

106TH CONGRESS
1ST SESSION

H. R. 2725

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

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1999

Mr. BARRETT of Nebraska (for himself, Mr. POMEROY, Mr. PETRI, Mr. BALDACCII, Mr. THUNE, and Mr. MINGE) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To provide for a rural education initiative, 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. RURAL EDUCATION.**

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

7 **PART J—RURAL EDUCATION INITIATIVE**

8 **“SEC. 10971. SHORT TITLE.**

9 “This part may be cited as the “Rural Education Ini-
10 tiative Act”.

1 **“SEC. 10972. FINDINGS.**

2 “Congress makes the following findings:

3 “(1) Under Federal law there is no consistent
4 definition of rural schools.

5 “(2) Rural school districts do not benefit as
6 much as the school districts could from Federal edu-
7 cation funding because the unique needs of rural
8 school districts do not necessarily fit the categorical
9 Federal formula programs.

10 “(3) Rural schools often cannot compete for
11 Federal funding distributed by competitive grants
12 because the schools lack the personnel needed to
13 prepare grant applications and the resources to hire
14 specialists in the writing of Federal grant proposals.

15 “(4) Small school districts with fewer than 600
16 students often cannot use Federal grant funds dis-
17 tributed by formula because the formula allocation
18 does not provide enough revenue to carry out the
19 program the grant is intended to fund.

20 **“SEC. 10973. FORMULA GRANT PROGRAM AUTHORIZED.**

21 “(a) ALTERNATIVE USES.—

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

1 cation reform efforts intended to improve the
2 achievement of elementary school and secondary
3 school students and the quality of instruction pro-
4 vided for the students.

5 “(2) NOTIFICATION.—An eligible local edu-
6 cational agency shall notify the State educational
7 agency of the local educational agency’s intention to
8 use the applicable funding in accordance with para-
9 graph (1) not later than a date that is established
10 by the State educational agency for the notification.

11 “(b) ELIGIBILITY.—A local educational agency shall
12 be eligible to use the applicable funding in accordance with
13 subsection (a) if—

14 “(1) the total number of students in average
15 daily attendance at all of the schools served by the
16 local educational agency is less than 600; and

17 “(2) all of the schools served by the local edu-
18 cational agency are located in a community with a
19 Rural-Urban Continuum Code of 6, 7, 8, or 9, as
20 determined by the Secretary of Agriculture.

21 “(c) APPLICABLE FUNDING.—In this section, the
22 term “applicable funding” means funds provided under
23 each of the following provisions of law:

24 “(1) Section 307 of the Department of Edu-
25 cation Appropriations Act, 1999.

1 “(2) Titles II, IV, and VI.

2 “(d) DISBURSAL.—Each State educational agency
3 that receives applicable funding for a fiscal year shall dis-
4 burse the applicable funding to local educational agencies
5 for alternative uses under this section for the fiscal year
6 at the same time that the State educational agency dis-
7 burses the applicable funding to local educational agencies
8 that do not intend to use the applicable funding for such
9 alternative uses for the fiscal year.

10 “(e) SUPPLEMENT NOT SUPPLANT.—Funds made
11 available under this section shall be used to supplement
12 and not supplant any other Federal, State or local edu-
13 cation funds.

14 “(f) SPECIAL RULE.—References in Federal law to
15 funds for the provisions of law set forth in subsection (c)
16 may be considered to be references to funds for this sec-
17 tion.

18 **“SEC. 10974. PROGRAM AUTHORIZED.**

19 “(a) IN GENERAL.—The Secretary is authorized to
20 award grants to eligible local educational agencies to en-
21 able the local educational agencies to support local or
22 statewide education reform efforts intended to improve the
23 achievement of elementary school and secondary school
24 students and the quality of instruction provided for the
25 students.

1 “(b) ELIGIBILITY.—A local educational agency shall
2 be eligible to receive a grant under this section if—

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

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

10 “(2) the Secretary grants the local educational
11 agency’s request to waive the criteria described in
12 paragraph (1).

13 “(c) AMOUNT.—

14 “(1) IN GENERAL.—The Secretary shall award
15 a grant to a local educational agency under this sec-
16 tion for a fiscal year in an amount equal to the
17 amount determined under paragraph (2) for the fis-
18 cal year minus the total amount received under the
19 provisions of law described under section 10973(c)
20 for the fiscal year.

21 “(2) DETERMINATION.—The amount referred
22 to in paragraph (1) is as follows:

23 “(A) If the number of children in average
24 daily attendance at the schools served by such

1 agency is greater than 0 and less than 50, then
2 the amount is \$20,000.

3 “(B) If the number of such children is
4 greater than or equal to 50 and less than 150,
5 then the amount is \$30,000.

6 “(C) If the number of such children is
7 greater than or equal to 150 and less than 300,
8 then the amount is \$40,000.

9 “(D) If the number of such children is
10 greater than or equal to 300 and less than 450,
11 then the amount is \$50,000.

12 “(E) If the number of such children is
13 greater than or equal to 450 and less than 600,
14 then the amount is \$60,000.

15 “(3) CENSUS DETERMINATION.—

16 “(A) IN GENERAL.—Each local educational
17 agency desiring a grant under this section shall
18 conduct a census not later than December 1 of
19 each year to determine the number of kinder-
20 garten through grade 12 students in average
21 daily attendance at the schools served by the
22 local educational agency.

23 “(B) SUBMISSION.—Each local educational
24 agency shall submit the number described in

1 subparagraph (A) to the Secretary not later
2 than March 1 of each year.

3 “(4) PENALTY.—If the Secretary determines
4 that a local educational agency has knowingly sub-
5 mitted false information under paragraph (3) for the
6 purpose of gaining additional funds under this sec-
7 tion, then the local educational agency shall be fined
8 an amount equal to twice the difference between the
9 amount the local educational agency received under
10 this section, and the correct amount the local edu-
11 cational agency would have received under this sec-
12 tion if the agency had submitted accurate informa-
13 tion under paragraph (3).

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

17 “(e) SUPPLEMENT NOT SUPPLANT.—Funds made
18 available under this section shall be used to supplement
19 and not supplant any other Federal, State or local edu-
20 cation funds.

21 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to carry out this section
23 such sums as may be necessary for each of fiscal years
24 2000 through 2004.

1 **“SEC. 10975. ACCOUNTABILITY.**

2 “(a) **ACADEMIC ACHIEVEMENT.**—

3 “(1) **IN GENERAL.**—Each local educational
4 agency that uses or receives funds under section
5 10973 or 10974 for a fiscal year shall—

6 “(A) administer a test, that is used State-
7 wide, to assess the academic achievement of
8 students in the schools served by the local edu-
9 cational agency; or

10 “(B) in the case of a local educational
11 agency for which there is no Statewide test de-
12 scribed in subparagraph (A), administer a test,
13 that is selected by the local educational agency,
14 to assess the academic achievement of students
15 in the schools served by the local educational
16 agency.

17 “(2) **SPECIAL RULE.**—Each local educational
18 agency that uses or receives funds under section
19 10973 or 10974 shall use the same test described in
20 paragraph (1) for each year of participation in the
21 program under such section.

22 “(b) **STATE EDUCATIONAL AGENCY DETERMINATION**
23 **REGARDING CONTINUING PARTICIPATION.**—Each State
24 educational agency that receives funding under the provi-
25 sions of law described in section 10973(c) shall—

1 “(1) after the 5th year that a local educational
2 agency participates in a program under section
3 10973 or 10974 and on the basis of the results of
4 the tests described in subsection (a), determine
5 whether the students served by the local educational
6 agency participating in the program performed bet-
7 ter on the tests after the 5th year of the participa-
8 tion compared to the results on the tests after the
9 1st year of the participation;

10 “(2) only permit those local educational agen-
11 cies that so participated and performed better on the
12 tests to continue to so participate for an additional
13 period of 5 years; and

14 “(3) prohibit those local educational agencies
15 that so participated and did not perform better on
16 the tests from such participation for a period of 5
17 years from the date of the determination.”.

○

*from
We Care*

I. Issue: Rural Education Initiative Act

II. Status: **H.R. 2725** Original supporters include: Barrett, R-Neb.; Pomeroy, D-N.D.; Petri, R-Wisc.; Baldacci, D-Maine; Thune, R-S.D.; Minge, D-Minn.
S. 1225 Original Supporters include: Collins, R-Maine; Gregg, R-N.H.; Conrad, D-N.D.; Burns, R-Mont.; Kerrey, D-Neb.; Hagel, R-Neb.; Hutchinson, R-Ark.; and Grams, R-Minn.

For both bills, additional co-sponsors are actively being sought. House Education and the Workforce Chairman William Goodling, R-Pa., has included the rural education proposal in his bill re-authorizing Title I of the Elementary and Secondary Education Act (ESEA). Senate Health, Education, Labor and Pensions Committee Chairman Jim Jeffords, R-Vt., is considering including the proposal in his ESEA re-authorization bill.

III. Background:

A. Policy: While there is a rural education title in the current Elementary and Secondary Education Act, the language is very weak and it has never been funded. Since one third of America's public schools are in districts with less than 600 students, AASA and AAESA spearheaded an effort to establish a separate funding stream for these small, rural schools. We acted because we know many federal formula programs and grants either never trickle to small/rural schools, or there isn't enough money to make an impact.

These bills would allow small (less than 600 students) districts in rural communities (using the Beal County Codes of 6-9) to apply for this new program. The district could combine through Title II, Title IV, Title VI and the new Class-size Reduction Act into one pool and then depending on the House or Senate version, either receive an amount up to the cap (House bill), or receive the same amount and be excluded from applying for several ESEA grant programs (Senate bill). See background materials in your We Care folder for more information, including Frequently Asked Questions and a list of grassroots supporters of the proposal.

B. Politics: With support for the Rural Education Initiative Act increasing on the Hill, the biggest concern we have is to convince non-rural members of Congress that this is a bill they should be supporting. The estimate for funding the program is \$70-100 million, a relatively small amount by Washington standards. Since these funds do not decrease the levels of other federal education programs, the new rural bill would only strengthen public education, not diminish it in any way.

IV. AASA Position: Never before in Washington has the rural education voice been as loud as it is this year. Besides the AASA/AAESA initiated proposal, several other bills that have been introduced for rural schools: teacher recruitment, direct funding, and low interest housing loans. While AASA and AAESA support many of these bills, the Rural Education Initiative Act is the bill in motion with the most grassroots support and Hill interest.

MESSAGE: Talk to your elected officials, whether urban, suburban or rural, and stress the importance of all school districts receiving federal funds for improved student achievement among all children no matter where they live. Ask your House member to co-sponsor H.R. 2725; ask both of your Senators to co-sponsor S. 1225. Cosponsors are needed, because they result in votes. See the Capital Hill Call-in Day flier for additional details.



American Association of School Administrators

Rural Education Initiative Talking Points

What is the purpose of the Rural Education Initiative (REI)?

The purpose of this proposal is to provide rural school districts with the funding and the flexibility they need *to enhance proficiency in reading and math education for students with the greatest needs*. In addition, this proposal addresses the current inability of federal education programs to address the unique needs of rural districts that cannot compete for grants and cannot accurately portray the number of students living in poverty. Even when a high percentage of students are poor, the number of students is often too low to attract sufficient funds to operate programs.

This proposal would also address another principal problem rural school districts face, *attracting and retaining quality teachers*. Smaller districts would receive increased federal funding, which could be used to hire new teachers. Funds may be used to purchase services from the best practices and sources available. School districts may use part or all of the funds in a cooperative manner.

Finally, this proposal is designed to address the problems small rural high schools have in *offering advanced placement or honors courses*, by providing the funds and the flexibility to use distance learning opportunities. One measure of accountability for high schools in the program is to increase participation in higher-level math and language arts programs.

Who is served by the Rural Education Initiative?

School districts that:

- 1) Have fewer than 600 students enrolled, and
- 2) Have a USDA rural-urban continuum code of 6 or greater.

What are the Rural-Urban continuum codes?

The rural-urban continuum codes, commonly referred to as Beale codes, are used by the United States Department of Agriculture to judge how relatively rural or urban a county is. Beale Codes range from 0 to 9, with 0 being most urban and 9 being most rural.

Why are the Beale codes included in the bill?

Small urban schools do not face the same problems as small rural schools. In order to target schools that are both rural and small, there needed to be a method of identifying rural schools. Unfortunately, there is no consistent way of identifying or defining "rural" in ESEA. However, the Beale code system, which classifies counties rather than schools, provided an alternative. It is the best and most complete rural county classification system currently available.

Why is the program limited to small school districts instead of helping all rural schools?

Federal formulas often neglect very small school districts. Because the formulas allocate funds on a per-pupil basis, the sums received by small districts are often so small that little or nothing can be done. In some cases the districts do not even collect the formula allocation because it is not worth the paperwork and effort for such a small sum of money.

The solution in the past has been to allow small school districts to join consortia and share resources with other schools. While this is a good alternative for small *urban* schools, *rural* schools are frequently too far apart for a consortium to be a viable solution.

The primary purpose of REI is to assist districts that are facing *both* the problems associated with running a small district and the problems found with being rural. While all rural schools could certainly use more federal assistance, REI addresses a very specific problem with the current formula allocations; it provides a solution for districts that are small enough to need consortia but too rural to have a neighboring district nearby.

What does REI entitle eligible districts to do?

Eligible districts would be allowed to commingle the money they receive through Title II, Title IV, Title VI, and the Class Size Reduction program. Districts would be allowed to use the money however they see fit. Potential uses include: Teacher hiring, distance learning programs, professional development, reading specialists, teacher signing bonuses and many more.

If eligible districts do not receive enough through the four formulas to reach the REI defined appropriate federal allocation, the district would receive an additional "rural minimum-allocation grant" to boost them up to that level.

How many districts are eligible for the program?

Approximately 3200 school districts would benefit from the proposal.

How much can those rural districts expect to benefit from REI?

Although the final data is not yet available from CBO, initial polling of the AASA membership revealed increases ranging from 30% all the way up to 300%.

What is required of rural schools in exchange for the new flexibility and new funding?

The only demand made of schools is that they demonstrate improved math and reading scores. There are no spending requirements and no restrictions.

What happens if a school district would receive more money through the separate formulas than under the new combined program?

In the odd case where a district would be better off under the old system, it is free to continue applying for the separate formulas just as it has in the past. The Rural Education Initiative is completely optional. Local Education Agencies will decide on a year-by-year basis which system provides them with the most money and the most flexibility.

What happens if a school district is not "rural" according to the Beale codes, but upon inspection meets every definition of rural?

In some cases the Beale codes may inadequately describe a school district. It is possible a county may contain a very rural school district *and* a more urban area. If the county is large enough, those two areas could be very far apart, but the Beale code would have to summarize the county based on both areas. As a result, there are a few rural school districts that have Beale codes of 5 or higher. In such a circumstance, the State Education Agency has the authority to grant a waiver exempting the district from the Beale code requirement.

Is the Rural Education Initiative a block grant?

No, this is not a block grant for rural schools. This initiative is carefully targeted on school districts that are small and rural.

Unlike block grants the proposal also includes strong accountability measures. It provides equal educational opportunity to those students who attend schools in districts with fewer than 600 students by helping rural schools attract and maintain the resources necessary to deliver a high quality education.

Unlike block grants, this is an elective title and does not propose abolishing or reducing funding for other federal education programs. This proposal addresses the special needs of rural school districts in a fluid manner by providing adequate resources without being too prescriptive.

How is REI different from Ed-Flex?

Ed-Flex allows States to grant waivers for certain provisions in ESEA. It does not, however, let districts commingle the funds they receive from various formulas. Further, REI would only apply to targeted districts who all clearly need to be freed from certain restrictions.



American Association of School Administrators

Endorsers of the Rural, Small Schools Education Bill As of 9/20/99

State and National Organizations:

1. American Association of School Administrators
2. American Association of Educational Service Agencies
3. Arkansas Association of Educational Administrators
4. Arkansas Rural Education Association
5. Arizona Small & Rural Schools Association
6. California Small School Districts' Association
7. Colorado Association of Schools Executives, includes: Colo. Assoc. of Superintendents and Senior Administrators, Colo. Assoc. of Elementary and Secondary School Principals, Colo. Assoc. of School Personnel Administrators and others.
8. Illinois Association of School Administrators
9. Indiana Small and Rural Schools Association
10. School Administrators of Iowa
11. Kansas Association of School Administrators
12. The National Grange
13. National Rural Education Association
14. Nebraska Rural Community Schools Association
15. Maine School Superintendents Association
16. Minnesota Association of School Administrators
17. Missouri Association of Rural Schools
18. Montana Rural Education Association
19. Montana Association of County Superintendents
20. New York State Council of School Superintendents
21. New York State's Rural Schools Program
22. North Country Education Foundation, New Hampshire
23. Nebraska Association of School Administrators
24. Nevada Association of School Administrators
25. Office for Rural Education-Colorado State University
26. Oklahoma Association of Rural Education
27. Oklahoma Association of School Administrators
28. Organizations Concerned about Rural Education
29. Pennsylvania Association of Rural and Small Schools
30. South Carolina Association of Rural Education
31. Texas Association of School Administrators
32. Texas Association of Community Schools
33. Texas Rural Education Association
34. Washington Association of School Administrators
35. Wisconsin Schools Administrators Alliance, includes:
36. Wisconsin Association of School Districts Administrators: Association of Wis. School Administrators; Wis. Association of School Business Officials; and Wis. Council of Administrators of Special Services
37. Wisconsin Association of Cooperative Education Service Agencies Administrators

Local School Districts and Educational Service Agencies:**Arizona**

- 38. St. David Unified School District #21
- 39. Isaac Elementary School, Phoenix

Arkansas

- 40. Arkansas City School District
- 41. Biggers-Reyno School District
- 42. Turrell School District
- 43. Ouachita School District
- 44. Coming School District 8

California

- 45. Trinity County Office of Education
- 46. Lassen County Office of Education
- 47. Maple School District, Kern County
- 48. Colusa Unified School District
- 49. Coffee Creek School District
- 50. Monterey County Schools, Salinas
- 51. Lost Hills Union School District

Connecticut

- 52. Colebrook Consolidated School
- 53. Region One School District

Idaho

- 54. Teton School District 401, Driggs

Illinois

- 55. East Dubuque USD #3119
- 56. Nelson Elementary School, District #8, Lee County
- 57. Mt. Carroll District #304 School Board
- 58. Nauvoo-Colusa CUD #325

Iowa

- 59. Dows Community School District
- 60. Grant Wood Area Education Agency, Cedar Rapids

Kansas

- 61. Smoky Hill USD #302, Ransom
- 62. Wacon USD #272, Canker City
- 63. Southern Cloud USD #334, Glasco
- 64. USD #374, Sublette

Maine

- 65. Winthrop School Department
- 66. MSAD #62, Pownal

Massachusetts

- 67. Berlin-Boylston Public Schools

Michigan

- 68. Sodus Township School District #5
- 69. Mackinac Island Public School
- 70. Monroe Public Schools

- 71. Van Buren Intermediate School District, Lawrence

- 72. Kalamazoo Public Schools

Minnesota

- 73. ISD #676, Badger
- 74. Norman County East, Twin Valley
- 75. Nevis Public School District, 308
- 76. Inver Grove Heights Schools
- 77. Southwest/West Central Service Cooperatives, Marshall

Mississippi

- 78. Gulfport School District

Missouri

- 79. Franklin Co. R-II School

Montana

- 80. Bozeman Public Schools
- 81. Denton School District #84

Nebraska

- 82. Bridgeport Public School
- 83. Hebron Public Schools
- 84. Arthur County High School
- 85. Dodge Public Schools
- 86. Crawford Public Schools
- 87. Humphrey Public School District

New Jersey

- 88. Roosevelt Public School
- 89. Millville Public Schools

New York

- 90. Wayne-Finger Lakes BOCES, Newark
- 91. Tompkins-Seneca-Tioga BOCES, Ithaca

North Dakota

- 92. Willow City Public School District
- 93. Bowman Public Schools
- 94. Stanton School District

Ohio

- 95. Ashtabula Area City School District

Oklahoma

- 96. Agra Public School
- 97. Liberty School, Morris
- 98. Silo Public Schools, Durant
- 99. Roff Public Schools

Oregon

- 100. Region Nine Education Service District
- 101. Dufur school District #29
- 102. South Wasco Country School District #1, Maupin

South Dakota

- 103. Warner School District #6-5
- 104. Wilmot School District
- 105. Meade School District 46-1, Sturgis
- 106. Yankton School District 63-3
- 107. Milbank School District 25-4

Texas

- 108. Bryan Independent School District
- 109. San Angelo Independent School District
- 110. Brenhan Independent School District
- 111. El Paso Community College

Vermont

- 112. Rutland City Public Schools

Washington

- 113. Reardon-Edwall School District #9
- 114. Educational Service District 112, Vancouver

Wisconsin

- 115. Desoto Area School District
- 116. Linn Joint 6 School District, Lake Geneva
- 117. Shullsburg School District

Corporate Endorsers

- 118. G2 Educational Services, Inc., Arizona
- 119. Alonzo Hilton Shockley, Jr. Education Consultant, Pt. Jefferson Station, NY



FAX MESSAGE

Date: _____ Pages: (including this one) _____

To: Andy Rotherham

202-456-5581

MESSAGE

☐ FYI

☒ Per your request

Kari

See email too.

Sender: Kari M. Arfstrom, Project Director, Department of Public Affairs
American Association of School Administrators (AASA)
1801 North Moore St. Arlington, VA 22209
703-875-0759 -- Voice line 703-528-2146 -- Fax line karfstrom@aasa.org -- email

1 **TITLE VIII—RURAL EDUCATION**
2 **ASSISTANCE**

3 **SECTION 801. RURAL EDUCATION.**

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

7 **PART J—RURAL EDUCATION INITIATIVE**

8 **SEC. 10951. SHORT TITLE.**

9 This part may be cited as the “Rural Education Ini-
10 tiative Act of 1999”.

11 **SEC. 10952. FINDINGS.**

12 Congress finds the following:

13 (1) The National Center for Educational Statis-
14 tics reports that 46 percent of our Nation’s public
15 schools serve rural areas.

16 (2) While there are rural education initiatives
17 identified at the State and local level, no Federal
18 education policy focuses on the specific and unique
19 needs of rural school districts and schools.

20 (3) Small school districts often cannot use Fed-
21 eral grant funds distributed by formula because the
22 formula allocation does not provide enough revenue
23 to carry out the program the grant is intended to
24 fund.

1 (4) Rural schools often cannot compete for Fed-
2 eral funding distributed by competitive grants be-
3 cause the schools lack the personnel needed to pre-
4 pare grant applications and the resources to hire
5 specialists in the writing of Federal grant proposals.

6 (5) A critical problem for rural school districts
7 involves the hiring and retention of qualified admin-
8 istrators and certified teachers (especially in science
9 and mathematics). As a result, teachers in rural
10 schools are almost twice as likely to provide instruc-
11 tion in 3 or more subject area than teachers in
12 urban schools. Rural schools also face other tough
13 challenges, such as shrinking local tax bases, high
14 transportation costs, aging buildings, limited course
15 offerings, and limited resources.

16 **Subpart 1—Small and Rural School Program**

17 **SEC. 10961. FORMULA GRANT PROGRAM AUTHORIZED.**

18 (a) **ALTERNATIVE USES—**

19 (1) **IN GENERAL.**—Notwithstanding any other
20 provision of law, an eligible local educational agency
21 may use the applicable funding, that the agency is
22 eligible to receive from the State educational agency
23 for a fiscal year, to support local or statewide edu-
24 cation reform efforts intended to improve the aca-
25 demic achievement of elementary school and second-

1 ary school students and the quality of instruction
2 provided for the students.

3 (2) NOTIFICATION .—An eligible local edu-
4 cational agency shall notify the State educational
5 agency of the local educational agency's intention to
6 use the applicable funding in accordance with para-
7 graph (1) not later than a date that is established
8 by the State educational agency for the notification.

9 (b) ELIGIBILITY.—A local educational agency shall
10 be eligible to use the applicable funding in accordance with
11 subsection (a) if—

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

15 (B) all of the schools served by the local edu-
16 cational agency are located in a community with a
17 **Rural-Urban Continuum Code** of 6, 7, 8, or 9, as
18 determined by the **Secretary of Agriculture**; or

19 (2) the **Secretary** grants the local educational
20 agency's request to waive the criteria described in
21 paragraph (1).

22 (c) APPLICABLE FUNDING.—In this section, the term
23 “applicable funding” means funds provided under each of
24 the following provisions of law:

1 (1) Section 307 of the Department of Edu-
2 cation Appropriations Act, 1999.

3 (2) Titles II, IV, and VI.

4 (d) DISBURSAL.—Each State educational agency that
5 receives applicable funding for a fiscal year shall disburse
6 the applicable funding to local educational agencies for al-
7 ternative uses under this section for the fiscal year at the
8 same time that the State educational agency disburses the
9 applicable funding to local educational agencies that do
10 not intend to use the applicable funding for such alter-
11 native uses for the fiscal year.

12 (e) SUPPLEMENT NOT SUPPLANT.—Funds made
13 available under this section shall be used to supplement
14 and not supplant any other Federal, State or local edu-
15 cation funds.

16 (f) SPECIAL RULE.—References in Federal law to
17 funds for the provisions of law set forth in subsection (c)
18 may be considered to be references to funds for this sec-
19 tion.

20 **SEC. 10962. PROGRAM AUTHORIZED.**

21 (a) IN GENERAL.—The Secretary is authorized to
22 award grants to eligible local educational agencies to en-
23 able the local educational agencies to support local or
24 statewide education reform efforts intended to improve the
25 academic achievement of elementary school and secondary

1 school students and the quality of instruction provided for
2 the students.

3 (b) ELIGIBILITY.—A local educational agency shall
4 be eligible to receive a grant under this section if—

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

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

12 (2) the Secretary grants the local educational
13 agency's request to waive the criteria described in
14 paragraph (1). **【Any qualifications for a waiver-**
15 **guidelines for the Secretary?】**

16 (c) ALLOCATION.—

17 (1) IN GENERAL.—~~Except as provided in para-~~
18 ~~graph (4), the Secretary shall award a grant to an~~
19 ~~eligible local educational agency for a fiscal year in~~
20 ~~an amount equal to the initial amount determined~~
21 ~~under paragraph (2) for the fiscal year minus the~~
22 ~~total amount received under the provisions of law~~
23 ~~described under section 10961(c) for the fiscal year.~~

24 (2) DETERMINATION OF THE INITIAL
25 AMOUNT.—Except as provided in paragraph (3), the

1 initial amount referred to in paragraph (1) is equal
2 to \$100 multiplied by the total number of students
3 in average daily attendance in such eligible agency.

4 (3) MINIMUM AMOUNT.—Notwithstanding sub-
5 section (2), the initial amount referred to in sub-
6 section (1) shall not to be less than \$20,000.

7 (4) RATABLE ADJUSTMENT.—

8 (A) IN GENERAL.—If the amount made
9 available for this subpart for any fiscal year is
10 not sufficient to pay in full the amounts that
11 local educational agencies are eligible to receive
12 under paragraph (1) for such year, the Sec-
13 retary shall ratably reduce such amounts for
14 such year.

15 (B) ADDITIONAL AMOUNTS.—If additional
16 funds become available for making payments
17 under paragraph (1) for such fiscal year, pay-
18 ments that were reduced under subparagraph
19 (A) shall be increased on the same basis as
20 such payments were reduced.

21 (5) CENSUS DETERMINATION.—

22 (A) IN GENERAL.—Each local educational
23 agency desiring a grant under this section shall
24 conduct a census not later than December 1 of
25 each year to determine the number of kinder-

1 garten through grade 12 students in average
2 daily attendance at the schools served by the
3 local educational agency.

4 (B) SUBMISSION.—Each local educational
5 agency shall submit the number described in
6 subparagraph (A) to the Secretary not later
7 than March 1 of each year.

8 (6) PENALTY.—If the Secretary determines
9 that a local educational agency has knowingly sub-
10 mitted false information under paragraph (5) for the
11 purpose of gaining additional funds under this sec-
12 tion, then the local educational agency shall be fined
13 an amount equal to twice the difference between the
14 amount the local educational agency received under
15 this section, and the correct amount the local edu-
16 cational agency would have received under this sec-
17 tion if the agency had submitted accurate informa-
18 tion under paragraph (5).

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

22 (e) SPECIAL RULE.—A local educational agency that
23 receives a grant under this subpart for a fiscal year shall
24 be ineligible to receive funds for such fiscal year under
25 subpart 2.

1 (f) SUPPLEMENT NOT SUPPLANT.—Funds made
2 available under this section shall be used to supplement
3 and not supplant any other Federal, State or local edu-
4 cation funds.

5 **SEC. 10963. ACCOUNTABILITY.**

6 (a) ACADEMIC ACHIEVEMENT.—

7 (1) IN GENERAL.—Each local educational agen-
8 cy that uses or receives funds under section 10961
9 or 10962 for a fiscal year shall—

10 (A) administer a test, that is used State-
11 wide, to assess the academic achievement of
12 students in the schools served by the local edu-
13 cational agency; or

14 (B) in the case of a local educational agen-
15 cy for which there is no Statewide test de-
16 scribed in subparagraph (A), administer a test,
17 that is selected by the local educational agency,
18 to assess the academic achievement of students
19 in the schools served by the local educational
20 agency.

21 (2) SPECIAL RULE.—Each local educational
22 agency that uses or receives funds under section
23 10961 or 10962 shall use the same test described in
24 paragraph (1) for each year of participation in the
25 program under such section.

1 (b) STATE EDUCATIONAL AGENCY DETERMINATION
2 REGARDING CONTINUING PARTICIPATION.—Each State
3 educational agency that receives funding under the provi-
4 sions of law described in section 10961(c) shall—

5 (1) after the 5th year that a local educational
6 agency participates in a program under section
7 10961 or 10962 and on the basis of the results of
8 the tests described in subsection (a), determine
9 whether the students served by the local educational
10 agency participating in the program performed bet-
11 ter on the tests after the 5th year of the participa-
12 tion compared to the results on the tests after the
13 1st year of the participation;

14 (2) only permit those local educational agencies
15 that so participated and performed better on the
16 tests to continue to so participate for an additional
17 period of 5 years; and

18 (3) prohibit those local educational agencies
19 that so participated and did not perform better on
20 the tests from such participation for a period of 5
21 years from the date of the determination.’.

22 **Subpart 2—Low-Income And Rural School Program**

23 **SEC. 10971. PROGRAM AUTHORIZED.**

24 (a) RESERVATIONS.—From amounts appropriated
25 under section 10982 for this subpart for a fiscal year, the

1 Secretary shall reserve $\frac{1}{2}$ of 1 percent to make awards
2 to elementary or secondary schools operated or supported
3 by the Bureau of Indian Affairs to carry out the purpose
4 of this subpart.

5 (b) GRANTS TO STATES.—

6 (1) IN GENERAL.—From amounts appropriated
7 under section 10982 for this subpart that are not re-
8 served under subsection (a), the Secretary shall
9 award grants for a fiscal year to State educational
10 agencies that have applications approved under sec-
11 tion 10973 to enable the State educational agencies
12 to award subgrants to eligible local educational
13 agencies for local authorized activities described in
14 subsection (c)(2).

15 (2) ALLOCATION.—From amounts appropriated
16 for this subpart, the Secretary shall allocate to each
17 State educational agency for a fiscal year an amount
18 that bears the same ratio to the amount of funds ap-
19 propriated under section 10982 for this subpart that
20 are not reserved under subsection (a) as the number
21 of students served by eligible local educational agen-
22 cies in the State bears to the number of all students
23 served by eligible local educational agencies in all
24 States for that fiscal year.

1 (3) DIRECT AWARDS TO SPECIALLY QUALIFIED
2 AGENCIES.—

3 (A) NONPARTICIPATING STATE.—If a
4 State educational agency elects not to partici-
5 pate in the program under this subpart or does
6 not have an application approved under section
7 10973 a specially qualified agency in such State
8 desiring a grant under this subpart shall apply
9 directly to the Secretary to receive an award
10 under this subpart.

11 (B) DIRECT AWARDS TO SPECIALLY
12 QUALIFIED AGENCIES.—The Secretary may
13 award, on a competitive basis, the amount the
14 State educational agency is eligible to receive
15 under paragraph (2) directly to specially quali-
16 fied agencies in the State.

17 (c) LOCAL AWARDS.—

18 (1) ELIGIBILITY.—A local educational agency
19 shall be eligible to receive funds under this subpart
20 if—

21 (A) 20 percent or more of the students
22 served by the agency are from families with in-
23 comes below the poverty line; and

24 (B) all of the schools served by the agency
25 are located in a community with a Rural-Urban

1 Continuum Code of 6, 7, 8, or 9, as determined
2 by the Secretary of Agriculture.

3 (2) USES OF FUNDS.—Grant funds awarded to
4 local educational agencies or made available to
5 schools under this subpart shall be used for—

6 (1) educational technology, including software
7 and hardware;

8 (2) professional development;

9 (3) technical assistance;

10 (4) teacher recruitment and retention;

11 (5) parental involvement activities; or

12 (6) academic enrichment programs.

13 **SEC. 10972. STATE DISTRIBUTION OF FUNDS.**

14 (a) AWARD BASIS.—A State educational agency shall
15 award grants to eligible local educational agencies—

16 (1) on a competitive basis; or

17 (2) according to a formula based on the number
18 of students served by the eligible local educational
19 agencies or schools (as appropriate) in the State, as
20 determined by the State.

21 (b) ADMINISTRATIVE COSTS.—A State educational
22 agency receiving a grant under this subpart may not use
23 more than 5 percent of the amount of the grant for State
24 administrative costs.

1 (c) SPECIAL RULE.—A local educational agency that
2 receives a grant under this subpart for a fiscal year shall
3 be ineligible to receive funds for the fiscal year under sub-
4 part 1.

5 **SEC. 10973. APPLICATIONS.**

6 Each State educational agency and specially qualified
7 agency desiring to receive a grant under this subpart shall
8 submit an application to the Secretary at such time, in
9 such manner, and accompanied by such information as the
10 Secretary may require. Such application shall include spe-
11 cific measurable goals and objectives to be achieved which
12 may include specific educational goals and objectives relat-
13 ing to increased student academic achievement, decreased
14 student drop-out rates, or such other factors that the
15 State educational agency or specially qualified agency may
16 choose to measure.

17 **SEC. 10974. REPORTS.**

18 (a) STATE REPORTS.—Each State educational agen-
19 cy that receives a grant under this subpart shall provide
20 an annual report to the Secretary. The report shall
21 describe—

22 (1) the method the State educational agency
23 used to award grants to eligible local educational
24 agencies and to provide assistance to schools under
25 this subpart;

1 (2) how local educational agencies and schools
2 used funds provided under this subpart; and

3 (3) the degree to which progress has been made
4 toward meeting the goals and objectives described in
5 the application submitted under section 10973.

6 (b) **SPECIALLY QUALIFIED AGENCY REPORT.**—Each
7 specially qualified agency that receives a grant under this
8 subpart shall provide an annual report to the Secretary.
9 Such report shall describe—

10 (1) how such agency uses funds provided under
11 this subpart; and

12 (2) the degree to which progress has been made
13 toward meeting the goals and objectives described in
14 the application submitted under section
15 10971(b)(4)(A).

16 (c) **REPORT TO CONGRESS.**—The Secretary shall pre-
17 pare and submit to the Committee on Education and the
18 Workforce for the House of Representatives and the Com-
19 mittee on Health, Education, Labor, and Pensions for the
20 Senate an annual report. The report shall describe—

21 (1) the methods the State educational agency
22 used to award grants to eligible local educational
23 agencies and to provide assistance to schools under
24 this subpart;

- 1 (2) how eligible local educational agencies and
2 schools used funds provided under this subpart; and
3 (3) progress made in meeting specific measur-
4 able educational goals and objectives.

5 **Subpart 3—General Provisions**

6 **SEC. 10981. DEFINITIONS.—[JUST FOR SUBPART 2?]**

7 For the purposes of this part—

8 (1) The term “poverty line” means the poverty
9 line (as defined by the Office of Management and
10 Budget, and revised annually in accordance with sec-
11 tion 673(2) of the Community Services Block Grant
12 Act (42 U.S.C. 9902(2))) applicable to a family of
13 the size involved.

14 (2) The term “specially qualified agency”
15 means an eligible local educational agency, located in
16 a State that does not participate in a program under
17 this subpart in a fiscal year, that may apply directly
18 to the Secretary for a grant in such year in accord-
19 ance with section 10971(b)(4).

20 **SEC. 10982. AUTHORIZATION OF APPROPRIATIONS.**

21 There are authorized to be appropriated to carry out
22 this part \$125,000,000 for fiscal year 2000 and such sums
23 as may be necessary for each of 4 succeeding fiscal years
24 to be distributed equally between subparts 1 and 2.



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Highlights Rural Education Initiative Act

Qualifying districts

A district that is eligible to elect to receive its funding through this initiative must have 599 students or fewer *and* have a Beale Code rating of 6, 7, 8, or 9. The Beale Codes are used by the U.S. Department of Agriculture to determine how relatively rural or urban a county is. Beale Codes range from 0 to 9, with 0 being most urban and 9 being most rural. A county-by-county listing may be found at:

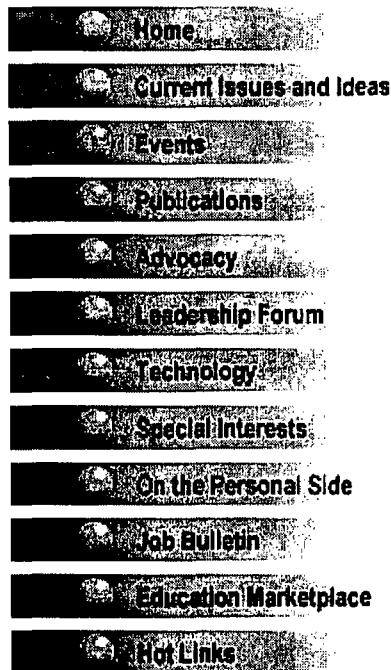
<http://www.econ.ag.gov/epubs/other/typolog/index.html>.

Flexibility among particular formula grant programs

If a district qualifies and participates in this initiative, it will have flexibility with regard to Class-Size Reduction funding (Section 307 of the Department of Education Appropriations Act, 1999) Titles II (Eisenhower professional development), IV (Safe and Drug-Free Schools) and VI (Innovative Education Program Strategies) of the Elementary and Secondary Education Act. Districts would be able to combine the funds from these programs and use the money to support local or statewide education reform efforts intended to improve the achievement of elementary school and secondary school students and the quality of instruction provided. In order to receive funding from this initiative, qualifying school districts would opt out of competing for the following competitive/discretionary grants:

1. **State and Local Programs for School Technology Resources**
(Subpart 2 of part A of title III of ESEA);
2. **Bilingual Education Capacity and Demonstration Grants**
(Subpart 1 of part A of title VII of ESEA);
3. **Research, Evaluation and Dissemination Grants for Bilingual Education**
(Subpart 2 of part A or title VII of ESEA);
4. **Professional Development Grants for Limited English Proficient Consortia** (Section 7142 of ESEA);
5. **Grants for the Improvement of Education** (Part A of title X of ESEA);
6. **Gifted and Talented Grants**
(Part B of title X of ESEA);
7. **21st Century Community Learning Centers**
(Part I of title X of ESEA).

If an eligible district elected not to compete for discretionary



grants and elected to receive their funding through the small, rural schools initiative, they would receive the following amount of money, based on student enrollment, less the amount they received from the aforementioned formula grant programs (Titles II, IV and VI of ESEA).

No. of students in District No. of Districts Amount received

1-49	(combined 50 – 149 1,742)	\$20,000
50-149		\$30,000
150 – 299	(1,431)	\$40,000
300 – 449	(1,171)	\$50,000
450-599	(942)	\$60,000
Estimated total:		<\$224,590,000*

High Accountability

School districts participating in this initiative would have to meet high accountability standards. They would have to show significant statistical improvement in reading and math scores, based on state and/or local assessments. Schools failing to show demonstrable progress will not be eligible for continued funding.

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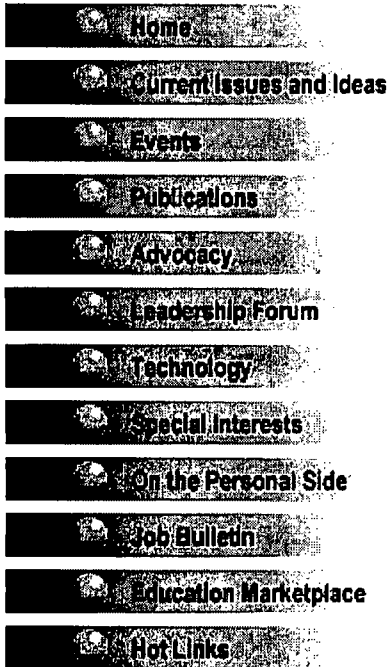
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Endorsers of the AASA Rural, Small Schools Education Initiative

As of 9/20/99

State and National Organizations:

- American Association of School Administrators
- American Association of Educational Service Agencies
- Arizona Small & Rural Schools Association
- Arkansas Association of Educational Administrators
- Arkansas Rural Education Association
- California Small School Districts' Association
- Colorado Association of Schools Executives, includes: CO Assoc. of Superintendents and Senior Administrators, CO Assoc. of Elementary and Secondary School Principals, CO Assoc. of School Personnel Administrators and others.
- Illinois Association of School Administrators
- Indiana Small and Rural Schools Association
- School Administrators of Iowa
- Kansas Association of School Administrators
- Maine School Superintendents Association
- Minnesota Association of School Administrators
- Missouri Association of Rural Schools
- Montana Rural Education Association
- Montana Association of County Superintendents
- The National Grange
- National Rural Education Association
- Nebraska Association of School Administrators
- Nebraska Rural Community Schools Association
- Nevada Association of School Administrators
- New York State Council of School Superintendents
- New York State's Rural Schools Program
- Pennsylvania Association of Rural and Small Schools
- North Country Education Foundation, New Hampshire
- Office for Rural Education-Colorado State University
- Oklahoma Association of Rural Education



- Oklahoma Association of School Administrators
- Organizations Concerned about Rural Education
- South Carolina Association of Rural Education
- Texas Association of Community Schools
- Texas Association of School Administrators
- Texas Rural Education Association
- Washington Association of School Administrators
- Wisconsin Schools Administrators Alliance, includes: WI Association of School Districts Administrators; Association of WI School Administrators; WI Association of Business Officials; and WI Council of Administrators of Special Services
- Wisconsin Association of Cooperative Education Service Agencies Administrators

Local School Districts and Educational Service Agencies:

Arizona

- St. David Unified School District #21, St. David, AZ
- Isaac Elementary School, Phoenix

Arkansas

- Arkansas City School District, AR
- Biggers-Reyno School District, AR
- Turrell School District
- Corning School District 8

California

- Colusa Unified School District
- Trinity County Office of Education
- Lassen County Office of Education
- Lost Hills Union School District
- Monterey County Schools, Salinas
- Maple School District, Kern County

Connecticut

- Colebrook Consolidated School, Colebrook, CT

Idaho

- Teton School District 401, Driggs

Illinois

- East Dubuque USD #3119, East Dubuque, IL
- Nelson Elementary School, District #8, Lee County, Nelson, IL

- Mt. Carroll District #304 School Board, Mt. Carroll, IL
- Nauvoo-Colusa CUD #325, Nauvoo, IL

Iowa

- Dows Community School District
- Grant Wood Area Education Agency, Cedar Rapids

Kansas

- Smoky Hill USD #302, Ransom, KS
- Wacon USD #272, Cankar City, KS
- Southern Cloud USD #334, Glasco, KS
- USD #374, Sublette, KS

Maine

- MSAD #62, Pownal, ME
- Winthrop School Department, Winthrop, ME

Massachusetts

- Berlin-Boylston Public Schools, Boylston, MA

Michigan

- Sodus Township School District #5, Sodus, MI
- Kalamazoo Public Schools
- Mackinac Island Public School, Mackinac Island, MI
- Monroe Public Schools, Monroe, MI
- Van Buren Intermediate School District, Lawrence, MI

Minnesota

- ISD #676, Badger, MN
- Inver Grove Heights Schools
- Norman County East, Twin City
- Nevis Public School District, 308
- Southwest/West Central Service Cooperatives, Marshall

Missouri

- Franklin Co. R-II School, Missouri

Mississippi

- Gulfport School District

Montana

- Bozeman Public Schools, Bozeman, MT
- Denton School District #84

Nebraska

- Bridgeport Public School, Bridgeport, NE
- Hebron Public Schools, Hebron, NE
- Arthur County High School, Arthur, NE Dodge Public Schools, Dodge, NE
- Crawford Public Schools, Crawford, NE
- Dodge Public Schools, Dodge, NE
- Humphrey Public School District, NE

New Jersey

- Millville Public Schools
- Roosevelt Public School, Roosevelt, NJ

New York

- Tompkins-Seneca-Tioga BOCES, Ithaca
- Wayne-Finger Lakes BOCES, Newark, NY

North Dakota

- Willow City Public School District, Willow City, ND
- Bowman Public Schools, Bowman, ND

Ohio

- Ashtabula Area City School District

Oklahoma

- Agra Public School, Agra, OK
- Liberty School, Morris, OK
- Silo Public Schools, Durant, OK

Oregon

- Region Nine Education Service District
- Dufur school District #29, Dufur, OR
- South Wasco Country School District #1, Maupin, OR

South Dakota

- Warner School District #6-5, Warner, SD
- Wilmot School District, Wilmot, SD
- Meade School District 46-1, Sturgis
- Yankton School District 63-3
- Milbank School District 25-4

Texas

- Bryan Independent School District
- San Angelo Independent School District
- Brenhan Independent School District

- El Passo Community College

Vermont

- Rutland City Public Schools

Washington

- Educational Service District 112, Vancouver
- Reardon-Edwall School District #9

Wisconsin

- Desoto Area School District, Desoto, WI
- Linn Joint 6 School District, Lake Geneva, WI
- Shullsburg School District, Shullsburg, WI

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- G2 Educational Services, Inc., AZ

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