

Calendar No. 570

105TH CONGRESS
2^D SESSION

S. 2213

[Report No. 105-327]

A BILL

To allow all States to participate in activities under
the Education Flexibility Partnership Demonstration Act.

SEPTEMBER 14, 1998

Reported with an amendment

Calendar No. 570105TH CONGRESS
2^D SESSION**S. 2213****[Report No. 105-327]**

To allow all States to participate in activities under the Education Flexibility Partnership Demonstration Act.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 1998

Mr. FRIST (for himself, Mr. WYDEN, Mr. KERREY, Mr. DEWINE, Mr. GLENN, Mr. KEMPTHORNE, Mr. FORD, Mr. HELMS, Mr. GRASSLEY, Mr. ROTH, Ms. COLLINS, Mr. SMITH of Oregon, Mr. LEVIN, Mr. MCCONNELL, Mr. HAGEL, Mrs. HUTCHISON, Mr. DOMENICI, Mr. BENNETT, and Mr. THOMPSON) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

SEPTEMBER 14, 1998

Reported by Mr. JEFFORDS, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To allow all States to participate in activities under the Education Flexibility Partnership Demonstration Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Education Flexibility
3 Amendments of 1998”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) States differ substantially in demographics,
7 in level of urbanization, in geography, and in school
8 governance. The administrative and funding mecha-
9 nisms that help schools in 1 State improve may not
10 prove successful in other States.

11 (2) State and local educational agencies are re-
12 quired to complete numerous reporting requirements
13 established by Federal rule or regulation. States and
14 schools need flexibility, with respect to Federal and
15 State rules and regulations, to devise the best way
16 in differing situations to achieve the goals of Federal
17 and State education laws.

18 (3) To achieve the State goals for the education
19 of children in the State, the focus must be on re-
20 sults, not process.

21 (4) Activities assisted under the Education
22 Flexibility Partnership Demonstration Act, as imple-
23 mented by 12 States—

24 (A) represent a significant step in focusing
25 on results not process; and

1 (B) give States substantial flexibility in ex-
2 change for accountability.

3 **SEC. 3. EXPANSION OF THE EDUCATION FLEXIBILITY PART-**
4 **nership Demonstration Act.**

5 (a) IN GENERAL.—Section 311(e) of the Goals 2000:
6 Educate America Act (20 U.S.C. 5891(e)) is amended—

7 (1) in paragraph (2)—

8 (A) by amending subparagraph (A) to read
9 as follows:

10 “(A) IN GENERAL.—The Secretary may
11 carry out an education demonstration program
12 under which the Secretary authorizes—

13 “(i) a State educational agency that
14 serves an eligible State to waive statutory
15 or regulatory requirements applicable to 1
16 or more programs or Acts described in
17 subsection (b), other than requirements de-
18 scribed in subsection (c), for the State edu-
19 cational agency or any local educational
20 agency or school within the State; and

21 “(ii) a State educational agency that
22 serves an eligible State and participated in
23 the program under this subsection prior to
24 the date of enactment of the Education
25 Flexibility Amendments of 1998 to waive

1 statutory or regulatory requirements appli-
 2 cable to 1 or more programs or Acts de-
 3 scribed in subsection (b), title III of the
 4 Elementary and Secondary Education Act
 5 of 1965, or the Adult Education Act, other
 6 than requirements described in subsection
 7 (c), for the State educational agency or
 8 any local educational agency or school
 9 within the State.”;

10 (B) by striking subparagraph (B); and

11 (C) by redesignating subparagraph (C) as
 12 subparagraph (B); and

13 (2) in paragraph (3)—

14 (A) in subparagraph (A), by inserting “(i)”
 15 after “(A)”;

16 (B) in subparagraph (B), by striking the
 17 period and inserting “; or”;

18 (C) by redesignating subparagraph (B) (as
 19 amended by subparagraph (B)) as clause (ii);
 20 and

21 (D) by adding at the end the following:

22 “(B) has a consolidated State plan or a
 23 consolidated State application approved by the
 24 Secretary under section 14302 of the Elemen-
 25 tary and Secondary Education Act of 1965.”.

1 (b) FUNDING.—Section 311(e) of the Goals 2000:
 2 Educate America Act (20 U.S.C. 5891(e)) is amended fur-
 3 ther by adding at the end the following:

4 “(h) FUNDING.—Notwithstanding any other provi-
 5 sion of law and using any funds available to the Secretary,
 6 the Secretary shall make available such funds as are nec-
 7 essary to carry out this subsection for each of the fiscal
 8 years 1999 through 2003.”.

9 **TITLE I—EDUCATION**
 10 **FLEXIBILITY**

11 **SEC. 101. SHORT TITLE.**

12 *This title may be cited as the “Education Flexibility*
 13 *Amendments of 1998”.*

14 **SEC. 102. FINDINGS.**

15 *Congress makes the following findings:*

16 (1) *States differ substantially in demographics,*
 17 *in school governance, and in school finance and fund-*
 18 *ing. The administrative and funding mechanisms*
 19 *that help schools in 1 State improve may not prove*
 20 *successful in other States.*

21 (2) *Although the Elementary and Secondary*
 22 *Education Act of 1965 and other Federal education*
 23 *statutes afford flexibility to State and local edu-*
 24 *cational agencies in implementing Federal programs,*
 25 *certain requirements of Federal education statutes or*

1 *regulations may impede local efforts to reform and*
2 *improve education.*

3 *(3) By granting waivers of certain statutory and*
4 *regulatory requirements, the Federal Government can*
5 *remove impediments for local educational agencies in*
6 *implementing educational reforms and raising the*
7 *achievement levels of all children.*

8 *(4) State educational agencies are closer to local*
9 *school systems, implement statewide educational re-*
10 *forms with both Federal and State funds, and are re-*
11 *sponsible for maintaining accountability for local ac-*
12 *tivities consistent with State standards and assess-*
13 *ment systems. Therefore, State educational agencies*
14 *are often in the best position to align waivers of Fed-*
15 *eral and State requirements with State and local ini-*
16 *tiatives.*

17 *(5) The Education Flexibility Partnership Dem-*
18 *onstration Act allows State educational agencies the*
19 *flexibility to waive certain Federal requirements,*
20 *along with related State requirements, but allows only*
21 *12 States to qualify for such waivers.*

22 *(6) Expansion of the waiver authority under*
23 *such Act will allow for the waiver of statutory and*
24 *regulatory requirements that impede implementation*
25 *of State and local educational improvement plans, or*

1 *that unnecessarily burden program administration,*
 2 *while maintaining the intent and purposes of affected*
 3 *programs, and maintaining such fundamental re-*
 4 *quirements as those relating to civil rights, edu-*
 5 *cational equity, and accountability.*

6 *(7) To achieve the State goals for the education*
 7 *of children in the State, the focus must be on results*
 8 *in raising the achievement of all students, not process.*

9 **SEC. 103. EXPANSION OF THE EDUCATION FLEXIBILITY**

10 **PARTNERSHIP DEMONSTRATION ACT.**

11 *(a) IN GENERAL.—Section 311(e) of the Goals 2000:*
 12 *Educate America Act (20 U.S.C. 5891(e)) is amended—*

13 *(1) in paragraph (2)—*

14 *(A) by amending subparagraph (A) to read*
 15 *as follows:*

16 *“(A) IN GENERAL.—The Secretary may*
 17 *carry out an education flexibility demonstration*
 18 *program under which the Secretary authorizes a*
 19 *State educational agency that serves an eligible*
 20 *State to waive statutory or regulatory require-*
 21 *ments applicable to 1 or more programs or Acts*
 22 *described in subsection (b) or 1 or more pro-*
 23 *grams described in subpart 2 of part A of title*
 24 *III of the Elementary and Secondary Education*
 25 *Act of 1965 (except section 3136 of such Act),*

1 *other than requirements described in subsection*
 2 *(c) of this Act and section 14401(c) of the Ele-*
 3 *mentary and Secondary Education Act of 1965,*
 4 *for the State educational agency or any local*
 5 *educational agency or school within the State.”;*

6 *(B) by striking subparagraph (B); and*

7 *(C) by redesignating subparagraph (C) as*
 8 *subparagraph (B); and*

9 (2) *in paragraph (3), by amending subpara-*
 10 *graph (A) to read as follows:*

11 *“(A)(i) has—*

12 *“(I) developed and implemented the*
 13 *challenging State content standards, chal-*
 14 *lenging State student performance stand-*
 15 *ards, and aligned assessments described in*
 16 *section 1111(b) of the Elementary and Sec-*
 17 *ondary Education Act of 1965, including*
 18 *the requirements of that section relating to*
 19 *disaggregation of data, and for which local*
 20 *educational agencies in the State are pro-*
 21 *ducing the individual school performance*
 22 *profiles required by section 1116(a) of such*
 23 *Act; or*

24 *“(II) made substantial progress, as de-*
 25 *termined by the Secretary, toward develop-*

1 *ing and implementing the standards and*
 2 *assessments, and toward having local edu-*
 3 *cational agencies in the State produce the*
 4 *profiles, described in subclause (I); and*

5 *“(i) holds local educational agencies and*
 6 *schools accountable for meeting the educational*
 7 *goals described in the local applications submit-*
 8 *ted under paragraph (5), and for taking correc-*
 9 *tive actions, consistent with section 1116 of the*
 10 *Elementary and Secondary Education Act of*
 11 *1965, for the local educational agencies that do*
 12 *not meet the goals; and”.*

13 *(b) AUTHORITY TO ISSUE WAIVERS.—Section 311(e)*
 14 *of the Goals 2000: Educate America Act (20 U.S.C. 5891(e))*
 15 *is amended further by adding at the end the following:*

16 *“(8) AUTHORITY TO ISSUE WAIVERS.—Notwith-*
 17 *standing any other provision of law, the Secretary is*
 18 *authorized to carry out the education flexibility dem-*
 19 *onstration program under this subsection for each of*
 20 *the fiscal years 1999 through 2003.”.*

21 *(c) ACCOUNTABILITY.—Section 311(f) of the Goals*
 22 *2000: Educate America Act (20 U.S.C. 5891(f)) is amended*
 23 *by adding at the end the following: “In the case of deciding*
 24 *whether to extend a State educational agency’s authority*
 25 *to issue waivers under subsection (e), the Secretary also*

1 *shall review the progress of the State educational agency*
 2 *to determine if such agency—*

3 *(1) has established procedures for increasing the*
 4 *percentage of elementary school and secondary school*
 5 *teachers in the State who have demonstrated, by tra-*
 6 *ditional or alternative routes, the subject matter*
 7 *knowledge and pedagogical skill necessary to provide*
 8 *effective instruction in the content area or areas in*
 9 *which the teachers provide instruction; and*

10 *(2) has decreased the percentage of elementary*
 11 *school and secondary school teachers teaching in high*
 12 *poverty elementary schools and secondary schools who*
 13 *do not demonstrate such knowledge and skills.”.*

14 *(d) TRANSITION RULES.—*

15 *(1) CONSTRUCTION.—Nothing in this title or the*
 16 *amendments made by this title shall be construed to*
 17 *affect the authority of a State educational agency that*
 18 *has been granted waiver authority under the following*
 19 *provisions of law:*

20 *(A) Section 311(e) of the Goals 2000: Edu-*
 21 *cate America Act as such section was in effect on*
 22 *the day before the date of enactment of this Act.*

23 *(B) The proviso referring to such section*
 24 *311(e) under the heading “**EDUCATION RE-***
 25 ***FORM**” in the Department of Education Appro-*

1 *priations Act, 1996 (Public Law 104–134; 110*
 2 *Stat. 1321–229).*

3 (2) *ELIGIBILITY.*—*A State educational agency*
 4 *that has been granted waiver authority under a pro-*
 5 *vision of law described in subparagraph (A) or (B)*
 6 *of paragraph (1) prior to the date of enactment of*
 7 *this Act shall be eligible to apply for waiver authority*
 8 *under section 311(e) of the Goals 2000: Educate*
 9 *America Act as such section is in effect on the date*
 10 *of enactment of this Act.*

11 **TITLE II—OREGON INSTITUTE**
 12 **OF PUBLIC SERVICE AND**
 13 **CONSTITUTIONAL STUDIES**

14 **SEC. 201. DEFINITIONS.**

15 *In this title:*

16 (1) *ENDOWMENT FUND.*—*The term “endowment*
 17 *fund” means a fund established by Portland State*
 18 *University for the purpose of generating income for*
 19 *the support of the Institute.*

20 (2) *INSTITUTE.*—*The term “Institute” means the*
 21 *Oregon Institute of Public Service and Constitutional*
 22 *Studies established under this title.*

23 (3) *SECRETARY.*—*The term “Secretary” means*
 24 *the Secretary of Education.*

1 **SEC. 202. OREGON INSTITUTE OF PUBLIC SERVICE AND**
2 **CONSTITUTIONAL STUDIES.**

3 *From the funds appropriated under section 206, the*
4 *Secretary is authorized to award a grant to Portland State*
5 *University at Portland, Oregon, for the establishment of an*
6 *endowment fund to support the Oregon Institute of Public*
7 *Service and Constitutional Studies at the Mark O. Hatfield*
8 *School of Government at Portland State University.*

9 **SEC. 203. DUTIES.**

10 *In order to receive a grant under this title the Portland*
11 *State University shall establish the Institute. The Institute*
12 *shall have the following duties:*

13 *(1) To generate resources, improve teaching, en-*
14 *hance curriculum development, and further the knowl-*
15 *edge and understanding of students of all ages about*
16 *public service, the United States Government, and the*
17 *Constitution of the United States of America.*

18 *(2) To increase the awareness of the importance*
19 *of public service, to foster among the youth of the*
20 *United States greater recognition of the role of public*
21 *service in the development of the United States, and*
22 *to promote public service as a career choice.*

23 *(3) To establish a Mark O. Hatfield Fellows pro-*
24 *gram for students of government, public policy, public*
25 *health, education, or law who have demonstrated a*

1 *commitment to public service through volunteer ac-*
 2 *tivities, research projects, or employment.*

3 (4) *To create library and research facilities for*
 4 *the collection and compilation of research materials*
 5 *for use in carrying out programs of the Institute.*

6 (5) *To support the professional development of*
 7 *elected officials at all levels of government.*

8 **SEC. 204. ADMINISTRATION.**

9 (a) *LEADERSHIP COUNCIL.—*

10 (1) *IN GENERAL.—In order to receive a grant*
 11 *under this title Portland State University shall en-*
 12 *sure that the Institute operates under the direction of*
 13 *a Leadership Council (in this title referred to as the*
 14 *“Leadership Council”) that—*

15 *“(A) consists of 15 individuals appointed*
 16 *by the President of Portland State University;*
 17 *and*

18 *“(B) is established in accordance with this*
 19 *section.*

20 (2) *APPOINTMENTS.—Of the individuals ap-*
 21 *pointed under paragraph (1)(A)—*

22 (A) *Portland State University, Willamette*
 23 *University, the Constitution Project, George Fox*
 24 *University, Warner Pacific University, and Or-*

1 *egon Health Sciences University shall each have*
2 *a representative;*

3 *(B) at least 1 shall represent Mark O. Hat-*
4 *field, his family, or a designee thereof;*

5 *(C) at least 1 shall have expertise in ele-*
6 *mentary and secondary school social sciences or*
7 *governmental studies;*

8 *(D) at least 2 shall be representative of*
9 *business or government and reside outside of Or-*
10 *egon;*

11 *(E) at least 1 shall be an elected official;*
12 *and*

13 *(F) at least 3 shall be leaders in the private*
14 *sector.*

15 *(3) EX-OFFICIO MEMBER.—The Director of the*
16 *Mark O. Hatfield School of Government at Portland*
17 *State University shall serve as an ex-officio member*
18 *of the Leadership Council.*

19 *(b) CHAIRPERSON.—*

20 *(1) IN GENERAL.—The President of Portland*
21 *State University shall designate 1 of the individuals*
22 *first appointed to the Leadership Council under sub-*
23 *section (a) as the Chairperson of the Leadership*
24 *Council. The individual so designated shall serve as*
25 *Chairperson for 1 year.*

1 (2) *REQUIREMENT.*—Upon the expiration of the
 2 term of the Chairperson of the individual designated
 3 as Chairperson under paragraph (1), or the term of
 4 the Chairperson elected under this paragraph, the
 5 members of the Leadership Council shall elect a
 6 Chairperson of the Leadership Council from among
 7 the members of the Leadership Council.

8 **SEC. 205. ENDOWMENT FUND.**

9 (a) *MANAGEMENT.*—The endowment fund shall be
 10 managed in accordance with the standard endowment poli-
 11 cies established by the Oregon University System.

12 (b) *USE OF INTEREST AND INVESTMENT INCOME.*—In-
 13 terest and other investment income earned (on or after the
 14 date of enactment of this subsection) from the endowment
 15 fund may be used to carry out the duties of the Institute
 16 under section 203.

17 (c) *DISTRIBUTION OF INTEREST AND INVESTMENT IN-*
 18 *COME.*—Funds realized from interest and other investment
 19 income earned (on or after the date of enactment of this
 20 subsection) shall be spent by Portland State University in
 21 collaboration with Willamette University, George Fox Uni-
 22 versity, the Constitution Project, Warner Pacific Univer-
 23 sity, Oregon Health Sciences University, and other appro-
 24 priate educational institutions or community-based organi-
 25 zations. In expending such funds, the Leadership Council

1 *shall encourage programs to establish partnerships, to lever-*
 2 *age private funds, and to match expenditures from the en-*
 3 *dowment fund.*

4 **SEC. 206. AUTHORIZATION OF APPROPRIATIONS.**

5 *There is authorized to be appropriated to carry out*
 6 *this title \$3,000,000 for fiscal year 1999.*

7 **TITLE III—PAUL SIMON PUBLIC**
 8 **POLICY INSTITUTE**

9 **SEC. 301. DEFINITIONS.**

10 *In this title:*

11 (1) *ENDOWMENT FUND.*—*The term “endowment*
 12 *fund” means a fund established by the University for*
 13 *the purpose of generating income for the support of*
 14 *the Institute.*

15 (2) *ENDOWMENT FUND CORPUS.*—*The term “en-*
 16 *dowment fund corpus” means an amount equal to the*
 17 *grant or grants awarded under this title plus an*
 18 *amount equal to the matching funds required under*
 19 *section 302(d).*

20 (3) *ENDOWMENT FUND INCOME.*—*The term “en-*
 21 *dowment fund income” means an amount equal to the*
 22 *total value of the endowment fund minus the endow-*
 23 *ment fund corpus.*

1 (4) *INSTITUTE.*—*The term “Institute” means the*
2 *Paul Simon Public Policy Institute described in sec-*
3 *tion 302.*

4 (5) *SECRETARY.*—*The term “Secretary” means*
5 *the Secretary of Education.*

6 (6) *UNIVERSITY.*—*The term “University” means*
7 *Southern Illinois University at Carbondale, Illinois.*

8 **SEC. 302. PROGRAM AUTHORIZED.**

9 (a) *GRANTS.*—*From the funds appropriated under sec-*
10 *tion 306, the Secretary is authorized to award a grant to*
11 *Southern Illinois University for the establishment of an en-*
12 *dowment fund to support the Paul Simon Public Policy In-*
13 *stitute. The Secretary may enter into agreements with the*
14 *University and include in any agreement made pursuant*
15 *to this title such provisions as are determined necessary by*
16 *the Secretary to carry out this title.*

17 (b) *DUTIES.*—*In order to receive a grant under this*
18 *title, the University shall establish the Institute. The Insti-*
19 *tute, in addition to recognizing more than 40 years of pub-*
20 *lic service to Illinois, to the Nation, and to the world, shall*
21 *engage in research, analysis, debate, and policy rec-*
22 *ommendations affecting world hunger, mass media, foreign*
23 *policy, education, and employment.*

1 (c) *DEPOSIT INTO ENDOWMENT FUND.*—*The Univer-*
2 *sity shall deposit the proceeds of any grant received under*
3 *this section into the endowment fund.*

4 (d) *MATCHING FUNDS REQUIREMENT.*—*The Univer-*
5 *sity may receive a grant under this section only if the Uni-*
6 *versity has deposited in the endowment fund established*
7 *under this title an amount equal to one-third of such grant*
8 *and has provided adequate assurances to the Secretary that*
9 *the University will administer the endowment fund in ac-*
10 *cordance with the requirements of this title. The source of*
11 *the funds for the University match shall be derived from*
12 *State, private foundation, corporate, or individual gifts or*
13 *bequests, but may not include Federal funds or funds de-*
14 *rived from any other federally supported fund.*

15 (e) *DURATION; CORPUS RULE.*—*The period of any*
16 *grant awarded under this section shall not exceed 20 years,*
17 *and during such period the University shall not withdraw*
18 *or expend any of the endowment fund corpus. Upon expira-*
19 *tion of the grant period, the University may use the endow-*
20 *ment fund corpus, plus any endowment fund income for*
21 *any educational purpose of the University.*

22 **SEC. 303. INVESTMENTS.**

23 (a) *IN GENERAL.*—*The University shall invest the en-*
24 *dowment fund corpus and endowment fund income in those*
25 *low-risk instruments and securities in which a regulated*

1 *insurance company may invest under the laws of the State*
2 *of Illinois, such as federally insured bank savings accounts*
3 *or comparable interest bearing accounts, certificates of de-*
4 *posit, money market funds, or obligations of the United*
5 *States.*

6 **(b) JUDGMENT AND CARE.**—*The University, in invest-*
7 *ing the endowment fund corpus and endowment fund in-*
8 *come, shall exercise the judgment and care, under cir-*
9 *cumstances then prevailing, which a person of prudence,*
10 *discretion, and intelligence would exercise in the manage-*
11 *ment of the person's own business affairs.*

12 **SEC. 304. WITHDRAWALS AND EXPENDITURES.**

13 **(a) IN GENERAL.**—*The University may withdraw and*
14 *expend the endowment fund income to defray any expenses*
15 *necessary to the operation of the Institute, including ex-*
16 *penses of operations and maintenance, administration, aca-*
17 *demic and support personnel, construction and renovation,*
18 *community and student services programs, technical assist-*
19 *ance, and research. No endowment fund income or endow-*
20 *ment fund corpus may be used for any type of support of*
21 *the executive officers of the University or for any commer-*
22 *cial enterprise or endeavor. Except as provided in sub-*
23 *section (b), the University shall not, in the aggregate, with-*
24 *draw or expend more than 50 percent of the total aggregate*

1 *endowment fund income earned prior to the time of with-*
2 *drawal or expenditure.*

3 **(b) SPECIAL RULE.**—*The Secretary is authorized to*
4 *permit the University to withdraw or expend more than*
5 *50 percent of the total aggregate endowment fund income*
6 *whenever the University demonstrates such withdrawal or*
7 *expenditure is necessary because of—*

8 **(1)** *a financial emergency, such as a pending in-*
9 *solveny or temporary liquidity problem;*

10 **(2)** *a life-threatening situation occasioned by a*
11 *natural disaster or arson; or*

12 **(3)** *another unusual occurrence or exigent cir-*
13 *cumstance.*

14 **(c) REPAYMENT.**—

15 **(1) INCOME.**—*If the University withdraws or ex-*
16 *pends more than the endowment fund income author-*
17 *ized by this section, the University shall repay the*
18 *Secretary an amount equal to one-third of the amount*
19 *improperly expended (representing the Federal share*
20 *thereof).*

21 **(2) CORPUS.**—*Except as provided in section*
22 *302(e)—*

23 **(A)** *the University shall not withdraw or*
24 *expend any endowment fund corpus; and*

1 (B) if the University withdraws or expends
2 any endowment fund corpus, the University shall
3 repay the Secretary an amount equal to one-
4 third of the amount withdrawn or expended
5 (representing the Federal share thereof) plus any
6 endowment fund income earned thereon.

7 **SEC. 305. ENFORCEMENT.**

8 (a) *IN GENERAL.*—After notice and an opportunity for
9 a hearing, the Secretary is authorized to terminate a grant
10 and recover any grant funds awarded under this section
11 if the University—

12 (1) withdraws or expends any endowment fund
13 corpus, or any endowment fund income in excess of
14 the amount authorized by section 304, except as pro-
15 vided in section 302(e);

16 (2) fails to invest the endowment fund corpus or
17 endowment fund income in accordance with the in-
18 vestment requirements described in section 303; or

19 (3) fails to account properly to the Secretary, or
20 the General Accounting Office if properly designated
21 by the Secretary to conduct an audit of funds made
22 available under this title, pursuant to such rules and
23 regulations as may be proscribed by the Comptroller
24 General of the United States, concerning investments

1 *and expenditures of the endowment fund corpus or*
2 *endowment fund income.*

3 (b) *TERMINATION.*—*If the Secretary terminates a*
4 *grant under subsection (a), the University shall return to*
5 *the Treasury of the United States an amount equal to the*
6 *sum of the original grant or grants under this title, plus*
7 *any endowment fund income earned thereon. The Secretary*
8 *may direct the University to take such other appropriate*
9 *measures to remedy any violation of this title and to protect*
10 *the financial interest of the United States.*

11 **SEC. 306. AUTHORIZATION OF APPROPRIATIONS.**

12 *There is authorized to be appropriated to carry out*
13 *this title \$3,000,000 for fiscal year 1999. Funds appro-*
14 *priated under this section shall remain available until ex-*
15 *pended.*