

SP-288-08

541280 (2 of 2)

WITHDRAWAL SHEET

Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
letter case (541280)			
1. memo	James Miller to the President, re S. 557 (pp. 2-3)	3/11/88	P-5
2. memo	Miller to the President, re S. 557 (partial of p. 5) <i>(DOB 1/7/00)</i>	3/11/88	P-5
COLLECTION: WHORM: Subject File			ggc
FILE LOCATION: SP 288-008 Veto: S. 557 (541280) 2 of 2			2/25/94

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

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

- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Document No. 541280

WHITE HOUSE STAFFING MEMORANDUM

DATE: 03/11/88 ACTION/CONCURRENCE/COMMENT DUE BY: C.O.B. Monday 03/14

SUBJECT: S. 557 -- CIVIL RIGHTS RESTORATION ACT AND VETO MESSAGE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GRISCOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOBBS	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOOLEY	<input type="checkbox"/>	<input type="checkbox"/>
MILLER - OMB	<input type="checkbox"/>	<input type="checkbox"/>	KING	<input type="checkbox"/>	<input type="checkbox"/>
BALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	POWELL	<input type="checkbox"/>	<input type="checkbox"/>
BAUER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RANGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIBB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RISQUE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIPPEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CULVAHOUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
DAWSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
DONATELLI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CLERK	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please provide any comments/recommendations on the enrolled bill memo and the veto message by close of business on Monday, 03/14. Thank you.

The copy of the Department of Justice's views letter is available in my office for review if necessary.

RESPONSE:

— should do it by giving letter to PR stating his views

— note "informally discussed DOJ views w/ COS"

Rhett Dawson
Ext. 2702



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

MAR 11 1988

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 557 - Civil Rights Restoration Act
 Sponsors - Sen. Kennedy (D) Massachusetts and
 58 others

Last Day for Action

March 16, 1988 - Wednesday

Purpose

To broaden the coverage of various Federal civil rights laws.

Agency Recommendations

Office of Management and Budget

Disapproval (Veto message attached)

Department of Justice

Disapproval

Department of Labor

Defers

Department of Agriculture

Defers

Department of Health and

Human Services

Defers

Department of Education

No response

*Joe W. b
ck w/ Bennett*

Discussion

On March 2nd, in a letter sent to certain members of the House on S. 557, you said, in part, that "I will veto the bill if it is presented to me in its current form." The House subsequently passed S. 557, without amendment, by a vote of 315-98. The Senate earlier passed the bill by a vote of 75-14. A discussion of the background surrounding S. 557 and its objectionable provisions follows.

In 1984, the Supreme Court, in Grove City College v. Bell, ruled that title IX of the Education Amendments of 1972 prohibited sex discrimination only in a specific "program or activity" of a school receiving Federal financial assistance, and not throughout the entire school. Therefore, only the specific "program or activity," not the entire school, was subject to Federal compliance reviews and attendant paperwork and recordkeeping requirements. The Supreme Court's decision

likewise affected other Federal laws which prohibit discrimination on the basis of race (title VI of the Civil Rights Act of 1964), age (the Age Discrimination Act of 1975), or handicap (section 504 of the Rehabilitation Act of 1973).

During the 99th Congress, as well as in this Congress, the Administration proposed carefully crafted legislation to address the Grove City decision. The Administration's bill (introduced last year in the House as H.R. 1881) would have amended title IX of the Education Amendments of 1972 and the three other civil rights laws noted above, in order to clarify that for educational institutions only, the antidiscrimination provisions of those laws apply to the entire institution when any "program or activity" receives Federal financial assistance.

Unlike S. 557, the Administration's bill provided that for all other entities (e.g., State agencies and private sector entities receiving Federal funds), the four civil rights laws would be construed as they were prior to the Supreme Court's ruling. (In this regard, the Department of Justice advises that prior to the Grove City decision, a majority of the Federal appeals courts were holding that the antidiscrimination laws applied only to the specific program receiving the Federal financial assistance.)

Compared to the Administration's bill, which, as noted above, was tailored to address educational institutions only, S. 557 would also expand the scope of Federal jurisdiction over State and local governments and the private sector, as explained below.

Agency Views

In its enrolled bill views letter, the Department of Justice advises that "S. 557 is one of the most sweeping expansions of federal jurisdiction in the post World War II era" and strongly recommends that the bill be vetoed.

In summary, and as stated in your aforementioned letter of March 2nd to various members of the House, Justice advises that S. 557 would dramatically expand the scope of Federal jurisdiction over State and local governments and the private sector, from churches and synagogues to farmers, grocery stores, and businesses of all sizes. Justice believes that the enrolled bill would diminish the freedom of private citizens and unnecessarily impose on many elements of American society a heavy burden to comply with extensive Federal regulations and paperwork requirements.

Justice details in its views letter the reasons why S. 557 is objectionable and cites numerous examples of the significantly expanded Federal jurisdiction that would result from the bill. For example, according to Justice, grocery stores participating

in the food stamp program would be subject to the various antidiscrimination laws, and attendant compliance and paperwork requirements, although such coverage did not exist prior to the Grove City decision. Farmers receiving crop subsidies and price supports would likewise be affected.

Justice argues that S. 557 is not necessary in light of the protections afforded by existing antidiscrimination laws. In Justice's view, there is no compelling need for S. 557, and the Department strongly objects to the expensive private litigation and the burden of regulation that would result from the bill.

*add
by
of* ?
The Department of Education has not responded to our request for its views and recommendation on the enrolled bill, although it opposed S. 557 when it was being considered by Congress. We understand informally, however, that the Secretary of Education has discussed the Department's recommendation on the enrolled bill with the Chief of Staff. ?

A description of S. 557 follows.

Major Provisions of S. 557

S. 557 would address the Supreme Court's Grove City decision by defining the phrases "program or activity" and "program" to expand the scope of the four antidiscrimination laws noted above. S. 557 would provide that a recipient of Federal financial assistance would be required to comply in all its operations -- not just the specific "program or activity" receiving the funding -- with the nondiscrimination laws. This would significantly expand the reach of the four antidiscrimination laws.

S. 557 defines the terms "program" (or "program or activity") for four different types of entities:

-- State and Local Governments

S. 557 defines "program" to mean all of the operations of (1) a department, agency, special purpose district or other instrumentality of a State or local government, when any part of such organization receives Federal financial assistance, or (2) the portion of the State or local government that distributes Federal financial assistance as well as the State or local government entity to which such assistance is extended.

-- Education Institutions and School Systems

S. 557 provides that the term "program" includes all of the operations of (1) a college, university, other postsecondary institution, or public school system of higher education, or (2) a local educational agency, as well as a system of vocational education or other school system, when any part of such organizations receives Federal financial assistance.

-- Corporations and Other Private Entities

S. 557 specifies that the term "program" means all of the operations of an entire corporation, partnership or other private organization or an entire sole proprietorship if Federal financial assistance is extended to such entity as a whole, or if the entity is principally engaged in the business of providing education, health care, housing, social services or parks and recreation.

Alternatively, in the case of all other corporations, partnerships, or private organizations, "program" means all of the operations of an entire plant or other comparable geographically separate facility to which Federal financial assistance is extended.

-- Other Entities

S. 557 also contains a "catch-all" category, which provides that "program" means all of the operations of any entity which receives Federal financial assistance and which is established by two or more of the entities described above.

Other Provisions of S. 557

In addition to defining the term "program" (or "program and activity") S. 557 would:

- amend the Education Amendments of 1972 to state that nothing in title IX "shall be construed to require or prohibit any person, or public or private entity, to provide or pay for any benefit or service, including the use of facilities, related to an abortion." The amendment further provides that it shall not be construed to "permit a penalty to be imposed on any person or individual because such person or individual is seeking or has received any benefit or service related to an abortion." (S. 557 also contains another provision which states that nothing in the enrolled bill "shall be construed to force or require any individual or hospital or any other institution, program, or activity receiving Federal funds to perform or pay for an abortion.");
- clarify that any "program or activity" which falls within the scope of title IX's prohibition on sex discrimination may qualify for the existing exemption contained in title IX for educational institutions "controlled by a religious organization" (i.e., the program or activity would be exempt from title IX if the title's application "would not be consistent with the religious tenets of such organization");

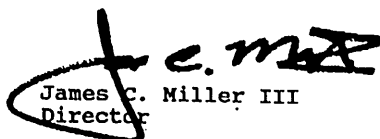
- amend the Rehabilitation Act of 1973 to specify that "small providers" (e.g., grocery stores) are not required to make significant structural alterations to existing facilities to assure accessibility, if alternative means of providing the services are available;
- state that "ultimate beneficiaries" that were excluded from coverage prior to the enactment of S. 557 would continue to be excluded from coverage after enactment; and
- amend the Rehabilitation Act of 1973 to clarify that employers are not required to retain or hire individuals with a contagious disease or infection when such individuals pose a direct threat to the health or safety of other individuals, or cannot perform the essential duties of a job.

Conclusion and Recommendations

The Administration has consistently opposed S. 557, the Congress was advised that your senior advisers would recommend a veto of the bill, and, on March 1st, you reemphasized the veto threat in a letter to members of the House.

I join the Department of Justice in recommending that you veto the enrolled bill for the reasons previously stated in this memorandum and as explained at length in Justice's views letter. Attached for your consideration is a veto message which was prepared by the White House Office of Domestic Affairs. The veto message has been reviewed and approved by the Departments of Justice and Education and this Office.

The veto message also offers to work with Congress on the speedy enactment of a compromise bill that would address the Administration's concerns with S. 557. This compromise bill is currently under review by this Office, the concerned principal departments, and White House staff.


James C. Miller III
Director

Enclosures

A number of S. 557's consequences concern me. For example, the bill seriously impinges upon religious liberty in its unprecedented, pervasive coverage of churches and synagogues receiving federal aid for just one activity; its unprecedented coverage of entire religious elementary and secondary school systems when just one school in such a system receives federal aid; and its failure, under Title IX, to protect the religious liberty of private entities not only controlled by, but also closely identified with the religious tenets of, a religious organization.

Moreover, the bill creates, for the first time under these statutes, two-tier coverage of the private sector. Thus, a significant portion of the private sector -- i.e. entities principally engaged in the business of providing education, health care, housing, social services, or parks and recreation -- will be covered nationwide in all of their activities, including those of their subsidiaries or divisions unrelated to any of these five broad categories. Grocery stores participating in the Food Stamp Program will be subjected to these laws by virtue of their participation in that program. Further, farmers receiving crop subsidies or price supports are subjected to these laws for the first time.

This bill also expands the reach of the federal government over state and local governments, in derogation of the important principle of federalism, a hallmark of our system of government.

Whenever federal authority is expanded, burdens and costs follow. Accordingly, unless there is a demonstrated need for the expansion of federal authority, such expansion should not be undertaken. Many of the entities, such as churches and synagogues covered in their entirety, family farms, and others, can ill afford increased federal compliance costs while seeking to compete in the marketplace or to carry our spiritual and humanitarian activities.

With the expansion of these statutes comes increased federal paperwork requirements; random on-site compliance reviews by federal agencies even in the absence of an allegation of discrimination; a cumbersome and overly intrusive federal regulatory regime; the prospect of having to meet costly Section 504 accessibility requirements, including structural and equipment modifications, job restructuring, alteration of work schedules, and provision of auxiliary aids; application of equality-of-result rather than equality-of-opportunity standards, which forbid conduct (including admission standards not adopted for discriminatory purpose) just because it has a disproportionate impact on particular groups; and increased exposure to costly private lawsuits.

As Justice Powell, joined by Chief Justice Burger and Justice O'Connor, stated in an opinion concurring in the result in Grove City, "[W]ith acceptance of [federal financial]

assistance one surrenders a certain measure of freedom that Americans have always cherished." 465 U.S. at 577.

I am particularly distressed by S. 557's pervasive disregard of genuine concerns about religious liberty. The bill's expansive coverage of churches and synagogues is wholly unnecessary to address the Grove City decision. We have not experienced civil rights complaints in our nation's churches and synagogues that might provide reason for this drastic approach. Nonetheless, Congress has chosen to subject our nation's priests, ministers, and rabbis, along with their employees, parishioners and congregants, to more burdensome federal paperwork, intrusive federal regulations, visits by federal bureaucrats, and costly private litigation -- without any demonstrated need whatsoever.

Congress, likewise, failed to extend an exemption under Title IX to educational institutions not only controlled by, but also closely identified with the tenets of, a religious organization. There was obviously significant support in both Houses for an amendment dealing with the religious tenets question, but House members were denied the opportunity to have hearings on the issue, or to vote on the separate amendment addressing it. A large number of educational institutions which base some of their precepts upon religious tenets are at serious risk of either losing their independence in areas of religious liberty or, instead, foregoing any federal aid at all. This is

an unnecessary choice, and contrary to the interest of diversity and pluralism in private education.

Despite my many concerns with this legislation, I share Congress' belief that legislation is necessary to address Grove City. Accordingly, should my veto be sustained, I am prepared to work to ensure the speedy passage of compromise legislation. I am not prepared, however, to sign legislation which pervasively tramples upon religious liberty, creates an unprecedented two-tier standard of coverage in the private sector beyond plant-wide and facility-wide coverage, extends coverage for the first time to corner grocery stores and supermarkets, and fails to ensure expressly that our nation's farmers will not be subjected to new federal burdens and private litigation.

I am, therefore, sending to the Congress a compromise bill building upon the substitute offered in the House of Representatives by Representative F. James Sensenbrenner, Jr., taking some further account of my concerns about religious liberty, grocery stores and supermarkets, federalism, and expressly retaining the pre-Grove City exclusion of farmers from coverage. Such a bill, in my view, would quickly achieve overwhelming congressional support, and I would work to see that there would be no delay in its adoption.

Had there been a willingness of S. 557 sponsors to utilize the usual legislative process, including House Committee

consideration and full opportunity for amendment, I believe that a compromise along the lines I propose could have been achieved. The sponsors of S. 557, however, did not even permit the House process to entertain such suggestions. As a result, S. 557 contains fundamental flaws, which ill serve the objective of effective civil rights enforcement and which would impose substantial and unjustified new burdens and costs throughout American society.

I am, therefore, unable to sign the legislation.

THE WHITE HOUSE

TO THE SENATE OF THE UNITED STATES:

No matter is of more concern to me than ensuring that our nation is free of discrimination. Our country has paid a heavy price in the past for irrational prejudice and it is a continuing evil against whose increasingly subtle forms we must all redouble our efforts.

It is with this understanding that throughout my Administration I have directed all responsible Executive officials to do their utmost to enforce our federal civil rights laws. And it was with no less commitment that in the wake of the Supreme Court's 1984 Grove City College decision, I voiced my support for legislation which would restore the civil rights coverage to our educational institutions that existed before that decision. And with equal determination, I have repeatedly endorsed legislation to do just that.

Unfortunately, no such legislation was sent to me for my signature. With great regret, I am today returning without my approval S. 557, a bill which would reshape, in a most cumbersome and burdensome way, four civil rights statutes prohibiting discrimination in programs or activities receiving federal financial assistance. I am forced, reluctantly, to take this action because Congress failed to address any of the concerns, other than abortion-neutrality in Title IX, that I and others expressed about the open-endedness of this legislation, its

exorbitant costs, and its threat to religious liberty. To compound the problem, the House of Representatives chose to short-circuit the normal deliberation process, and closed off floor debate and amendments.

However, in returning this unfortunate legislation, I am offering a compromise in the form of a new proposal based directly on the bill sent to my desk for signature. I believe it would be a great tragedy if an awkward and overreaching bill should cause us to fail to enact the genuine civil rights reforms that are needed. Consequently, I am transmitting to you new legislation which carves out of the current overly broad legislation specific protections for liberties which would otherwise be seriously threatened.

The issue now before us is not one of being for or against civil rights. It is, rather, a question of how best we can advance the ideal of non-discrimination. I favor strong protection of civil rights. Following the decision of the Supreme Court in Grove City College v. Bell -- which held that application of the non-discrimination provisions of the four cross-cutting civil rights statutes are program-specific -- there was concern that serious civil rights problems might go unattended. In fact, proponents of S. 557, relying largely on the bill's title and generalities, have produced hardly any examples of harm (outside the area of education) resulting from the Grove City decision. I have repeatedly endorsed legislation

to address the education problem. Where such demonstrated harm has been shown elsewhere, I have acted to address that concern as well. My Administration supported, and I signed, the Air Carrier Access Act of 1986 which banned discrimination by airlines against passengers with handicaps, without the many unintended consequences of S. 557.

Should my veto be sustained, I am prepared to work quickly with Congress to fashion compromise legislation to address the Grove City decision. But such legislation must strike a better balance than S. 557 among the needs to protect religious liberty, which is a civil right guaranteed by the First Amendment of equal importance with Americans' other civil rights, to preserve some independence for the private sector, and to overturn Grove City.

I stress that S. 557 is not a "restoration bill" at all. It represents a significant expansion of federal regulatory authority (and the predictable exposure to private litigation) over the private sector and state and local governments. Yet, the House of Representatives bypassed its own Committee process in this Congress and considered one of the most significant civil rights bills in the last 20 years for only two hours. That leaves little room for thoughtful debate and deliberation, and the end-product regrettably reflects this failure to consider this bill through the normal hearing process, and the opportunity for amendment.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 16, 1988

TO THE SENATE OF THE UNITED STATES:

I am returning unsigned with my objections S. 557 and transmitting for your prompt consideration the Civil Rights Protection Act of 1988. The Congress should enact legislation designed to eliminate invidious discrimination and to ensure equality of opportunity for all Americans while preserving their basic freedoms from governmental interference and control. Regrettably, the bill presented to me fails to achieve that objective.

There is no matter of greater concern to me than ensuring that our Nation is free of discrimination. Our country has paid a heavy price in the past for prejudices, whether based upon race, gender, ethnic background, religion or handicap. Such attitudes have no place in our society.

It was with this commitment in mind that in the wake of the Supreme Court's 1984 Grove City College decision, I voiced my support for legislation that would strengthen the civil rights coverage of educational institutions that existed prior to that decision. I have repeatedly endorsed legislation to do just that. Today I am sending to Congress a bill that goes further than the legislation previously endorsed. This proposed bill is intended to accommodate other concerns raised during Congressional consideration of the Grove City issue.

Our bill advances the protection of civil rights. It would:

- prohibit discrimination against women, minorities, persons with disabilities, and the elderly across the board in public school districts, public systems of higher education, systems of vocational education, and private educational institutions which receive any Federal aid.
- extend the application of the civil rights statutes to entire businesses which receive Federal aid as a whole and to the entire plant or facility receiving Federal aid in every other instance.
- prohibit discrimination in all of the federally funded programs of departments and agencies of State and local governments.

Our bill complements well our body of existing Federal civil rights laws. But even more remains to be done. For example, I have urged the Congress to enact responsible legislation to deal with some obvious failures of the Fair Housing Act of 1968, including the need to protect persons with disabilities.

more

Congress, on the other hand, has sent me a bill that would vastly and unjustifiably expand the power of the Federal government over the decisions and affairs of private organizations, such as churches and synagogues, farms, businesses, and State and local governments. In the process, it would place at risk such cherished values as religious liberty.

The bill presented to me would diminish substantially the freedom and independence of religious institutions in our society. The bill would seriously impinge upon religious liberty because of its unprecedented and pervasive coverage of churches and synagogues based on receipt of even a small amount of Federal aid for just one activity; its unprecedented coverage of entire religious elementary and secondary school systems when only a single school in such a system receives Federal aid; and its failure to protect, under Title IX of the Education Amendments of 1972, the religious freedom of private schools that are closely identified with the religious tenets of, but not controlled by, a religious organization.

Businesses participating in Federal programs, such as job training programs, would be subject to comprehensive Federal regulation. While some proponents of S. 557 have claimed that it would not apply to farmers who receive Federal crop subsidies or food suppliers who accept food stamps, the ambiguity in the statute and its legislative history indicates that these exemptions should be made explicit.

A significant portion of the private sector -- entities principally engaged in the business of providing education, health care, housing, social services, or parks and recreation -- would for the first time be covered nationwide in all of their activities, including those wholly unrelated activities of their subsidiaries or other divisions, even if those subsidiaries or divisions receive no Federal aid. Again, there was no demonstrated need for such sweeping coverage.

Further, this bill would be beyond pre-Grove City law and expand the scope of coverage of State and local government agencies. Under S. 557, any agency of such a government that receives or distributes such assistance would be subject in all of its operations to a wide-ranging regime of Federal regulation, contrary to the sound principles of federalism.

The cost and burdens of compliance with S. 557 would be substantial. The bill would bring to those it covers -- which is most of America -- an intrusive Federal regulatory regime; random on-site compliance checks by Federal officials; and increased exposure to lawsuits, which are costly to defend even when you win.

Moreover, such legislation would likely have the unintended consequences of harming many of the same people it is supposed to protect. For example, persons with disabilities seeking to enhance their job skills are not helped if businesses withdraw from Federal job-training programs because of their unwillingness to accept vastly expanded bureaucratic intrusions under S. 557. Business groups have indicated many of their members may do just that.

The Civil Rights Protection Act that I am proposing today addresses the many shortcomings of S. 557. The Civil Rights Protection Act would protect civil rights and at the same time preserve the independence of State and local governments, the freedom of religion, and the right of America's citizens to order their lives and businesses without extensive Federal intrusion.

The Civil Rights Protection Act contains important changes from S. 557 designed to avoid unnecessary Federal intrusion into the lives and businesses of Americans, while ensuring that Federal aid is properly monitored under the civil rights statutes it amends. The bill would:

- Protect religious liberty by limiting coverage to that part of a church or synagogue which participates in a Federal program; by protecting under Title IX, the religious tenets of private institutions closely identified with religious organizations on the same basis as institutions directly controlled by religious organizations; and by providing that when a religious secondary or elementary school receives Federal assistance, only that school, and not the entire religious school system, becomes subject to the Federal regulation.
- Ensure that the reach of Federal regulation into private businesses extends only to the facility that participates in Federally funded programs, unless the business, as a whole, receives Federal aid, in which case it is covered in its entirety. The bill also states explicitly that farmers will not become subject to Federal regulation by virtue of their acceptance of Federal price support payments, and that grocers and supermarkets will not become subject to such regulations by virtue of accepting food stamps from customers.
- Preserve the independence of State and local government from Federal control by limiting Federal regulation to the part of a State or local entity that receives or distributes Federal assistance.

In all other respects, my proposal is identical to S. 557, including the provisions to ensure that this legislation does not impair protection for the lives of unborn children.

I urge that upon reconsidering S. 557 in light of my objections, you reject the bill and enact promptly in its place the Civil Rights Protection Act of 1988.

RONALD REAGAN

THE WHITE HOUSE,
March 16, 1988.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 16, 1988

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There is no matter of greater concern to me than ensuring that our Nation is free of discrimination. Our country has paid a heavy price in the past for prejudices, whether based upon race, gender, ethnic background, religion or handicap. Such attitudes have no place in our society.

It was with this commitment in mind that in the wake of the Supreme Court's 1984 Grove City College decision, I voiced my support for legislation that would strengthen the civil rights coverage of educational institutions that existed prior to that decision. I have repeatedly endorsed legislation to do just that. Today I am sending to Congress a bill that goes further than the legislation previously endorsed. This proposed bill is intended to accommodate other concerns raised during Congressional consideration of the Grove City issue.

Our bill advances the protection of civil rights. It would:

- prohibit discrimination against women, minorities, persons with disabilities, and the elderly across the board in public school districts, public systems of higher education, systems of vocational education, and private educational institutions which receive any Federal aid.
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- prohibit discrimination in all of the federally funded programs of departments and agencies of State and local governments.

Our bill complements well our body of existing Federal civil rights laws. But even more remains to be done. For example, I have urged the Congress to enact responsible legislation to deal with some obvious failures of the Fair Housing Act of 1968, including the need to protect persons with disabilities.

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Congress, on the other hand, has sent me a bill that would vastly and unjustifiably expand the power of the Federal government over the decisions and affairs of private organizations, such as churches and synagogues, farms, businesses, and State and local governments. In the process, it would place at risk such cherished values as religious liberty.

The bill presented to me would diminish substantially the freedom and independence of religious institutions in our society. The bill would seriously impinge upon religious liberty because of its unprecedented and pervasive coverage of churches and synagogues based on receipt of even a small amount of Federal aid for just one activity; its unprecedented coverage of entire religious elementary and secondary school systems when only a single school in such a system receives Federal aid; and its failure to protect, under Title IX of the Education Amendments of 1972, the religious freedom of private schools that are closely identified with the religious tenets of, but not controlled by, a religious organization.

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Further, this bill would be beyond pre-Grove City law and expand the scope of coverage of State and local government agencies. Under S. 557, any agency of such a government that receives or distributes such assistance would be subject in all of its operations to a wide-ranging regime of Federal regulation, contrary to the sound principles of federalism.

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The Civil Rights Protection Act contains important changes from S. 557 designed to avoid unnecessary Federal intrusion into the lives and businesses of Americans, while ensuring that Federal aid is properly monitored under the civil rights statutes it amends. The bill would:

- Protect religious liberty by limiting coverage to that part of a church or synagogue which participates in a Federal program; by protecting under Title IX, the religious tenets of private institutions closely identified with religious organizations on the same basis as institutions directly controlled by religious organizations; and by providing that when a religious secondary or elementary school receives Federal assistance, only that school, and not the entire religious school system, becomes subject to the Federal regulation.
- Ensure that the reach of Federal regulation into private businesses extends only to the facility that participates in Federally funded programs, unless the business, as a whole, receives Federal aid, in which case it is covered in its entirety. The bill also states explicitly that farmers will not become subject to Federal regulation by virtue of their acceptance of Federal price support payments, and that grocers and supermarkets will not become subject to such regulations by virtue of accepting food stamps from customers.
- Preserve the independence of State and local government from Federal control by limiting Federal regulation to the part of a State or local entity that receives or distributes Federal assistance.

In all other respects, my proposal is identical to S. 557, including the provisions to ensure that this legislation does not impair protection for the lives of unborn children.

I urge that upon reconsidering S. 557 in light of my objections, you reject the bill and enact promptly in its place the Civil Rights Protection Act of 1988.

RONALD REAGAN

THE WHITE HOUSE,
March 16, 1988.

#

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: GERALD McKIERNAN
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: GAY PIROZZI
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: EARL GJELDE
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: RICK CAMPANELLI
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: PETER MYERS
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your
information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: BOB ZOELICK
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
WASHINGTON

March 17, 1988

NOTE FOR: ED HAMBERGER
FROM: KAY WOODWARD *Kay*
RE: Grove City Veto

The attached press releases are for your information and use.

Many thanks for your help on this issue.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 16, 1988

Civil Rights Protection Act of 1988

Fact Sheet

The President today transmitted to the Congress a legislative initiative to improve protection for the civil rights of Americans entitled the "Civil Rights Protection Act of 1988." Enactment of the initiative would advance equality of opportunity and nondiscrimination while protecting the freedom of Americans from unnecessary Federal intrusion. The initiative would extend protection for civil rights well beyond the proposed extension introduced as H.R. 1881 which the Administration previously endorsed.

The proposed legislation would strengthen four civil rights statutes that prohibit discrimination in programs or activities receiving Federal financial assistance:

- Title VI of the Civil Rights Act of 1964, prohibiting discrimination on the basis of race, color, or national origin;
- Title IX of the Education Amendments of 1972, prohibiting discrimination on the basis of gender in education;
- Section 504 of the Rehabilitation Act of 1973, prohibiting discrimination on the basis of handicap; and
- the Age Discrimination Act of 1975, prohibiting discrimination on the basis of age.

The President's proposal advances the protection of civil rights. It would:

- prohibit discrimination against women, minorities, persons with disabilities, and the elderly across the board in public school districts, public systems of higher education, systems of vocational education, and private educational institutions which receive any Federal aid.

- extend the application of the civil rights statutes to entire businesses which receive Federal aid as a whole and to the entire plant or facility receiving Federal aid in every other instance.
- prohibit discrimination in all of the Federally-funded programs of departments and agencies of State and local governments.

The President's proposal accompanies his message returning S. 557 to the Senate for reconsideration with his objections. In contrast to the vetoed S. 557, the President's proposal would provide specific protections for important liberties. The bill would:

- protect religious liberty by limiting coverage to that part of a church or synagogue which participates in a Federal program; by protecting under Title IX the religious tenets of private institutions closely identified with religious organizations on the same basis as institutions directly controlled by religious organizations; and by providing that when a religious secondary or elementary school receives Federal assistance, only that school, and not the entire religious school system, becomes subject to the Federal regulation.
- ensure that the reach of Federal regulation into private businesses extends only to the facility that participates in Federally funded programs, unless the business as a whole receives Federal aid, in which case it is covered in its entirety. The bill also states explicitly that farmers will not become subject to Federal regulation by virtue of their acceptance of Federal price support payments, and that grocers and supermarkets will not become subject to such regulations by virtue of accepting food stamps from customers.
- preserves the independence of State and local government from Federal control by limiting Federal regulation to the part of a State or local entity that receives or distributes Federal assistance.

In other respects the President's proposal is identical to S. 557, including provisions to ensure that the legislation does not impair protection for the lives of unborn children.

Coverage under the civil rights statutes entails compliance with extensive Federal regulations and paperwork, potential costly lawsuits, and random on-site inspections by Federal officials.

The President's proposal takes particular care to avoid unnecessary Federal intrusion into religious institutions. The proposal extends Federal regulation into a church-run program that accepts Federal funds. In contrast, S. 557 subjects the entire church to such regulation if a single church program accepts Federal funds. Also, the President's proposal extends Federal regulation to a private elementary or secondary religious school which accepts Federal funds, but, unlike S. 557, does not further extend it to the entire school system of which that school is a part, if the rest of the system does not receive Federal aid. Finally, the President's proposal protects the religious tenets of private organizations that are closely identified with religious institutions on the same basis as it protects the religious tenets of private organizations that are directly controlled by religious institutions. In contrast, S. 557 extends protection only to organizations under such direct control.

The President's proposal exercises similar care in extending Federal regulation of businesses. Under the proposal, if a business as a whole receives Federal aid, it is covered in its entirety. In all other cases, if a business of any kind accepts Federal aid in a single activity, then only the plant or facility in which that activity takes place becomes subject to Federal regulation. In contrast, under S. 557, businesses engaged in providing education, health care, housing, social services, and parks and recreation are treated as if they were government agencies -- acceptance of aid for a single program would subject the entire business to Federal regulation.

The President's proposal carefully tailors the reach of the Federal Government into State and local government to the extent of Federal financial assistance, to safeguard the principles of federalism. Under the President's proposal, only the programs of a State or local agency which receives Federal funds will become subject to the regime of Federal regulation. In contrast, under S. 557, if any program of an agency of a State or local government receives any Federal aid, all operations of that agency become subject to the regime of Federal regulation.

The President's proposal also makes clear that farms and ranches participating in Federal agricultural programs, and grocery stores accepting Food Stamps, are not considered subject to Federal regulation by virtue of that participation. In contrast, the language of S. 557 lends itself to the interpretation that receipt of crop subsidies and Food Stamps may be treated as Federal aid subjecting the recipient to Federal regulation.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 16, 1988

TO THE SENATE OF THE UNITED STATES:

I am returning unsigned with my objections S. 557 and transmitting for your prompt consideration the Civil Rights Protection Act of 1988. The Congress should enact legislation designed to eliminate invidious discrimination and to ensure equality of opportunity for all Americans while preserving their basic freedoms from governmental interference and control. Regrettably, the bill presented to me fails to achieve that objective.

There is no matter of greater concern to me than ensuring that our Nation is free of discrimination. Our country has paid a heavy price in the past for prejudices, whether based upon race, gender, ethnic background, religion or handicap. Such attitudes have no place in our society.

It was with this commitment in mind that in the wake of the Supreme Court's 1984 Grove City College decision, I voiced my support for legislation that would strengthen the civil rights coverage of educational institutions that existed prior to that decision. I have repeatedly endorsed legislation to do just that. Today I am sending to Congress a bill that goes further than the legislation previously endorsed. This proposed bill is intended to accommodate other concerns raised during Congressional consideration of the Grove City issue.

Our bill advances the protection of civil rights. It would:

- prohibit discrimination against women, minorities, persons with disabilities, and the elderly across the board in public school districts, public systems of higher education, systems of vocational education, and private educational institutions which receive any Federal aid.
- extend the application of the civil rights statutes to entire businesses which receive Federal aid as a whole and to the entire plant or facility receiving Federal aid in every other instance.
- prohibit discrimination in all of the federally funded programs of departments and agencies of State and local governments.

Our bill complements well our body of existing Federal civil rights laws. But even more remains to be done. For example, I have urged the Congress to enact responsible legislation to deal with some obvious failures of the Fair Housing Act of 1968, including the need to protect persons with disabilities.

more

Congress, on the other hand, has sent me a bill that would vastly and unjustifiably expand the power of the Federal government over the decisions and affairs of private organizations, such as churches and synagogues, farms, businesses, and State and local governments. In the process, it would place at risk such cherished values as religious liberty.

The bill presented to me would diminish substantially the freedom and independence of religious institutions in our society. The bill would seriously impinge upon religious liberty because of its unprecedented and pervasive coverage of churches and synagogues based on receipt of even a small amount of Federal aid for just one activity; its unprecedented coverage of entire religious elementary and secondary school systems when only a single school in such a system receives Federal aid; and its failure to protect, under Title IX of the Education Amendments of 1972, the religious freedom of private schools that are closely identified with the religious tenets of, but not controlled by, a religious organization.

Businesses participating in Federal programs, such as job training programs, would be subject to comprehensive Federal regulation. While some proponents of S. 557 have claimed that it would not apply to farmers who receive Federal crop subsidies or food suppliers who accept food stamps, the ambiguity in the statute and its legislative history indicates that these exemptions should be made explicit.

A significant portion of the private sector -- entities principally engaged in the business of providing education, health care, housing, social services, or parks and recreation -- would for the first time be covered nationwide in all of their activities, including those wholly unrelated activities of their subsidiaries or other divisions, even if those subsidiaries or divisions receive no Federal aid. Again, there was no demonstrated need for such sweeping coverage.

Further, this bill would be beyond pre-Grove City law and expand the scope of coverage of State and local government agencies. Under S. 557, any agency of such a government that receives or distributes such assistance would be subject in all of its operations to a wide-ranging regime of Federal regulation, contrary to the sound principles of federalism.

The cost and burdens of compliance with S. 557 would be substantial. The bill would bring to those it covers -- which is most of America -- an intrusive Federal regulatory regime; random on-site compliance checks by Federal officials; and increased exposure to lawsuits, which are costly to defend even when you win.

Moreover, such legislation would likely have the unintended consequences of harming many of the same people it is supposed to protect. For example, persons with disabilities seeking to enhance their job skills are not helped if businesses withdraw from Federal job-training programs because of their unwillingness to accept vastly expanded bureaucratic intrusions under S. 557. Business groups have indicated many of their members may do just that.

The Civil Rights Protection Act that I am proposing today addresses the many shortcomings of S. 557. The Civil Rights Protection Act would protect civil rights and at the same time preserve the independence of State and local governments, the freedom of religion, and the right of America's citizens to order their lives and businesses without extensive Federal intrusion.

The Civil Rights Protection Act contains important changes from S. 557 designed to avoid unnecessary Federal intrusion into the lives and businesses of Americans, while ensuring that Federal aid is properly monitored under the civil rights statutes it amends. The bill would:

- Protect religious liberty by limiting coverage to that part of a church or synagogue which participates in a Federal program; by protecting under Title IX, the religious tenets of private institutions closely identified with religious organizations on the same basis as institutions directly controlled by religious organizations; and by providing that when a religious secondary or elementary school receives Federal assistance, only that school, and not the entire religious school system, becomes subject to the Federal regulation.
- Ensure that the reach of Federal regulation into private businesses extends only to the facility that participates in Federally funded programs, unless the business, as a whole, receives Federal aid, in which case it is covered in its entirety. The bill also states explicitly that farmers will not become subject to Federal regulation by virtue of their acceptance of Federal price support payments, and that grocers and supermarkets will not become subject to such regulations by virtue of accepting food stamps from customers.
- Preserve the independence of State and local government from Federal control by limiting Federal regulation to the part of a State or local entity that receives or distributes Federal assistance.

In all other respects, my proposal is identical to S. 557, including the provisions to ensure that this legislation does not impair protection for the lives of unborn children.

I urge that upon reconsidering S. 557 in light of my objections, you reject the bill and enact promptly in its place the Civil Rights Protection Act of 1988.

RONALD REAGAN

THE WHITE HOUSE,
March 16, 1988.

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THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR BOB ZOELLICK
COUNSELLOR TO THE SECRETARY
DEPARTMENT OF THE TREASURY

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

Attached are talking points for the calls. The phone calls should be made as soon as possible, preferably before Tuesday afternoon. The President will be following up your agency calls in the middle of the week. The veto will take place on Wednesday, and the Senate is expected to take up the override on Thursday, March 17.

As we discussed, your agency will contact:

Alfonse D'Amato (R-NY)
William Roth (R-DE)
Christopher Bond (R-MO)
Dennis DeConcini (D-AZ)

Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR MIMI DAWSON
DEPUTY SECRETARY OF TRANSPORTATION

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

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Your agency has been asked to contact:

Larry Pressler	(R-SD)
Paul Tribble	(R-VA)
John McCain	(R-AZ)
Nancy Kassebaum	(R-KS)

I will call you to discuss the phone calls. Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR RICK CAMPANELLI
SENIOR SPECIAL ASSISTANT TO THE ATTORNEY GENERAL

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

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As we discussed, your agency will contact:

Alan Simpson (R-WY)
John Stennis (D-MS)

Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member.
Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR DEPUTY SECRETARY MYERS

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

Attached are talking points for the calls. The phone calls should be made as soon as possible, preferably before Tuesday afternoon. The President will be following up your agency calls in the middle of the week. The veto will take place on Wednesday, and the Senate is expected to take up the override on Thursday, March 17.

Your agency has been asked to contact:

Charles Grassley	(R-IA)
David Boren	(D-OK)
Howell Heflin	(D-AL)
John Melcher	(D-MT)
Thad Cochran	(R-MS)

I will call you to discuss the phone calls. Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR GERALD MCKIERNAN
CHIEF OF STAFF
DEPARTMENT OF COMMERCE

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

Attached are talking points for the calls. The phone calls should be made as soon as possible, preferably before Tuesday afternoon. The President will be following up your agency calls in the middle of the week. The veto will take place on Wednesday, and the Senate is expected to take up the override on Thursday, March 17.

Your agency has been asked to contact:

John Danforth	(R-MO)
John Breaux	(D-LA)
Wendell Ford	(D-KY)
Robert Kasten	(D-WI)
James Exon	(D-NE)

I will call you to discuss the phone calls. Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR BECKY NORTON DUNLOP
DEPUTY UNDER SECRETARY OF THE INTERIOR

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

Attached are talking points for the calls. The phone calls should be made as soon as possible, preferably before Tuesday afternoon. The President will be following up your agency calls in the middle of the week. The veto will take place on Wednesday, and the Senate is expected to take up the override on Thursday, March 17.

As we discussed, your agency will contact:

Harry Reid (D-NV)
Frank Murkowski (R-AK)

Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

THE WHITE HOUSE
WASHINGTON

March 14, 1988

MEMORANDUM FOR GAY PIROZZI
CHIEF OF STAFF
DEPARTMENT OF LABOR

FROM: KAY WOODWARD *Kay*
SPECIAL ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF THE OFFICE OF CABINET AFFAIRS

SUBJECT: Talking points on the Grove City veto

As part of the effort to sustain the veto on the Grove City bill, Cabinet Members are being asked to make phone calls to specific Senators.

Attached are talking points for the calls. The phone calls should be made as soon as possible, preferably before Tuesday afternoon. The President will be following up your agency calls in the middle of the week. The veto will take place on Wednesday, and the Senate is expected to take up the override on Thursday, March 17.

Your agency has been asked to contact:

John Warner	(R-VA)
Pete Domenici	(R-NM)
Mark Hatfield	(R-OR)
Warren Rudman	(R-NH)
Robert Dole	(R-KS)
Lloyd Bentsen	(D-TX)

I will call you to discuss the phone calls. Your Congressional Affairs office has also been given this list of members if you need further background information.

Please let me know any reaction you receive from each member. Thank you.

TALKING POINTS FOR GROVE CITY CALLS
MARCH 10, 1988

President's Veto Message

- o The veto message will be positive and will stress the President's commitment to civil rights.
- o The message will also set forth his objections to the Grove City bill (S.557) on his desk which infringes on religious liberties and vastly expands government intrusion into the lives of ordinary American citizens whose affairs are only remotely related to Federally-funded activities.
- o Under S. 557, this burdensome regulation would occur where there is no evidence, or even any allegations, that discrimination has occurred.
- o The President's message will state that the President supports measures to reverse the Grove City College decision and restore the full civil rights legislation coverage that existed before the Supreme Court's decision. The President will send with his veto message an alternative bill to accomplish the genuine civil rights reforms that are needed.

Some examples how S.557 would be applied:

- o Entire churches or synagogues would be forced into compliance if they operate even one program using Federal

assistance. For example, if a church participates in a Federally funded meals-on-wheels or its day-care center receives Federal assistance, then the entire church would be subject to Federal restrictions on discrimination in hiring, including discrimination based on the hiree having a contagious disease or being a drug user.

- o Farmers that participate in the price support or other programs are covered.
- o Grocery stores that take food stamps are covered.
- o If one nursing home or hospital in a chain receives medicare or medicaid patients it would be covered and every other nursing home or hospital in the chain would also have to comply.
- o If a company forms a joint venture with local schools to provide vocational training courses, then the plant or facility becomes subject to the federal regulation.
- o If an owner of several apartment buildings, who is primarily in the business of providing housing, has just one tenant who receives federal housing aid, that building and all other apartment buildings would come under federal regulations. Further, all other non-housing businesses would also be covered.
- o If a company employs just one student part-time worker who receives Federal work/study aid, then the entire store or restaurant becomes covered. Further, if the store or restaurant is part of a chain, then all stores or

restaurants in the chain in the locality or region may covered.

The President will offer draft legislation with the veto

- o The President will send Congress proposed legislation with his veto message. The bill will be based on S. 557 as passed with changes to address critical problems with the bill.

- o The changes address the President's concerns about religious liberties, over-extension of coverage to entire corporations, grocers and supermarkets that receive food stamps, farmers, private schools, and federalism concerns with state and local governments.

Specific changes will:

- Provide that if only one part of a church or synagogue receives Federal assistance, then only that part is regulated by the government, rather than the entire religious institution.

- Protect the religious tenets of organizations that are closely identified with, but not controlled directly by, religious institutions (such as religiously-affiliated hospitals).

- Explicitly exempt farmers.

- Limit corporate coverage to the plant or facility that actually receives Federal assistance (unless when the assistance is given to the corporation as a whole).
- Provide that merely accepting food stamps does not lead to the regulation of grocers and supermarkets.
- Provide that when a private secondary or elementary school receives Federal aid, only that school and not the entire school system becomes subject to Federal regulations.
- Limit the regulation of States and local government to their entities that actually receive Federal aid.

We need a united front for the President

- o We need to demonstrate Republican Party unity.
- o If this veto is overridden, it will be hard to sustain further vetoes on the Democrats' partisan legislative agenda in this election year.
- o While there is never a good time for a loss, now would be a terrible time for the President to lose a veto fight, both at home and as we prepare to travel abroad to deal with the Soviets.
- o With your help, we can show that the President can hold the line on the full range of important issues (on protectionism, the anti-business agenda, welfare reform, etc.).

THE CIVIL RIGHTS RESTORATION ACT OF 1987:

POTENTIAL FOR DISASTER

The Civil Rights Restoration Act of 1987 (S. 557/H.R. 1214), known as the "Grove City" bill, may be considered by the House of Representatives during the week of February 29th. It is a potentially disastrous piece of legislation.

Enactment of this bill would seriously weaken the power of states in our federalist system and further extend federal intervention into the lives of ordinary Americans. Among those most likely to be adversely affected by this legislation are businesses, both large and small; farmers; voluntary associations and clubs; private and religious schools; churches and synagogues; and state and local governments.

The Grove City Decision

In the 1984 case of Grove City (PA) College v. Bell, the Supreme Court was confronted with the question of the scope of Title IX of the Education Amendments of 1972, which prohibits sex discrimination in any "education program or activity" receiving federal funds.

- o At issue was whether Title IX's "program or activity" language applied to an entire educational institution, or to only those specific programs within an educational institution that actually received the federal funds, either directly or indirectly.
- o On February 28, 1984, the Supreme Court ruled that since the only federal money benefiting Grove City College came in the form of financial aid to its students, only the college's financial aid office was covered by Title IX.
- o Following the Grove City decision, many expressed the fear that it would result in educational institutions discriminating against women in programs, such as athletics, that received no federal aid. Many called for legislation to amend Title IX to mandate explicitly institution-wide coverage.
- o President Reagan said that he would favor amending Title IX and three other similarly worded civil rights statutes addressing race, handicap, and age discrimination if this was necessary to protect women and others against discrimination at educational institutions.

Civil Rights Restoration Act Is Not Justified

The Civil Rights Restoration Act goes far beyond an attempt to restore the pre-Grove City coverage of Title IX, Title VI of the Civil Rights Act of 1964, (pertaining to race, color, and national origin); Section 504 of the Rehabilitation Act of 1973, (handicap); and the Age Discrimination Act of 1975.

- o There is no evidence to justify amending these statutes outside the area of education.
- o Since the Grove City decision, the only area where demonstrated civil rights concerns have not been satisfactorily addressed has been education. Federal agencies, aside from the Department of Education, have indicated that their civil rights programs have not, in any significant way, been impeded by Grove City.
- o This is so because numerous federal, state, and local civil rights laws remain fully in place and provide a broad range of protections against discrimination.

Reagan Administration Supports Action on Civil Rights

The Reagan Administration has supported legislation, in the form of the Civil Rights Act of 1987 (H.R. 1881), which would provide that where any educational program or activity of an educational institution (including a public school district) receives federal aid, the entire institution is covered under the four civil rights statutes in question.

President Reagan opposes all forms of discrimination against any American. This Administration has equaled or surpassed the number of civil rights cases filed by any prior administration in virtually every enforcement category.

- o Funding levels for the principal civil rights enforcement agencies are about 18 percent higher than they were in 1980.

Burdens Imposed By The Civil Rights Restoration Act

The Civil Rights Restoration Act would subject American businesses and individuals to greatly increased federal paperwork requirements, leading to greater consumer costs; random on-site compliance reviews by federal agencies (even in the absence of a specific allegation of discrimination); and increased exposure to private lawsuits and action by the courts.

The following are some specific examples of new burdens that would be imposed by the federal government on those who would be covered under this bill. Many approach the level of absurdity. It must be clearly understood, however, that lack of coverage under the four civil rights statutes in question is not a license to discriminate. The wide range of civil rights protections still apply and violators will continue to be brought to justice.

- o Grocery stores and supermarkets would be covered by the law if they accepted food stamps, and they could be forced to recruit employees so as to have a racially balanced workforce. Local "mom and pop" grocery stores could be required to install handicapped access ramps, widen doors and aisles to accommodate wheelchairs, and file periodic reports at the request of federal agencies.
 - Clearly, this would discourage such groceries from accepting food stamps, which could impose serious hardships on the poor.
- o Farmers receiving crop subsidies or employing a student part-time who is receiving federal work-study aid would have his or her entire farming operation covered.
 - A farmer would be required to permit federal access to the farm and its books, records, and accounts, and would be subject to spending vast sums on litigation by farm employees who might sue because they allege that the farm has violated civil rights laws.
- o Every division, plant, and subsidiary of a corporation principally engaged in the business of providing education, health care, housing, social services, or parks and recreation would be covered in its entirety whenever one section of one of the corporation's plants receives a federal job training grant.
- o A state, county or local government agency would be subject to federal regulation in its entirety if even one of its programs receives federal aid. Thus, if a state health clinic in San Diego is built using U.S. government funds, not only the clinic, but all of the California state health agency would be covered. This represents a unique threat to our federalist system.

WHITE HOUSE ISSUE BRIEF

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- Even churches or synagogues could be forced into compliance if the group operates even one program using federal assistance. For example, if a church day-care center receives federal assistance, the church would be subject to federal restrictions on discrimination in hiring, including discrimination based on the hiree having a contagious disease.
- If a church, or group of churches, operate a summer camp in a different locality open to youngsters of all faiths, and the camp receives free use of surplus federal property, not only is the camp covered, but so is the church or group of churches.
- If a church school or synagogue school alone receives any federal aid, not only is the entire school covered, the church or synagogue itself will be covered in its entirety under all four statutes, even if the school is in a separate building and the church or synagogue itself receives no federal aid.
- If the tenant of one unit in one apartment building owned by an entity principally engaged in providing housing receives federal housing aid, not only is the entire apartment building covered, but all other apartment buildings, all other housing operations, and all other non-housing activities of the owner are covered, even though they receive no direct or even indirect federal aid.
- If a private organization principally engaged in home building or development constructs one housing project with any direct or indirect federal aid, all of the builder's housing projects and other activities, including non-housing activities, would be covered in their entirety even if they receive no direct or indirect federal aid.
- A private, national social service organization will be covered in its entirety, together with all of its local chapters, councils, or lodges, if one local chapter, council, or lodge receives any federal financial assistance.
- If a plant or facility of a private business or organization such as a fast food restaurant or department store, employs a part-time student receiving federal work-study aid, the entire plant or facility will be covered, and not just the hiring of work-study students.
- Moreover, if this fast food restaurant is part of a chain or the department store is part of a multi-store chain in a locality or metropolitan area, all of the operations of all of the other stores and other facilities in the locality or metropolitan area will be covered.

WHITE HOUSE ISSUE BRIEF

5.

- o If a private business contributes its own funds or equipment informally to a federally-assisted school district, private school, or private social service program, the business itself is covered.
- o If a State health agency receives federal aid to assist private businesses in first aid training and provides such assistance to an automobile plant, then the entire state health agency and the entire plant itself will be covered, along with all of the automobile company's other plants and facilities in the same region.

President Reagan is firmly committed to achieving a society that is truly color-blind, a society in which each individual has equal dignity before the law and equal opportunity to compete for life's rewards based solely on ability and effort.

The President believes the proper role of the federal government is to ensure that no person is denied opportunities because of his or her race, sex, religion, national origin, or other factors irrelevant to character and ability.