\$`&0#;X#`,`''''@`#`#@W0<+`,``
M``+`-UE;G-U<F5S@'!H872`= &AE@'-C:&]O;(!W:6QL@'5S98!T:&6`<')O
M9F5S<VEO;F%L@&1E=F5L;W!M96YT@&9U;F1S@"AI;H!T:&6`87)E88!O9M`!
M%0`''P`)'`T\$5`*P`!(!4`T)E861I;F<I@&9R;VV`241%08!A;F2`15-%
M02R`:6Z`8V]N;F5C=&EO;H!W:71H@'-U8VB`<F5A9&EN9X!E9F9O<G1S.JT(
M%P"#`3L``@`9UC(L``!-+``%P#=C-`\$%P``#0`+'`(!R@C""<H(P(@%P#0

MC-T)"P`#`""P#=W000`(!.P`#`)G6\_Q`W=T%"P`#`""P#=W083`(!
M.P`""G6DBT`!,`W=H`#@`"#3H`0`#@#:-=H!"@`#`""\*-HNVP`9`(!
M.@`!`""%!0`!`\$`0`!`!D`V^`P#`""(!PP`X-T""P`#`""P#=<)O
M=FED97.`87!P<F]P<FEA=&6`86YD@&5F9F5C=&EV98!T<F%I;FEN9X!F;W*`
M='5T;W)S@&9O<H!A9G1E<HIS8VAO;VPL@'=E96ME;F0L@&]RT`\$5`"+`D`
M`=03,`P-`\$@%0#0<W5M;65R@')E861I;F>`<)O9W)A;7,L@&]R@&9O<H!O
M=&AE<H!P<F]V96Z`<F5A9&EN9X!P<F]G<F%M<RR`9F]R@&-H:6QD<F5N@&9R
M;VW/<)E<V-H;V]L@`!H<F]U9VB`9F]U<G1H@&=R861E.]T(%P"#`3L``@`"9
MUI(M`""M+0`""P#<C-`\$%P`#0`+`(!R@C""<H(P(@%P#0C-T)"P`#`""
M"P#=W000`(!.P`#`)G6\_Q`W=T%"P`#`""P#=W083`(!.P`#`)G6'B`
M`!,`W=H`#@`"#3H`0`#@#:-MH!"@`#`""*-HNVP`9`(!.@`!`""%!@`!
M`\$`0`!`!D`V^`P#`""(!PP`X-T""P`#`""P#=87-S97-S97.`<W1U
M9&5N=(!P<F]G<F5S<X!T;W=A<F2`9&5V96QO<&EN9X!R96%D:6YG@`-K:6QL
M<X!B87-E9(!O;H!C:&%L;&5N9VEN9]`!%0`""P`#)`&D%@`/\$`!(4`T&%C
M861E;6EC@`-T86YD87)D<X!I;H!R96%D:6YG.]T(%P"#`3L``@`"9UAXO`""Y
M+P`""P#<C-`\$%P`#0`+`(!R@C""<H(P(@%P#0C-T)"P`#`""P#=W000
M`(!.P`#`)G6\_Q`W=T%"P`#`""P#=W083`(!.P`#`)G64S`""!,`W=H`
M#@`"#3H`0`#@#:-]H!"@`#`""\*-HNVP`9`(!.@`!`""%!P`!`\$`0`!
M`!D`V^`P#`""(!PP`X-T""P`#`""P#=&5V97)A9V5S@`)E<V]U<F-E
M<X!F<F]M@&&`=F%R:65T>8!O9H!F961E<F%L+(!S=&%T92R`86YD@&QO8V%L
M@`!R;V=R86US@`!O@`-U<!O<G30`14`""L`"0`!A!C@\$!(`2`5`-!R96%D
M:6YG+MT(%P"#`3L``@`"9UE,P`!N,`""P#<C-`\$%P`#0`+`(!R@C""<H
M(P(@%P#0C-T)"P`#`""P#=\$5L:6=I8FQE@\$%P<&QI8V%N=',Z@\$%N@&5L
M:6=I8FQE@&%P<&QI8V%N=(!F;W*`88!S=6)G<F%N=(!<X!A@&-O;G-O<G1I
M=6V`8V]N<VES=&EN9X!O9H!ASVQO8V%L@&5D=6-A=&EO;F%L@&%G96YC>8`H
M;W*`;VYE@&]R@&UO<F6`<V-H;V]L<X!O9H!S=6-H@&%G96YC>2F`86YD@&%T
M@&QE87-T@&]N98!O=&AE<L]P=6)L:6.`;W\*`<)I=F%T98!A9V5N8WF`;W\*`

M;W)G86YI>F%T:6]N@"AS=6-H@&%S@&QI8G)A<GDL@&UU<V5U;2R`W\*`;W1H
M97*`8W5L='5R86S/:6YS=&ET=71I;VXL@&-O;6UU;FET>81B87-E9(!O<F=A
M;FEZ871I;VXL@&)U<VEN97-S@&]R@&]T:&5R@&5M<&QO>65R+(!S96YI;W*`
M8VET:7IE;L]G<F]U<"R`>6]U=&B`9W)O=7`L@`!A<F5N=(!A<W-O8VEA=&EO
M;BR`;&ET97)A8WF`;W)G86YI>F%T:6]N+(!O<H!;G-T:71U=&EO;H!O9H!H
M:6=H97+/961U8V%T:6]N*2R`;W\*`26YD:6%N@%1R:6)E+H""S,Q,;V-A;(!R
M96%D:6YG@`!R;V=R86US@&%P<&QY:6YG@&9O<H!S=6)G<F%N='`9G)O;8!T
M:&6`4W1A=&6`=V]U;&2`8F6`<F5Q=6ER962`=&\_/9&5M;VYS=')A=&6`:&]W
M@`1H98!R96%D:6YG@`!R;V=R86V`=V]U;&2`8F6`8V]O<F1I;F%T962`86YD
M@&EN=&5G<F%T962`=VET:(!4:71L98!)S'-C:&]O;`=I9&6`;W\*`=&%R9V5T
M962`87-S:7-T86YC98!P<F]G<F%M<R[,S%-U8F=R86YT965S@&UA>8!U<V6`
M9G5N9`.`=&\ZS,S=!!`"@@\$@`,`F/\_\$`#=W04+`,```+`-W=!A,`@@\$@
M``(`F,-`\$\$P#="(& \. `P#`""`(!PP`X-T""P`#`""`P#=<W5P<&]R
M=(!E>'1E;F1E9(1D87F`86YD@&5X=&5N9&5DA'EE87\*`<F5A9&EN9X!P<F]G
M<F%M<SO="!"<`@P\$@``(`F,-`6C0`!<`W8S0!!`!4`\$P`!A"?@`R(`
M`0((!R@C""<H(P(@`P#0C-T)"P`#`""`P#=W000`((!(`#`)C_Q`W=T%
M"P`#`""`P#=W083`((!(`#`)C`S4`!;`W?`B!O#@,`P`""`<`,`#=
M!PL`P`""L`W7!R;W9I9&6`<&%Y;65N=(!T;X!;G-T<G5C=&]R<X!;7!L
M96UE;G1I;F>`<F5A9&EN9X!M;VIE;,[W0@7`(!(`#`)C`S4`!XU`7
M`-V,T`0?`5`!;`70HT""C`\$""<H(P@`\*",(!\T(S="0L`P`""L`
MW=T\$`\$`""2`P`"8_\0`-W=!0L`P`""L`W=T&\$P`""2`@`"8\HU`3
M`-WP(@;PX#`,`""@`#`#@W0<+`,```+`-UP<F]V:61E@`!A>6UE;G2`
M=&^^88!R96%D:6YG@`-P96-I86QI<W2`=&^`=V]R:X!W:71H@&)O=&B`=&AE
M@&ENA'-C:&]O;(!A;F2`;W5TA&]FA-`4%0`P)``%D\*<`A)``(!4`T'-C
M:&]O;(!R96%D:6YG@`!R;V=R86US.]T(%P"#`2`@`"8\HU`#E-0`%P#=
MC-`\$%P`#0`+`((!R@C""<H(P(@`P#0C-T)"P`#`""`P#=W000`((!(`#`
M`)C\_Q`W=T%"P`#`""`P#=W083`((!(`#`)CSC8`!;`W?`B!O#@,`P`

M`""`<`,`.#=!PL`P`""L`W7-U<!O<G2`<&%R=&YE<G-H:7!S@'=I=&B`
M2&5A9(!3=&%R="R`179E;H!3=&%R="R`061U;'2`161U8V%T:6]N@&%N9"]O
M<H!C;VUM=6YI='G0`14`""L`"0"!I"N@ (R8`2`5`-!B87-E9(!O<F=A;FEZ
M871I;VYS.]T(%P"#`2`""@`"8\XV`#I-@`"%P#=C-`&'P`"%0`3`\$T+)`D
M)P`!`@@"*",(!R@C`B`?`-",W0D+`,`""+`-W=!!`@@"\$@"`,`F/\_`\$#=
MW04+`,`""+`-W=!A,`@@"\$@"`(`F/5-P`\$P#="(&\.`P#`""""(!PP`
MX-T""P`#`""P#=<W5P<&]R=(!P<F]F97-S:6]N86R`9&5V96QO<&UE;G0L
M@&EN8VQU9&EN9X!T:&6`='A:6YI;F>`,`V:`=F]L=6YT965R<SN`W0@7`,`(!
M(`""")CU3<`"/`W`""7`-V,T`0?`""5`!,`,`0`""""\$""<H(P@`*","
M(!`T(S="0L`P`""L`W=T\$`\$""""2`""P`"8\_`0`-W=!0L`P`""L`W=T&
M\$P""""2`""@`"8ZDX`""3`-WP(@;PX#`,`""""@`'#`#@W0<+`,`""+`-UP
M<F]V:61E@`!A>6UE;G2`=&^`88!T=71O<H!C;V]R9&EN871O<CO="!"<`@P\$@
M`(`F.I.`""Q#@`"!<`W8S0!`!`!4`\$P`!E`CP`\$`"0(!R@C`""<H(P(@
M'P#0C-T)"P`#`""P#=W000`(!(`#`")C\_Q`W=T%"P`#`""P#=W083
M`(!(`""")C7#D`!`,`W?`B!O#@`,`P`""M`2`""@`"8SLZ`""3`-WP(@;PX#`,`""""@`'#`#@W0<+`,`""+`-UA<W-I
M<W2`,`&]W@&QI=&5R871E@`!A<F5N=`,`:6Z`:6UP<F]V:6YG@`!H96ER@&]W
M;H!B87-I8X!S:VEL;`,`<V^`=&AE>8!C86Z`<&%R=&EC:7!A=&70`14`""L`
M"0`!`='K0`@`,`2`5`-!M;W)E@&9U;&QY@&%N9(!E9F9E8W11=F5L>8!I;H!T
M:&5I<H!C:&EL9/`<!`!S@&5D=6-A=&EO;H!T:)O=6=H@`)E861I;F>`,`=&^`
M=&AE:7*`8VAI;&1R96X[SV%S<VES=&EN9X!W:71H@&AO;65W;W)K.X!R97-P
M;VYD:6YG@&%D97%U871E;F`=&^`<F5P;W)T@&-A<F1S@&%N9(!S8VAO;VS/
M8V]R<F5S<&]N9&5N8V4[(@&%N9(!P<F]V:61I;F>`88!H;VUE@&5N=FER;VYM
M96YT@&UO<F6`<W5P<&]R=&EV98!A;F2`8V]N9'5C:79E@`!OSVQE87)N:6YG
M+MT(%P"#`2`""@`"8SLZ`"!6.@`"%P#=C-`\$%P`"#0`+`"(!R@C`""<H(P(@
M%P#0C-T)"P`#`""P#=S%-T871E@&QI=&5R86-Y@&-O;G-O<G1188!W;W5L
M9(!B98!R97%U:7)E9(!T;X!G:79E@`!R:6]R:71Y@`!O@&9U;F1I;F>`87!P
M;&EC86YT<X!T:&%T@`!R;W!O<V7/=&\ZS,S=!!`@@"\$@"`,`F/_`\$#`=W04+

M`,`,'''+'-W=!A,`@@\$@``(`F.1/'`\$P#=\"(&\\.P#`''''('!PP`X-T'
M"P`#`''''P#=9&5V96QO<`R`8V%R<GF`;W5T+(!O<H!E>`!A;F2`969F96-T
M:79E@&QO8V%L@`!R;V=R86US+(!S=6-H@&%S@&9A;6EL>8!L:71E<F%C>=``!
M%0``"P`)``D\$D`+#``!(4`T`!R;V=R86US+(!W:&EC:(!P<F]V:61E@&%P
M<`)O<`)I871E@'-U<`!O<G0L@`!R86EN:6YG+(!A;F2`961U8V%T:6]N86R`
M;6%T97)I86QS@`!OSVEN=F]L=F6`86YD@&%S<VES=(!P87)E;G1S@`"AA;F2`
M;W1H97*`861U;2`<`)I;6%R>8!C87)E9VEV97)S\*8!A;F2`= &^`:&5L<(!T
M:&5I<L]C:&EL9`)E;H!B96-O;66`<W5C8V5S<V9U;(!R96%D97)S@&)Y@`!H
M98!E;F2`;V:`= &AE@`!H:7)D@&=R861E+H#R#O+=``!<`@P\$@``(`F.1/'`
MK#P``!<`W8S0!!\\`!4`\$P`!M!40#@`\\`0(!R@C``<H(P(@`P#0C-T)"P`#
M`''''P#=S/,\\\_(`D1I<F5C=(!<F%N='.`= &^`3&]C86R`161U8V%T:6]N
M@\$%G96YC:65ST`05``'+`D``907\\`1``\$@%0#0\\PSS\$EF@&&`4W1A=&6`
M9&]E<X!N;W2`87!P;F`;W*`:7.`;F]T@&%W87)D962`88!G<F%N="R`= &AE
M@%-E8W)E=&%R>8!W:6QL@&UA:V6`879A:6QA8FQESV-O;7!E=&ET:79E@&=R
M86YT<X!D:7)E8W1L>8!T;X!;V-A;(!%9'5C871I;VZ`06=E;F-I97,N\\@SR
MT`05``'+`D``60:P!(4``\$@%0#0\\PSS\\@[RS/,_(`DYA=&EO;F%L@&%N
M9(!296=I;VYA;(!<F%N='.`= &^`4)O;6]T98!%>&5M<&QA<GF`4F5A9&EN
M9X!0<F]G<F%M<_,_(`M`\$%0``"P`)``%\$`\*`4%@`!(!4`T,SS#O-4:&6`
M4V5C<F5T87)Y@'-H86QL@&UA:V6`8V]M<&5T:71I=F6`9W)A;G1S@`!O@&5L
M:6=I8FQE@&%P<&QI8V%N='.`= &^`9&5V96QO<#K0!!4``L`"0`!)!Z`%A@`
M`2`5`-`Q+N`!#`''''('!PP`X&QA<F=EA'-C86QE@&QO8V%L@`)E861I;F>`
M<`)O9W)A;7.`= &AA=(!W:6QL@`-E<G9E@&%S@&5F9F5C=&EV98!M;V1E;`.`
M9F]R@&AE;`!I;F>`;&%R9V70!!4``L`"0`!%!]P%QD``2`5`-#@\$0P`''''
M``<`,`!N=6UB97)S@&]F@&-H:6QD<F5N@`)E862`=V5L;(!A;F2`:6YD97!E
M;F1E;G1L>8!B>8!T:&6`96YD@&]F@`!H98!T:&ER9(!G<F%D93O,,B[(@\$0P`
M`''''<`,`!N871I;VYA;(!O<H!R96=I;VYA;(!N971W;W)K<X!T:&%T@`!R
M;W9I9&6`:6YF;W)M871I;VZ`= &^`:6YT97)E<W1E9(!P97)S;VYS@&]N@&AO

M=X#0!!4``L`"0`!]!"0&1L`2`5`-#@\$0P`""`<`,`!P87)E;G1S@&%N
M9(!F86UI;&EE<X!C86Z`:&5L<(!T:&5I<H!C:&EL9')E;H!R96%D@&)E='1E
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id <01INEIK1B14W00CQFA@PMDf.EOP.GOV>; Mon, 08 Sep 1997 14:16:27 -0400 (EDT)

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by PMDF.EOP.GOV (PMDf V5.0-4 #6879) id <01INEIJWIRDC00C1NO@PMDf.EOP.GOV>; Mon,

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08 Sep 1997 14:14:11 -0400

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Ann_OLeary (Ann_O'Leary@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 8-SEP-1997 12:51:00.00

SUBJECT: ARC Legislation

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

Bob -

Attached is the most recent DRAFT of the counter-proposal. I am
faxing you a clean copy now.

Please call me immediately if this proposal raises any red flags for
you.

Thanks.

-Ann

=====

CONFIDENTIAL

DRAFT

9/8/97

Staff Discussion Draft Outline

America Reads Response

Purpose

The purpose of this legislation is to improve the literacy skills of children and families by extending learning time for reading and improving in-school reading programs to ensure that all children read well and independently by the end of the third grade. This legislation assists in achieving that purpose by providing financial support from the Department of Education to:

(1) improve in-school reading instruction through professional development of reading instructors;

(2) improve out-of-school reading efforts through local reading programs which provide instruction to families and caregivers, and organize and manage trained volunteer reading tutors. All out-of-school efforts would need to effectively link community literacy efforts to the in-school reading instruction; and

(3) expand the study and evaluation of reading based on reliable, valid, and replicable research*, and establish a mechanism for such distribution.

*Reliable, valid, and replicable research is defined under the bill to mean rigorous studies that include random samples of subjects; rely on measurements that meet established standards of reliability and validity; test competing theories, where multiple theories exist; and

are approved through a peer review process.

Overview

Under this legislation States, through State Literacy Consortia, compete for literacy grants to use towards the creation and support of effective local reading programs for preschool-aged children and children attending K-3 in a public or private school. Effective reading programs would include an in-service professional development component for reading instructors in public schools and an out-of-school community-school linked literacy program for children enrolled in public or private schools.

State grants would be awarded competitively with the goal of phasing in all States, meeting the criteria for receiving a grant, by the end of the fifth year.

State Literacy Consortia

Each State desiring to compete for a literacy grant must establish a State Literacy Consortium made up of the Governor and Chief State School Officer and representatives jointly selected by the Governor and Chief State School Officer, including:

the directors of curriculum and instruction, Title II and other

professional development programs, Title I, and special education;

local education agencies within the State which include one or
more

Title I schools identified for school improvement;

higher education institution(s) within the State, especially those
engaged in research on reading and the preparation of reading
teachers

if possible;

private nonprofit or for-profit professional development providers;

pre-school teacher(s) and K-3 reading instructor(s);

community-based organizations involved in reading programs;

family literacy/adult education providers; and

the State Commission on National and Community Service.

If a State already has an existing literacy consortium to promote
literacy for all students, it may substitute such membership for the
requirements above. An example of such a consortium is the National
Institute For Literacy's State Literacy Resource Center in a State.

The State educational agency would act as the fiscal agent for the
receipt and disbursement of grant funds if a State were to receive
funds.

The functions of the consortium include:

preparing and submitting the literacy grant application to the
Secretary;

and, if the consortium receives funding, solicitation of grantees within the State;

oversight of the performance of subgrantees;

enhancing the capacity of existing agencies to disseminate reliable, valid, and replicable reading research to schools and classrooms;

ensuring the provision of technical assistance to subgrantees;

acting as an umbrella for all literacy efforts in the state, e.g.

Even Start, Reading Recovery, State-wide literacy programs, etc.; and

building on existing literacy programs within the State.

States receiving grants will be required to use a portion of their grant to support the requirements of the consortium.

State Literacy Grant Application

The literacy grant application to the Secretary would be required to:

describe how subgrants made by the consortium would achieve the goals of this Act and facilitate the coordination of school and community-based programs for reading;

describe the State's strategies for building on existing literacy initiatives in the State, including family literacy initiatives such as those carried out under the Even Start program, and for attracting other resources to promote the purpose of this Act;

be integrated with State plans under ESEA, IDEA, and the Adult Education Act; and

include information on the consortium including the roles of each

of the participants.

Selection of Literacy Grant Applications

Applications from State Literacy Consortia will go to the Secretary of Education, who would forward them to a Peer Review Panel for review

and evaluation. The panel would return the applications to the Secretary with a recommendation for final approval or disapproval.

The Peer Review Panel will consist of experts in the field of reading and community-based literacy who are appropriate to evaluate such grant applications. Members would be selected by the Secretary of Education in consultation with the National Institute for Literacy (NIFL); the National Academy of Sciences (NAS); the National Institute of Child Health and Human Development (NICHD); and the Corporation for National Service (CNS).

A priority would be given to applicants from States that have modified or plan to modify, State teacher certification in the area of reading to reflect reliable, valid, and replicable research.

Pre-Service Subgrants

THIS COMPONENT OF THE INITIATIVE IS ADDRESSED IN THE ADMINISTRATION'S
PROPOSAL FOR TITLE V OF THE HIGHER EDUCATION ACT.

Local Reading Program Subgrants

State literacy consortiums receiving funds under this legislation
would be required to make subgrants to local applicants to develop,
carry out, or expand local reading programs.

Definition of Local Reading Program:

1. helps children read well and independently by the end of the third
grade through in-school and after-school programs;
2. serves an area with a high number or percentage of children from
low-income families or with the greatest need for reading assistance;
3. implements a clear model(s) of reading instruction in schools

which

is based on reliable, valid, and replicable research;

4. ensures that the school will use the professional development

funds

(in the area of reading) from IDEA and ESEA, in connection with such
reading efforts;

5. provides appropriate and effective training for tutors for
after-school, weekend, or summer reading programs, or for other

proven

reading programs, for children from preschool through fourth grade;

6. assesses student progress toward developing reading skills based

on

challenging academic standards in reading;

7. leverages resources from a variety of federal, state, and local programs to support reading.

Eligible Applicants: An eligible applicant for a subgrant is a consortium consisting of a local educational agency (or one or more schools of such agency) and at least one other public or private agency or organization (such as library, museum, or other cultural institution, community-based organization, business or other employer, senior citizen group, youth group, parent association, literacy organization, or institution of higher education), or Indian Tribe.

Local reading programs applying for subgrants from the State would be required to demonstrate how the reading program would be coordinated and integrated with Title I schoolwide or targeted assistance programs.

Subgrantees may use funds to:

- support extended-day and extended-year reading programs;
- provide payment to instructors implementing reading models;
- provide payment to a reading specialist to work with both the in-school and out-of-school reading programs;
- support partnerships with Head Start, Even Start, Adult Education and/or community based organizations;
- support professional development, including the training of

volunteers;

provide payment to a tutor coordinator;

provide instruction for parents and others who volunteer to be reading tutors; and

assist low literate parents in improving their own basic skills so they can participate more fully and effectively in their child's education through reading to their children; assisting with homework; responding adequately to report cards and school correspondence; and providing a home environment more supportive and conducive to learning.

State literacy consortia would be required to give priority to funding

applicants that propose to:

develop, carry out, or expand effective local programs, such as family literacy programs, which provide appropriate support, training,

and educational materials to involve and assist parents (and other adult primary caregivers) and to help their children become successful

readers by the end of the third grade.

Direct Grants to Local Education Agencies

If a State does not apply or is not awarded a grant, the Secretary will make available competitive grants directly to Local Education

Agencies.

National and Regional Grants to Promote Exemplary Reading Programs

The Secretary shall make competitive grants to eligible applicants to develop:

1. large-scale local reading programs that will serve as effective models for helping large numbers of children read well and independently by the end of the third grade;
2. national or regional networks that provide information to interested persons on how parents and families can help their children read better and that support the efforts of parents and families to provide a solid foundation for reading;
3. reading organizations in more than one State; or
4. other local, regional, or national activities that promote the most effective and promising practices for helping all children read well and independently by the end of the third grade.

Program Evaluation

The legislation will include a program evaluation component to measure the overall success of the funds in meeting the purpose of this Act.

In addition, it would provide funding to evaluate local programs carried out under this Act.

Information Dissemination

The National Institute for Literacy (NIFL) would head up the effort to disseminate information on reliable, valid, and replicable research on reading to Federal programs that focus, or include a focus on reading.

These include programs under the ESEA, Head Start, IDEA, Even Start, the Adult Education Act and the national service laws. While the priority for dissemination is focused on federally supported programs, such dissemination efforts may also target educators and other interested parties that are not recipients of federal funds.

In doing so, NIFL would build upon applicable information networks currently in existence including OERI, HHS, NICHD and those established by States and private sector entities.

NIFL would be the main organization charged with disseminating information on reliable, valid, and replicable research. The OERI Expert Reading Panel would provide advice to NIFL on the type of

research to be disseminated.

Technical Assistance

The legislation will authorize the Department to award America Reads funds to the ESEA Title XIII Comprehensive Regional Technical Assistance Centers to enhance their capacity to provide technical assistance in the implementation of research-based reading programs

to

SEAs, LEAs, and schools in the area of reading.

NIFL and the ESEA Title XIII Comprehensive Regional Assistance

Centers

would be required to coordinate their efforts and work with State

Literacy Co===== ATTACHMENT 1 =====

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08 Sep 1997 12:56:00 -0400 (EDT)

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===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Ann_OLeary (Ann_O'Leary@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 9-SEP-1997 12:06:00.00

SUBJECT: Re[3]: Latest proposals

TO: Leslie S. Mustain (Leslie S. Mustain@eop [UNKNOWN])
READ:UNKNOWN

TO: Mary I. Cassell (Mary I. Cassell@eop [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@eop [UNKNOWN])
READ:UNKNOWN

TO: William R. Kincaid (William R. Kincaid@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Yesterday, I sent out the latest DRAFT of the America Reads
counter-proposal. Unfortunately, I inadvertently left out comments
from a member of the team.

Before you spend the time reviewing the draft I sent yesterday, I
wanted to let you all know that I will be sending out the FINAL DRAFT
by c.o.b. today with an attachment of unresolved issues we need to
continue to work on.

As you all know per Sandra Cook's email, the meeting with Goodling's
staff was cancelled yesterday. We expect it to be re-scheduled for
sometime this week.

My apologies to everyone that I have inconvenienced and my sincere
apologies for leaving out input.

Thank you all again for your help.

-Ann

Reply Separator

Subject: Re[2]: Latest proposals

Author: Ann O'Leary at WDCB01

Date: 9/8/97 02:01 PM

Thank you to all who gave their comments on the America Reads DRAFT counter-proposal.

I have incorporated the comments into another DRAFT version of the bill.

This draft is being considered for final approval to be shared with Goodling's staff TOMORROW.

Please call me at 202/401-2993 if you have any concerns about this piece.

Thank you and thanks one more time for taking the time to make comments on the last draft. I appreciated the help of many hands.

-Ann

~~CONFIDENTIAL~~

DRAFT

9/8/97

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: AC3 Date: 3/28/2018

Staff Discussion Draft Outline

America Reads Response

Purpose

The purpose of this legislation is to improve the literacy skills of children and families by extending learning time for reading and improving in-school reading programs to ensure that all children read well and independently by the end of the third grade. This legislation assists in achieving that purpose by providing financial support from the Department of Education to:

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(3) expand the study and evaluation of reading based on reliable, valid, and replicable research*, and establish a mechanism for such distribution.

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Under this legislation States, through State Literacy Consortiums, compete for literacy grants to use towards the creation and support of effective local reading programs for preschool-aged children and children attending K-3 in a public or private school. Effective reading programs would include an in-service professional development component for reading instructors in public schools and an out-of-school community-school linked literacy program for children enrolled in public or private schools.

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of the fifth year.

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Each State desiring to compete for a literacy grant must establish a State Literacy Consortium made up of the Governor and Chief State School Officer and representatives jointly selected by the Governor and Chief State School Officer, including:

the directors of curriculum and instruction, Title II and other professional development programs, Title I, and special education; local education agencies within the State which include one or more Title I schools identified for school improvement; higher education institution(s) within the State, especially those engaged in research on reading and the preparation of reading teachers if such institutions exist within the State; private nonprofit or for-profit professional development providers; pre-school teacher(s) and K-3 reading instructor(s); community-based organizations involved in reading programs; family literacy/adult education providers; and the State Commission on National and Community Service.

If a State already has an existing literacy consortium to promote

literacy for all students, it may substitute such membership for the requirements above. An example of such a consortium is the National Institute For Literacy's State Literacy Resource Center in a State.

The State educational agency would act as the fiscal agent for the receipt and disbursement of grant funds if a State were to receive funds.

The functions of the consortium include:

- preparing and submitting the literacy grant application to the Secretary;
- and, if the consortium receives funding, solicitation of grantees within the State;
- oversight of the performance of subgrantees;
- enhancing the capacity of existing agencies to disseminate reliable, valid, and replicable reading research to schools and classrooms;
- ensuring the provision of technical assistance to subgrantees;
- acting as an umbrella for all literacy efforts in the state, e.g. Even Start, Reading Recovery, State-wide literacy programs, etc.; and
- building on existing literacy programs within the State.

States receiving grants will be required to use a portion of their grant to support the requirements of the consortium.

State Literacy Grant Application

The literacy grant application to the Secretary would be required to:

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- describe the State's strategies for building on existing literacy initiatives in the State, including family literacy initiatives such as those carried out under the Even Start program, and for attracting other resources to promote the purpose of this Act;

- be integrated with State plans under ESEA, IDEA, and the Adult Education Act; and

- include information on the consortium including the roles of each of the participants.

Selection of Literacy Grant Applications

Applications from State Literacy Consortiums will go to the Secretary of Education, who would forward them to a Peer Review Panel for review

and evaluation. The panel would return the applications to the Secretary with a recommendation for final approval or disapproval.

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(NIFL); the National Academy of Sciences (NAS); the National Institute of Child Health and Human Development (NICHD); and the Corporation for National Service (CNS).

A priority would be given to applicants from States that have modified or plan to modify, State teacher certification in the area of

reading to reflect reliable, valid, and replicable research and States

that have existing teacher certification programs based on this criteria.

Pre-Service Subgrants

THIS COMPONENT OF THE INITIATIVE IS ADDRESSED IN THE ADMINISTRATION'S PROPOSAL FOR TITLE V OF THE HIGHER EDUCATION ACT.

Local Reading Program Subgrants

State literacy consortiums receiving funds under this legislation would be required to make subgrants to local applicants to develop, carry out, or expand local reading programs.

Definition of Local Reading Program:

1. helps children read well and independently by the end of the third grade through in-school and after-school programs;

2. serves an area with a high number or percentage of children from low-income families or with the greatest need for reading assistance;
3. implements a clear model(s) of reading instruction in schools

which

is based on reliable, valid, and replicable research;

4. ensures that the school will use the professional development

funds

(in the area of reading) from IDEA and ESEA, in connection with such reading efforts;

5. provides appropriate and effective training for tutors for after-school, weekend, or summer reading programs, or for other

proven

reading programs, for children from preschool through fourth grade;

6. assesses student progress toward developing reading skills based

on

challenging academic standards in reading;

7. leverages resources from a variety of federal, state, and local programs to support reading.

Eligible Applicants: An eligible applicant for a subgrant is a consortium consisting of a local educational agency (or one or more schools of such agency) and at least one other public or private

agency

or organization (such as library, museum, or other cultural

institution, community-based organization, business or other

employer,

senior citizen group, youth group, parent association, literacy

organization, or institution of higher education), or Indian Tribe.

Local reading programs applying for subgrants from the State would be required to demonstrate how the reading program would be coordinated and integrated with Title I schoolwide or targeted assistance programs.

Subgrantees may use funds to:

- support extended-day and extended-year reading programs;
- provide payment to instructors implementing reading models;
- provide payment to a reading specialist to work with both the in-school and out-of-school reading programs;
- support partnerships with Head Start, Even Start, Adult Education and/or community based organizations;
- support professional development, including the training of volunteers;
- provide payment to a tutor coordinator;
- provide instruction for parents and others who volunteer to be reading tutors; and
- assist low literate parents in improving their own basic skills so they can participate more fully and effectively in their child's education through reading to their children; assisting with homework; responding adequately to report cards and school correspondence; and providing a home environment more supportive and conducive to learning.

State literacy consortia would be required to give priority to funding

applicants that propose to:

develop, carry out, or expand effective local programs, such as family literacy programs, which provide appropriate support, training,

and educational materials to involve and assist parents (and other adult primary caregivers) and to help their children become successful

readers by the end of the third grade.

Direct Grants to Local Education Agencies

If a State does not apply or is not awarded a grant, the Secretary will make available competitive grants directly to Local Education Agencies.

National and Regional Grants to Promote Exemplary Reading Programs

The Secretary shall make competitive grants to eligible applicants to develop:

1. large-scale local reading programs that will serve as effective models for helping large numbers of children read well and independently by the end of the third grade;
2. national or regional networks that provide information to

interested persons on how

parents and families can help their children read better and that support the efforts of parents and families to provide a solid foundation for reading;

3. reading organizations in more than one State; or

4. other local, regional, or national activities that promote the most effective and

promising practices for helping all children read well and independently by the end of the third grade.

Program Evaluation

The legislation will include a program evaluation component to measure

the overall success of the funds in meeting the purpose of this Act.

In addition, it would provide funding to evaluate local programs carried out under this Act.

Information Dissemination

The National Institute for Literacy (NIFL) would head up the effort to

disseminate information on reliable, valid, and replicable research on

reading to Federal programs that focus, or include a focus on reading.

These include programs under the ESEA, Head Start, IDEA, Even Start, the Adult Education Act and the national service laws. While the priority for dissemination is focused on federally supported programs,

such dissemination efforts may also target educators and other interested parties that are not recipients of federal funds.

In doing so, NIFL would build upon applicable information networks currently in existence including OERI, HHS, NICHD and those established by States and private sector entities.

NIFL would be the main organization charged with disseminating information on reliable, valid, and replicable research. The OERI Expert Reading Panel would provide advice to NIFL on the type of research to be disseminated.

Technical Assistance

The legislation will authorize the Department to award America Reads funds to the ESEA Title XIII Comprehensive Regional Technical Assistance Centers to enhance their capacity to provide technical assistance in the implementation of research-based reading programs to SEAs, LEAs, and schools in the area of reading.

NIFL and the ESEA Title XIII Comprehensive Regional Assistance

Centers

would be required to coordinate their efforts and work with State

Literacy Consortiums to ens===== ATTACHMENT 1 =====
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09 Sep 1997 12:12:02 -0400 (EDT)

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(IMA Internet Exchange 2.11 Enterprise) id 00025C5F; Tue,

09 Sep 1997 12:14:24 -0400

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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: ussaleg (ussaleg@essential.org@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:24-SEP-1997 19:39:00.00

SUBJECT: Legislative Report 3

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:
Legislative Report 3

Monday September 15 1997

This report includes an update on Congressional action concerning FY98 Appropriations, Reauthorization of the Higher Education Act, and affirmative action.

APPROPRIATIONS:

The Senate completed their Labor, Health and Human Services, & Education appropriations bill on September 11. The bill passed by a vote of 92-8 and included the Reed/Collins amendment restoring \$35 million for the State Student Incentive Grant (SSIG).

The House is continuing work on their L, HHS, & Ed bill and are expected to pass the bill by the end of this week. The House bill includes an appropriation of more than \$500 million to increase independent students' access to the Pell grant.

Conference:

As soon as the House completes its L, HHS, & Ed bill members of both the

House and the Senate will be appointed to a conference committee that will iron out the differences in the two bills. For students, much is at stake in this conference. While the Senate bill preserves SSIG, it provides no help to independent students. The House bill does just the opposite.

Thus, students will want to pressure their House legislators to recede to the Senate on funding for SSIG and will want to pressure their Senators to recede to the House on funding for Pell. Senator Snowe (R-ME) is leading the effort to encourage the Senate L, HHS, & Ed Chair, Senator Specter (R-PA), to recede to the House on Pell funding and students will want to urge their Senators to join with Senator Snowe. Similarly, Representatives Ehlers (R-MI) and Kildee (D-MI) are encouraging the House L, HHS, & Ed Chair, Representative Porter (R-IL) to recede to the Senate on SSIG funding and students will want to urge their Representatives to join with them. (See Legislative Alert 52).

REAUTHORIZATION

The House Education and the Workforce Committee was scheduled to release its Reauthorization bill in September. However, there are now reports that the release of the entire bill, along with sub-committee and full committee mark-ups of the bill, may not occur until January.

On Wednesday, September 17, the EWF committee will hold a press conference on its Reauthorization proposals for restructuring the student loan delivery system. The committee has put together a plan for restructuring management of both FFEL and Direct Loans, based, in part, on the frustration of many (students, financial aid administrators, institutions, and others) with the current system. The EWF sub-committee on

Post-Secondary Education will also be holding a hearing this Thursday to investigate the problems occurring in direct loan consolidation. While USSA, long-time supporters of the direct lending program, will continue to advocate for the benefits direct lending can provide and for the benefits created by competition between the two loan programs, we will also be working to promote better servicing for students.

Apart from its Reauthorization proposals, in a separate draft bill, the House Education and the Workforce committee has put together a proposal that would eliminate a scheduled reduction in interest rates on student loans. Under current law, in July, 1998 a change in the mechanism used to calculate the interest rate on student loans will cause the interest rates on student loans to drop almost a full percentage point (i.e. interest rates will drop from about 8% to about 7%). The banking industry is lobbying hard to prevent this change from occurring in order to protect their profits. The House draft bill that would provide some benefits to students (a slight reduction in origination fees, lower in-school interest rates for those who pay interest while in school), but would eliminate the interest rate change. Overall, the savings for students from the scheduled change in interest rates far outweighs the benefits to students put forth in the House draft bill. Thus, USSA continues to advocate for the scheduled change and is opposing efforts by the banking lobby to eliminate it.. (We will send out a Legislative Alert on this issue if the House bill is actually introduced or if grassroots efforts are needed to combat the influence of the banking lobby.)

AFFIRMATIVE ACTION

No action was taken this week on the Canady-McConnell anti-affirmative action bills.

Representative Riggs (R-CA) still plans to introduce his amendment to the House Labor, Health and Human Services, and Education bill that would close a loop hole in Proposition 209 and prohibit the Department of Education from enforcing remedies for even blatant discrimination. (See Legislative Report 2 for details). However, due to strong pressure from a number of civil rights groups, including USSA, Riggs has stated that he will immediately withdraw the amendment after introduction. By taking this type of action, Riggs alerts affirmative action supporters that he will continue to pursue this issue at a later date, and we can expect the introduction of similar legislation from Riggs during Reauthorization of the Higher Education Act.

Erica Adelsheimer Phone: 202.347.USSA

Legislative Director Fax: 202.393.5886

U.S. Student Association E-mail:

ussaleg@essential.org

1413 K Street NW 10th Floor

<http://www.essential.org/ussa>

Washington, DC 20005

===== ATTACHMENT 1 =====

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24 Sep 1997 19:40:17 -0400 (EDT)

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by essential.essential.org (8.8.5/8.8.5) with SMTP id TAA08549; Wed,
24 Sep 1997 19:39:55 -0400 (EDT)

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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 3-OCT-1997 11:58:00.00

SUBJECT: Loan Consolidation Bill Press Release - Oct 1, 1997

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

STATEMENT BY DAVID LONGANECKER, ASSISTANT SECRETARY, POSTSECONDARY

EDUCATION

Regarding House Education and the Workforce Committee passage of
legislation

to allow direct loan borrowers to consolidate into the Federal Family
Education Loan program (FFELP).

We welcome the Committee's interest in this issue, and appreciate the
effort

to help. However, in the rush to act, it is not clear that the legislation
as

currently drafted addresses the current needs. In fact, it could make
matters
worse.

First, the bill does little for two-thirds of consolidation requests, those
borrowers who have only government-guaranteed loans, and who can already
consolidate into FFEL and chose not to. They like direct lending's benefits
and want a direct consolidation loan -- not a government-guaranteed loan.

We

would like to work with the committee to make sure that the bill addresses the

real needs of borrowers. Second, the plan to eliminate the backlog and re-open direct loan consolidation is ahead of schedule. The outstanding inventory has been reduced more than a third in just three weeks -- and nearly two-thirds of the remaining inventory are now in the final stages of the process.

Third, because the government-guaranteed program costs taxpayers more, the committee needed to find \$25 million to offset the additional subsidy that lenders would receive under the legislation. Unfortunately, they used funds that are needed to administer both direct loan and FFEL programs and maintain services to students and schools. These funds were already cut by more than \$600 million two months ago under the bipartisan balanced budget agreement.

Direct lending, overall, continues to be a success. More than 1.9 million loans have been originated by our private sector contractor since March. In fact more than 95 percent of direct loan borrowers are unaffected by delays in loan consolidation.

The two-way consolidation issue and other reforms to level the playing field between direct lending and FFELP should be considered in the appropriate context of the Higher Education Act Reauthorization.

This measure, though well-intentioned, misses the mark.

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03 Oct 1997 12:24:41 -0400 (EDT)

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id LAA24908; Fri, 03 Oct 1997 11:59:28 -0400 (EDT)

X-Sender: tombutts@t.imap.itd.umich.edu

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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: ussaleg (ussaleg@essential.org@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 5-OCT-1997 12:25:00.00

SUBJECT: Legislative Report 5 10/3/97

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

Legislative Report 5

Friday, October 3, 1997

This report includes an update on Congressional action concerning FY98 Appropriations, loan repayments and interest rates, Reauthorization of the Higher Education Act (in particular, a provision that will affect students on welfare), and affirmative action.

APPROPRIATIONS:

The House and Senate are now working to iron out the differences in their Labor, Health and Human Services, & Education bills. The conferees (those members who participate in the conference) had their first official meeting last Friday and now their staffs are hard at work to find satisfactory compromises.

As reported earlier, students have a lot to either gain or lose as the conference L,HHS, & Education bill is put together. Conferees are responding to the input they are receiving from their constituents and from those concerned with education funding. Thus, to make sure the State Student Incentive Grant is saved and that more students have access to

Pell grants, phone calls, faxes, letters, and e-mails targeting the conferees are essential.

(When contacting the conferees, make sure they understand that nearly 700,000 students will lose grant funding if SSIG is eliminated. Also, explain that we want to see two changes in Pell grant eligibility. The first change would allow independent students greater access to Pell. The second change would make sure that dependent students (those who are not married, do not have kids, are not wards of the court, are not veterans, and are under 24) can save for college without being penalized. Under current law a dependent student who worked during high school or during summers to save for college may, quite unfairly, see a reduction in his or her financial aid package.

For the list of conferees, see Leg. Alert 53 or call the USSA office.

Students at the University of Pittsburgh and Temple University are doing a great job organizing letter and petition drives targeting Sen. Specter (Chair, Senate L, HHS, & Ed Sub-committee). Students whose Senators and Representative are not participating in the conference should aid these efforts by contacting the conferees and letting them know that students across the nation demand the preservation of SSIG and expansion of Pell eligibility.)

As Congress did not complete its appropriations work by Sept. 30 (the end of the fiscal year), they passed a Continuing Resolution (CR) allowing the government to continue operating. The CR, which funds programs at their FY97 levels, extends until October 23. If by Oct. 23 they have

still not completed the 13 appropriations bills, they will most likely pass another CR to avoid shutdown.

LOAN REPAYMENTS AND LOAN INTEREST RATES

Loan Consolidation

On Wednesday October 1, the House Education and the Workforce Committee passed by a vote of 43-0 the Emergency Loan Consolidation Act (H.R. 2535).

The bill, introduced by EWF Subcommittee Chairman McKeon (R-CA) would allow students who have both FFEL loans and Direct Loans to consolidate their loans within the FFEL program (currently such students can only consolidate within Direct Lending). The legislation was introduced in response to problems the Department of Education and its contractor, EDS, are having with a backlog of applications for direct lending consolidation. The legislation will aid those students with both types of loans who want to consolidate and who do not want to wait until the direct lending program begins accepting new applications (Dec. 1). The legislation will also, hopefully, help spur competition between the Department of Education and other lenders to improve student services.

Need Analysis Change

After approving the McKeon bill, the Education and the Workforce Committee also approved by unanimous vote a bill sponsored by Rep. Kildee (D-MI) altering the formula used in calculating a student's financial "need."

The bill makes sure that students and families receiving benefits under the new tax law (Hope Scholarships or tax credits for life long learning) will not receive smaller financial aid packages because of their tax

gains. Without this change, approximately 69,000 students could see reduced financial aid awards. EWF Chairman Goodling (R-PA) called on the Senate authorizing committee (Labor and Human Resources) and its Chair, Senator Jeffords (R-VT), and ranking member, Senator Kennedy (D-MA), to introduce similar legislation in the Senate.

Loan Interest Rates

The saga with the scheduled interest rate change continues. USSA will meet with representatives from the banking industry on Monday, October 6. We will remain adamant in protecting the lower interest rate on student loans and make certain that the bankers understand our unwillingness to agree to any compromise that costs students money. Overwhelmed with debt, students should not be asked to pay ONE PENNY to ensure the bankers' profits and with \$9 BILLION IN STUDENT SAVINGS at stake, USSA will make sure the banking industry is clear on our position.

Students should, likewise, make certain their legislators understand the tremendous importance to students of a lower interest rate. When contacting your legislators, remind them that a lower interest rate on student loans is an ABSOLUTE MUST.

REAUTHORIZATION

Senators Dodd (D-CT), Snowe (R-ME), and Kennedy (D-MA) introduced in the Senate a bill to support the participation of low-income parents in higher education through the provision of campus-based child care. The Campus

Child Care Access Means Parents in School Act (S.1151), abbreviated The CAMPUS Act, would authorize \$60 million for competitive grants to assist in the establishment of campus-based child care programs and enhance services to low-income parents.

If passed as part of the Higher Education Act Reauthorization, the legislation would aid a number of parents receiving public assistance.

"In the wake of welfare reform, new pressures are coming to bear on low-income student parents," stated Senator Dodd on the Senate floor.

"States are likely to shift [federal] funds to support welfare recipients returning to work, rather than to support low-income parents pursuing higher education. This outcome is particularly perverse given the impact of obtaining a college education on family earnings over time. . . This bill will offer new hope to these students."

Students should pressure their Senators to co-sponsor the legislation and pressure their Representatives (particularly those on the Education and the Workforce Committee) to introduce similar legislation in the House.

The National Coalition for Campus Child Care Centers did a great deal to push for the introduction of the bill and students may want to find out if there is a NCCCC board member on their campus in order to co-ordinate efforts. For more information, contact USSA.

AFFIRMATIVE ACTION

House Speaker Newt Gingrich stated that no action will be taken on the Canady-McConnell anti-affirmative action bills until the summer of 1998.

As reported previously, the Canady-McConnell bills would ban the use of affirmative action in all federal employment, contracting, and hiring and could prohibit the use of affirmative action by any agency or institution receiving federal funds (i.e. almost all colleges and universities).

The delay in action on these bills allows students more time to influence their legislators and to organize campus campaigns opposing the bills.

The delay, however, does not indicate that students can relax their efforts to educate their communities or their legislators on the benefits of affirmative action and the impact of affirmative action programs on students and campuses. As the anti-affirmative action groups continue to raise hundreds of thousands of dollars, to speak at large membership events, and to promote local and state initiatives banning affirmative action, students must make their voices heard.

We have been effective in ensuring delays, but what we need to see are defeats. If the Canady-McConnell bill starts moving next summer, we could be battling that attack on affirmative action at the same time we are battling Representative Riggs's (R-CA) planned attack within the HEA Reauthorization. To prepare, long before June, we must make certain all the members of both the House and Senate Judiciary Committees, the Education and the Workforce Committee, and the Labor and Human Resources Committee know the impact of affirmative action on students' lives and the potential consequences if affirmative action programs are eliminated.

Erica Adelsheimer Phone: 202.347.USSA

Legislative Director Fax: 202.393.5886

U.S. Student Association E-mail:

ussaleg@essential.org

1413 K Street NW 10th Floor

<http://www.essential.org/ussa>

Washington, DC 20005

===== ATTACHMENT 1 =====

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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:10-OCT-1997 19:52:00.00

SUBJECT: Loan forgiveness

TO: Jennifer L. Klein (Jennifer L. Klein@EOP [UNKNOWN])
READ:UNKNOWN

TO: Nicole R. Rabner (Nicole R. Rabner@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Jen, I am faxing you a couple pages on the reasons we have reservations about loan forgiveness for child care workers (I also copied it into the email below for the benefit of others) along with brief descriptions of the DeWine and Kerry loan forgiveness bills. Understanding your strong interest in finding ways the President can help child care workers get the education and training they need to provide quality care, we are exploring the following alternatives:

1. Adult and vocational education. We are looking at our adult and voc ed programs and initiatives because most child care workers do not go into degree programs, and may not be prepared to do so even if they could afford to. Given this reality, we may be able to help more child care workers be better trained and prepared through adult and voc ed.
2. School-to-work. We are looking for ways to use STW to help young

people get the training they need to be child care workers.

I regret we do not have more yet. We will step up our efforts on Tuesday. Have you asked HHS to look into this as well? I understand the welfare reform law repealed an HHS program that provided scholarships for child care workers, but perhaps a better program could be created, either as a stand-alone or as a part of one of their

block grants (make it an eligible use of the block grants while increasing the total funding by the amount we would have invested in

a categorical program). For example, we found that our Title I funds currently can be used to create career ladder programs for Title I instructional aides to obtain the education necessary to become licensed and certified teachers including teachers for preschool programs. It would be a real stretch to try to expand this to suit your goals since the child care workers would not necessarily have a tie to Title I.

Below is the loan forgiveness piece:

LOAN FORGIVENESS FOR CHILD CARE WORKERS

Loan forgiveness provides limited benefits to a limited number of child care workers:

Loan forgiveness, in which debt owed by students on

Federal

loans is canceled, is assistance offered to borrowers after the fact, and therefore will have a more limited effect at attracting people to the field than aid provided up front. Child care workers must have already finished their education and found work before they can reap the benefits of such a program. Under Senator Kerry's proposal, a borrower with a degree in early childhood development must have been employed and repaying his loans for two years after graduating to be eligible for loan forgiveness.

Loan forgiveness can only apply to students who have loans; only 25% of students in postsecondary education receive Federal loans.

The loan forgiveness bills proposed by Congress would apply only to individuals receiving associate's or bachelor's degrees (DeWine) or associate's, bachelor's, or graduate degrees (Kerry) in early childhood development. Many individuals in child care earn certificates, not degrees, and would therefore be ineligible for loan forgiveness under these proposals.

If child care workers with certificates rather than degrees were eligible, they would still receive only a small benefit because they tend to carry much smaller, if any, loan burdens.

Most loan forgiveness proposals involve forgiving only a portion of a borrower's loan debt. For instance, the DeWine bill would provide forgiveness for 15% of child care workers' loans per year of full-time employment, which would have a limited impact on inducing students into child care who were not already planning to enter the field.

The Administration has not supported categorical loan forgiveness in the past:

The administration has supported the movement reflected in the 1992 HEA amendments away from categorical deferments or forgiveness and toward an approach based on economic need. A deferment allows a borrower to temporarily postpone payment on a loan.

Categorical forgiveness and deferment programs, such as those aimed specifically at child care workers, are very difficult for the Department to administer and do not necessarily target the most needy students.

The Higher Education Act currently includes a demonstration program to offer loan forgiveness to teachers, nurses, and individuals performing national community service (Section 428J).

Established by law in 1992, the Administration has never requested funding for this program and Congress has never funded it. The Department requested that this provision be repealed, and the repeal

was passed by Congress last year but vetoed by the President for reasons unrelated to loan forgiveness. The Department is proposing that 428J be repealed in the reauthorization of the HEA.

Offering forgiveness to child care workers could create a "slippery slope" leading to loan forgiveness provisions for myriad other groups of borrowers in worthy professions. The Perkins Loan program, which represents less than 3% of Federal loan volume, is the only loan program with a provision to cancel loans for certain categories of borrowers. This provision, originally intended to assist teachers in low-income areas, has been expanded over the years to include: employees of Head Start programs; special education teachers; members of the Armed Forces; Peace Corps volunteers; law enforcement officers and corrections officers; teachers of mathematics, science, foreign languages, bilingual education, and other fields in which a shortage exists; nurses and medical technicians; and employees of private and nonprofit family service agencies who provide services to high-risk children. Because of this expansion, the loan forgiveness component of the Perkins Loan program is administratively complicated and poorly targeted. For many years, the Department has tried to reduce these categories to simplify the program, to make the deferment and cancellation provisions more uniform across all the loan programs, and because there is not strong evidence that such forgiveness features have served to attract individuals into particular professions.

President Clinton has already enacted laws that address the concerns
that loan forgiveness is intended to address:

Economic Hardship Protection. Borrowers entering low-paying
fields

such as child care can benefit from the economic hardship provision
in
the FFEL and Direct Loan programs, which together account for over
97%

of Federal loan volume. The economic hardship provision, proposed by
President Clinton, allows borrowers working full time who qualify
based on their income or on their debt-to-income ratio to delay
repaying their loans for up to three years.

Income Contingent Repayment. Borrowers under the Direct Loan
program have the option of the Income Contingent Repayment plan, also
proposed by President Clinton. This plan allows borrowers to make
repayments based on their income. After 25 years, any loan amount

still outstanding is forgiven. ===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

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id <01IOSZ4F7VB400NE77@PMDF.EOP.GOV>; Tue, 14 Oct 1997 17:10:38 -0400 (EDT)

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by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IOSZ4E1JDS00KR1A@PMDF.EOP.GOV>; Tue,

14 Oct 1997 17:10:35 -0400 (EDT)

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with ESMTP id <01IOSZ3WZPXM000LOT@STORM.EOP.GOV>; Tue,
14 Oct 1997 17:10:12 -0400 (EDT)

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by vader.ed.gov (8.8.7/8.8.4) with SMTP id NAA18368; Tue,
14 Oct 1997 13:42:42 -0400 (EDT)

Received: from ccMail by smtpgwyl.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 0004F388; Fri,
10 Oct 1997 20:07:00 -0400

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:14-OCT-1997 12:56:00.00

SUBJECT: Re: Loan forgiveness

TO: Michael Cohen (Michael Cohen@EOP [UNKNOWN])

READ:UNKNOWN

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])

READ:UNKNOWN

TO: William R. Kincaid (William R. Kincaid@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

For some unknown reason, some or all of you do not seem to have
gotten

this email from Friday so I am resending it.

Reply Separator

Subject: Loan forgiveness

Author: Pauline Abernathy at WDCB01

Date: 10/10/97 7:52 PM

Jen, I am faxing you a couple pages on the reasons we have
reservations about loan forgiveness for child care workers (I also
copied it into the email below for the benefit of others) along with
brief descriptions of the DeWine and Kerry loan forgiveness bills.

Understanding your strong interest in finding ways the President can help child care workers get the education and training they need to provide quality care, we are exploring the following alternatives:

1. Adult and vocational education. We are looking at our adult and voc ed programs and initiatives because most child care workers do not go into degree programs, and may not be prepared to do so even if they could afford to. Given this reality, we may be able to help more child care workers be better trained and prepared through adult and voc ed.

2. School-to-work. We are looking for ways to use STW to help young people get the training they need to be child care workers.

I regret we do not have more yet. We will step up our efforts on Tuesday. Have you asked HHS to look into this as well? I understand the welfare reform law repealed an HHS program that provided scholarships for child care workers, but perhaps a better program could be created, either as a stand-alone or as a part of one of their block grants (make it an eligible use of the block grants while increasing the total funding by the amount we would have invested in a categorical program). For example, we found that our Title I funds currently can

be used to create career ladder programs for Title I instructional aides to obtain the education necessary to become licensed and certified teachers including teachers for preschool programs. It would

be a real stretch to try to expand this to suit your goals since the child care workers would not necessarily have a tie to Title I.

Below is the loan forgiveness piece:

LOAN FORGIVENESS FOR CHILD CARE WORKERS

Loan forgiveness provides limited benefits to a limited number of child care workers:

Loan forgiveness, in which debt owed by students on Federal

loans is canceled, is assistance offered to borrowers after the fact, and therefore will have a more limited effect at attracting people to the field than aid provided up front. Child care workers must have already finished their education and found work before they can reap the benefits of such a program. Under Senator Kerry's proposal, a borrower with a degree in early childhood development must have been employed and repaying his loans for two years after graduating to be eligible for loan forgiveness.

Loan forgiveness can only apply to students who have loans; only 25% of students in postsecondary education receive

Federal loans.

The loan forgiveness bills proposed by Congress would apply only to individuals receiving associate's or bachelor's degrees (DeWine) or associate's, bachelor's, or graduate degrees (Kerry) in early childhood development. Many individuals in child care earn certificates, not degrees, and would therefore be ineligible for loan forgiveness under these proposals.

If child care workers with certificates rather than degrees were eligible, they would still receive only a small benefit because they tend to carry much smaller, if any, loan burdens.

Most loan forgiveness proposals involve forgiving only a portion of a borrower's loan debt. For instance, the DeWine bill would provide forgiveness for 15% of child care workers' loans per year of full-time employment, which would have a limited impact on inducing students into child care who were not already planning to enter the field.

The Administration has not supported categorical loan forgiveness in the past:

The administration has supported the movement reflected in the 1992 HEA amendments away from categorical deferments

or forgiveness and toward an approach based on economic need. A deferment allows a borrower to temporarily postpone payment on a loan.

Categorical forgiveness and deferment programs, such as those aimed specifically at child care workers, are very difficult for the Department to administer and do not necessarily target the most needy students.

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ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IOSZ4JY9KG00NE77@PMDF.EOP.GOV>; Tue, 14 Oct 1997 17:10:43 -0400 (EDT)
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14 Oct 1997 17:10:40 -0400 (EDT)
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with ESMTP id <01IOSZ3WZPXM000LOT@STORM.EOP.GOV>; Tue,
14 Oct 1997 17:10:15 -0400 (EDT)
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by vader.ed.gov (8.8.7/8.8.4) with SMTP id OAA19739; Tue,
14 Oct 1997 14:11:34 -0400 (EDT)
Received: from ccMail by smtpgwyl.ed.gov
(IMA Internet Exchange 2.11 Enterprise) id 000511C9; Tue,
14 Oct 1997 13:09:26 -0400
===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:14-OCT-1997 12:56:00.00

SUBJECT: Re: Loan forgiveness

TO: Jennifer L. Klein (Jennifer L. Klein@EOP [UNKNOWN])

READ:UNKNOWN

TO: Nicole R. Rabner (Nicole R. Rabner@eop [UNKNOWN])

READ:UNKNOWN

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