

106TH CONGRESS
1ST SESSION

S. 1891

To amend the Elementary and Secondary Education Act of 1965 to improve literacy through family literacy projects.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 1999.

Mr. L. CHAFEE introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions.

6 SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

7 Section 1002(b) of the Elementary and Secondary
8 Education Act of 1965 (20 U.S.C. 6302(b)) is amended
9 by striking "\$118,000,000 for fiscal year 1995" and in-
10 setting "\$500,000,000 for fiscal year 2000"

19 SEC. 4. EVEN START FAMILY LITERACY PROGRAMS.

20 (a) PROGRAM AUTHORIZED.—

21 (1) RESERVATION FOR MIGRANT PROGRAMS.

22 OUTLYING AREAS, AND INDIAN TRIBES.—Section

23 1202(a) of the Elementary and Secondary Edu-

24 cation Act of 1965 (20 U.S.C. 6362(a)) is

25 amended—

1 (A) in paragraph (1), by inserting "(or, if
2 such appropriated amount exceeds
3 \$250,000,000, 6 percent of such amount)"
4 after "1002(b)";

5 (B) in paragraph (2), by striking "If the
6 amount of funds made available under this sub-
7 section exceeds \$4,600,000," and inserting
8 "After the date of the enactment of the Lit-
9 eracy Involves Families Together Act,"; and

10 (C) by adding at the end the following:

11 "(3) COORDINATION OF PROGRAMS FOR AMER-
12 ICAN INDIANS.—The Secretary shall ensure that
13 programs under paragraph (1)(C) are coordinated
14 with family literacy programs operated by the Bu-
15 reau of Indian Affairs in order to avoid duplication
16 and to encourage the dissemination of information
17 on high-quality family literacy programs serving
18 American Indians."

19 (2) RESERVATION FOR FEDERAL ACTIVITIES.—
20 Section 1202(b) of the Elementary and Secondary
21 Education Act of 1965 (20 U.S.C. 6362(b)) is
22 amended to read as follows:

23 "(b) RESERVATION FOR FEDERAL ACTIVITIES.—

24 "(1) EVALUATION, TECHNICAL ASSISTANCE.
25 PROGRAM IMPROVEMENT, AND REPLICATION ACTIVI-

1 TIES.—From amounts appropriated under section
2 1002(b), the Secretary may reserve not more than 3
3 percent of such amounts or the amount reserved to
4 carry out the activities described in paragraphs (1)
5 and (2) of subsection (a) for the fiscal year 1994,
6 whichever is greater, for purposes of—

7 “(A) carrying out the evaluation required
8 by section 1209; and

9 “(B) providing, through grants or con-
10 tracts with eligible organizations, technical as-
11 sistance, program improvement, and replication
12 activities.

13 “(2) RESEARCH.—In the case of fiscal years
14 2000 through 2004, if the amounts appropriated
15 under section 1002(b) for any of such years exceed
16 such amounts appropriated for the preceding fiscal
17 year, the Secretary shall reserve from such excess
18 amount \$2,000,000 or 50 percent, whichever is less,
19 to carry out section 1211(b).

20 (b) USES OF FUNDS.—Section 1204 of the Elemen-
21 tary and Secondary Education Act of 1965 (20 U.S.C.
22 6364) is amended—

23 (1) in subsection (b)(1)(A)—

24 (A) in clause (iv), by striking “and” after
25 the semicolon; and

1 (B) by striking clause (v) and adding the
2 following:

3 "(v) 50 percent in the fifth, sixth, sev-
4 enth, and eighth such years; and

5 "(vi) 35 percent in any subsequent
6 such year."; and

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

8 "(c) USE OF FUNDS FOR FAMILY LITERACY SERV-
9 ICES.—

10 "(1) IN GENERAL.—States may use a portion of
11 funds received under this part to assist eligible enti-
12 ties receiving a subgrant under section 1203(b) in
13 improving the quality of family literacy services pro-
14 vided under Even Start programs under this part,
15 except that in no case may a State's use of funds
16 for this purpose for a fiscal year result in a decrease
17 from the level of activities and services provided to
18 program participants in the preceding year.

19 "(2) PRIORITY.—In carrying out paragraph (1),
20 a State shall give priority to programs that were of
21 low quality, as evaluated based on the indicators of
22 program quality developed by the State under sec-
23 tion 1210.

24 "(3) TECHNICAL ASSISTANCE AND TRAINING.—
25 Assistance under paragraph (1) shall be in the form

1 of technical assistance and training, provided by a
2 State through a grant, contract, or cooperative
3 agreement with an entity that has experience in of-
4 fering high quality training and technical assistance
5 to family literacy providers.”.

6 (c) PROGRAM ELEMENTS.—Section 1205 of the Ele-
7 mentary and Secondary Education Act of 1965 (20 U.S.C.
8 6365) is amended—

9 (1) by redesignating paragraphs (9) and (10)
10 as paragraphs (10) and (11), respectively; and

11 (2) by inserting after paragraph (8) the fol-
12 lowing:

13 “(9) use instructional programs based on sci-
14 entifically based reading research (as defined in sec-
15 tion 2252) for children and, to the extent such re-
16 search is available, for adults;”.

17 (d) ELIGIBLE PARTICIPANTS.—Section 1206(b) of
18 the Elementary and Secondary Education Act of 1965 (20
19 U.S.C. 6366(b)) is amended by adding at the end the fol-
20 lowing:

21 “(3) CHILDREN 8 YEARS OF AGE OR OLDER.—

22 If an Even Start program assisted under this part
23 collaborates with a program under part A, and funds
24 received under such part A program contribute to
25 paying the cost of providing programs under this

1 part to children 8 years of age or older, the Even
2 Start program, notwithstanding subsection (a)(2),
3 may permit the participation of children 8 years of
4 age or older.”.

5 (e) PLAN.—Section 1207(c)(1)(F) of the Elementary
6 and Secondary Education Act of 1965 (20 U.S.C.
7 6367(c)(1)(F)) is amended by striking “Act, the Goals
8 2000: Educate America Act,” and inserting “Act”.

9 (f) AWARD OF SUBGRANTS.—Section 1208(b) of the
10 Elementary and Secondary Education Act of 1965 (20
11 U.S.C. 6368(b)) is amended—

12 (1) by striking paragraph (3) and inserting the
13 following:

14 “(3) CONTINUING ELIGIBILITY.—In awarding
15 subgrant funds to continue a program under this
16 part after the first year, the State educational agen-
17 cy shall review the progress of each eligible entity in
18 meeting the goals of the program referred to in sec-
19 tion 1207(c)(1)(A) and shall evaluate the program
20 based on the indicators of program quality developed
21 by the State under section 1210.”; and

22 (2) in paragraph (5)—

23 (A) in subparagraph (A), by striking the
24 last sentence; and

1 (B) by amending subparagraph (B) to read
2 as follows:

3 “(B) The Federal share of any subgrant re-
4 newed under subparagraph (A) shall be limited in
5 accordance with section 1204(b).”

6 (g) RESEARCH.—Section 1211 of the Elementary
7 and Secondary Education Act of 1965 (20 U.S.C. 6369b)
8 is amended—

9 (1) in subsection (b), by striking “subsection
10 (a)” and inserting “subsections (a) and (b)”;

11 (2) by redesignating subsection (b) as sub-
12 section (c); and

13 (3) by inserting after subsection (a) the fol-
14 lowing:

15 “(b) SCIENTIFICALLY-BASED RESEARCH ON FAMILY
16 LITERACY.—

17 “(1) IN GENERAL.—From amounts reserved
18 under section 1202(b)(2), the National Institute for
19 Literacy shall carry out research that—

20 “(A) is scientifically-based reading re-
21 search (as defined in section 2252); and

22 “(B) determines—

23 “(i) the most effective ways of improv-
24 ing the literacy skills of adults with read-
25 ing difficulties; and

1 “(ii) how family literacy services can
2 best provide parents with the knowledge
3 and skills they need to support their chil-
4 dren's literacy development.

5 “(2) USE OF EXPERT ENTITY.—The National
6 Institute for Literacy shall carry out the research
7 under paragraph (1) through an entity, including a
8 Federal agency, that has expertise in carrying out
9 longitudinal studies of the development of literacy
10 skills in children and has developed effective inter-
11 ventions to help children with reading difficulties.”.

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1 PART C—EDUCATION OF MIGRATORY CHILDREN**2 SEC. 131. PROGRAM PURPOSE.**

3 Section 1301 (20 U.S.C. 6391) is amended—

4 (1) by redesignating paragraphs (2) through
5 (5) as paragraphs (3) through (7), respectively;

6 (2) by inserting after paragraph (1) the follow-
7 ing:

8 “(2) ensure that migratory children who move
9 among the States are not penalized in any manner
10 by disparities among the States in curriculum, grad-
11 uation requirements, and State student performance
12 and content standards;”;

13 (3) in paragraph (5) (as so redesignated), by
14 striking “and” after the semicolon;

15 (4) in paragraph (6) (as so redesignated), by
16 striking the period and inserting “; and”; and

17 (5) by adding at the end the following:

18 “(7) ensure that migratory children receive full
19 and appropriate opportunities to meet the same
20 challenging State content and student performance
21 standards that all children are expected to meet.”.

22 SEC. 132. STATE APPLICATION.

23 Section 1304 (20 U.S.C. 6394) is amended—

24 (1) in subsection (b)—

25 (A) in paragraph (1), by striking “a com-
26 prehensive” and all that follows through

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1 "1306," and inserting "the full range of serv-
2 ices that are available for migratory children
3 from appropriate local, State, and Federal edu-
4 cational programs;"

5 (B) by redesignating paragraphs (2)
6 through (7) as paragraphs (3) through (8), re-
7 spectively; and

8 (C) by inserting after paragraph (1) the
9 following:

10 "(2) a description of joint planning efforts that
11 will be made with respect to programs assisted
12 under this Act, local, State, and Federal programs,
13 and bilingual education programs under part A of
14 title VII;" and

15 (2) in subsection (c)(3), by inserting "and in a
16 format and language understandable to the parents"
17 before the semicolon.

18 **SEC. 133. COMPREHENSIVE PLAN.**

19 Section 1306(a)(1) (20 U.S.C. 6396(a)(1)) is amend-
20 ed—

21 (1) in subparagraph (A)—

22 (A) by striking "the Goals 2000: Educate
23 America."; and

24 (B) by striking "14306" and inserting
25 "6506"; and

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(2) in subparagraph (B), by striking "14302;"
and inserting "6502, if—

"(i) the special needs of migratory
children are specifically addressed in the
comprehensive State plan;

"(ii) the comprehensive State plan is
developed in collaboration with parents of
migratory children; and

"(iii) the comprehensive State plan-
ning is not used to supplant State efforts
regarding, or administrative funding for,
this part;"

SEC. 134. COORDINATION.

Section 1308 (20 U.S.C. 6398) is amended—

(1) in subsection (b)(2), by adding at the end
the following:

"[(C) For migrant student records that
are maintained with Federal [education] funds,
the Secretary shall determine the minimum
data elements with respect to the records, the
means and requirements for access to the
records, and the educational agencies eligible to
access the records.]"

(2) in subsection (c), by striking "\$6,000,000"
and inserting "\$10,000,000";

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1 (3) in subsection (d)(1), by striking
2 "\$1,500,000" and inserting "\$3,000,000"; and
3 (4) by adding at the end the following:
4 "(e) DATA COLLECTION.—The Secretary shall direct
5 the National Center for Education Statistics to collect
6 data on migratory children."

1 **"PART D—PARENTAL ASSISTANCE**

2 **"SEC. 1401. PARENTAL INFORMATION AND RESOURCE CEN-**
3 **TERS.**

4 “(a) PURPOSE.—The purpose of this part is—

5 “(1) to provide leadership, technical assistance,
6 and financial support to nonprofit organizations and
7 local educational agencies to help the organizations
8 and agencies implement successful and effective pa-
9 rental involvement policies, programs, and activities
10 that lead to improvements in student performance;

11 “(2) to strengthen partnerships among parents,
12 teachers, principals, administrators, and other school
13 personnel in meeting the educational needs of chil-
14 dren;

15 “(3) to develop and strengthen the relationship
16 between parents and the school;

17 “(4) to further the developmental progress pri-
18 marily of children assisted under this part; and

19 “(5) to coordinate activities funded under this
20 part with parental involvement initiatives funded
21 under section 1118.

22 “(b) GRANTS AUTHORIZED.—

23 “(1) IN GENERAL.—The Secretary is authorized
24 to award grants in each fiscal year to nonprofit or-
25 ganizations, and nonprofit organizations in consortia
26 with local educational agencies, to establish parental

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1 information and resource centers that provide train-
2 ing, information, and support to—

3 “(A) parents of children enrolled in ele-
4 mentary schools and secondary schools; and

5 “(B) individuals who work with the par-
6 ents described in subparagraph (A).

7 “(2) AWARD RULE.—In awarding grants under
8 this part, the Secretary shall ensure that such
9 grants are distributed equitably among urban and
10 rural areas.

11 “SEC. 1402. APPLICATIONS.

12 “(a) GRANTS APPLICATIONS.—

13 “(1) IN GENERAL.—Each nonprofit organiza-
14 tion or nonprofit organization in consortium with a
15 local educational agency that desires a grant under
16 this part shall submit an application to the Sec-
17 retary at such time and in such manner as the Sec-
18 retary shall determine.

19 “(2) CONTENTS.—Each application submitted
20 under paragraph (1), at a minimum, shall include
21 assurances that the organization or consortium
22 will—

23 “(A)(i) be governed by a board of directors
24 the membership of which includes parents; or

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1 “(ii) be an organization or consortium that
2 represents the interests of parents;

3 “(B) establish a special advisory committee
4 the membership of which includes—

5 “(i) parents described in section
6 1401(b)(1)(A); and

7 “(ii) representatives of education pro-
8 fessionals with expertise in improving serv-
9 ices for disadvantaged children;

10 “(C) use at least $\frac{1}{2}$ of the funds provided
11 under this part in each fiscal year to serve
12 areas with high concentrations of low-income
13 families in order to serve parents who are se-
14 verely educationally or economically disadvan-
15 tagged;

16 “(D) operate a center of sufficient size,
17 scope, and quality to ensure that the center is
18 adequate to serve the parents in the area;

19 “(E) serve both urban and rural areas;

20 “(F) design a center that meets the unique
21 training, information, and support needs of par-
22 ents described in section 1401(b)(1)(A), par-
23 ticularly such parents who are educationally or
24 economically disadvantaged;

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1 “(G) demonstrate the capacity and exper-
2 tise to conduct the effective training, informa-
3 tion and support activities for which assistance
4 is sought;

5 “(H) network with—

6 “(i) clearinghouses;

7 “(ii) parent training and information
8 centers assisted under section 682 of the
9 Individuals with Disabilities Education
10 Act;

11 “(iii) other organizations and agen-
12 cies; and

13 “(iv) parents of children enrolled in
14 elementary schools and secondary schools;

15 “(I) focus on serving parents described in
16 section 1401(b)(1)(A) who are parents of low-
17 income, minority, and limited English pro-
18 ficient, children; and

19 “(J) use part of the funds received under
20 this part to establish, expand, or operate Par-
21 ents as Teachers programs or Home Instruction
22 for Preschool Youngsters programs.

23 “(b) GRANT RENEWAL.—For each fiscal year after
24 the first fiscal year an organization or consortium receives
25 assistance under this part, the organization or consortium

1 shall demonstrate in the application submitted for such
2 fiscal year after the first fiscal year that a portion of the
3 services provided by the organization or consortium is sup-
4 ported through non-Federal contributions, which contribu-
5 tions may be in cash or in kind.

6 **"SEC. 1403. USES OF FUNDS.**

7 “(a) IN GENERAL.—Grant funds received under this
8 part may be used—

9 “(1) for parent training, information, and sup-
10 port programs that provide assistance to parents to
11 enable the parents—

12 “(A) to engage in activities that will im-
13 prove student performance;

14 “(B) to provide followup support for their
15 children's educational achievement;

16 “(C) to improve home and school commu-
17 nication so that parents will be able to commu-
18 nicate more effectively with teachers, principals,
19 counselors, administrators, and other school
20 personnel;

21 “(D) to become active participants in
22 school planning and improvement;

23 “(E) to participate in the design and provi-
24 sion of assistance to students who are not mak-
25 ing adequate educational progress;

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1 “(F) to obtain information about the range
2 of options, programs, services, and resources
3 available at the national, State, and local levels
4 to assist parents and school personnel who work
5 with parents;

6 “(G) to participate in State and local deci-
7 sionmaking;

8 “(H) to train other parents;

9 “(I) to provide support for parents to help
10 the parents learn and use the technology ap-
11 plied in their children's education so as to assist
12 the parents in reinforcing and supporting their
13 children's learning; and

14 “(J) to plan, implement, and fund activi-
15 ties that coordinate the education of their chil-
16 dren with other Federal programs that serve
17 their children or their families; and

18 “(2) to include State or local educational per-
19 sonnel where such participation will further the ac-
20 tivities assisted under the grant.

21 “(b) GRANDFATHER CLAUSE.—The Secretary shall
22 use funds made available under this part to continue to
23 make grant or contract payments to each entity that was
24 awarded a multiyear grant or contract under title IV of
25 the Goals 2000: Educate America Act (as such title was

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1 in effect on the day before the date of enactment of the
2 Educational Opportunities Act) for the duration of the
3 grant or contract award.

4 **"SEC. 1404. TECHNICAL ASSISTANCE.**

5 "The Secretary shall provide technical assistance, by
6 grant or contract, for the establishment, development, and
7 coordination of parent training, information, and support
8 programs and parental information and resource centers.

9 **"SEC. 1405. REPORTS.**

10 "(a) INFORMATION.—Each organization or consor-
11 tium receiving assistance under this part shall submit to
12 the Secretary, on an annual basis, information concerning
13 the parental information and resource centers assisted
14 under this part, including—

15 "(1) the number of parents (including the num-
16 ber of minority and limited English proficient par-
17 ents) who receive information and training;

18 "(2) the types and modes of training, informa-
19 tion, and support provided under this part; and

20 "(3) the strategies used to reach and serve par-
21 ents of minority and limited English proficient chil-
22 dren, parents with limited literacy skills, and other
23 parents in need of the services provided under this
24 part.

1 “(b) DISSEMINATION.—The Secretary annually shall
2 disseminate, widely to the public and to Congress, the in-
3 formation that each organization or consortium submits
4 under subsection (a) to the Secretary.

5 **“SEC. 1406. GENERAL PROVISIONS.**

6 “Notwithstanding any other provision of this part—

7 “(1) no person, including a parent who edu-
8 cates a child at home, a public school parent, or a
9 private school parent, shall be required to participate
10 in any program of parent education or develop-
11 mental screening pursuant to the provisions of this
12 part; and

13 “(2) no program or center assisted under this
14 part shall take any action that infringes in any man-
15 ner on the right of a parent to direct the education
16 of their children.

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1 SEC. ____ COMPREHENSIVE SCHOOL REFORM.

2 Part A of title I (20 U.S.C. 6311) is amended—

3 (1) by redesignating part F as part G;

4 (2) by redesignating sections 1601 through
5 1604 as sections 1901 through 1904, respectively;
6 and

7 (3) by inserting after part E the following:

8 "PART F—COMPREHENSIVE SCHOOL REFORM

9 "SEC. 1601. PURPOSE.

10 "The purpose of this part is to provide financial in-
11 centives for schools to develop comprehensive school re-
12 forms based upon [promising and effective practices] and
13 [research-based programs] that emphasize basic academics
14 and parental involvement so that all children can meet
15 challenging State content and student performance stand-
16 ards.

17 "SEC. 1602. PROGRAM AUTHORIZATION.

18 "(a) PROGRAM AUTHORIZED.—

19 "(1) IN GENERAL.—The Secretary is authorized
20 to award grants to State educational agencies, from
21 allotments under paragraph (2), to enable the State
22 educational agencies to award subgrants to local
23 educational agencies to carry out the purpose de-
24 scribed in section 1601.

25 "(2) ALLOTMENTS.—

*Sift the
existing language
("reliable research &
effective practices")
and HR 2 ("scientifically
based research")*

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1 “(A) RESERVATIONS.—Of the amount ap-
2 propriated under section 1002(h) for a fiscal
3 year, the Secretary may reserve—

4 “(i) not more than 1 percent to pro-
5 vide assistance to schools supported by the
6 Bureau of Indian Affairs and in the
7 United States Virgin Islands, Guam,
8 American Samoa, and the Commonwealth
9 of the Northern Mariana Islands according
10 to their respective needs for assistance
11 under this part; and

12 “(ii) not more than 1 percent to con-
13 duct national evaluation activities de-
14 scribed in section 1607.

15 “(B) IN GENERAL.—Of the amount appro-
16 priated under section 1002(h) that remains
17 after making the reservation under subpara-
18 graph (A) for a fiscal year, the Secretary shall
19 allot to each State for the fiscal year an amount
20 that bears the same ratio to the remainder for
21 that fiscal year as the amount made available
22 under section 1124 to the State for the pre-
23 ceding fiscal year bears to the total amount
24 made available under section 1124 to all States
25 for that year.

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1 “(C) REALLOTMENT.—If a State does not
2 apply for funds under this section, the Sec-
3 retary shall reallo[t such funds to other States
4 that do not apply in proportion to the amount
5 allotted to such other States under subpara-
6 graph (B).

7 **“SEC. 1603. STATE APPLICATIONS.**

8 “(a) IN GENERAL.—Each State educational agency
9 that desires to receive a grant under this section shall sub-
10 mit an application to the Secretary at such time, in such
11 manner, and containing such information as the Secretary
12 may reasonably require.

13 “(b) CONTENTS.—Each such application shall
14 describe—

15 “(1) the process and selection criteria by which
16 the State educational agency, using expert review,
17 will select local educational agencies to receive sub-
18 grants under this section;

19 “(2) how the State educational agency will en-
20 sure that only comprehensive school reforms that are
21 based on promising and effective practices and re-
22 search-based programs receive funds under this part;

23 “(3) how the State educational agency will dis-
24 seminate information on comprehensive school re-

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1 forms that are based on promising and effective
2 practices and research-based programs;

3 “(4) how the State educational agency will
4 evaluate the implementation of such reforms and
5 measure the extent to which the reforms have re-
6 sulted in increased student academic performance;
7 and

8 “(5) how the State educational agency will pro-
9 vide, upon request, technical assistance to a local
10 educational agency or consortia of local educational
11 agencies in evaluating, developing, and implementing
12 comprehensive school reform.

13 **“SEC. 1604. STATE USE OF FUNDS.**

14 “(a) IN GENERAL.—Except as provided in subsection
15 (e), a State educational agency that receives a grant under
16 this part shall use the grant funds to award subgrants,
17 on a competitive basis, to local educational agencies or
18 consortia of local educational agencies in the State that
19 receive funds under part A.

20 “(b) SUBGRANT REQUIREMENTS.—A subgrant to a
21 local educational agency or consortium shall be—

22 “(1) of sufficient size and scope to support the
23 initial costs for the particular comprehensive school
24 reform plan selected or designed by each school iden-

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1 tified in the application of the local educational
2 agency or consortium;

3 “(2) in an amount not less than \$50,000 for
4 each participating school; and

5 “(3) renewable for 2 additional 1-year periods
6 after the initial 1-year grant is made if the school
7 is making substantial progress in the implementa-
8 tion of reforms.

9 “(c) PRIORITY.—A State educational agency, in
10 awarding subgrants under this part, shall give priority to
11 local educational agencies or consortia that—

12 “(1) plan to use the funds in schools identified
13 as being in need of improvement or corrective action
14 under section 1116(c); and

15 “(2) demonstrate a commitment to assist
16 schools with budget allocation, professional develop-
17 ment, and other strategies necessary to ensure the
18 comprehensive school reforms are properly imple-
19 mented and are sustained in the future.

20 “(d) GRANT CONSIDERATION.—In awarding sub-
21 grants under this part, the State educational agency shall
22 take into consideration the equitable distribution of sub-
23 grants to different geographic regions within the State,
24 including urban and rural areas, and to schools serving
25 elementary school and secondary students.

~~Does not pertain~~

not in current law

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1 “(e) ADMINISTRATIVE COSTS.—A State educational
2 agency that receives a grant under this part may reserve
3 not more than 5 percent of the grant funds for administra-
4 tive, evaluation, and technical assistance expenses.

5 “(f) SUPPLEMENT.—Funds made available under
6 this part shall be used to supplement, and not supplant,
7 any other Federal, State, or local funds that would other-
8 wise be available to carry out the activities assisted under
9 this part.

10 “(g) REPORTING.—Each State educational agency
11 that receives a grant under this part shall provide to the
12 Secretary such information as the Secretary may require,
13 including the names of local educational agencies and
14 schools receiving assistance under this part, the amount
15 of the assistance, and a description of the comprehensive
16 school reform model selected and used.

17 **“SEC. 1605. LOCAL APPLICATIONS.**

18 “(a) IN GENERAL.—Each local educational agency or
19 consortium of local educational agencies desiring a
20 subgrant under this section shall submit an application to
21 the State educational agency at such time, in such man-
22 ner, and containing such information as the State edu-
23 cational agency may reasonably require.

24 “(b) CONTENTS.—Each such application shall—

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1 “(1) identify the schools, that are eligible for
2 assistance under part A, that plan to implement a
3 comprehensive school reform program, including the
4 projected costs of such a program;

5 “(2) describe the promising and effective prac-
6 tices and research-based programs that such schools
7 will implement;

8 “(3) describe how the local educational agency
9 or consortium will provide technical assistance and
10 support for the effective implementation of the
11 promising and effective practices and research-based
12 school reforms selected by such schools; and

13 “(4) describe how the local educational agency
14 or consortium will evaluate the implementation of
15 such reforms and measure the results achieved in
16 improving student academic performance.

17 **“SEC. 1806. LOCAL USE OF FUNDS.**

18 “(a) **USES OF FUNDS.**—A local educational agency
19 or consortium that receives a subgrant under this section
20 shall provide the subgrant funds to schools, that are eligi-
21 ble for assistance under part A and served by the agency,
22 to enable the schools to implement a comprehensive school
23 reform program for—

24 “(1) employing innovative strategies for student
25 learning, teaching, and school management that are

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1 based on promising and effective practices and re-
2 search-based programs and have been replicated suc-
3 cessfully in schools with diverse characteristics;

4 “(2) integrating a comprehensive design for ef-
5 fective school functioning, including instruction, as-
6 sessment, classroom management, professional devel-
7 opment, parental involvement, and school manage-
8 ment, that aligns the school's curriculum, tech-
9 nology, and professional development into a com-
10 prehensive reform plan for schoolwide change de-
11 signed to enable all students to meet challenging
12 State content and student performance standards
13 and addresses needs identified through a school
14 needs assessment;

15 “(3) providing high quality and continuous
16 teacher and staff professional development;

17 “(4) the inclusion of measurable goals for stu-
18 dent performance;

19 “(5) support for teachers, principals, adminis-
20 trators, and other school personnel staff;

21 “(6) meaningful community and parental in-
22 volvement initiatives that will strengthen school im-
23 provement activities;

24 “(7) using high quality external technical sup-
25 port and assistance from an entity that has experi-

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1 ence and expertise in schoolwide reform and im-
2 provement, which may include an institution of high-
3 er education;

4 “(8) evaluating school reform implementation
5 and student performance; and

6 “(9) identification of other resources, including
7 Federal, State, local, and private resources, that
8 may be used to coordinate services that will support
9 and sustain the school reform effort.

10 “(b) SPECIAL RULE.—A school that receives funds
11 to develop a comprehensive school reform program shall
12 not be limited to using the approaches identified or devel-
13 oped by the Department of Education, but may develop
14 the school's own comprehensive school reform programs
15 for schoolwide change as described in subsection (a).

16 **“SEC. 1607. NATIONAL EVALUATION AND REPORTS.**

17 “(a) IN GENERAL.—The Secretary shall develop a
18 plan for a national evaluation of the programs assisted
19 under this part.

20 “(b) EVALUATION.—The national evaluation shall—

21 “(1) evaluate the implementation and results
22 achieved by schools after 3 years of implementing
23 comprehensive school reforms; and

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1 “(2) assess the effectiveness of comprehensive
2 school reforms in schools with diverse characteris-
3 tics.

4 “(c) REPORTS.—Prior to the completion of the na-
5 tional evaluation, the Secretary shall submit an interim
6 report describing implementation activities for the Com-
7 prehensive School Reform Program, which began in 1998,
8 [cite] to the Committee on Education and the Workforce,
9 and the Committee on Appropriations of the House of
10 Representatives, and the Committee on Health, Edu-
11 cation, Labor, and Pensions, and the Committee on Ap-
12 propriations of the Senate.”.

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1 **TITLE I—HELPING DISADVAN-**
2 **TAGED CHILDREN MEET**
3 **HIGH STANDARDS**

4 **SEC. 101. POLICY AND PURPOSE.**

5 Section 1001 (20 U.S.C. 6301) is amended to read
6 as follows:

7 **"SEC. 1001. STATEMENT OF PURPOSE.**

8 "The purpose of this title is to enable schools to pro-
9 vide opportunities for children served under this title to
10 acquire the knowledge and skills contained in the chal-
11 lenging State content standards and to meet the chal-
12 lenging State student performance standards developed
13 for all children. This purpose should be accomplished by—

14 "(1) ensuring high standards for all children
15 and aligning the efforts of States, local educational
16 agencies, and schools to help children served under
17 this title to reach such standards;

18 "(2) providing children an enriched and acceler-
19 ated educational program, including the use of
20 schoolwide programs or additional services that in-
21 crease the amount and quality of instructional time
22 so that children served under this title receive at
23 least the classroom instruction that other children
24 receive;

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1 “(3) promoting schoolwide reform and ensuring
2 access of children (from the earliest grades, includ-
3 ing prekindergarten) to effective instructional strate-
4 gies and challenging academic content that includes
5 intensive complex thinking and problem-solving expe-
6 riences;

7 “(4) significantly elevating the quality of in-
8 struction by providing staff in participating schools
9 with substantial opportunities for professional devel-
10 opment;

11 “(5) coordinating services under all parts of
12 this title with each other, with other educational
13 services, and to the extent feasible, with health and
14 social service programs funded from other sources;

15 “(6) affording parents substantial and mean-
16 ingful opportunities to participate in the education
17 of their children at home and at school;

18 “(7) distributing resources in amounts suffi-
19 cient to make a difference to local educational agen-
20 cies and schools where needs are greatest;

21 “(8) improving and strengthening account-
22 ability, teaching, and learning by using State assess-
23 ment systems designed to measure how well children
24 served under this title are achieving challenging

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1 State student performance standards expected of all
2 children; and

3 "(9) providing greater decisionmaking authority
4 and flexibility to schools and teachers in exchange
5 for greater responsibility for student performance."

6 **SEC. 102. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 1002 (20 U.S.C. 6302) is amended—

8 (1) in subsection (a), by striking
9 "\$7,400,000,000 for fiscal year 1995" and inserting
10 "\$10,000,000,000 for fiscal year 2001";

11 (2) in subsection (b), by striking
12 "\$118,000,000 for fiscal year 1995" and inserting
13 "\$500,000,000 for fiscal year 2001";

14 (3) in subsection (c), by striking "\$310,000,000
15 for fiscal year 1995" and inserting "\$400,000,000
16 for fiscal year 2001";

17 (4) by amending subsection (d) to read as fol-
18 lows:

19 "(d) PARENTAL ASSISTANCE.—For the purpose of
20 carrying out part D, there are authorized to be appro-
21 priated \$50,000,000 for fiscal year 2001 and such sums
22 as may be necessary for each of the four succeeding fiscal
23 years.";

24 (5) by amending subsection (e) to read as fol-
25 lows:

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1 “(e) CAPITAL EXPENSES.—For the purpose of car-
2 rying out section 1120(e), there are authorized to be ap-
3 propriated \$15,000,000 for fiscal year 2001, \$15,000,000
4 for fiscal year 2002, and \$5,000,000 for fiscal year
5 2003.”;

6 (6) in subsection (f), [to be supplied];

7 (7) in subsection (g), [to be supplied]; and

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

9 “(h) COMPREHENSIVE SCHOOL REFORM.—For the
10 purpose of carrying out part F, there are authorized to
11 be appropriated \$200,000,000 for fiscal year 2001 and
12 such sums as may be necessary for each of the four suc-
13 ceeding fiscal years.”

14 **SEC. 103. STATE PLANS.**

15 Section 1111 (20 U.S.C. 6311) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1)—

18 (i) by striking “the Goals 2000: Edu-
19 cate America Act,”; and

20 (ii) by striking “14306” and inserting
21 “6506”; and

22 (B) in paragraph (2), by striking “14302”
23 and inserting “6505”;

24 (2) in subsection (b)—

25 (A) in paragraph (1)—

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1 (i) by amending subparagraph (B) to
2 read as follows:

3 “(B) The standards described in subpara-
4 graph (A) shall be the same standards that the
5 State applies to all schools and children in the
6 State.”; and

7 (ii) by amending subparagraph (C) to
8 read as follows:

9 “(C) The State shall have the standards
10 described in subparagraph (A) for elementary
11 school and secondary school children served
12 under this part in subjects determined by the
13 State that include at least mathematics, reading
14 or language arts, and science, which standards
15 shall require the same knowledge, skills, and
16 levels of performance for all children.”; and

17 (B) in paragraph (5), by inserting “, but
18 shall not mandate a specific assessment or
19 mode of instruction,” after “needed languages”;
20 (3) in subsection (c)—

21 (A) by redesignating paragraphs (5) and
22 (6) as paragraphs (7) and (8), respectively;

23 (B) by inserting after paragraph (4) the
24 following:

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1 “(5) the State educational agency will inform
2 the Secretary and the public regarding how Federal
3 laws hinder, if at all, the ability of States to hold
4 local educational agencies and schools accountable
5 for student academic performance;”;

6 “(6) the State educational agency will inform
7 local educational agencies of the local educational
8 agencies’ ability to obtain waivers under part F of
9 title VI and, if the State is an Ed-Flex Partnership
10 State, waivers under the Educational Flexibility
11 Partnership Act of 1999 (20 U.S.C. 5891a et
12 seq.);”; and

13 (C) by amending paragraph (8) (as so re-
14 designated) to read as follows:

15 “(8) the State will coordinate activities funded
16 under this part with other Federal activities as ap-
17 propriate.”;

18 (4) in subsection (g), by striking “1998” and
19 inserting “2005”; and

20 (5) by adding at the end the following:

21 “(i) PRIVACY.—Information collected under this sec-
22 tion shall be collected and disseminated in a manner that
23 protects the privacy of individuals.

24 “(j) SPECIAL RULE ON SCIENCE STANDARDS AND
25 ASSESSMENTS.—No State shall be required to meet the

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1 requirements of this part relating to science standards or
2 assessments until September 1, 2005."

3 **SEC. 104. LOCAL EDUCATIONAL AGENCY PLANS.**

4 Section 1112 (20 U.S.C. 6312) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by striking "the
7 Goals" and all that follows through "section
8 14306" and inserting "the Individuals with
9 Disabilities Education Act, the Carl D. Perkins
10 Vocational and Technical Education Act of
11 1998, the Head Start Act, and other Acts, as
12 appropriate"; and

13 (B) in paragraph (2), by striking "14304"
14 and inserting "6502";

15 (2) in subsection (b)(4)—

16 (A) in subparagraph (A)—

17 (i) by striking "programs, vocational"
18 and inserting "programs and vocational";
19 and

20 (ii) by striking ", and school-to-work
21 transition programs"; and

22 (B) in subparagraph (B)—

23 (i) by striking "served under part C"
24 and all that follows through "1994"; and

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1 (ii) by striking "served under part
2 D";

3 (3) in subsection (c)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (G), by striking
6 "and" after the semicolon;

7 (ii) in subparagraph (H)—

8 (I) by striking "beginning in fis-
9 cal year 1997 and"; and

10 (II) by striking the period and
11 inserting a semicolon; and

12 (iii) by adding at the end the fol-
13 lowing:

14 "(I) comply with the requirements of sec-
15 tion 1119 regarding professional development;

16 "(J) inform eligible schools of the local
17 educational agency's authority to obtain waivers
18 on the school's behalf under part F of title VI,
19 and if the State is an Ed-Flex Partnership
20 State, waivers under the Education Flexibility
21 Partnership Act of 1999; and

22 "(K) coordinate and collaborate, to the ex-
23 tent feasible and necessary as determined by
24 the local educational agency, with other agen-

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1 cies providing services to children, youth, and
2 families.”; and

3 (B) in paragraph (2)—

4 (i) in subparagraph (A), by striking
5 “in fiscal year 1995,”; and

6 (ii) in subparagraph (B), by striking
7 “in fiscal year 1996,”; and

8 (4) in subsection (e)(1), by striking “, except
9 that” and all that follows through “finally approved
10 by the State educational agency”.

11 **SEC. 105. SCHOOLWIDE PROGRAMS.**

12 Section 1114 (20 U.S.C. 6314) is amended—

13 (1) in subsection (a), by amending paragraph
14 (1) to read as follows:

15 “(1) IN GENERAL.—A local educational agency
16 may use funds under this part, in combination with
17 other Federal, State, and local funds, to upgrade the
18 entire educational program of a school that serves
19 an eligible school attendance area in which not less
20 than 50 percent of the children are from low-income
21 families, or not less than 50 percent of the children
22 enrolled in the school are from such families.”;

23 (2) in subsection (b)—

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1 (A) in paragraph (1)(B)(vii), by striking “,
2 if any, approved under title III of the Goals
3 2000: Educate America Act”; and

4 (B) in paragraph (2)—

5 (i) in the matter preceding clause (i)
6 of subparagraph (A), by striking “Improv-
7 ing America’s Schools Act of 1994” and
8 inserting “Educational Opportunities Act”;
9 and

10 (ii) in subparagraph (C)—

11 (I) in clause (i)(II), by striking
12 “Improving America’s Schools Act of
13 1994” and inserting “Educational
14 Opportunities Act”; and

15 (II) in clause (v), by striking
16 “the School-to-Work Opportunities
17 Act of 1994” and inserting “part C of
18 title II”; and

19 (3) by adding at the end the following:

20 “(d) PREKINDERGARTEN PROGRAM.—A school that
21 is eligible for a schoolwide program under this section may
22 use funds made available under this part to establish or
23 enhance prekindergarten programs for 3-, 4-, and 5-year-
24 old children, such as an Even Start program.”

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1 **SEC. 106. TARGETED ASSISTANCE SCHOOLS.**

2 Section 1115 (20 U.S.C. 6315) is amended—

3 (1) in subsection (b)(2)(C)(i), by striking
4 “under part D”; and5 (2) in subsection (e)(1), by amending subpara-
6 graph (G) to read as follows:7 “(G) provide opportunities for professional
8 development with resources provided under this
9 part, and to the extent practicable, from other
10 sources, for teachers, principals, administrators
11 and other school staff (including, if appropriate,
12 pupil services personnel), who work with par-
13 ticipating children in programs under this sec-
14 tion or in the regular education program; and”.15 **SEC. 107. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY**
16 **AND SCHOOL IMPROVEMENT.**

17 Section 1116 (20 U.S.C. 6317) is amended—

18 **[to be supplied].**19 **SEC. 108. PARENTAL INVOLVEMENT.**

20 Section 1118 (20 U.S.C. 6319) is amended—

21 (1) in subsection (e)—

22 (A) in paragraph (1), by striking “Na-
23 tional” and inserting “America’s”;24 (B) in paragraph (14), by striking “and”
25 after the semicolon;

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1 (C) by amending paragraph (15) to read
2 as follows:

3 "(15) may establish a school districtwide parent
4 advisory council to advise the school and local edu-
5 cational agency on all matters related to parental in-
6 volvement in programs supported under this section;
7 and"; and

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

9 "(16) shall provide such other reasonable sup-
10 port for parental involvement ~~activities~~ under this
11 section as parents may request, including the use of
12 electronic communications among teachers, students,
13 and parents such as through the use of websites and
14 e-mail communications;";

15 (2) in subsection (f), by striking "or with" and
16 inserting ", parents of migratory children, or par-
17 ents with";

18 (3) by amending subsection (g) to read as fol-
19 lows:

20 "(g) INFORMATION FROM PARENTAL INFORMATION
21 AND RESOURCE CENTERS.—In a State where a parental
22 information and resource center is established to provide
23 training, information, and support to parents and individ-
24 uals who work with local parents, local educational agen-
25 cies, and schools receiving assistance under this part, each

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1 school or local educational agency that receives assistance
2 under this part and is located in the State, shall assist
3 parents and parental organizations by informing such par-
4 ents and organizations of the existence and purpose of
5 such centers, providing such parents and organizations
6 with a description of the services and programs provided
7 by such centers, advising parents on how to use such cen-
8 ters, and helping parents to contact such centers.”; and

9 (4) by adding at the end the following:

10 [to be supplied].

11 **SEC. 109. PROFESSIONAL DEVELOPMENT.**

12 Section 1119 (20 U.S.C. 6320) is amended—

13 (1) in subsection (b)—

14 (A) in paragraph (1), by amending sub-
15 paragraph (A) to read as follows:

16 “(A) support professional development ac-
17 tivities that give teachers, principals, and ad-
18 ministrators the knowledge and skills to provide
19 students with the opportunity to meet chal-
20 lenging State or local content standards and
21 student performance standards;”;

22 (B) in subparagraph (C), by striking “title
23 III of the Goals 2000: Educate America Act,”;

24 (C) in subparagraph (D), by striking
25 “and” after the semicolon;

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1 (D) in subparagraph (E), by striking the
2 period and inserting a semicolon; and

3 (E) by adding at the end the following:

4 “(F) to the extent appropriate, provide
5 training for teachers in the use of technology
6 and the applications of technology that are ef-
7 fectively used—

8 “(i) in the classroom to improve
9 teaching and learning in the curriculum;
10 and

11 “(ii) in academic content areas in
12 which the teachers provide instruction;

13 “(G) be regularly evaluated for their im-
14 pact on increased teacher effectiveness and im-
15 proved student performance and achievement,
16 with the findings of such evaluations used to
17 improve the quality of professional development;
18 and

19 “(H) include strategies for identifying and
20 eliminating gender and racial bias in instruc-
21 tional materials, methods, and practices.”; and

22 (2) in subsection (g), by striking “title III of
23 the Goals 2000: Educate America Act,” and insert-
24 ing “other Acts”.

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1 SEC. 110. PARTICIPATION OF CHILDREN ENROLLED IN PRI-
2 VATE SCHOOLS.

3 (a) AMENDMENTS.—Section 1120 (20 U.S.C. 6321)
4 is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1), by inserting “that
7 address their needs, and shall ensure that
8 teachers and families of such children partici-
9 pate, on an equitable basis, in services and ac-
10 tivities under sections 1118 and 1119” before
11 the period;

12 (B) in paragraph (3), by inserting “and
13 shall be provided in a timely manner” before
14 the period; and

15 (C) in paragraph (4), insert “as deter-
16 mined by the local educational agency each year
17 or every 2 years” before the period;

18 (2) in subsection (b)—

19 (A) in paragraph (1)—

20 (i) in subparagraph (C), by striking
21 “and where” and inserting “, where, and
22 by whom”;

23 (ii) by amending subparagraph (D) to
24 read as follows:

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1 “(D) how the services will be assessed and
2 how the results of that assessment will be used
3 to improve those services;”;

4 (iii) in subparagraph (E), by striking
5 the period and inserting “; and”; and

6 (iv) by adding at the end the fol-
7 lowing:

8 “(F) how and when the local educational
9 agency will make decisions about the delivery of
10 services to eligible private school children, in-
11 cluding a thorough consideration and analysis
12 of the views of private school officials regarding
13 the provision of contract services through po-
14 tential third party providers, and if the local
15 educational agency disagrees with the views of
16 the private school officials on such provision of
17 services, the local educational agency shall pro-
18 vide in writing to such private school officials
19 an analysis of the reasons why the local edu-
20 cational agency has chosen not to so provide
21 such services.”; and

22 (B) by adding at the end the following:

23 “(4) DOCUMENTATION.—Each local educational
24 agency shall provide to the State educational agency,
25 and maintain in the local educational agency’s

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1 records, a written affirmation signed by officials of
2 each participating private school that the consulta-
3 tion required by this section has occurred.

4 “(5) COMPLIANCE.—A private school official
5 shall have the right to appeal to the State edu-
6 cational agency the decision of a local educational
7 agency as to whether consultation provided for in
8 this section was meaningful and timely, and whether
9 due consideration was given to the views of the pri-
10 vate school official. If the private school official
11 wishes to appeal the decision, the basis of the claim
12 of noncompliance with this section by the local edu-
13 cational agencies shall be provided to the State edu-
14 cational agency, and the local educational agency
15 shall forward the appropriate documentation to the
16 State educational agency.”;

17 (3) in subsection (d),

18 (A) in paragraph (2), by striking “14505
19 and 14506” and inserting “[]” and
20 “[]”;

21 (B) by redesignating paragraphs (1) and
22 (2) (as so amended) as subparagraphs (A) and
23 (B), respectively;

24 (C) by striking “If a” and inserting the
25 following:

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1 “(1) IN GENERAL.—If a”; and

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

3 “(2) DETERMINATION.—In making the deter-
4 mination under paragraph (1), the Secretary shall
5 consider 1 or more factors, including the quality,
6 size, scope, or location of the program, or the oppor-
7 tunity of eligible children to participate in the pro-
8 gram.”; and

9 (4) by repealing subsection (e).

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a)(4) shall take effect on September 30, 2003.

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1 **SEC. 114. ALLOCATIONS.**

2 Subpart 2 of part A of title I (20 U.S.C. 6331 et
3 seq.) is amended to read as follows:

4 **"Subpart 2—Allocations**

5 **"SEC. 1121. GRANTS FOR THE OUTLYING AREAS AND THE**
6 **SECRETARY OF THE INTERIOR.**

7 **"(a) RESERVATION OF FUNDS.—**From the amount
8 appropriated for any fiscal year under section 1002(a), the
9 Secretary shall reserve a total of 1 percent to provide as-
10 sistance to—

11 **"(1) the outlying areas on the basis of their re-**
12 **spective need for such assistance according to such**
13 **criteria as the Secretary determines will best carry**
14 **out the purpose of this part; and**

15 **"(2) the Secretary of the Interior in the amount**
16 **necessary to make payments pursuant to subsection**
17 **(c).**

18 **"(b) ASSISTANCE TO THE OUTLYING AREAS.—**

19 **"(1) IN GENERAL.—**From amounts made avail-
20 able under subsection (a)(1) in each fiscal year the
21 Secretary shall make grants to local educational
22 agencies in the outlying areas.

23 **"(2) COMPETITIVE GRANTS.—**

24 **"(A) IN GENERAL.—**For fiscal years 2000
25 and 2001, the Secretary shall reserve
26 \$5,000,000 from the amounts made available

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1 under subsection (a)(1) to award grants, on a
2 competitive basis, to local educational agencies
3 in the Freely Associated States. The Secretary
4 shall award such grants according to the rec-
5 ommendations of the Pacific Region Edu-
6 cational Laboratory which shall conduct a com-
7 petition for such grants.

8 “(B) USES.—Except as provided in sub-
9 paragraph (C), grant funds awarded under this
10 paragraph only may be used—

11 “(i) for programs described in this
12 Act, including teacher training, curriculum
13 development, instructional materials, or
14 general school improvement and reform;
15 and

16 “(ii) to provide direct educational
17 services.

18 “(C) ADMINISTRATIVE COSTS.—The Sec-
19 retary may provide 5 percent of the amount
20 made available for grants under this paragraph
21 to the Pacific Region Educational Laboratory
22 to pay the administrative costs of the Pacific
23 Region Educational Laboratory regarding ac-
24 tivities assisted under this paragraph.

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1 “(c) ALLOTMENT TO THE SECRETARY OF THE INTER-
2 RIOR.—

3 “(1) IN GENERAL.—The amount reserved for
4 payments to the Secretary of the Interior under sub-
5 section (a)(2) for any fiscal year shall be, as deter-
6 mined pursuant to criteria established by the Sec-
7 retary, the amount necessary to meet the special
8 educational needs of—

9 “(A) Indian children on reservations served
10 by elementary schools and secondary schools for
11 Indian children operated or supported by the
12 Department of the Interior; and

13 “(B) out-of-State Indian children in ele-
14 mentary schools and secondary schools in local
15 educational agencies under special contracts
16 with the Department of the Interior.

17 “(2) PAYMENTS.—From the amount reserved
18 for payments to the Secretary of the Interior under
19 subsection (a)(2), the Secretary of the Interior shall
20 make payments to local educational agencies, upon
21 such terms as the Secretary determines will best
22 carry out the purposes of this part, with respect to
23 out-of-State Indian children described in paragraph
24 (1)(B). The amount of such payment may not ex-
25 ceed, for each such child, the greater of—

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1 “(A) 40 percent of the average per-pupil
2 expenditure in the State in which the agency is
3 located; or

4 “(B) 48 percent of such expenditure in the
5 United States.

6 **“SEC. 1122. AMOUNTS FOR BASIC GRANTS, CONCENTRA-**
7 **TION GRANTS, AND TARGETED GRANTS.**

8 “(a) IN GENERAL.—For each of the fiscal years 2001
9 through 2005—

10 “(1) the amount appropriated to carry out this
11 part that is [less than or] equal to the amount ap-
12 propriated to carry out section 1124 for fiscal year
13 1999, shall be allocated in accordance with section
14 1124;

Basic

15 “(2) the amount appropriated to carry out this
16 part [that is not used under paragraph (1)] that
17 equals the amount appropriated to carry out section
18 1124A for fiscal year 1999, shall be allocated in ac-
19 cordance with section 1124A; and

Core

20 “(3) any amount appropriated to carry out this
21 part for the fiscal year for which the determination
22 is made that is not used to carry out paragraphs (1)
23 and (2) shall be allocated in accordance with section
24 1125.

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1 “(b) ADJUSTMENTS WHERE NECESSITATED BY AP-
2 PROPRIATIONS.—

3 “(1) IN GENERAL.—If the sums made available
4 under this part for any fiscal year are insufficient to
5 pay the full amounts that all local educational agen-
6 cies in States are eligible to receive under sections
7 1124, 1124A, and 1125 for such year, the Secretary
8 shall ratably reduce the allocations to such local edu-
9 cational agencies, subject to subsections (c) and (d).

10 “(2) ADDITIONAL FUNDS.—If additional funds
11 become available for making payments under sec-
12 tions 1124, 1124A, and 1125 for such fiscal year,
13 allocations that were reduced under paragraph (1)
14 shall be increased on the same basis as the alloca-
15 tions were reduced.

16 “(c) HOLD-HARMLESS AMOUNTS.—

17 “(1) IN GENERAL.—For each fiscal year the
18 amount made available to each local educational
19 agency under each of sections 1124, 1124A, and
20 1125 shall be not less than—

21 “(A) 95 percent of the amount made avail-
22 able to the local educational agency under each
23 such section for the preceding fiscal year if the
24 number of children counted for grants under
25 section 1124 is not less than 30 percent of the

*sliding
scale*

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1 total number of children aged 5 to 17 years, in-
2 clusive, served by the local educational agency;

3 "(B) 90 percent of the amount made avail-
4 able to the local educational agency under each
5 such section for the preceding fiscal year if such
6 percentage is not less than 15 percent and not
7 more than 30 percent; and

8 "(C) 85 percent of the amount made avail-
9 able to the local educational agency under each
10 such section for the preceding fiscal year if such
11 percentage is less than 15 percent.

12 "(2) SPECIAL RULES.—If sufficient funds are
13 appropriated, the hold-harmless amounts described
14 in paragraph (1) shall be paid to all local edu-
15 cational agencies that received grants under sections
16 1124, 1124A, or 1125 for the preceding fiscal year,
17 regardless of whether the local educational agency
18 meets the minimum eligibility criteria provided in
19 section 1124(b), 1124A(a)(1)(A), or 1125(a), re-
20 spectively, except that a local educational agency
21 that does not meet such minimum eligibility criteria
22 for 5 consecutive years shall no longer be eligible to
23 receive a hold-harmless amount under this sub-
24 section.

HH available for
5 years.

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1 “(3) COUNTY CALCULATION BASIS.—Any fiscal
2 year for which the Secretary calculates grants on the
3 basis of population data for counties, the Secretary
4 shall apply the hold-homeless percentages in para-
5 graphs (1) and (2) to counties, and if the Sec-
6 retary’s allocation for a county is not sufficient to
7 meet the hold-harmless requirements of this sub-
8 section for every local educational agency within that
9 county, then the State educational agency shall re-
10 allocate funds proportionately from all other local
11 educational agencies in the State that receive funds
12 for the fiscal year in excess of the hold-harmless
13 amounts specified in this paragraph.

14 “(d) RATABLE REDUCTIONS.—

15 “(1) IN GENERAL.—If the sums made available
16 under this part for any fiscal year are insufficient to
17 pay the full amounts that all States are eligible to
18 receive under subsection (c) for such year, the Sec-
19 retary shall ratably reduce such amounts for such
20 year.

21 “(2) ADDITIONAL FUNDS.—If additional funds
22 become available for making payments under sub-
23 section (c) for such fiscal year, amounts that were
24 reduced under paragraph (1) shall be increased on
25 the same basis as such amounts reduced.

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1 "SEC. 1123. DEFINITIONS.

2 "In this subpart:

3 "(1) FREELY ASSOCIATED STATES.—The term
4 'Freely Associated States' means the Republic of the
5 Marshall Islands, the Federated States of Microne-
6 sia, and the Republic of Palau.

7 "(2) OUTLYING AREAS.—The term 'outlying
8 areas' means the United States Virgin Islands,
9 Guam, American Samoa, and the Commonwealth of
10 the Northern Mariana Islands.

11 "(3) STATE.—The term State means each of
12 the several States of the United States, the District
13 of Columbia, and the Commonwealth of Puerto Rico.

14 "SEC. 1124. BASIC GRANTS TO LOCAL EDUCATIONAL AGEN-
15 CIES.

16 "(a) AMOUNT OF GRANTS.—

17 "(1) GRANTS FOR LOCAL EDUCATIONAL AGEN-
18 CIES AND PUERTO RICO.—Except as provided in
19 paragraph (4) and in section 1126, the grant that
20 a local educational agency is eligible to receive under
21 this section for a fiscal year is the amount deter-
22 mined by multiplying—

23 "(A) the number of children counted under
24 subsection (c); and

25 "(B) 40 percent of the average per-pupil
26 expenditure in the State, except that the

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1 amount determined under this subparagraph
2 shall not be less than 32 percent, and not more
3 than 48 percent, of the average per-pupil ex-
4 penditure in the United States.

5 “(2) CALCULATION OF GRANTS.—

6 “(A) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—The Secretary shall cal-
7 culate grants under this section on the basis of
8 the number of children counted under sub-
9 section (c) for local educational agencies, unless
10 the Secretary and the Secretary of Commerce
11 determine that some or all of those data are un-
12 reliable or that their use would be otherwise in-
13 appropriate, in which case—

14 “(i) the Secretary and the Secretary
15 of Commerce shall publicly disclose the
16 reasons for their determination in detail;
17 and
18

19 “(ii) paragraph (3) shall apply.

20 “(B) ALLOCATIONS TO LARGE AND SMALL
21 LOCAL EDUCATIONAL AGENCIES.—

22 “(i) LARGE LOCAL EDUCATIONAL
23 AGENCIES.—In the case of an allocation
24 under this section to a large local edu-
25 cational agency, the amount of the grant

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1 under this section for the large local edu-
2 cational agency shall be the amount deter-
3 mined under paragraph (1).

4 “(ii) SMALL LOCAL EDUCATIONAL
5 AGENCIES.—

6 (I) IN GENERAL.—In the case of
7 an allocation under this section to a
8 small local educational agency the
9 State educational agency may—

10 “(aa) distribute grants
11 under this section in amounts de-
12 termined by the Secretary under
13 paragraph (1); or

14 “(bb) use an alternative
15 method approved by the Sec-
16 retary to distribute the portion of
17 the State’s total grants under
18 this section that is based on
19 those small local educational
20 agencies.

21 “(II) ALTERNATIVE METHOD.—
22 An alternative method under sub-
23 clause (I)(bb) shall be based on popu-
24 lation data that the State educational
25 agency determines best reflect the

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1 current distribution of children in
2 poor families among the State's small
3 local educational agencies that meet
4 the minimum number of children to
5 qualify described in subsection (b).

6 “(III) APPEAL.—If a small local
7 educational agency is dissatisfied with
8 the determination of the amount of its
9 grant by the State educational agency
10 under subclause (I)(bb), the small
11 local educational agency may appeal
12 the determination to the Secretary,
13 who shall respond within 45 days of
14 receiving the appeal.

15 “(iii) DEFINITIONS.—In this subpara-
16 graph—

17 “(I) the term ‘large local edu-
18 cational agency’ means a local edu-
19 cational agency serving a school dis-
20 trict with a total population of 20,000
21 or more; and

22 “(II) the term ‘small local edu-
23 cational agency’ means a local edu-
24 cational agency serving a school dis-

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1 trict with a total population of less
2 than 20,000.

3 “(3) ALLOCATIONS TO COUNTIES.—

4 “(A) IN GENERAL.—For any fiscal year to
5 which this paragraph applies, the Secretary
6 shall calculate grants under this section on the
7 basis of the number of children counted under
8 section 1124(c) for counties, and State edu-
9 cational agencies shall allocate county amounts
10 to local educational agencies, in accordance with
11 regulations promulgated by the Secretary.

12 “(B) APPLICATION.—In any State in
13 which a large number of local educational agen-
14 cies overlap county boundaries, or for which the
15 State believes the State has data that would
16 better target funds than allocating the funds by
17 county, the State educational agency may apply
18 to the Secretary for authority to make the allo-
19 cations under this part for a particular fiscal
20 year directly to local educational agencies with-
21 out regard to counties.

22 “(C) ALLOCATIONS TO LOCAL EDU-
23 CATIONAL AGENCIES.—If the Secretary ap-
24 proves its application under subparagraph (B),
25 the State educational agency shall provide the

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1 Secretary an assurance that the allocations will
2 be made—

3 “(i) using precisely the same factors
4 for determining a grant as are used under
5 this section; or

6 “(ii) using data that the State edu-
7 cational agency submits to the Secretary
8 for approval that more accurately target
9 poverty.

10 “(D) APPEAL.—The State educational
11 agency shall provide the Secretary an assurance
12 that a procedure is or will be established
13 through which local educational agencies that
14 are dissatisfied with determinations under sub-
15 paragraph (B) may appeal directly to the Sec-
16 retary for a final determination.

17 “(4) PUERTO RICO.—For each fiscal year, the
18 Secretary shall determine the percentage which the
19 average per-pupil expenditure in the Commonwealth
20 of Puerto Rico is of the lowest average per-pupil ex-
21 penditure of any of the 50 States. The grant which
22 the Commonwealth of Puerto Rico shall be eligible
23 to receive under this section for a fiscal year shall
24 be the amount arrived at by multiplying the number

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1 of children counted under subsection (c) for the
2 Commonwealth of Puerto Rico by the product of—

3 “(A) the percentage determined under the
4 preceding sentence; and

5 “(B) 32 percent of the average per-pupil
6 expenditure in the United States.

7 “(b) MINIMUM NUMBER OF CHILDREN TO QUAL-
8 IFY.—A local educational agency is eligible for a basic
9 grant under this section for any fiscal year only if the
10 number of children counted under subsection (c) for that
11 agency is—

12 “(1) 10 or more; and

13 “(2) more than 2 percent of the total school-age
14 population in the school district of the local edu-
15 cational agency.

16 “(c) CHILDREN TO BE COUNTED.—

17 “(1) CATEGORIES OF CHILDREN.—The number
18 of children to be counted for purposes of this section
19 is the aggregate of—

20 “(A) the number of children aged 5 to 17,
21 inclusive, in the school district of the local edu-
22 cational agency from families below the poverty
23 level as determined under paragraphs (2) and
24 (3);

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1 “(B) the number of children aged 5 to 17,
2 inclusive, in the school district of such agency
3 from families above the poverty level as deter-
4 mined under paragraph (4); and

5 “(C) the number of children determined
6 under paragraph (4) for the preceding year as
7 described in that paragraph, or for the second
8 preceding year, as the Secretary finds appro-
9 priate) aged 5 to 17, inclusive, in the school
10 district of such agency in institutions for ne-
11 glected and delinquent children and youth
12 (other than such institutions operated by the
13 United States), but not counted pursuant to
14 chapter 1 of subpart 2 of part C of title III for
15 the purposes of a grant to a State agency, or
16 being supported in foster homes with public
17 funds.

18 “(2) DETERMINATION OF NUMBER OF CHIL-
19 DREN.—For the purposes of this section, the Sec-
20 retary shall determine the number of children aged
21 5 to 17, inclusive, from families below the poverty
22 level on the basis of the most recent satisfactory
23 data, described in paragraph (3), available from the
24 Department of Commerce. The District of Columbia
25 and the Commonwealth of Puerto Rico shall be

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1 treated as individual local educational agencies. If a
2 local educational agency contains 2 or more counties
3 in their entirety, then each county will be treated as
4 if such county were a separate local educational
5 agency for purposes of calculating grants under this
6 part. The total of grants for such counties shall be
7 allocated to such a local educational agency, which
8 local educational agency shall distribute to schools in
9 each county within such agency a share of the local
10 educational agency's total grant that is no less than
11 the county's share of the population counts used to
12 calculate the local educational agency's grant.

13 “(3) POPULATION UPDATES.—In fiscal year
14 2001 and every 2 years thereafter, the Secretary
15 shall use updated data on the number of children,
16 aged 5 to 17, inclusive, from families below the pov-
17 erty level for counties or local educational agencies,
18 published by the Department of Commerce, unless
19 the Secretary and the Secretary of Commerce deter-
20 mine that use of the updated population data would
21 be inappropriate or unreliable. If the Secretary and
22 the Secretary of Commerce determine that some or
23 all of the data referred to in this paragraph are in-
24 appropriate or unreliable, the Secretary and the Sec-
25 retary of Commerce shall publicly disclose their rea-

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1 sons. In determining the families which are below
2 the poverty level, the Secretary shall utilize the cri-
3 teria of poverty used by the Bureau of the Census
4 in compiling the most recent decennial census, in
5 such form as those criteria have been updated by in-
6 creases in the Consumer Price Index for all urban
7 consumers, published by the Bureau of Labor Statis-
8 tics.

9 “(4) OTHER CHILDREN TO BE COUNTED.—For
10 purposes of this section, the Secretary shall deter-
11 mine the number of children aged 5 to 17, inclusive,
12 from families above the poverty level on the basis of
13 the number of such children from families receiving
14 an annual income, in excess of the current criteria
15 of poverty, from payments under a State program
16 funded under part A of title IV of the Social Secu-
17 rity Act. In making such determinations the Sec-
18 retary shall utilize the criteria of poverty used by the
19 Bureau of the Census in compiling the most recent
20 decennial census for a family of 4 in such form as
21 those criteria have been updated by increases in the
22 Consumer Price Index for all urban consumers, pub-
23 lished by the Bureau of Labor Statistics. The Sec-
24 retary shall determine the number of children aged
25 5 through 17 living in institutions for neglected or

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1 delinquent children, or being supported in foster
2 homes with public funds, on the basis of the case-
3 load data for the month of October of the preceding
4 fiscal year (using, in the case of children described
5 in the preceding sentence, the criteria of poverty and
6 the form of such criteria required by such sentence
7 which were determined for the calendar year preced-
8 ing such month of October) or, to the extent that
9 such data are not available to the Secretary before
10 January of the calendar year in which the Sec-
11 retary's determination is made, then on the basis of
12 the most recent reliable data available to the Sec-
13 retary at the time of such determination. The Sec-
14 retary of Health and Human Services shall collect
15 and transmit the information required by this sub-
16 paragraph to the Secretary not later than January
17 1 of each year. For the purpose of this section, the
18 Secretary shall consider all children who are in cor-
19 rectional institutions to be living in institutions for
20 delinquent children.

21 “(5) ESTIMATE.—When requested by the Sec-
22 retary, the Secretary of Commerce shall make a spe-
23 cial updated estimate of the number of children of
24 such ages who are from families below the poverty
25 level (as determined under paragraph (2)) in each

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1 school district, and the Secretary is authorized to
2 pay (either in advance or by way of reimbursement)
3 the Secretary of Commerce the cost of making this
4 special estimate. The Secretary of Commerce shall
5 give consideration to any request of the chief execu-
6 tive of a State for the collection of additional census
7 information. For purposes of this section, the Sec-
8 retary shall consider all children who are in correc-
9 tional institutions to be living in institutions for de-
10 linquent children.

11 "(d) STATE MINIMUM.—Notwithstanding section
12 1122, the aggregate amount allotted for all local edu-
13 cational agencies within a State may not be less than the
14 lesser of—

15 "(1) 0.25 percent of the total amount made
16 available to carry out this section for such fiscal
17 year; or

18 "(2) the average of—

19 "(A) 0.25 percent of the total amount
20 made available to carry out this section for such
21 fiscal year; and

22 "(B) the number of children in such State
23 counted under subsection (c) in the fiscal year
24 multiplied by 150 percent of the national aver-

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1 age per-pupil payment made with funds avail-
2 able under this section for that fiscal year.

3 **"SEC. 1124A. CONCENTRATION GRANTS TO LOCAL EDU-**
4 **CATIONAL AGENCIES.**

5 **"(a) ELIGIBILITY FOR AND AMOUNT OF GRANTS.—**

6 **"(1) ELIGIBILITY.—**

7 **"(A) IN GENERAL.—**Except as otherwise
8 provided in this paragraph, each local edu-
9 cational agency in a State that is eligible for a
10 grant under section 1124 for any fiscal year is
11 eligible for an additional grant under this sec-
12 tion for that fiscal year if the number of chil-
13 dren counted under section 1124(c) who are
14 served by the agency exceeds—

15 **"(i) 6,500; or**

16 **"(ii) 15 percent of the total number of**
17 **children aged 5 through 17 served by the**
18 **agency.**

19 **"(B) MINIMUM.—**Notwithstanding section
20 1122, no State shall receive under this section
21 an amount that is less than the lesser of—

22 **"(i) 0.25 percent of the total amount**
23 **made available to carry out this section for**
24 **such fiscal year; or**

25 **"(ii) the average of—**

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1 “(I) 0.25 percent of the sums
2 available to carry out this section for
3 such fiscal year; and

4 “(II) the greater of—

5 “(aa) \$340,000; or

6 “(bb) the number of chil-
7 dren in such State counted for
8 purposes of this section in that
9 fiscal year multiplied by 150 per-
10 cent of the national average per-
11 pupil payment made with funds
12 available under this section for
13 that fiscal year.

14 “(2) DETERMINATION.—For each county or
15 local educational agency eligible to receive an addi-
16 tional grant under this section for any fiscal year
17 the Secretary shall determine the product of—

18 “(A) the number of children counted under
19 section 1124(c) for that fiscal year; and

20 “(B) the amount in section 1124(a)(1)(B)
21 for all States except the Commonwealth of
22 Puerto Rico, and the amount in section
23 1124(a)(3) for the Commonwealth of Puerto
24 Rico.

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1 “(3) AMOUNT.—The amount of the additional
2 grant for which an eligible local educational agency
3 or county is eligible under this section for any fiscal
4 year shall be an amount that bears the same ratio
5 to the amount available to carry out this section for
6 that fiscal year as the product determined under
7 paragraph (2) for such local educational agency for
8 that fiscal year bears to the sum of such products
9 for all local educational agencies in the United
10 States for that fiscal year.

11 “(4) LOCAL ALLOCATIONS.—

12 “(A) IN GENERAL.—Grant amounts under
13 this section shall be calculated in the same
14 manner as grant amounts are calculated under
15 section 1124(a) (2) and (3).

16 “(B) SPECIAL RULE.—For any fiscal year
17 for which the Secretary allocates funds under
18 this section on the basis of counties, a State
19 may reserve not more than 2 percent of the
20 amount made available to the State under this
21 section for any fiscal year to make grants to
22 local educational agencies that meet the criteria
23 in paragraph (1)(A) (i) or (ii) but that are in
24 ineligible counties.

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1 “(b) RATABLE REDUCTION RULE.—If the sums
2 available under subsection (a) for any fiscal year for mak-
3 ing payments under this section are not sufficient to pay
4 in full the total amounts which all States are eligible to
5 receive under subsection (a) for such fiscal year, the maxi-
6 mum amounts that all States are eligible to receive under
7 subsection (a) for such fiscal year shall be ratably reduced.
8 In the case that additional funds become available for
9 making such payments for any fiscal year during which
10 the preceding sentence is applicable, such reduced
11 amounts shall be increased on the same basis as they were
12 reduced.

13 “(c) STATES RECEIVING MINIMUM GRANTS.—In
14 States that receive the minimum grant under subsection
15 (a)(1)(B), the State educational agency shall allocate such
16 funds among the local educational agencies in each
17 State—

18 “(1) in accordance with paragraphs (2) and (4)
19 of subsection (a); or

20 “(2) based on their respective concentrations
21 and numbers of children counted under section
22 1124(c), except that only those local educational
23 agencies with concentrations or numbers of children
24 counted under section 1124(c) that exceed the state-
25 wide average percentage of such children or the

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1 statewide average number of such children shall re-
2 ceive any funds on the basis of this paragraph.

3 **"SEC. 1125. TARGETED GRANTS TO LOCAL EDUCATIONAL**
4 **AGENCIES.**

5 "(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGEN-
6 CIES.—

7 "(1) IN GENERAL.—A local educational agency
8 in a State is eligible to receive a targeted grant
9 under this section for any fiscal year if—

10 "(A) the number of children in the local
11 educational agency counted under section
12 1124(c), before application of the weighted
13 child count described in subsection (c), is at
14 least 10; and

15 "(B) if the number of children counted for
16 grants under section 1124[, before application
17 of the weighted child count described in sub-
18 section (c),?] is at least 5 percent of the total
19 number of children aged 5 to 17 years, inclu-
20 sive, in the school district of the local edu-
21 cational agency.

22 "(2) SPECIAL RULE.—For any fiscal year for
23 which the Secretary allocates funds under this sec-
24 tion on the basis of counties, funds made available
25 as a result of applying this subsection shall be re-

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1 allocated by the State educational agency to other el-
2 igible local educational agencies in the State in pro-
3 portion to the distribution of other funds under this
4 section.

5 “(b) GRANTS FOR LOCAL EDUCATIONAL AGENCIES,
6 THE DISTRICT OF COLUMBIA, AND THE COMMONWEALTH
7 OF PUERTO RICO.—

8 “(1) IN GENERAL.—The amount of the grant
9 that a local educational agency in a State (other
10 than the Commonwealth of Puerto Rico) is eligible
11 to receive under this section for any fiscal year shall
12 be the product of—

13 “(A) the weighted child count determined
14 under subsection (c); and

15 “(B) the amount of the grant the local
16 educational agency is eligible to receive under
17 section 1124(a)(1).

18 “(2) PUERTO RICO.—For each fiscal year, the
19 amount of the grant the Commonwealth of Puerto
20 Rico is eligible to receive under this section shall be
21 equal to the number of children counted under sub-
22 section (c) for the Commonwealth of Puerto Rico,
23 multiplied by the amount determined in section
24 1124(a)(4) for the Commonwealth of Puerto Rico.

25 “(c) WEIGHTED CHILD COUNT.—

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1 “(1) WEIGHTS FOR ALLOCATIONS TO COUN-
2 TIES.—

3 “(A) IN GENERAL.—For each fiscal year
4 for which the Secretary uses county population
5 data to calculate grants, the weighted child
6 count used to determine a county's allocation
7 under this section is the larger of the 2
8 amounts determined under subparagraphs (B)
9 and (C).

10 “(B) BY PERCENTAGE OF CHILDREN.—
11 The amount referred to in subparagraph (A) is
12 determined by adding—

13 “(i) the number of children deter-
14 mined under section 1124(c) for that coun-
15 ty who constitute not more than 12.20 per-
16 cent, inclusive, of the county's total popu-
17 lation aged 5 to 17, inclusive, multiplied by
18 1.0;

19 “(ii) the number of such children who
20 constitute more than 12.20 percent, but
21 not more than 17.70 percent, of such pop-
22 ulation, multiplied by 1.75;

23 “(iii) the number of such children who
24 constitute more than 17.70 percent, but

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1 not more than 22.80 percent, of such pop-
2 ulation, multiplied by 2.5;

3 “(iv) the number of such children who
4 constitute more than 22.80 percent, but
5 not more than 29.70 percent, of such pop-
6 ulation, multiplied by 3.25; and

7 “(v) the number of such children who
8 constitute more than 29.70 percent of such
9 population, multiplied by 4.0.

10 “(C) BY NUMBER OF CHILDREN.—The
11 amount referred to in subparagraph (A) is de-
12 termined by adding—

13 “(i) the number of children deter-
14 mined under section 1124(c) who con-
15 stitute not more than 1,917, inclusive, of
16 the county's total population aged 5 to 17,
17 inclusive, multiplied by 1.0;

18 “(ii) the number of such children be-
19 tween 1,918 and 5,938, inclusive, in such
20 population, multiplied by 1.5;

21 “(iii) the number of such children be-
22 tween 5,939 and 20,199, inclusive, in such
23 population, multiplied by 2.0;

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1 “(iv) the number of such children be-
2 tween 20,200 and 77,999, inclusive, in
3 such population, multiplied by 2.5; and

4 “(v) the number of such children in
5 excess of 77,999 in such population, multi-
6 plied by 3.0.

7 “(D) PUERTO RICO.—Notwithstanding
8 subparagraph (A), the weighting factor for the
9 Commonwealth of Puerto Rico under this para-
10 graph shall not be greater than the total num-
11 ber of children counted under section 1124(c)
12 multiplied by 1.72.

13 “(2) WEIGHTS FOR ALLOCATIONS TO LOCAL
14 EDUCATIONAL AGENCIES.—

15 “(A) IN GENERAL.—For each fiscal year
16 for which the Secretary uses local educational
17 agency data, the weighted child count used to
18 determine a local educational agency's grant
19 under this section is the larger of the 2
20 amounts determined under subparagraphs (B)
21 and (C).

22 “(B) BY PERCENTAGE OF CHILDREN.—
23 The amount referred to in subparagraph (A) is
24 determined by adding—

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1 “(i) the number of children deter-
2 mined under section 1124(c) for that local
3 educational agency who constitute not
4 more than 14.265 percent, inclusive, of the
5 agency's total population aged 5 to 17, in-
6 clusive, multiplied by 1.0;

7 “(ii) the number of such children who
8 constitute more than 14.265 percent, but
9 not more than 21.553 percent, of such
10 population, multiplied by 1.75;

11 “(iii) the number of such children who
12 constitute more than 21.553 percent, but
13 not more than 29.223 percent, of such
14 population, multiplied by 2.5;

15 “(iv) the number of such children who
16 constitute more than 29.223 percent, but
17 not more than 36.538 percent, of such
18 population, multiplied by 3.25; and

19 “(v) the number of such children who
20 constitute more than 36.538 percent of
21 such population, multiplied by 4.0.

22 “(C) BY NUMBER OF CHILDREN.—The
23 amount referred to in subparagraph (A) is de-
24 termined by adding—

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1 “(i) the number of children deter-
2 mined under section 1124(c) who con-
3 stitute not more than 575, inclusive, of the
4 agency's total population aged 5 to 17, in-
5 clusive, multiplied by 1.0;

6 “(ii) the number of such children be-
7 tween 576 and 1,870, inclusive, in such
8 population, multiplied by 1.5;

9 “(iii) the number of such children be-
10 tween 1,871 and 6,910, inclusive, in such
11 population, multiplied by 2.0;

12 “(iv) the number of such children be-
13 tween 6,911 and 42,000, inclusive, in such
14 population, multiplied by 2.5; and

15 “(v) the number of such children in
16 excess of 42,000 in such population, multi-
17 plied by 3.0.

18 “(D) PUERTO RICO.—Notwithstanding
19 subparagraph (A), the weighting factor for the
20 Commonwealth of Puerto Rico under this para-
21 graph shall not be greater than the total num-
22 ber of children counted under section 1124(c)
23 multiplied by 1.72.

24 “(d) CALCULATION OF GRANT AMOUNTS.—Grant
25 amounts under this section shall be calculated in the same

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1 manner as grant amounts are calculated under section
2 1124(a) (2) and (3).

3 “(c) STATE MINIMUM.—Notwithstanding any other
4 provision of this section or section 1122, from the total
5 amount available for any fiscal year to carry out this sec-
6 tion, each State shall be allotted not less than the lesser
7 of—

8 “(1) 0.25 percent of the total amount made
9 available to carry out this section for such fiscal
10 year; or

11 “(2) the average of—

12 “(A) 0.25 percent of the total amount
13 made available to carry out this section for such
14 fiscal year; and

15 “(B) 150 percent of the national average
16 grant under this section per child described in
17 section 1124(e), without application of a
18 weighted child count, multiplied by the State's
19 total number of children described in section
20 1124(e), without application of a weighted child
21 count.

22 **“SEC. 1125A. EDUCATION FINANCE INCENTIVE PROGRAM.**

23 “(a) GRANTS.—From funds appropriated under sub-
24 section (e) the Secretary is authorized to make grants to

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1 States, from allotments under subsection (b), to carry out
2 the purposes of this part.

3 “(b) DISTRIBUTION BASED UPON FISCAL EFFORT
4 AND EQUITY.—

5 “(1) IN GENERAL.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), funds appropriated pursuant
8 to subsection (e) shall be allotted to each State
9 based upon the number of children aged 5 to
10 17, inclusive, in such State multiplied by the
11 product of—

12 “(i) such State’s effort factor de-
13 scribed in paragraph (2); multiplied by

14 “(ii) 1.30 minus such State’s equity
15 factor described in paragraph (3).

16 “(B) MINIMUM.—For each fiscal year no
17 State shall receive under this section less than
18 0.25 percent of the total amount appropriated
19 under subsection (e) for the fiscal year.

20 “(2) EFFORT FACTOR.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), the effort factor for a State
23 shall be determined in accordance with the suc-
24 ceeding sentence, except that such factor shall
25 not be less than 0.95 nor greater than 1.05.

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1 The effort factor determined under this sen-
2 tence shall be a fraction the numerator of which
3 is the product of the 3-year average per-pupil
4 expenditure in the State multiplied by the 3-
5 year average per capita income in the United
6 States and the denominator of which is the
7 product of the 3-year average per capita income
8 in such State multiplied by the 3-year average
9 per-pupil expenditure in the United States.

10 “(B) COMMONWEALTH OF PUERTO
11 RICO.—The effort factor for the Commonwealth
12 of Puerto Rico shall be equal to the lowest ef-
13 fort factor calculated under subparagraph (A)
14 for any State.

15 “(3) EQUITY FACTOR.—

16 “(A) DETERMINATION.—

17 “(i) IN GENERAL.—Except as pro-
18 vided in subparagraph (B), the Secretary
19 shall determine the equity factor under
20 this section for each State in accordance
21 with clause (ii).

22 “(ii) COMPUTATION.—

23 “(I) IN GENERAL.—For each
24 State, the Secretary shall compute a
25 weighted coefficient of variation for

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1 the per-pupil expenditures of local
2 educational agencies in accordance
3 with subclauses (II), (III), (IV), and
4 (V).

5 “(II) VARIATION.—In computing
6 coefficients of variation, the Secretary
7 shall weigh the variation between per-
8 pupil expenditures in each local edu-
9 cational agency and the average per-
10 pupil expenditures in the State ac-
11 cording to the number of pupils
12 served by the local educational agency.

13 “(III) NUMBER OF PUPILS.—In
14 determining the number of pupils
15 under this paragraph served by each
16 local educational agency and in each
17 State, the Secretary shall multiply the
18 number of children from low-income
19 families by a factor of 1.4.

20 “(IV) ENROLLMENT REQUIRE-
21 MENT.—In computing coefficients of
22 variation, the Secretary shall include
23 only those local educational agencies
24 with an enrollment of more than 200
25 students.

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1 “(V) SEPARATE COEFFI-
2 CIENTS.—The Secretary shall com-
3 pute separate coefficients of variation
4 for elementary schools, secondary
5 schools, and unified local educational
6 agencies and shall combine such coef-
7 ficients into a single weighted average
8 coefficient for the State by multiply-
9 ing each coefficient by the total enroll-
10 ments of the local educational agen-
11 cies in each group, adding such prod-
12 ucts, and dividing such sum by the
13 total enrollments of the local edu-
14 cational agencies in the State.

15 “(B) SPECIAL RULE.—The equity factor
16 for a State that meets the disparity standard
17 described in section [222.63 of title 34, Code of
18 Federal Regulations (as such section was in ef-
19 fect on the day preceding the date of enactment
20 of this Act)] or a State with only 1 local edu-
21 cational agency shall be not greater than 0.10.

22 “(C) REVISIONS.—The Secretary may re-
23 vise each State's equity factor as necessary
24 based on the advice of independent education fi-
25 nance scholars to reflect other need-based costs

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1 of local educational agencies in addition to low-
2 income student enrollment, such as differing ge-
3 ographic costs, costs associated with students
4 with disabilities, children with limited English-
5 proficiency or other meaningful educational
6 needs, which deserve additional support. In ad-
7 dition, after obtaining the advice of independent
8 education finance scholars, the Secretary may
9 revise each State's equity factor to incorporate
10 other valid and accepted methods to achieve
11 adequacy of educational opportunity that may
12 not be reflected in a coefficient of variation
13 method.

14 "(c) USE OF FUNDS.—All funds awarded to each
15 State under this section shall be allocated to local edu-
16 cational agencies and schools on a basis consistent with
17 the distribution of other funds to such agencies and
18 schools under sections 1124, 1124A, and 1125 to carry
19 out activities under this part.

20 "(d) MAINTENANCE OF EFFORT.—

21 "(1) IN GENERAL.—Except as provided in para-
22 graph (2), a State is entitled to receive its full allot-
23 ment of funds [under this part] [section?] for any
24 fiscal year if the Secretary finds that either the com-
25 bined fiscal effort per student or the aggregate ex-

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1 penditures within the State with respect to the pro-
2 vision of free public education for the fiscal year pre-
3 ceding the fiscal year for which the determination is
4 made was not less than 90 percent of such combined
5 fiscal effort or aggregate expenditures for the second
6 fiscal year preceding the fiscal year for which the de-
7 termination is made.

8 “(2) REDUCTION OF FUNDS.—The Secretary
9 shall reduce the amount of funds awarded to any
10 State under this section in any fiscal year in the
11 exact proportion to which the State fails to meet the
12 requirements of paragraph (1) by falling below 90
13 percent of both the fiscal effort per student and ag-
14 gregate expenditures (using the measure most favor-
15 able to the State), and no such lesser amount shall
16 be used for computing the effort required under
17 paragraph (1) for subsequent years.

18 “(3) WAIVERS.—The Secretary may waive, for
19 1 fiscal year only, the requirements of this sub-
20 section if the Secretary determines that such a waiv-
21 er would be equitable due to exceptional or uncon-
22 trollable circumstances such as a natural disaster or
23 a precipitous and unforeseen decline in the financial
24 resources of the State.

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1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 \$200,000,000 for fiscal year 2000 and such sums as may
4 be necessary for each of the 4 succeeding fiscal years.

5 **“SEC. 1126. SPECIAL ALLOCATION PROCEDURES.**

6 “(a) ALLOCATIONS FOR NEGLECTED CHILDREN.—

7 “(1) IN GENERAL.—If a State educational
8 agency determines that a local educational agency in
9 the State is unable or unwilling to provide for the
10 special educational needs of children who are living
11 in institutions for neglected or delinquent children as
12 described in section 1124(c)(1)(C), the State edu-
13 cational agency shall, if such agency assumes re-
14 sponsibility for the special educational needs of such
15 children, receive the portion of such local educational
16 agency's allocation under sections 1124, 1124A, and
17 1125 that is attributable to such children.

18 “(2) SPECIAL RULE.—If the State educational
19 agency does not assume such responsibility, any
20 other State or local public agency that does assume
21 such responsibility shall receive that portion of the
22 local educational agency's allocation.

23 “(b) ALLOCATIONS AMONG LOCAL EDUCATIONAL
24 AGENCIES.—The State educational agency may allocate

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1 the amounts of grants under sections 1124, 1124A, and
2 1125 among the affected local educational agencies—

3 “(1) if 2 or more local educational agencies
4 serve, in whole or in part, the same geographical
5 area;

6 “(2) if a local educational agency provides free
7 public education for children who reside in the
8 school district of another local educational agency;
9 or

10 “(3) to reflect the merger, creation, or change
11 of boundaries of 1 or more local educational agen-
12 cies.

13 “(c) REALLOCATION.—If a State educational agency
14 determines that the amount of a grant a local educational
15 agency would receive under sections 1124, 1124A, and
16 1125 is more than such local educational agency will use,
17 the State educational agency shall make the excess
18 amount available to other local educational agencies in the
19 State that need additional funds in accordance with cri-
20 teria established by the State educational agency.”