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DISCUSSION DRAFT

S.L.C.

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide for a rural education development initiative, and for other purposes.

IN THE SENATE OF THE UNITED STATES—106th Cong., 2d Sess.

S.2

To extend programs and activities under the Elementary and Secondary Education Act of 1965.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by

Viz:

- 1 In lieu of the matter proposed to be inserted as part
- 2 B of title VI of the Elementary and Secondary Education
- 3 Act of 1965, insert the following:
- 4 **"PART B—RURAL EDUCATION**
- 5 **"SEC. 6201. SHORT TITLE.**
- 6 "This part may be cited as the 'Rural Education De-
- 7 velopment Initiative for the 21st Century Act'.

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1 "SEC. 6202. PURPOSE.

2 "The purpose of this part is to provide rural school
3 students in the United States with increased learning op-
4 portunities.

5 "SEC. 6203. FINDINGS.

6 "Congress makes the following findings:

7 "(1) While there are rural education initiatives
8 at the State and local levels, no Federal education
9 policy focuses on the specific needs of rural school
10 districts and schools, especially those that serve poor
11 students.

12 "(2) The National Center for Educational Sta-
13 tistics (NCES) reports that 46 percent of our Na-
14 tion's public schools serve rural areas.

15 "(3) A critical problem for rural school districts
16 involves the hiring and retention of qualified admin-
17 istrators and certified teachers (especially in science
18 and mathematics). Consequently, teachers in rural
19 schools are almost twice as likely to provide instruc-
20 tion in 3 or more subjects than teachers in urban
21 schools. Rural schools also face other tough chal-
22 lenges, such as shrinking local tax bases, high trans-
23 portation costs, aging buildings, limited course offer-
24 ings, and limited resources.

25 "SEC. 6204. DEFINITIONS; CERTIFICATION.

26 "(a) DEFINITIONS.—In this part:

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1 “(1) ELIGIBLE LOCAL EDUCATIONAL AGEN-
2 CY.—The term ‘eligible local educational agency’
3 means a local educational agency that serves—

4 “(A)(i) ~~a school age population with an av-~~
5 ~~erage family income that is below the~~ State me-
6 dian poverty level as determined by the Sec-
7 retary using the most recent data available
8 from the Bureau of the Census; and

9 “(ii) a school district that is identified as
10 rural by the National Center for Education Sta-
11 tistics; or

12 “(B)(i) a school age population 15 percent
13 or more of whom are from families with in-
14 comes below the poverty line; and

15 “(ii) a school district that is identified as
16 rural by the National Center for Education Sta-
17 tistics.

18 “(2) POVERTY LINE.—The term ‘poverty line’
19 means the poverty line (as defined by the Office of
20 Management and Budget, and revised annually in
21 accordance with section 673(2) of the Community
22 Services Block Grant Act (42 U.S.C. 9902(2))) ap-
23 plicable to a family of the size involved.

24 “(3) SCHOOL AGE POPULATION.—The term
25 ‘school age population’ means the number of stu-

*a school district in which the percentage of children aged 5 through 17,
who are from families with income below the poverty line exceeds the*

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1 dents aged 5 through 17 residing in the school dis-
2 trict served by the local educational agency as deter-
3 mined by the Secretary using the most recent data
4 available from the Bureau of the Census.

5 "(b) CERTIFICATION.—The Secretary may waive the
6 requirements of subparagraph (A)(ii) or (B)(ii) of para-
7 graph (1) for an eligible local educational agency if the
8 agency provides certification to the Secretary that the
9 agency serves a school district located in an area defined
10 as rural by a governmental agency of the State.

11 "SEC. 6205. PROGRAM AUTHORIZED.

12 "(a) RESERVATION.—From amounts appropriated
13 under section 6209 for a fiscal year the Secretary shall
14 reserve—

15 "(1) 0.5 percent of such amount for each fiscal
16 year to make awards to elementary or secondary
17 schools operated or supported by the Bureau of In-
18 dian Affairs to carry out the purposes of this part;
19 and

20 "(2) \$2,000,000 for each fiscal year to enable
21 the Secretary to provide technical assistance to eligi-
22 ble local educational agencies to assist such agencies
23 in obtaining other Federal assistance.

24 "(b) GRANTS TO ELIGIBLE LOCAL EDUCATIONAL
25 AGENCIES.—

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1 “(1) IN GENERAL.—From amounts appro-
2 priated under section 6209 that are not reserved
3 under subsection (a) for a fiscal year, the Secretary
4 shall award grants to eligible local educational agen-
5 cies that have applications approved under section
6 6206 for local authorized activities described in sub-
7 section (c).

8 “(2) INITIAL AMOUNT.—Each eligible local edu-
9 cational agency shall receive a grant under this part
10 in an amount equal to the sum of—

11 “(A) a base amount of \$20,000; plus

12 “(B) \$100 multiplied by the total [school
13 ~~age population,~~ ^{number of} over 50 students, in average
14 daily attendance in the schools served by the el-
15 igible local educational agency.

16 “(3) MAXIMUM.—No eligible local educational
17 agency shall receive a grant under this part that is
18 greater than \$60,000.

19 “(4) RATABLE ADJUSTMENT.—

20 “(A) IN GENERAL.—If the amount made
21 available for this part for any fiscal year is not
22 sufficient to pay in full the amounts that eligi-
23 ble local educational agencies are eligible to re-
24 ceive under paragraph (2) for such year, the
25 Secretary—

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1 “(i) first, shall ratably reduce the
2 amount made available under paragraph
3 (2)(B) for all local educational agencies for
4 such year; and

5 “(ii) second, shall ratably reduce the
6 base amount under paragraph (2)(A) for
7 all eligible local educational agencies for
8 such year.

9 “(B) ADDITIONAL AMOUNTS.—If addi-
10 tional funds become available for making pay-
11 ments under paragraph (2) for such fiscal year,
12 payments that were reduced under subpara-
13 graph (A) shall be increased on the same basis
14 as such payments were reduced.

15 “(5) DATA.—In determining the school age
16 population under paragraph (2) the Secretary shall
17 use the most recent data available from the Bureau
18 of the Census.

19 “(c) LOCAL AUTHORIZED ACTIVITIES.—Grant funds
20 awarded to an eligible local educational agency under this
21 part shall be used for—

22 “(1) professional development activities author-
23 ized under title II;

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1 “(2) class size reduction activities and other ac-
2 tivities authorized under section 307 of the Depart-
3 ment of Education Appropriations Act, 1999;

4 “(3) technology activities authorized under sec-
5 tions 5122, 5132, and 5136, and part B of title V;
6 or

7 “(4) safe and drug-free school activities author-
8 ized under section 4116.

9 “(d) RELATION TO OTHER FEDERAL FUNDING.—
10 Funds received under this part by an eligible local edu-
11 cational agency shall not be taken into consideration in
12 determining the eligibility for, or amount of, any other
13 Federal funding awarded to the eligible local educational
14 agency.

15 “SEC. 6206. APPLICATIONS.

16 “Each eligible local educational agency that desires
17 a grant under this part to carry out an activity described
18 in section 6205(c) shall include, as part of the application
19 submitted under the provision of law described in section
20 6205(e) applicable to the activity, a request for funds
21 under this part.

22 “SEC. 6207. ADMINISTRATIVE PROVISIONS.

23 “(a) SUPPLEMENT NOT SUPPLANT.—Funds under
24 this part shall be used to supplement and not supplant

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1 any other Federal, State, or local education funds that
2 would otherwise be available for the purposes of this part.

3 “(b) CONSTRUCTION.—Nothing in this part shall be
4 construed to prohibit an eligible local educational agency
5 that enters into cooperative arrangements with other local
6 educational agencies for the provision of special, compen-
7 satory, or other education services pursuant to State law
8 or a written agreement from entering into similar arrange-
9 ments for the use or the coordination of the use of the
10 funds made available under this part.

11 “SEC. 6208. REPORTS; ACCOUNTABILITY; STUDIES.

12 “(a) LOCAL EDUCATIONAL AGENCY REPORTS.—
13 Each eligible local educational agency that receives a grant
14 under this part for an activity described in section 6205(c)
15 shall provide an annual report to the Secretary. The report
16 shall describe how the local educational agency used funds
17 provided under this part to make progress in meeting the
18 goals and objectives of the provision of law described in
19 section 6205(c) applicable to the activity.

20 “(b) STUDIES.—

21 “(1) COMPTROLLER GENERAL.—The Comp-
22 troller General of the United States shall conduct a
23 study regarding the impact of assistance provided
24 under this part on student achievement. The Con-

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1 troller General shall report the results of the study
2 to Congress.

3 "(2) SECRETARY.—The Secretary shall conduct
4 a study and report to Congress regarding the unique
5 needs of rural school districts, including needs re-
6 lated to—

7 "(A) the small size of the school districts,
8 the small number of students or student spar-
9 sity, and remoteness;

10 "(B) teacher qualifications and class size;

11 "(C) teacher recruitment and multiple
12 roles of teachers;

13 "(D) transportation costs;

14 "(E) school safety and drug abuse;

15 "(F) course offerings; and

16 "(G) the impact of children with special
17 needs.

18 "SEC. 6209. AUTHORIZATION OF APPROPRIATIONS.

19 "There are authorized to be appropriated to carry out
20 this part \$300,000,000 for each of the fiscal years 2001
21 through 2004."

Identical in Levin &
Bonior Bills in Senate
& House

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To require the Secretary of Health and Human Services to promulgate regulations regarding allowable costs under the Medicaid program for school based services provided to children with... (Introduced in the Senate)

S 3088 IS

106th CONGRESS

2d Session

S. 3088

To require the Secretary of Health and Human Services to promulgate regulations regarding allowable costs under the Medicaid program for school based services provided to children with disabilities.

IN THE SENATE OF THE UNITED STATES

September 21, 2000

Mr. LEVIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require the Secretary of Health and Human Services to promulgate regulations regarding allowable costs under the Medicaid program for school based services provided to children with disabilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWABLE MEDICAID COSTS FOR SCHOOL-BASED SERVICES PROVIDED TO CHILDREN WITH DISABILITIES.

Not later than 90 days after the date of enactment of this Act, the Secretary of Health and Human Services and the Secretary of Education shall issue proposed regulations after consultation with the National Governors' Association, the National Association of State Directors of Special Education, the American Association of Educational Service Agencies, the American Public Human Services Administration, and other interested groups relating to

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previously paid by HHS to other states prior to the effective date of this act. .

Upon issuance of the final form of claiming guidance by HHS, such guidance shall apply prospectively to claims submitted to HHS subsequent to the effective date of the claiming guidance.

7 SEC. ____ EDUCATIONAL ASSISTANCE FOR MILITARY CON-
8 NECTED CHILDREN.

9 (a) SHORT TITLE.—This section may be cited as the
10 "Educational Assistance for Military Connected Children
11 Act of 2000".

12 (b) FUNDING RESPONSIBILITY FOR MILITARY CON-
13 NECTED CHILDREN.—Title VIII of the Elementary and
14 Secondary Education Act of 1965 (20 U.S.C. 7701 et
15 seq.) is amended by adding at the end the following:

16 "SEC. 8015. FUNDING RESPONSIBILITY OF SECRETARY OF
17 DEFENSE.

18 "(a) COMPUTATION OF AMOUNTS.—

19 "(1) FEDERAL PROPERTY.—The Secretary
20 shall determine, for each local educational agency re-
21 ceiving assistance under section 8002, the amount of
22 payment in each fiscal year attributable to the pres-
23 ence of a military installation.

24 "(2) MILITARY CONNECTED CHILDREN.—The
25 Secretary shall determine, for each local educational
26 agency receiving assistance under section 8003 or

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1 8007, the number of military connected children
2 served by such agency in a fiscal year.

3 "(3) FACILITIES.—The Secretary shall deter-
4 mine the amount provided for each local educational
5 agency under section 8008.

6 "(4) TOTAL AMOUNT OF PAYMENTS.—The Sec-
7 retary shall determine the total amount of
8 payments—

9 "(A) all local educational agencies are to
10 receive under section 8002 which are attrib-
11 utable to the presence of a military installation
12 in each fiscal year;

13 "(B) all local educational agencies are to
14 receive under section 8003 or 8007 for military
15 connected children in each fiscal year; and

16 "(C) all local educational agencies are to
17 receive under section 8008 in each fiscal year.

18 "(b) TRANSFER OF FUNDS.—From any amounts
19 available to the Secretary of Defense, the Secretary of De-
20 fense shall transfer to the Secretary of Education in each
21 fiscal year the total amount of funds necessary for the
22 Secretary of Education to make all of the payments de-
23 scribed in subsection (a)(4) for such fiscal year.

24 "(c) SPECIAL RULE.—Notwithstanding any other
25 provision of law, funds made available by the Secretary

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S.I.P.

1)

1 of Defense to the Secretary of Education pursuant to sub-
2 section (b) shall be the only funds used to make payments
3 under section 8002, 8003, 8007, or 8008 to local edu-
4 cational agencies for military connected children or prop-
5 erty.

6 "(d) DEFINITIONS.—For the purpose of this
7 section—

8 "(1) the term 'military connected children'
9 means the children described in—

10 "(A) section 8003(a)(1)(A) who reside on
11 military installations;

12 "(B) section 8003(a)(1)(B) who reside on
13 military installations; and

14 "(C) section 8003(a)(1)(D) who have par-
15 ents employed on military installations.

16 "(2) the term 'military installation' has the
17 same meaning given to such term in section 2801(e)
18 of title 10, United States Code."

Insert to section 10323(b) – page 3

“(6) in the case of a State entity, a description of the actions that the entity has taken, or will take, to ensure that charter schools within the State receive the funding they need to provide adequate public school facilities, including, if applicable—

“(A) how the State entity will use funding under this subsection to help meet that objective; and

“(B) changes in State policy that will enable charter schools in the State to have access to adequate facilities;

“(7) a description of how the applicant will ensure that, if it uses funds under this subpart to assist a charter school in renovating leased property, and the charter school later goes out of existence or vacates the property, other charter schools in the area, or the local educational agency, will have the opportunity to continue the lease and make use of the renovated facilities for school-related activities;

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1 capital in order to assist one or more charter schools to
2 accomplish one or both of the following objectives:

3 “(1) The acquisition (by purchase, lease, dona-
4 tion, or otherwise) of an interest (including an inter-
5 est held by a third party for the benefit of a charter
6 school) in improved or unimproved real property
7 that is necessary to commence or continue the oper-
8 ation of a charter school.

9 “(2) [The construction of new facilities, ^{the} or the
10 renovation, repair, or alteration of existing facilities,
11 necessary to commence or continue the operation of
12 a charter school.

*Delete
because
the Browder
School Renovation
program will not
pay for new
construction*

13 **“SEC. 10325. RESERVE ACCOUNT.**

14 “(a) USE OF FUNDS.—To assist charter schools to
15 accomplish the objectives described in section 10324, an
16 eligible entity receiving a grant under this subpart shall,
17 in accordance with State and local law, directly or indi-
18 rectly, alone or in collaboration with others, deposit the
19 funds received under this subpart (other than funds used
20 for administrative costs in accordance with section 10326)
21 in a reserve account established and maintained by the
22 entity for this purpose. Amounts deposited in such account
23 shall be used by the entity for one or more of the following
24 purposes:

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1 “(1) Guaranteeing, insuring, and reinsuring
2 bonds, notes, evidences of debt, loans, and interests
3 therein, the proceeds of which are used for an objec-
4 tive described in section 10324.

5 “(2) Guaranteeing and insuring leases of per-
6 sonal and real property for an objective described in
7 section 10324.

8 “(3) Identifying potential lending sources, en-
9 couraging private lending, and other similar activi-
10 ties that directly promote lending to or for the ben-
11 efit of charter schools.

12 “(4) Facilitating the issuance of bonds by char-
13 ter schools or by other public entities for the benefit
14 of charter schools by providing technical, administra-
15 tive, and other appropriate assistance (including the
16 recruitment of bond counsel, underwriters, and po-
17 tential investors and the consolidation of multiple
18 charter school projects within a single bond issue).

19 “(b) REINVESTMENT OF EARNINGS.—Any earnings
20 on funds received under this subpart shall be deposited
21 in the reserve account established under subsection (a)
22 and used in accordance with such subsection.

23 “SEC. 10326. LIMITATION ON ADMINISTRATIVE COSTS.

24 “An eligible entity may use not more than 0.25 per-
25 cent of the funds received under this subpart for the ad-

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1 administrative costs of carrying out its responsibilities under
2 this subpart.

3 "SEC. 10327. AUDITS AND REPORTS.

4 "(a) FINANCIAL RECORD MAINTENANCE AND
5 AUDIT.—The financial records of each eligible entity re-
6 ceiving a grant under this subpart shall be maintained in
7 accordance with generally accepted accounting principles
8 and shall be subject to an annual audit by an independent
9 public accountant.

10 "(b) REPORTS.—

11 "(1) GRANTEE ANNUAL REPORTS.—Each eligi-
12 ble entity receiving a grant under this subpart annu-
13 ally shall submit to the Secretary a report of its op-
14 erations and activities under this subpart.

15 "(2) CONTENTS.—Each such annual report
16 shall include—

17 "(A) a copy of the most recent financial
18 statements, and any accompanying opinion on
19 such statements, prepared by the independent
20 public accountant reviewing the financial
21 records of the eligible entity;

22 "(B) a copy of any report made on an
23 audit of the financial records of the eligible en-
24 tity that was conducted under subsection (a)
25 during the reporting period;

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1 "(C) an evaluation by the eligible entity of ~~the effectiveness of the Federal funds provided~~ *its use of*
 2 under this subpart in leveraging private funds;

3 *listing and*
 4 "(D) a description of the ~~number of~~ *9* char-
 5 ter schools served during the reporting period;

6 ~~and~~ *(E) a description of the ~~entire~~ activities*
 7 *carried out by the entity to assist charter*

8 *(F)* "(F) a description of the characteristics of *schools in*
 9 lenders and other financial institutions partici- *meeting the*
 10 pating in the activities undertaken by the eligi- *objectives set*
 11 ble entity under this subpart during the report- *forth in section*
 12 ing period. *10324; and*

13 "(3) SECRETARIAL REPORT.—The Secretary
 14 shall review the reports submitted under paragraph
 15 (1) and shall ~~provide a comprehensive annual report~~
 16 to the Congress on the activities conducted under
 17 this subpart.

18 "SEC. 10328. NO FULL FAITH AND CREDIT FOR GRANTEE
 19 OBLIGATIONS.

20 "No financial obligation of an eligible entity entered
 21 into pursuant to this subpart (such as an obligation under
 22 a guarantee, bond, note, evidence of debt, or loan) shall
 23 be an obligation of, or guaranteed in any respect by, the
 24 United States. The full faith and credit of the United
 States is not pledged to the payment of funds which may

report periodically
(every year is too often; particularly since this is only a one-year program)

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1 be required to be paid under any obligation made by an
2 eligible entity pursuant to any provision of this subpart.

3 **"SEC. 10329. RECOVERY OF FUNDS.**

4 "(a) IN GENERAL.—The Secretary, in accordance
5 with chapter 87 of title 31, United States Code, shall
6 collect—

7 "(1) all of the funds in a reserve account estab-
8 lished by an eligible entity under section 10325(a) if
9 the Secretary determines, not earlier than 2 years
10 after the date on which the entity first received
11 funds under this subpart, that the entity has failed
12 to ^{carry out} ~~achieve at least one of~~ the purposes described in
13 section 10325(a); or

14 "(2) all or a portion of the funds in a reserve
15 account established by an eligible entity under sec-
16 tion 10325(a) if the Secretary determines that the
17 eligible entity has permanently ceased to use all or
18 a portion of the funds in such account to accomplish
19 any purpose described in section 10325(a).

20 (b) PROCEDURES.—The provisions of sections 451,
21 452, and 458 of the General Education Provisions Act (20
22 U.S.C. 1234 et seq.) shall apply to the recovery of funds
23 under subsection (a).

24 (c) CONSTRUCTION.—This section shall not be con-
25 strued to impair or affect the authority of the Secretary

— 10325(a)
does not
list any
purposes.
— and merely
doing one of
the things
mentioned in
10325(a) — e.g. —
identifying a
lender — seems
like too low
a threshold

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1 to recover funds under part D of the General Education
2 Provisions Act (20 U.S.C. 1234 et seq.).

3 **-SEC. 10330. DEFINITIONS.**

4 "In this subpart:

5 "(1) The term 'charter school' has the meaning
6 given such term in section 10310.

7 "(2) The term 'eligible entity' means—

8 "(A) a public entity; *such as a State entity*

9 "(B) a private nonprofit entity; or

10 "(C) a consortium of entities described in
11 subparagraphs (A) and (B).

12 **-SEC. 10331. AUTHORIZATION OF APPROPRIATIONS.**

13 "For the purpose of carrying out this subpart, there
14 are authorized to be appropriated \$100,000,000 for fiscal
15 year 2001."

16 (b) Part C of title X of the Elementary and Sec-
17 ondary Education Act of 1965 (20 U.S.C. 8061 et seq.)
18 is amended in each of the following provisions by striking
19 "part" each place such term appears and inserting "sub-
20 part":

21 (1) Sections 10301 through 10305.

22 (2) Section 10307.

23 (3) Sections 10309 through 10311.

*Would we really need this much? The money
will likely be heavily leveraged. Less than
\$100M would achieve a lot of
credit enhancement.*

October 11, 2000
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**UNITED STATES DEPARTMENT OF EDUCATION**

Office of Elementary and Secondary Education

400 Maryland Avenue, S.W.

Washington, D.C. 20202-6100

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MESSAGE:

- See attached markup of Goodling
Charter schools language.- A separate explanation of the
changes is being developed.

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*Charter Schools**T. Corwin markup -
10/17 - 2:15*

1 SEC. ____ (a) Part C of title X of the Elementary
2 and Secondary Education Act of 1965 (20 U.S.C. 8061
3 et seq.) is amended—

4 (1) by inserting after the part heading the fol-
5 lowing:

6 "Subpart 1—Basic Charter School Grant Program";

7 and

8 (2) by adding at the end the following:

9 "Subpart 2—Credit Enhancement Initiatives to Assist
10 Charter School Facility Acquisition, Construc-
11 tion, and Renovation

12 "SEC. 10321. PURPOSE.

13 "The purpose of this subpart is to provide one-time
14 grants to eligible entities to permit them to demonstrate
15 innovative credit enhancement initiatives that assist char-
16 ter schools to address the cost of acquiring, constructing,
17 and renovating facilities.

18 "SEC. 10322. GRANTS TO ELIGIBLE ENTITIES.

19 "(a) IN GENERAL.—The Secretary shall use 100 per-
20 cent of the amount appropriated under section 10381 to
21 award not less than 2 ² grants to eligible entities having
22 applications approved under this subpart to demonstrate
23 innovative methods of assisting charter schools to address
24 the cost of acquiring, constructing, and renovating facili-

too rigid

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1 ties by enhancing the availability of loans or bond financ-
2 ing.

3 "(b) GRANTER SELECTION.—The Secretary shall
4 evaluate each application submitted, and shall make an
5 initial determination of which are sufficient to merit ap-
6 proval and which are not. The Secretary shall award at
7 least one grant to an eligible entity described in section
8 10330(2)(A), at least one grant to an eligible entity de-
9 scribed in section 10330(2)(B), and at least one grant to
10 an eligible entity described in section 10330(2)(C), if ap-
11 plications are submitted that permit the Secretary to do
12 so without approving an application that is not of suffi-
13 cient quality to merit approval.

Too rigid

14 "(c) GRANT CHARACTERISTICS.—Grants under this
15 subpart shall be of a sufficient size, scope, and quality so
16 as to ensure an effective demonstration of an innovative
17 means of financing ^{enhancing credit for the} charter school acquisition, construc-
18 tion, or renovation. ^{of}

✓

19 "SEC. 10323. APPLICATIONS.

20 "(a) IN GENERAL.—In order to receive a grant under
21 this subpart ^{for a fiscal year} an eligible entity shall sub-
22 mit to the Secretary an application ^{for such year} in such
23 form as the Secretary may reasonably require.

Program is authorized for only one FY.

24 "(b) CONTENTS.—An application under subsection
25 (a) shall contain—

including how the applicant will determine whether
 charter schools will receive assistance, and how much
 and what types of assistance they
 will receive

"(1) a statement identifying the activities pro-
 posed to be undertaken with funds received under
 this subpart;

"(2) a statement explaining the potential for
 the proposed activities to be broadly expanded or
 replicated and disseminated;

There is no
 authorization for
 dissemination or
 replication

"(3) ~~assurances~~ ^{a description} of the involvement of charter
 schools in the application's development and the de-
 sign of the proposed activities;

"(4) ~~assurances that the applicant possesses~~ ^{a description of the applicant's}
 expertise in capital market financing;

"(5) ~~assurances that~~ ^{a description of how} the proposed activities will
 leverage the maximum amount of private sector fi-
 nancing capital relative to the amount of government
 funding used and otherwise enhance credit available
 to charter schools; and

"(6) ~~assurances that~~ ^{& a description of how} the applicant possesses
 sufficient expertise in education in order to evaluate
 the likelihood of success of a charter school program
 for which facilities financing is sought; and

"(7) such other information as
 the Secretary may
 reasonably
 require.

"SEC. 10324. CHARTER SCHOOL OBJECTIVES.

"An eligible entity receiving a grant under this sub-
 part shall use the funds deposited in the reserve account
 established under section 10325(a) to access private-sector

Insert

LANGUAGE ISSUES IN LABOR-HHS: October 17, 2000

(w/Lambrew and Chow comments)

EDUCATION

School construction tax (Armedy)

School construction (2nd version w/Specter formula)

Title I accountability - *school choice provision (27 states)*

Class Size

Teacher Quality - *opportunity for larger budget bit*

College Completion Challenge Grants (Administration)

Adult Education "Civics" education (Administration)

Gregg after school community based org.

National testing (House-Goodling; Senate-current law)

Internet filtering Software Requirement (Istook, McCain, Santorum) - *unfunded mandate*

Arts in Education transfer to NEA

*Even start LIFT (Goodling)

*Equal Access to Special Ed funds home schoolers (Armedy) - *treat home schools as private facilities*

*Rural Ed authorization

*Charter school demos (House/Senate R's)

*Cohort default rates (Middlesex College [H+S D's])

*Impact Aid Section 8002(j) set-a-side

*Impact Aid Air Force Academy timely filed (House R's)

*Rohrabacher cap (Impact Aid) (House R's and D's)

*Transfer Impact Aid to DOD (Jeffords)

*Tiberon Property transfer (Pelosi)

*I can learn authorization - Porter - *not for profit + corporate*

*LEAP technicals (Reed)

*HBCU (technical) - *cohort default rates*

*Character Education Technical (House R's)

*NAGB date change Technical (Senate) - *86th National Assessment Governing Board*

*Title I School Choice (Goodling)

*Handling of "Institutes" named after members

*Vocational Education Tribal Technical (Kildee)

*Testing Language (Goodling)

*Physical Education Authorization (Stevens)

*Rural Education Program Authorization

*Rename Olympic Scholarships for BJ Stupak (House Dems)

*San Marcos formula change for SEOG, etc. (Feinstein)

*Sally Mae Compensation Parity for Auditors

*St. Louis University Suspend IG Recovery of Higher Education Funds

*Graceland College Technical Fix (Harkin)

*Plus Loan Indexing

(THU) 7, 20' 00 2:01/ET, 2:00/NO. 4062762922 P 2



Air Force Academy School District, CO

Federal Property (Section 8002) "Cap" Issue

"From the amount appropriated for Section 8002, the Secretary shall first restore payments to any local educational agency that was denied funding or had its payment reduced from funds appropriated under this section for Fiscal Year 1998 due to subparagraph (C) of Section 8002(b)(1) of Title VIII of P.L. 103-382."

Section (f) Pilot Project

NOTE: Use the same language in the FY00 Labor/HHS/Education Appropriations bill.

Travis Unified School District, CA

NOTE: Use the same language in the FY00 Labor/HHS/Education Appropriations bill.

Amend section 4118(b)(4)(D) to read as follows:

(D) the development and implementation of character education and training programs that reflect the values of parents, teachers, and local communities, and incorporate elements of good character, including honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness;

character education

Class Size

Sec. ____ (a) From the amount appropriated for title VI of the Elementary and Secondary Education Act of 1965 in accordance with this section, the Secretary of Education—(1) shall make available a total of \$6,000,000 to the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities under this section; and (2) shall allocate the remainder by providing each State the same percentage of that remainder as it received of the funds allocated to States under section 310(e)(2) of the Department of Education Appropriations Act, 2000.

(b)(1) Each State that receives funds under this section shall distribute 100 percent of such funds to local educational agencies, of which—(A) 80 percent of such amount shall be allocated to such local educational agencies in proportion to the number of children aged 5 to 17, who reside in the school district served by such local educational agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available compared to the number of such individuals who reside in the school districts served by all the local educational agencies in the State for that fiscal year; and (B) 20 percent of such amount shall be allocated to such local educational agencies in accordance with the relative enrollments of children, aged 5 to 17, in public and private nonprofit elementary and secondary schools within the boundaries of such agencies.

(2) Notwithstanding paragraph (1), if the award to a local educational agency under this section is less than the starting salary for a new fully qualified teacher in that agency who is certified within the State (which may include certification through State or local alternative routes), has a baccalaureate degree, and demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in his or her content areas, that agency may use funds under this section to (A) help pay the salary of a full- or part-time teacher hired to reduce class size, which may be in combination with other Federal, State, or local funds; (B) pay for activities described in subsection (c)(2)(A)(iii) which may be related to teaching in smaller classes.

(c)(1) The basic purpose and intent of this section is to reduce class size with fully qualified teachers. Each local educational agency that receives funds under this section shall use such funds to carry out effective approaches to reducing class size with fully qualified teachers who are certified within the State, including teachers certified through State or local alternative routes, and who demonstrate competency in the areas in which they teach, to improve educational achievement for both regular and special needs children with particular consideration given to reducing class size in the early elementary grades for which some research has shown class size reduction is the most effective.

(2)(A) Each such local educational agency may use funds under this section for—

(i) recruiting (including through the use of signing bonuses and other financial incentives), hiring, and training fully qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both children with disabilities and non-disabled children) and teachers of special-needs children, who are certified within the State, including teachers certified through State or local alternative routes, have a baccalaureate degree and demonstrate the general knowledge required to teach in their content areas;

(ii) testing new teachers for academic content knowledge, and to meet State certification requirements that are consistent with title II of the Higher Education Act of 1965; and

(iii) providing professional development (which may include such activities as promoting

retention and mentoring) to teachers, including special education teachers and teachers of special-needs children, in order to meet the goal of ensuring that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively in the content area or areas in which they provide instruction, consistent with title II of the Higher Education Act of 1965.

(d)(1) Notwithstanding (c)(1), a local educational agency that has designed an educational program that is part of a local strategy for improving the educational achievement of all students, or that already has reduced class size in the early grades to 18 or less (or already has reduced class size to a State or local class size reduction goal that was in effect on the day before the enactment of the Department of Education Appropriations Act, 2000, if that State or local educational agency goal is 20 or fewer children), may use funds—

- (i) to make further class size reductions in grades kindergarten through 3;
- (ii) to reduce class size in other grades;
- (iii) to carry out activities to improve teacher quality, including professional development; and
- (iv) to carry out other activities authorized under title VI of the Elementary and Secondary Education Act of 1965.

(e)(1) Each State receiving funds under this section shall report on activities in the State under this section, consistent with section 6202(1)(2) of the Elementary and Secondary Education Act of 1965.

(2) Each State and local educational agency receiving funds under this section shall publicly report to parents on its progress in reducing class size, increasing the percentage of classes of core academic areas taught by fully qualified teachers who are certified within the State and demonstrate competency in the content areas in which they teach as defined by the State, on the impact that hiring additional highly qualified teachers and reducing class size has had, if any, on increasing student achievement as defined by the State or student performance as defined by the State and on the impact that the locally defined program has had, if any, on increasing student achievement as defined by the State or student performance as defined by the State.

(f) Each such agency shall use funds under this section only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this section.

(g) Administrative expenses.—A local educational agency that receive funds under this section may use not more than 3 percent of such funds for local administrative expenses.

(h) Request for funds.—Each local educational agency that desires to receive funds under this section shall include in the application required under section 6303 of the Elementary and Secondary Education Act of 1965 a description of the agency's program to reduce class size by hiring additional highly qualified teachers and the agency's proposed educational program that is part of its local strategy for improving educational achievement for all students.

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RURAL EDUCATION ASSISTANCE

SEC. ____ RURAL EDUCATION,

Part J of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8271 et seq.) is amended to read as follows:

PART J - RURAL EDUCATION INITIATIVE

SEC. 10951. SHORT TITLE.

This part may be cited as the 'Rural Education Initiative Act'.

SEC. 10952. FINDINGS.

Congress finds the following:

(1) The National Center for Educational Statistics reports that 46 percent of our Nation's public schools serve rural areas.

(2) While there are rural education initiatives identified at the State and local level, no Federal education policy focuses on the specific and unique needs of rural school districts and schools. *Is this true?*

✓ (3) Small school districts often cannot use Federal grant funds distributed by formula because the formula allocation does not provide enough revenue to carry out the program the grant is intended to fund.

✓ (4) Rural schools often cannot compete for Federal funding distributed by competitive grants because the schools lack the personnel needed to prepare grant applications and the resources to hire specialists in the writing of Federal grant proposals.

(5) A critical problem for rural school districts involves the hiring and retention of qualified administrators and certified teachers (especially in reading, science, and mathematics). As a result, teachers in rural schools are almost twice as likely to provide instruction in three or more subject areas than teachers in urban schools. Rural schools also face other tough challenges, such as shrinking local tax bases, high transportation costs, aging buildings, limited course offerings, and limited resources.

SEC. 10961. FORMULA GRANT PROGRAM AUTHORIZED.

(a) ALTERNATIVE USES -

(1) IN GENERAL - Notwithstanding any other provision of law, an eligible local educational agency may use the applicable funding, that the agency is eligible to receive from the State educational agency for a fiscal year, to support local or statewide

what eligible?

education reform efforts intended to improve the academic achievement of elementary school and secondary school students and the quality of instruction provided for the students.

(2) **NOTIFICATION** – An eligible local educational agency shall notify the State educational agency of the local educational agency's intention to use the applicable funding in accordance with paragraph (1) not later than a date that is established by the State educational agency for the notification.

(b) ELIGIBILITY –

(1) **IN GENERAL** – A local educational agency shall be eligible to use the applicable funding in accordance with subsection (a) if –

(A)(i) the total number of students in average daily attendance at all of the schools served by the local educational agency is less than 600; and

(ii) all of the schools served by the local educational agency are located in a community with a Rural-Urban Continuum Code of 6, 7, 8, or 9, as determined by the Secretary of Agriculture; or

(B) the agency meets the criteria established in subparagraph (A)(i) and the Secretary, in accordance with paragraph (2), grants the local educational agency's request to waive the criteria described in subparagraph (A)(ii).

(2) **CERTIFICATION** – The Secretary shall determine whether or not to waive the criteria described in paragraph (1)(A)(ii) based on certification provided by the local educational agency, or the State educational agency on behalf of the local educational agency, that the local educational agency is located in an area defined as rural by a governmental agency of the State.

(c) **APPLICABLE FUNDING** – In this section, the term 'applicable funding' means funds provided under each of titles II, IV, VI, parts A and C of title VII, and part I of title X.

(d) **DISBURSAL** – Each State educational agency that receives applicable funding for a fiscal year shall disburse the applicable funding to local educational agencies for alternative uses under this section for the fiscal year at the same time that the State educational agency disburses the applicable funding to local educational agencies that do not intend to use the applicable funding for such alternative uses for the fiscal year.

(e) **SUPPLEMENT NOT SUPPLANT** – Funds used under this section shall be used to supplement and not supplant any other Federal, State, or local education funds that would otherwise be available for the purpose of this part.

(f) **SPECIAL RULE** – References in Federal law to funds for the provisions of law set forth in subsection (c) may be considered to be references to funds for this section.

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SEC. 10962. PROGRAM AUTHORIZED.

(a) **IN GENERAL** – The Secretary is authorized to award grants to eligible local educational agencies to enable the local educational agencies to support local or statewide education reform efforts intended to improve the academic achievement of elementary school and secondary school students and the quality of instruction provided for the students.

need to be more specific?

(b) **ELIGIBILITY** –

(1) **IN GENERAL** – A local educational agency shall be eligible to receive a grant under this section if –

(A)(i) the total number of students in average daily attendance at all of the schools served by the local educational agency is less than 600; and

(ii) all of the schools served by the local educational agency are located in a community with a Rural –Urban Continuum Code of 6, 7, 8, or 9, as determined by the Secretary of Agriculture; or

(B) the agency meets the criteria established in subparagraph (A)(i) and the Secretary, in accordance with paragraph (2), grants the local educational agency's request to waive the criteria described in subparagraph (A)(ii).

(2) **CERTIFICATION** – The Secretary shall determine whether or not to waive the criteria described in paragraph (1)(A)(ii) based on certification provided by the local educational agency, or the State educational agency on behalf of the local educational agency, that the local educational agency is located in an area defined as rural by a governmental agency of the State.

(c) **ALLOCATION** –

(1) **IN GENERAL** – Except as provided in paragraph (3), the Secretary shall award a grant to an eligible local educational agency for a fiscal year in an amount equal to the initial amount determined under paragraph (2) for the fiscal year minus the total amount received under the provisions of law described under section 10961(c) for the preceding fiscal year.

(2) **DETERMINATION OF THE INITIAL AMOUNT** – The initial amount referred to in paragraph (1) is equal to \$100 multiplied by the total number of students, over 50 students, in average daily attendance in such eligible agency plus \$20,000, except that the initial amount may not exceed \$60,000.

(3) **RATABLE ADJUSTMENT** –

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(A) **IN GENERAL** - If the amount made available for this part for any fiscal year is not sufficient to pay in full the amounts that local educational agencies are eligible to receive under paragraph (1) for such year, the Secretary shall ratably reduce such amounts for such year.

(B) **ADDITIONAL AMOUNTS** - If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subparagraph (A) shall be increased on the same basis as such payments were reduced.

(4) CENSUS DETERMINATION -

(A) **IN GENERAL** - Each local educational agency desiring a grant under this section shall conduct a census not later than December 1 of each year to determine the number of kindergarten through grade 12 students in average daily attendance at the schools served by the local educational agency.

(B) **SUBMISSION** - Each local educational agency shall submit the number described in subparagraph (A) to the Secretary not later than March 1 of each year.

(d) **DISBURSAL** - The Secretary shall disburse the funds awarded to a local educational agency under this section for a fiscal year not later than July 1 of that year.

(e) **SUPPLEMENT NOT SUPPLANT** - Funds made available under this section shall be used to supplement and not supplant any other Federal, State or local education funds.

SEC. 10963. ACCOUNTABILITY.

(a) ACADEMIC ACHIEVEMENT -

(1) **IN GENERAL** - Each local educational agency that uses or receives funds under section 10961 or 10962 for a fiscal year shall administer an assessment consistent with section 1111 of title I.

(2) **SPECIAL RULE** - Each local educational agency that uses or receives funds under section 10961 or 10962 shall use the same assessment described in paragraph (1) for each year of participation in the program under such section.

(b) STATE EDUCATIONAL AGENCY DETERMINATION REGARDING CONTINUING PARTICIPATION - Each State educational agency that receives funding under the provisions of law described in section 10961(c) shall -

(1) after the second year that a local educational agency participates in a program under section 10961 or 10962 and on the basis of the results of the assessments described in subsection (a), determine whether the students served by the local educational agency participating in the program performed in accordance with section 1111 of title I; and

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(2) only permit those local educational agencies that so participated and met the requirements of section 1111(b)(2) of title I to continue to so participate.

SEC. 10981. DEFINITION.

For the purposes of this part, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 10982. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part \$62,500,000 for fiscal year 2001 and such sums as may be necessary for each of four succeeding fiscal years.

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U.L.C.

AMENDMENT TO H.R. 4504

OFFERED BY MR. KILDEE

At the end of the bill, add the following new section:

1 SEC. 8. ADDITIONAL AMENDMENT.

2 Section 117(i) of the Carl D. Perkins Vocational and

3 Technical Education Act of 1998 (20 U.S.C. 2327(i)) is

4 amended by inserting "such sums as may be necessary" *for*

5 before "each of the 4 succeeding fiscal years."

*Check language.
bill language.*

May 24, 2000 (8:43 PM)

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Public School Choice

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

TITLE III-DEPARTMENT OF EDUCATION

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965, and section 418A of the Higher Education Act of 1965, \$8,700,986,000, of which \$8,666,586,000 shall become available on July 1, 2000, and shall remain available through September 30, 2001, and of which \$6,204,763,000 shall become available on October 1, 2000 and shall remain available through September 30, 2001, for academic year 2000-2001: *Provided*, That \$6,783,000,000 shall be available for basic grants under section 1124: *Provided further*, That \$134,000,000 shall be allocated among the States in the same proportion as funds are allocated among the States under section 1122, to carry out section 1116(c): *Provided further*, That 100 percent of these funds shall be allocated to local educational agencies for the purposes of carrying out section 1116(c) and that local educational agencies shall provide: *Provided further*, That all local educational agencies receiving an allocation under the preceding proviso, and all other local educational agencies that are within a State that receives funds under part A of title I of the Elementary and Secondary Education Act of 1965 (other than a State receiving a minimum grant under section 1124(d) or 1124A(a)(1)(A) of such Act), shall provide all students enrolled in a school identified under section 1116(c) with the option to transfer to another public school within the local educational agency, including a public charter school, that has not been identified for school improvement under section 1116(c): *Provided further*, That if the local educational agency demonstrates to the satisfaction of the State educational agency that the local educational agency lacks the capacity to provide all students with the option to transfer to another public school, and after giving notice to the parents of children affected that it is not possible, consistent with State and local law, to accommodate the transfer request of every student, the local educational agency shall permit as many students as possible (who shall be selected by the local educational agency on an equitable basis) to transfer to a public school that has not been identified for school improvement under section 1116(c): *Provided further*, That up to \$3,500,000 of

all T.I
choice

that have
been around
for years?

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Charter Schools

1 SEC. ____ (a) Part U of title X of the Elementary
2 and Secondary Education Act of 1965 (20 U.S.C. 8061
3 et seq.) is amended—

4 (1) by inserting after the part heading the fol-
5 lowing:

6 "Subpart 1—Basic Charter School Grant Program";

7 and

8 (2) by adding at the end the following:

9 "Subpart 2—Credit Enhancement Initiatives to Assist
10 Charter School Facility Acquisition, Construc-
11 tion, and Renovation

12 "SEC. 10321. PURPOSE.

13 "The purpose of this subpart is to provide one-time
14 grants to eligible entities to permit them to demonstrate
15 innovative credit enhancement initiatives that assist char-
16 ter schools to address the cost of acquiring, constructing,
17 and renovating facilities.

18 "SEC. 10322. GRANTS TO ELIGIBLE ENTITIES.

19 "(a) IN GENERAL.—The Secretary shall use 100 per-
20 cent of the amount appropriated under section 10331 to
21 award not less than 3 grants to eligible entities having
22 applications approved under this subpart to demonstrate
23 innovative methods of assisting charter schools to address
24 the cost of acquiring, constructing, and renovating facili-

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1 ties by enhancing the availability of loans or bond financ-
2 ing.

3 “(b) GRANTEE SELECTION.—The Secretary shall
4 evaluate each application submitted, and shall make an
5 initial determination of which are sufficient to merit ap-
6 proval and which are not. The Secretary shall award at
7 least one grant to an eligible entity described in section
8 10330(2)(A), at least one grant to an eligible entity de-
9 scribed in section 10330(2)(B), and at least one grant to
10 an eligible entity described in section 10330(2)(C), if ap-
11 plications are submitted that permit the Secretary to do
12 so without approving an application that is not of suffi-
13 cient quality to merit approval.

14 “(c) GRANT CHARACTERISTICS.—Grants under this
15 subpart shall be of a sufficient size, scope, and quality so
16 as to ensure an effective demonstration of an innovative
17 means of financing charter school acquisition, construc-
18 tion, or renovation.

*de reg.
fund new
construction?*

19 “SEC. 10329. APPLICATIONS.

20 “(a) IN GENERAL.—In order to receive a grant under
21 this subpart for a fiscal year, an eligible entity shall sub-
22 mit to the Secretary an application for such year in such
23 form as the Secretary may reasonably require.

24 “(b) CONTENTS.—An application under subsection
25 (a) shall contain—

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1 "(1) a statement identifying the activities pro-
2 posed to be undertaken with funds received under
3 this subpart;

4 "(2) a statement explaining the potential for
5 the proposed activities to be broadly expanded or
6 replicated and disseminated;

7 "(3) assurances of the involvement of charter
8 schools in the application's development and the de-
9 sign of the proposed activities;

10 "(4) assurances that the applicant possesses ex-
11 pertise in capital market financing;

12 "(5) assurances that the proposed activities will
13 leverage the maximum amount of private sector fi-
14 nancing capital relative to the amount of government
15 funding used and otherwise enhance credit available

16 to charter schools; and

17 "(6) assurances that the applicant possesses
18 sufficient expertise in education in order to evaluate
19 the likelihood of success of a charter school program
20 for which facilities financing is sought,

21 **"SEC. 10324. CHARTER SCHOOL OBJECTIVES.**

22 "An eligible entity receiving a grant under this sub-
23 part shall use the funds deposited in the reserve account
24 established under section 10325(a) to access private sector

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1 capital in order to assist one or more charter schools to
2 accomplish one or both of the following objectives:

3 “(1) The acquisition (by purchase, lease, dona-
4 tion, or otherwise) of an interest (including an inter-
5 est held by a third party for the benefit of a charter
6 school) in improved or unimproved real property
7 that is necessary to commence or continue the oper-
8 ation of a charter school.

9 “(2) The construction of new facilities, or the
10 renovation, repair, or alteration of existing facilities,
11 necessary to commence or continue the operation of
12 a charter school.

13 “SEC. 10325. RESERVE ACCOUNT.

14 “(a) USE OF FUNDS.—To assist charter schools to
15 accomplish the objectives described in section 10324, an

16 ~~eligible entity receiving a grant under this subpart shall,~~
17 in accordance with State and local law, directly or indi-
18 rectly, alone or in collaboration with others, deposit the
19 funds received under this subpart (other than funds used
20 for administrative costs in accordance with section 10326)
21 in a reserve account established and maintained by the
22 entity for this purpose. Amounts deposited in such account
23 shall be used by the entity for one or more of the following
24 purposes:

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1 ministrative costs of carrying out its responsibilities under
2 this subpart.

3 "SEC. 10327. AUDITS AND REPORTS.

4 "(a) FINANCIAL RECORD MAINTENANCE AND
5 AUDIT.—The financial records of each eligible entity re-
6 ceiving a grant under this subpart shall be maintained in
7 accordance with generally accepted accounting principles
8 and shall be subject to an annual audit by an independent
9 public accountant.

10 "(b) REPORTS.—

11 "(1) GRANTEE ANNUAL REPORTS.—Each eligi-
12 ble entity receiving a grant under this subpart annu-
13 ally shall submit to the Secretary a report of its op-
14 erations and activities under this subpart.

15 "(2) CONTENTS.—Each such annual report
16 shall include—

17 "(A) a copy of the most recent financial
18 statements, and any accompanying opinion on
19 such statements, prepared by the independent
20 public accountant reviewing the financial
21 records of the eligible entity;

22 "(B) a copy of any report made on an
23 audit of the financial records of the eligible en-
24 tity that was conducted under subsection (a)
25 during the reporting period;

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1 “(1) Guaranteeing, insuring, and reinsuring
2 bonds, notes, evidences of debt, loans, and interests
3 therein, the proceeds of which are used for an objec-
4 tive described in section 10324.

5 “(2) Guaranteeing and insuring leases of per-
6 sonal and real property for an objective described in
7 section 10324.

8 “(3) Identifying potential lending sources, en-
9 couraging private lending, and other similar activi-
10 ties that directly promote lending to or for the ben-
11 efit of charter schools.

12 “(4) Facilitating the issuance of bonds by char-
13 ter schools or by other public entities for the benefit
14 of charter schools by providing technical, administra-
15 tive, and other appropriate assistance (including the
16 recruitment of bond counsel, underwriters, and po-
17 tential investors and the consolidation of multiple
18 charter school projects within a single bond issue).

19 “(b) REINVESTMENT OF EARNINGS.—Any earnings
20 on funds received under this subpart shall be deposited
21 in the reserve account established under subsection (a)
22 and used in accordance with such subsection.

23 “SEC. 10326. LIMITATION ON ADMINISTRATIVE COSTS.

24 “An eligible entity may use not more than 0.25 per-
25 cent of the funds received under this subpart for the ad-

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1 “(O) an evaluation by the eligible entity of
2 the effectiveness of the Federal funds provided
3 under this subpart in leveraging private funds;

4 “(D) a description of the number of char-
5 ter schools served during the reporting period;
6 and

7 “(E) a description of the characteristics of
8 lenders and other financial institutions partici-
9 pating in the activities undertaken by the eligi-
10 ble entity under this subpart during the report-
11 ing period.

12 “(3) SECRETARIAL REPORT.—The Secretary
13 shall review the reports submitted under paragraph
14 (1) and shall provide a comprehensive annual report
15 to the Congress on the activities conducted under
16 this subpart.

17 “SEC. 10326. NO FULL FAITH AND CREDIT FOR GRANTEE
18 OBLIGATIONS.

19 “No financial obligation of an eligible entity entered
20 into pursuant to this subpart (such as an obligation under
21 a guarantee, bond, note, evidence of debt, or loan) shall
22 be an obligation of, or guaranteed in any respect by, the
23 United States. The full faith and credit of the United
24 States is not pledged to the payment of funds which may

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1 he required to be paid under any obligation made by an
2 eligible entity pursuant to any provision of this subpart.
3 "SEC. 10329. RECOVERY OF FUNDS.

4 "(a) IN GENERAL.—The Secretary, in accordance
5 with chapter 37 of title 31, United States Code, shall
6 collect—

7 "(1) all of the funds in a reserve account estab-
8 lished by an eligible entity under section 10325(a) if
9 the Secretary determines, not earlier than 2 years
10 after the date on which the entity first received
11 funds under this subpart, that the entity has failed
12 to achieve at least one of the purposes described in
13 section 10325(a); or

14 "(2) all or a portion of the funds in a reserve
15 account established by an eligible entity under sec-
16 tion 10325(a) if the Secretary determines that the
17 eligible entity has permanently ceased to use all or
18 a portion of the funds in such account to accomplish
19 any purpose described in section 10325(a).

20 (b) PROCEDURES.—The provisions of sections 451,
21 452, and 458 of the General Education Provisions Act (20
22 U.S.C. 1234 et seq.) shall apply to the recovery of funds
23 under subsection (a).

24 (c) CONSTRUCTION.—This section shall not be con-
25 strued to impair or affect the authority of the Secretary

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9

1 to recover funds under part D of the General Education
2 Provisions Act (20 U.S.C. 1234 et seq.).

3 **"SEC. 10330. DEFINITIONS.**

4 "In this subpart;

5 "(1) The term 'charter school' has the meaning
6 given such term in section 10310.

7 "(2) The term 'eligible entity' means—

8 "(A) a public entity;

9 "(B) a private nonprofit entity; or

10 "(C) a consortium of entities described in
11 subparagraphs (A) and (B).

12 **"SEC. 10331. AUTHORIZATION OF APPROPRIATIONS.**

13 "For the purpose of carrying out this subpart, there
14 are authorized to be appropriated \$100,000,000 for fiscal
15 year 2001."

16 ~~(b) Part C of title X of the Elementary and Sec-~~
17 ~~ondary Education Act of 1965 (20 U.S.C. 8061 et seq.)~~
18 ~~is amended in each of the following provisions by striking~~
19 ~~"part" each place such term appears and inserting "sub-~~
20 ~~part":~~

21 (1) Sections 10301 through 10305.

22 (2) Section 10307.

23 (3) Sections 10309 through 10311.

Middle

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1 SEC. ———. (a) Section 435(a)(2) of the Higher
2 Education Act of 1965 (20 U.S.C. 1085(a)(2)) is amended
3 by adding at the end thereof the following new subpara-
4 graph:

5 “(D) Notwithstanding the first sentence of subpara-
6 graph (A), the Secretary shall restore the eligibility to par-
7 ticipate in a program under subpart 1 of part A, part B,
8 or part D of an institution that did not appeal its loss
9 of eligibility within 30 days of receiving notification if the
10 Secretary determines, on a case-by-case basis, that the in-
11 stitution's failure to appeal was substantially justified
12 under the circumstances, and that—

13 “(i) the institution made a timely request that
14 the appropriate guaranty agency correct errors in
15 the draft data used to calculate the institution's co-
16 hort default rate;

17 “(ii) the guaranty agency did not correct the er-
18 roneous data in a timely fashion; and

19 “(iii) the institution would have been eligible if
20 the erroneous data had been corrected by the guar-
21 anty agency.”.

22 (b) The amendment made by subsection (a) of this
23 section shall be effective for cohort default rate calcula-
24 tions for fiscal year 1997 and for each succeeding fiscal
25 year.

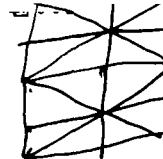
October 11, 2000
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Education
"Part B of the Individual with Disabilities Act is hereby amended by adding a new section 620 which reads as follows:

Children with disabilities who are home-schooled shall not be prohibited from having access to programs and services under this Act whether or not their home school is treated as a private school or home school under state law."

Homeschoolers / IDEA





THE WHITE HOUSE

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