

104TH CONGRESS
1ST SESSION

S. 792

To recognize the National Education Technology Funding Corporation as a nonprofit corporation operating under the laws of the District of Columbia, to provide authority for Federal departments and agencies to provide assistance to such corporation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 11 (legislative day, MAY 1), 1995

Ms. MOSELEY-BRAUN (for herself, Mr. BURNS, and Mr. ROBB) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To recognize the National Education Technology Funding Corporation as a nonprofit corporation operating under the laws of the District of Columbia, to provide authority for Federal departments and agencies to provide assistance to such corporation, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Education
5 Technology Funding Corporation Act of 1995”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—The Congress finds as follows:

1 (1) CORPORATION.—There has been established
2 in the District of Columbia a private, nonprofit cor-
3 poration known as the National Education Tech-
4 nology Funding Corporation which is not an agency
5 or independent establishment of the Federal Govern-
6 ment.

7 (2) BOARD OF DIRECTORS.—The Corporation is
8 governed by a Board of Directors, as prescribed in
9 the Corporation’s articles of incorporation, consist-
10 ing of 15 members, of which—

11 (A) five members are representative of
12 public agencies representative of schools and
13 public libraries;

14 (B) five members are representative of
15 State government, including persons knowledge-
16 able about State finance, technology and edu-
17 cation; and

18 (C) five members are representative of the
19 private sector, with expertise in network tech-
20 nology, finance and management.

21 (3) CORPORATE PURPOSES.—The purposes of
22 the Corporation, as set forth in its articles of incor-
23 poration, are—

1 (A) to leverage resources and stimulate
2 private investment in education technology in-
3 frastructure;

4 (B) to designate State education tech-
5 nology agencies to receive loans, grants or other
6 forms of assistance from the Corporation;

7 (C) to establish criteria for encouraging
8 States to—

9 (i) create, maintain, utilize and up-
10 grade interactive high capacity networks
11 capable of providing audio, visual and data
12 communications for elementary schools,
13 secondary schools and public libraries;

14 (ii) distribute resources to assure eq-
15 uitable aid to all elementary schools and
16 secondary schools in the State and achieve
17 universal access to network technology;
18 and .

19 (iii) upgrade the delivery and develop-
20 ment of learning through innovative tech-
21 nology-based instructional tools and appli-
22 cations.

23 (D) to provide loans, grants and other
24 forms of assistance to State education tech-
25 nology agencies, with due regard for providing

1 a fair balance among types of school districts
2 and public libraries assisted and the disparate
3 needs of such districts and libraries;

4 (E) to leverage resources to provide maxi-
5 mum aid to elementary schools, secondary
6 schools and public libraries; and

7 (F) to encourage the development of edu-
8 cation telecommunications and information
9 technologies through public-private ventures, by
10 serving as a clearinghouse for information on
11 new education technologies, and by providing
12 technical assistance, including assistance to
13 States, if needed, to establish State education
14 technology agencies.

15 (b) PURPOSE.—The purpose of this Act is to recog-
16 nize the Corporation as a nonprofit corporation operating
17 under the laws of the District of Columbia, and to provide
18 authority for Federal departments and agencies to provide
19 assistance to the Corporation.

20 **SEC. 3. DEFINITIONS.**

21 For the purpose of this Act—

22 (1) The term “Corporation” means the Na-
23 tional Education Technology Funding Corporation
24 described in section 2(a)(1);

1 (2) the terms “elementary school” and “second-
2 ary school” have the same meanings given such
3 terms in section 14101 of the Elementary and Sec-
4 ondary Education Act of 1965; and

5 (3) the term “public library” has the same
6 meaning given such term in section 3 of the Library
7 Services and Construction Act.

8 **SEC. 4. ASSISTANCE FOR EDUCATION TECHNOLOGY PUR-**
9 **POSES.**

10 (a) AUTHORIZATION OF ASSISTANCE.—Each Federal
11 department or agency is authorized to award grants or
12 contracts, or provide gifts, contributions, or technical as-
13 sistance, to the Corporation to enable the Corporation to
14 carry out the corporate purposes described in section
15 2(a)(3).

16 (b) AGREEMENT.—In order to receive any assistance
17 described in subsection (a) the Corporation shall enter into
18 an agreement with the Federal department or agency pro-
19 viding such assistance, under which the Corporation
20 agrees—

21 (1) to use such assistance to provide funding
22 and technical assistance only for activities which the
23 Board of Directors of the Corporation determines
24 are consistent with the corporate purposes described
25 in section 2(a)(3);

1 (2) to review the activities of State education
2 technology agencies and other entities receiving as-
3 sistance from the Corporation to assure that the cor-
4 porate purposes described in section 2(a)(3) are car-
5 ried out;

6 (3) that no part of the assets of the Corpora-
7 tion shall accrue to the benefit of any member of the
8 Board of Directors of the Corporation, any officer or
9 employee of the Corporation, or any other individual,
10 except as salary or reasonable compensation for
11 services;

12 (4) that the Board of Directors of the Corpora-
13 tion will adopt policies and procedures to prevent
14 conflicts of interest;

15 (5) to maintain a Board of Directors of the
16 Corporation consistent with section 2(a)(2);

17 (6) that the Corporation, and any entity receiv-
18 ing the assistance from the Corporation, are subject
19 to the appropriate oversight procedures of the Con-
20 gress; and

21 (7) to comply with—

22 (A) the audit requirements described in
23 section 5; and

24 (B) the reporting and testimony require-
25 ments described in section 6.

1 (c) CONSTRUCTION.—Nothing in this Act shall be
2 construed to establish the Corporation as an agency or
3 independent establishment of the Federal Government, or
4 to establish the members of the Board of Directors of the
5 Corporation, or the officers and employees of the Corpora-
6 tion, as officers or employees of the Federal Government.

7 **SEC. 5. AUDITS.**

8 (a) AUDITS BY INDEPENDENT CERTIFIED PUBLIC
9 ACCOUNTANTS.—

10 (1) IN GENERAL.—The Corporation’s financial
11 statements shall be audited annually in accordance
12 with generally accepted auditing standards by inde-
13 pendent certified public accountants who are mem-
14 bers of a nationally recognized accounting firm and
15 who are certified by a regulatory authority of a
16 State or other political subdivision of the United
17 States. The audits shall be conducted at the place or
18 places where the accounts of the Corporation are
19 normally kept. All books, accounts, financial records,
20 reports, files, and all other papers, things, or prop-
21 erty belonging to or in use by the Corporation and
22 necessary to facilitate the audit shall be made avail-
23 able to the person or persons conducting the audits,
24 and full facilities for verifying transactions with the
25 balances or securities held by depositories, fiscal

1 agents, and custodians shall be afforded to such per-
2 son or persons.

3 (2) REPORTING REQUIREMENTS.—The report
4 of each annual audit described in paragraph (1)
5 shall be included in the annual report required by
6 section 6(a).

7 (b) AUDITS BY THE COMPTROLLER GENERAL OF
8 THE UNITED STATES.—

9 (1) AUDITS.—The programs, activities and fi-
10 nancial transactions of the Corporation shall be sub-
11 ject to audit by the Comptroller General of the Unit-
12 ed States under such rules and regulations as may
13 be prescribed by the Comptroller General. The rep-
14 resentatives of the Comptroller General shall have
15 access to such books, accounts, financial records, re-
16 ports, files and such other papers, things, or prop-
17 erty belonging to or in use by the Corporation and
18 necessary to facilitate the audit, and the representa-
19 tives shall be afforded full facilities for verifying
20 transactions with the balances or securities held by
21 depositories, fiscal agents, and custodians. The rep-
22 resentatives of the Comptroller General shall have
23 access, upon request to the Corporation or any audi-
24 tor for an audit of the Corporation under this sec-
25 tion, to any books, financial records, reports, files or

1 other papers, things, or property belonging to or in
2 use by the Corporation and used in any such audit
3 and to papers, records, files, and reports of the audi-
4 tor used in such an audit.

5 (2) REPORT.—A report on each audit described
6 in paragraph (1) shall be made by the Comptroller
7 General to the Congress. The report to the Congress
8 shall contain such comments and information as the
9 Comptroller General may deem necessary to inform
10 the Congress of the financial operations and condi-
11 tion of the Corporation, together with such rec-
12 ommendations as the Comptroller General may deem
13 advisable. The report shall also show specifically any
14 program, expenditure, or other financial transaction
15 or undertaking observed or reviewed in the course of
16 the audit, which, in the opinion of the Comptroller
17 General, has been carried on or made contrary to
18 the requirements of this Act. A copy of each such re-
19 port shall be furnished to the President and to the
20 Corporation at the time such report is submitted to
21 the Congress.

22 (c) AUDIT BY INSPECTOR GENERAL OF THE DE-
23 PARTMENT OF COMMERCE.—The financial transactions of
24 the Corporation may also be audited by the Inspector Gen-
25 eral of the Department of Commerce under the same con-

1 ditions set forth in subsection (b) for audits by the Comp-
2 troller General of the United States.

3 (d) RECORDKEEPING REQUIREMENTS; AUDIT AND
4 EXAMINATION OF BOOKS.—

5 (1) RECORDKEEPING REQUIREMENTS.—The
6 Corporation shall ensure that each recipient of as-
7 sistance from the Corporation keeps—

8 (A) separate accounts with respect to such
9 assistance;

10 (B) such records as may be reasonably
11 necessary to fully disclose—

12 (i) the amount and the disposition by
13 such recipient of the proceeds of such as-
14 sistance;

15 (ii) the total cost of the project or un-
16 dertaking in connection with which such
17 assistance is given or used; and

18 (iii) the amount and nature of that
19 portion of the cost of the project or under-
20 taking supplied by other sources; and

21 (C) such other records as will facilitate an
22 effective audit.

23 (2) AUDIT AND EXAMINATION OF BOOKS.—The
24 Corporation shall ensure that the Corporation, or
25 any of the Corporation's duly authorized representa-

1 tives, shall have access for the purpose of audit and
2 examination to any books, documents, papers, and
3 records of any recipient of assistance from the Cor-
4 poration that are pertinent to such assistance. Rep-
5 resentatives of the Comptroller General shall also
6 have such access for such purpose.

7 **SEC. 6. ANNUAL REPORT; TESTIMONY TO THE CONGRESS.**

8 (a) ANNUAL REPORT.—Not later than April 30 of
9 each year, the Corporation shall publish an annual report
10 for the preceding fiscal year and submit that report to
11 the President and the Congress. The report shall include
12 a comprehensive and detailed evaluation of the Corpora-
13 tion’s operations, activities, financial condition, and ac-
14 complishments under this Act and may include such rec-
15 ommendations as the Corporation deems appropriate.

16 (b) TESTIMONY BEFORE CONGRESS.—The members
17 of the Board of Directors, and officers, of the Corporation
18 shall be available to testify before appropriate committees
19 of the Congress with respect to the report described in
20 subsection (a), the report of any audit made by the Comp-
21 troller General pursuant to this Act, or any other matter
22 which any such committee may determine appropriate.

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