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U.S. DEPARTMENT OF EDUCATION  
**MEMORANDUM**

**DRAFT**

JAN 17 1984

To: JoAnne Durako  
Legislative Counsel  
Office of General Counsel

From: Leo Paszkiewicz  
Legislative Services Officer  
Office of Postsecondary Education

Subject: Micronesian Compact

Thank you for the opportunity to review the proposed Joint Resolution approving the "Compact of Free Association".

This Compact would eliminate the trustee status of the Micronesian and Marshall Islands, and establish self governance for these new entities. In addition, Section 223 specifies that Postsecondary Assistance will continue to be available to students from these areas for a period of four years after the effective date of the Compact.

OPE believes that the language used in Section 223 is ambiguous. The accompanying section by section analysis only mentions the Basic Educational Opportunity (Pell) grant as the aid in question. As a result of an earlier review of this Compact, we requested the Office of General Counsel's opinion on this provision, and they indicated that the affected students would be eligible to receive assistance under the Campus Based Student Assistance programs as well assistance under the Special Services for the Disadvantaged Students (TRIO) programs.

In addition, OGC indicated that without amending the Higher Education Act, the two postsecondary institutions on Micronesia (College of Micronesia and the Occupational College of Micronesia) would continue to be eligible to apply for Postsecondary Education Program assistance.

This office's concerns are elaborated in the attached copy of OPE's memorandum to OGC. We are also including a copy of the OGC response.

OPE requests that language in Section 223 of the Compact be clarified, and that the future status of the postsecondary institutions on Micronesia be addressed in the Compact.

Please contact me at 245-2787 if you have any questions.

  
Leo Paszkiewicz

cc: Edward Elmendorf  
Stephen Blair  
Patricia Hopson



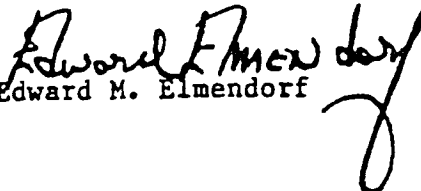
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In particular, we are concerned over the following questions:

- 1) Since there are currently two eligible participating postsecondary institutions on the affected islands (College of Micronesia and the Vocational College of Micronesia), will their students continue to be eligible for assistance?
- 2) If these students are deemed eligible, will the department be permitted to enter into a terms of agreement with the foreign institutions to administer the federal programs?
- 3) Will the regulatory biennial audit requirement of the student financial assistance programs still apply?
- 4) Will students receiving non-monetary assistance through any of the other Postsecondary Education programs, still be eligible? For example, there are probably students attending U.S. Institutions receiving assistance through the Special Services for the Disadvantaged Program, Cooperative Education Program, Graduate Programs or International Education Programs who may be affected.
- 5) Finally, both Micronesian institutions are receiving Planning Grants under the Institutional Development Program, and will probably apply for larger grants during the FY 84 competition. Since the Compact is intended to go into effect on October 1, 1984, does this office have any basis for not considering assistance under the Title III program?

Attached are pertinent sections of the proposed Compact. If you have any questions, please contact Mr. Leo Paszkiewicz at 245-2787.

Thank you for your assistance.

  
Edward M. Elmendorf