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S. 1

[Report No. 107–7]

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

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2001

Mr. JEFFORDS, from the Committee on Health, Education, Labor, and Pensions, reported the following original bill; which was read twice and placed on the calendar

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A BILL

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

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Better Education for Students and Teachers Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References.
Sec. 3. Short title; purpose; definitions; uniform provisions.
Sec. 4. Maintenance of effort.
Sec. 5. Prohibition regarding State aid.
Sec. 6. Participation by private school children and teachers.
Sec. 7. Standards for by-pass.
Sec. 8. Complaint process for participation of private school children.
Sec. 9. By-pass determination process.
Sec. 10. Prohibition against funds for religious worship or instruction.
Sec. 11. Applicability to home schools.
Sec. 12. General provision regarding nonrecipient nonpublic schools.
Sec. 13. School prayer.
Sec. 14. General prohibitions.
Sec. 15. Prohibition on Federal mandates, direction, and control.

TITLE I—BETTER RESULTS FOR DISADVANTAGED CHILDREN

Sec. 101. Policy and purpose.
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PART A—BETTER RESULTS FOR DISADVANTAGED CHILDREN

Sec. 111. State plans.
Sec. 112. Local educational agency plans.
Sec. 113. Eligible school attendance areas.
Sec. 114. Schoolwide programs.
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Sec. 117. Assessment and local educational agency and school improvement.
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Sec. 120C. Allocations.

PART B—LITERACY FOR CHILDREN AND FAMILIES

Sec. 121. Reading first.
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PART C—EDUCATION OF MIGRATORY CHILDREN

Sec. 131. Program purpose.
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Sec. 133. Comprehensive plan.
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PART D—INITIATIVES FOR NEGLECTED, DELINQUENT, OR AT RISK YOUTH

Sec. 141. Initiatives for neglected, delinquent, or at risk youth.

PART E—21ST CENTURY LEARNING CENTERS; COMPREHENSIVE SCHOOL REFORM; SCHOOL DROPOUT PREVENTION

Sec. 151. 21st century learning centers; comprehensive school reform.

PART F—EDUCATION FOR HOMELESS CHILDREN AND YOUTH

Sec. 161. Statement of policy.
Sec. 162. Grants for State and local activities.
Sec. 163. Local educational agency grants.
Sec. 164. Secretarial responsibilities.
Sec. 165. Definitions.
Sec. 166. Authorization of appropriations.
Sec. 167. Conforming amendments.

TITLE II—TEACHERS

Sec. 201. Teacher quality.
Sec. 202. Teacher mobility.

TITLE III—MOVING LIMITED ENGLISH PROFICIENT STUDENTS TO ENGLISH FLUENCY

Sec. 301. Bilingual education.

TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

Sec. 401. Amendment to the Elementary and Secondary Education Act of 1965.
Sec. 402. Gun-free requirements.
Sec. 403. School safety and violence prevention.
Sec. 404. Environmental tobacco smoke.

TITLE V—PUBLIC SCHOOL CHOICE AND FLEXIBILITY

Sec. 501. Public school choice and flexibility.

TITLE VI—PARENTAL INVOLVEMENT AND ACCOUNTABILITY

Sec. 601. Parental involvement and accountability.

TITLE VII—INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

Sec. 701. Programs.
Sec. 702. Conforming amendments.

TITLE VIII—REPEALS

Sec. 801. Repeals.

TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 901. Independent evaluation.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provi-

sion, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

SEC. 3. SHORT TITLE; PURPOSE; DEFINITIONS; UNIFORM PROVISIONS.

The Act (20 U.S.C. 6301 et seq.) is amended—

(1) in the heading for section 1, by striking ''**TABLE OF CONTENTS**'' and inserting ''**SHORT TITLE**''; and

(2) by adding after section 1 the following:

''SEC. 2. PURPOSE.

''It is the purpose of this Act to support programs and activities that will improve the Nation's schools and enable all children to achieve high standards.

''SEC. 3. DEFINITIONS.

''Except as otherwise provided, in this Act:

''(1) AVERAGE DAILY ATTENDANCE.—

''(A) IN GENERAL.—Except as provided otherwise by State law or this paragraph, the term 'average daily attendance' means—

''(i) the aggregate number of days of attendance of all students during a school year; divided by

''(ii) the number of days school is in session during such school year.

"(B) CONVERSION.—The Secretary shall permit the conversion of average daily membership (or other similar data) to average daily attendance for local educational agencies in States that provide State aid to local educational agencies on the basis of average daily membership or such other data.

"(C) SPECIAL RULE.—If the local educational agency in which a child resides makes a tuition or other payment for the free public education of the child in a school located in another school district, the Secretary shall, for purposes of this Act—

"(i) consider the child to be in attendance at a school of the agency making such payment; and

"(ii) not consider the child to be in attendance at a school of the agency receiving such payment.

"(D) CHILDREN WITH DISABILITIES.—If a local educational agency makes a tuition payment to a private school or to a public school of another local educational agency for a child with a disability, as defined in section 602 of the Individuals with Disabilities Education Act,

the Secretary shall, for the purposes of this Act, consider such child to be in attendance at a school of the agency making such payment.

"(2) AVERAGE PER-PUPIL EXPENDITURE.—The term 'average per-pupil expenditure' means, in the case of a State or of the United States—

"(A) without regard to the source of funds—

"(i) the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the determination is made (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State or, in the case of the United States for all States (which, for the purpose of this paragraph, means the 50 States and the District of Columbia); plus

"(ii) any direct current expenditures by the State for the operation of such agencies; divided by

"(B) the aggregate number of children in average daily attendance to whom such agencies

provided free public education during such preceding year.

"(3) CHILD.—The term 'child' means any person within the age limits for which the State provides free public education.

"(4) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a public or private nonprofit organization of demonstrated effectiveness that—

"(A) is representative of a community or significant segments of a community; and

"(B) provides educational or related services to individuals in the community.

"(5) CONSOLIDATED LOCAL APPLICATION.—The term 'consolidated local application' means an application submitted by a local educational agency pursuant to section 5505.

"(6) CONSOLIDATED LOCAL PLAN.—The term 'consolidated local plan' means a plan submitted by a local educational agency pursuant to section 5505.

"(7) CONSOLIDATED STATE APPLICATION.—The term 'consolidated State application' means an application submitted by a State educational agency pursuant to section 5502.

"(8) CONSOLIDATED STATE PLAN.—The term 'consolidated State plan' means a plan submitted by a State educational agency pursuant to section 5502.

"(9) COUNTY.—The term 'county' means one of the divisions of a State used by the Secretary of Commerce in compiling and reporting data regarding counties.

"(10) COVERED PROGRAM.—The term 'covered program' means each of the programs authorized by—

"(A) part A of title I;

"(B) part C of title I;

"(C) part C of title II;

"(D) part A of title IV (other than section 4114); and

"(E) subpart 4 of part B of title V.

"(11) CURRENT EXPENDITURES.—The term 'current expenditures' means expenditures for free public education—

"(A) including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and

net expenditures to cover deficits for food services and student body activities; but

"(B) not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds received under subpart 4 of part B of title V.

"(12) DEPARTMENT.—The term 'Department' means the Department of Education.

"(13) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency' means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies.

"(14) ELEMENTARY SCHOOL.—The term 'elementary school' means a nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under State law.

"(15) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is provided—

"(A) at public expense, under public supervision and direction, and without tuition charge; and

"(B) as elementary school or secondary school education as determined under applicable State law, except that such term does not include any education provided beyond grade 12.

"(16) GIFTED AND TALENTED.—The term 'gifted and talented', when used with respect to students, children or youth, means students, children or youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

"(17) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965.

"(18) LOCAL EDUCATIONAL AGENCY.—

"(A) IN GENERAL.—The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township,

school district, or other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for the State's public elementary or secondary schools.

"(B) ADMINISTRATIVE CONTROL AND DIRECTION.—The term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

"(C) BIA SCHOOLS.—The term includes an elementary school or secondary school funded by the Bureau of Indian Affairs but only to the extent that such inclusion makes such school eligible for programs for which specific eligibility is not provided to such school in another provision of law and such school does not have a student population that is smaller than the student population of the local educational agency receiving assistance under this Act with the smallest student population, except that such school shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Affairs.

"(19) MENTORING.—The term 'mentoring', when used with respect to mentoring other than teacher mentoring, means a program in which an adult works with a child or youth on a 1-to-1 basis, establishing a supportive relationship, providing academic assistance, and introducing the child or youth to new experiences that enhance the child or youth's ability to excel in school and become a responsible citizen.

"(20) OTHER STAFF.—The term 'other staff' means pupil services personnel, librarians, career guidance and counseling personnel, education aides, and other instructional and administrative personnel.

"(21) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and for the purpose of section 1121 and any other discretionary grant program under this Act, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(22) PARENT.—The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(23) PARENTAL INVOLVEMENT.—The term 'parental involvement' means the participation of parents on all levels of a school's operation, including all of the activities described in section 1118.

"(24) PUBLIC TELECOMMUNICATIONS ENTITY.—The term 'public telecommunication entity' has the same meaning given to such term in section 397 of the Communications Act of 1934.

"(25) PUPIL SERVICES PERSONNEL; PUPIL SERVICES.—

"(A) PUPIL SERVICES PERSONNEL.—The term 'pupil services personnel' means school counselors, school social workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services (including related services as such term is defined in section 602 of the Individuals with Disabilities Education Act) as part of a comprehensive program to meet student needs.

"(B) PUPIL SERVICES.—The term 'pupil services' means the services provided by pupil services personnel.

"(26) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' used with respect to an activity or a program, means an activity based on specific strategies and implementation of such strategies that, based on theory, research and evaluation, are effective in improving student achievement and performance and other program objectives.

"(27) SECONDARY SCHOOL.—The term 'secondary school' means a nonprofit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under State law, except that such term does not include any education beyond grade 12.

"(28) SECRETARY.—The term 'Secretary' means the Secretary of Education.

"(29) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

"(30) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the agency primarily responsible for the State supervision of public elementary schools and secondary schools.

"(31) TEACHER MENTORING.—The term 'teacher mentoring' means activities that—

"(A) consist of structured guidance and regular and ongoing support for beginning teachers, that—

"(i) are designed to help the teachers continue to improve their practice of teaching and to develop their instructional skills; and

"(ii) as part of a multiyear, developmental induction process—

"(I) involve the assistance of a mentor teacher and other appropriate individuals from a school, local educational agency, or institution of higher education; and

"(II) may include coaching, classroom observation, team teaching, and reduced teaching loads; and

"(B) may include the establishment of a partnership by a local educational agency with an institution of higher education, another local educational agency, a teacher organization, or another organization.

"(32) TECHNOLOGY.—The term 'technology' means state-of-the-art technology products and services, such as closed circuit television systems, educational television and radio programs and services, cable television, satellite, copper and fiber optic transmission, computer hardware and software, video and audio laser and CD–ROM discs, video and audio tapes, web-based learning resources, including online classes, interactive tutorials, and interactive tools and virtual environments for problem-solving, hand-held devices, wireless technology, voice recognition systems, and high-quality digital video, distance learning networks, visualization, modeling, and simulation software, and learning focused digital libraries and information retrieval systems.

"SEC. 4. MAINTENANCE OF EFFORT.

"(a) IN GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of such agency and the State with respect to the provision of free public education by such agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

"(b) REDUCTION IN CASE OF FAILURE TO MEET.—

"(1) IN GENERAL.—The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of subsection (a) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency).

"(2) SPECIAL RULE.—No such lesser amount shall be used for computing the effort required under subsection (a) for subsequent years.

"(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that such a waiver would be equitable due to—

"(1) exceptional or uncontrollable circumstances such as a natural disaster; or

"(2) a precipitous decline in the financial resources of the local educational agency.

"SEC. 5. PROHIBITION REGARDING STATE AID.

"A State shall not take into consideration payments under this Act (other than under title VIII) in determining the eligibility of any local educational agency in such State

for State aid, or the amount of State aid, with respect to free public education of children.

"SEC. 6. PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.

"(a) PRIVATE SCHOOL PARTICIPATION.—

"(1) IN GENERAL.—Except as otherwise provided in this Act, to the extent consistent with the number of eligible children in a State educational agency, local educational agency, or educational service agency or consortium of such agencies receiving financial assistance under a program specified in subsection (b), who are enrolled in private elementary and secondary schools in such agency or consortium, such agency or consortium shall, after timely and meaningful consultation with appropriate private school officials, provide such children and their teachers or other educational personnel, on an equitable basis, special educational services or other benefits under such program.

"(2) SECULAR, NEUTRAL, AND NONIDEOLOGICAL SERVICES OR BENEFITS.—Educational services or other benefits, including materials and equipment, provided under this section, shall be secular, neutral, and nonideological.

"(3) SPECIAL RULE.—Educational services and other benefits provided under this section for such private school children, teachers, and other educational personnel shall be equitable in comparison to services and other benefits for public school children, teachers, and other educational personnel participating in such program.

"(4) EXPENDITURES.—Expenditures for educational services and other benefits provided under this section to eligible private school children, their teachers, and other educational personnel serving such children shall be equal, taking into account the number and educational needs of the children to be served, to the expenditures for participating public school children.

"(5) PROVISION OF SERVICES.—Such agency or consortium described in subsection (a)(1) may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

"(b) APPLICABILITY.—

"(1) IN GENERAL.—This section applies to programs under—

"(A) part C of title I (migrant education);

"(B) parts A and C of title II;

"(C) title III; and

"(D) part A of title IV (other than section 4114).

"(2) DEFINITION.—For the purposes of this section, the term "eligible children" means children eligible for services under a program described in paragraph (1).

"(c) CONSULTATION.—

"(1) IN GENERAL.—To ensure timely and meaningful consultation, a State educational agency, local educational agency, educational service agency or consortium of such agencies shall consult with appropriate private school officials during the design and development of the programs under this Act, on issues such as—

"(A) how the children's needs will be identified;

"(B) what services will be offered;

"(C) how and where the services will be provided; and

"(D) how the services will be assessed.

"(2) TIMING.—Such consultation shall occur before the agency or consortium makes any decision that affects the opportunities of eligible private

school children, teachers, and other educational personnel to participate in programs under this Act.

''(3) DISCUSSION REQUIRED.—Such consultation shall include a discussion of service delivery mechanisms that the agency or consortium could use to provide equitable services to eligible private school children, teachers, administrators, and other staff.

''(d) PUBLIC CONTROL OF FUNDS.—

''(1) IN GENERAL.—The control of funds used to provide services under this section, and title to materials, equipment, and property purchased with such funds, shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

''(2) PROVISION OF SERVICES.—(A) The provision of services under this section shall be provided—

''(i) by employees of a public agency; or

''(ii) through contract by such public agency with an individual, association, agency, or organization.

''(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organization, and such employment or

contract shall be under the control and supervision of such public agency.

''(C) Funds used to provide services under this section shall not be commingled with non-Federal funds.

"SEC. 7. STANDARDS FOR BY-PASS.

''If, by reason of any provision of law, a State educational agency, local educational agency, educational service agency or consortium of such agencies is prohibited from providing for the participation in programs of children enrolled in, or teachers or other educational personnel from, private elementary and secondary schools, on an equitable basis, or if the Secretary determines that such agency or consortium has substantially failed or is unwilling to provide for such participation, as required by section 6, the Secretary shall—

''(1) waive the requirements of that section for such agency or consortium; and

''(2) arrange for the provision of equitable services to such children, teachers, or other educational personnel through arrangements that shall be subject to the requirements of this section and of sections 6, 8, and 9.

"SEC. 8. COMPLAINT PROCESS FOR PARTICIPATION OF PRIVATE SCHOOL CHILDREN.

"(a) PROCEDURES FOR COMPLAINTS.—The Secretary shall develop and implement written procedures for receiving, investigating, and resolving complaints from parents, teachers, or other individuals and organizations concerning violations of section 6 by a State educational agency, local educational agency, educational service agency, or consortium of such agencies. Such individual or organization shall submit such complaint to the State educational agency for a written resolution by the State educational agency within a reasonable period of time.

"(b) APPEALS TO THE SECRETARY.—Such resolution may be appealed by an interested party to the Secretary not later than 30 days after the State educational agency resolves the complaint or fails to resolve the complaint within a reasonable period of time. Such appeal shall be accompanied by a copy of the State educational agency's resolution, and a complete statement of the reasons supporting the appeal. The Secretary shall investigate and resolve each such appeal not later than 120 days after receipt of the appeal.

"SEC. 9. BY-PASS DETERMINATION PROCESS.

"(a) REVIEW.—

"(1) IN GENERAL.—(A) The Secretary shall not take any final action under section 7 until the State

educational agency, local educational agency, educational service agency, or consortium of such agencies affected by such action has had an opportunity, for not less than 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

''(B) Pending final resolution of any investigation or complaint that could result in a determination under this section, the Secretary may withhold from the allocation of the affected State or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of those services.

''(2) PETITION FOR REVIEW.—(A) If such affected agency or consortium is dissatisfied with the Secretary's final action after a proceeding under paragraph (1), such agency or consortium may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action.

''(B) A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary.

"(C) The Secretary upon receipt of the copy of the petition shall file in the court the record of the proceedings on which the Secretary based this action, as provided in section 2112 of title 28, United States Code.

"(3) FINDINGS OF FACT.—(A) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may then make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings.

"(B) Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) JURISDICTION.—(A) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set such action aside, in whole or in part.

"(B) The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(b) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines, in consultation with such agency or consortium and representatives of the affected private school children, teachers, or other educational personnel that there will no longer be any failure or inability on the part of such agency or consortium to meet the applicable requirements of section 6 or any other provision of this Act.

"(c) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allocation or allocations under this Act.

"(d) PRIOR DETERMINATION.—Any by-pass determination by the Secretary under this Act as in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994 shall remain in effect to the extent the Secretary determines that such determination is consistent with the purpose of this section.

"SEC. 10. PROHIBITION AGAINST FUNDS FOR RELIGIOUS WORSHIP OR INSTRUCTION.

''Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction.

"SEC. 11. APPLICABILITY TO HOME SCHOOLS.

''Nothing in this Act shall be construed to affect home schools.

"SEC. 12. GENERAL PROVISION REGARDING NON-RECIPIENT NONPUBLIC SCHOOLS.

''Nothing in this Act shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under this Act.

"SEC. 13. SCHOOL PRAYER.

''Any State or local educational agency that is adjudged by a Federal court of competent jurisdiction to have willfully violated a Federal court order mandating that such local educational agency remedy a violation of the constitutional right of any student with respect to prayer in public schools, in addition to any other judicial remedies, shall be ineligible to receive Federal funds under this Act until such time as the local educational agency

complies with such order. Funds that are withheld under this section shall not be reimbursed for the period during which the local educational agency was in willful non-compliance.

"SEC. 14. GENERAL PROHIBITIONS.

"(a) PROHIBITION.—None of the funds authorized under this Act shall be used—

"(1) to develop or distribute materials, or operate programs or courses of instruction directed at youth that are designed to promote or encourage, sexual activity, whether homosexual or heterosexual;

"(2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds;

"(3) to provide sex education or HIV prevention education in schools unless such instruction is age appropriate and includes the health benefits of abstinence; or

"(4) to operate a program of condom distribution in schools.

"(b) LOCAL CONTROL.—Nothing in this section shall be construed to—

"(1) authorize an officer or employee of the Federal Government to mandate, direct, review, or control a State, local educational agency, or schools'

instructional content, curriculum, and related activities;

''(2) limit the application of the General Education Provisions Act;

''(3) require the distribution of scientifically or medically false or inaccurate materials or to prohibit the distribution of scientifically or medically true or accurate materials; or

''(4) create any legally enforceable right.

''SEC. 15. PROHIBITION ON FEDERAL MANDATES, DIRECTION, AND CONTROL.

''Nothing in this Act shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's curriculum, program of instruction, or allocation of State or local resources, or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act.''.

TITLE I—BETTER RESULTS FOR DISADVANTAGED CHILDREN

SEC. 101. POLICY AND PURPOSE.

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

"SEC. 1001. STATEMENT OF PURPOSE.

''The purpose of this title is to enable schools to provide opportunities for children served under this title to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State student performance standards developed for all children. This purpose should be accomplished by—

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

''(2) providing children an enriched and accelerated educational program, including the use of schoolwide programs or additional services that increase the amount and quality of instructional time so that children served under this title receive at least the classroom instruction that other children receive;

''(3) promoting schoolwide reform and ensuring access of children (from the earliest grades, including prekindergarten) to effective instructional strategies and challenging academic content that includes intensive complex thinking and problem-solving experiences;

''(4) significantly elevating the quality of instruction by providing staff in participating schools

with substantial opportunities for professional development;

''(5) coordinating services under all parts of this title with each other, with other educational services, and to the extent feasible, with other agencies providing services to youth, children, and families that are funded from other sources;

''(6) affording parents substantial and meaningful opportunities to participate in the education of their children at home and at school;

''(7) distributing resources in amounts sufficient to make a difference to local educational agencies and schools where needs are greatest;

''(8) improving and strengthening accountability, teaching, and learning by using State assessment systems designed to measure how well children served under this title are achieving challenging State student performance standards expected of all children; and

''(9) providing greater decisionmaking authority and flexibility to schools and teachers in exchange for greater responsibility for student performance.''.

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

Section 1002 (20 U.S.C. 6302) is amended to read as follows:

"SEC. 1002. AUTHORIZATION OF APPROPRIATIONS.

"(a) LOCAL EDUCATIONAL AGENCY GRANTS.—For the purpose of carrying out part A, other than section 1120(e), there are authorized to be appropriated $15,000,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) READING FIRST.—

"(1) EVEN START.—For the purpose of carrying out subpart 1 of part B, there are authorized to be appropriated $250,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) READING FIRST.—For the purpose of carrying out subpart 2 of part B, there are authorized to be appropriated $900,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(3) EARLY READING FIRST.—For the purpose of carrying out subpart 3 of part B, there are authorized to be appropriated $75,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) EDUCATION OF MIGRATORY CHILDREN.—For the purpose of carrying out part C, there are authorized to be appropriated $400,000,000 for fiscal year 2002 and

such sums as may be necessary for each of the 6 succeeding fiscal years.

"(d) PREVENTION AND INTERVENTION PROGRAMS FOR YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT.—For the purpose of carrying out part D, there are authorized to be appropriated $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(e) CAPITAL EXPENSES.—For the purpose of carrying out section 1120(e), there are authorized to be appropriated $15,000,000 for fiscal year 2002, $15,000,000 for fiscal year 2003, and $5,000,000 for fiscal year 2004.

"(f) FEDERAL ACTIVITIES.—

"(1) SECTION 1501.—For the purpose of carrying out section 1501, there are authorized to be appropriated $10,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(2) SECTION 1502.—For the purpose of carrying out section 1502, there are authorized to be appropriated $25,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(g) 21ST CENTURY LEARNING CENTERS.—For the purpose of carrying out part F, there are authorized to

be appropriated $1,500,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(h) COMPREHENSIVE SCHOOL REFORM.—For the purpose of carrying out part G, there are authorized to be appropriated $250,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(i) SCHOOL DROPOUT PREVENTION.—For the purpose of carrying out part H, there are authorized to be appropriated $250,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years, of which—

"(1) 10 percent shall be available to carry out subpart 1 of part H for each fiscal year; and

"(2) 90 percent shall be available to carry out subpart 2 of part H for each fiscal year.".

SEC. 103. RESERVATION AND ALLOCATION FOR SCHOOL IMPROVEMENT.

Section 1003 (20 U.S.C. 6303) is amended to read as follows:

"SEC. 1003. RESERVATION FOR SCHOOL IMPROVEMENT.

"(a) STATE RESERVATION.—Each State educational agency shall reserve 3.5 percent of the amount the State educational agency receives under subpart 2 of part A for

each of the fiscal years 2002 and 2003, and 5 percent of that amount for each of the fiscal years 2004 through 2008, to carry out subsection (b) and to carry out the State educational agency's responsibilities under sections 1116 and 1117, including carrying out the State educational agency's statewide system of technical assistance and support for local educational agencies.

''(b) USES.—Of the amount reserved under subsection (a) for any fiscal year, the State educational agency shall make available not less than 50 percent of that amount directly to local educational agencies for schools identified for school improvement, corrective action, or reconstitution under section 1116(c).''.

PART A—BETTER RESULTS FOR DISADVANTAGED CHILDREN

SEC. 111. STATE PLANS.

Section 1111 (20 U.S.C. 6311) is amended to read as follows:

''SEC. 1111. STATE PLANS.

''(a) PLANS REQUIRED.—

''(1) IN GENERAL.—Any State desiring to receive a grant under this part shall submit to the Secretary, by March 1, 2002, a plan that satisfies the requirements of this section and that is coordinated with other programs under this Act, the Indi-

viduals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, the Adult Education and Family Literacy Act, and the Head Start Act.

"(2) CONSOLIDATION PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidation plan under section 5506.

"(b) STANDARDS, ASSESSMENTS, AND ACCOUNTABILITY.—

"(1) CHALLENGING STANDARDS.—(A) Each State plan shall demonstrate that the State has adopted challenging content standards and challenging student performance standards that will be used by the State, its local educational agencies, and its schools to carry out this part, except that a State shall not be required to submit such standards to the Secretary.

"(B) The standards required by subparagraph (A) shall be the same standards that the State applies to all schools and children in the State.

"(C) The State shall have the standards described in subparagraph (A) for all public elementary school and secondary school children served under this part in subjects determined by the State, but including at least mathematics, reading or lan-

guage arts, history, and science, which shall include the same knowledge skills, and levels of achievement expected of all children, except that no State shall be required to meet the requirements under this part relating to history or science standards until the beginning of the 2005–2006 school year.

"(D) Standards under this paragraph shall include—

"(i) challenging content standards in academic subjects that—

"(I) specify what children are expected to know and be able to do;

"(II) contain coherent and rigorous content; and

"(III) encourage the teaching of advanced skills; and

"(ii) challenging student performance standards that—

"(I) are aligned with the State's content standards;

"(II) describe 2 levels of high performance, proficient and advanced, that determine how well children are mastering the material in the State content standards; and

"(III) describe a third level of performance, partially proficient, to provide complete information about the progress of the lower performing children toward achieving to the proficient and advanced levels of performance.

"(E) For the subjects in which students served under this part will be taught, but for which a State is not required by subparagraphs (A), (B), and (C) to develop standards, and has not otherwise developed standards, the State plan shall describe a strategy for ensuring that such students are taught the same knowledge and skills and held to the same expectations as are all children.

"(2) ACCOUNTABILITY.—(A) Each State plan shall demonstrate that the State has developed and is implementing a single, statewide State accountability system that has been or will be effective in ensuring that all local educational agencies, elementary schools, and secondary schools make adequate yearly progress as defined under subparagraph (B). Each State accountability system shall—

"(i) be based on the standards and assessments adopted under paragraphs (1) and (3)

and take into account the performance of all students;

"(ii) be used for all schools or all local educational agencies in the State, except that schools and local educational agencies not participating under this part are not subject to the requirements of section 1116(c);

"(iii) include performance indicators for local educational agencies and schools to measure student performance consistent with subparagraph (B); and

"(iv) include sanctions and rewards, such as bonuses or recognition, the State will use to hold local educational agencies and schools accountable for student achievement and performance and for ensuring that the agencies and schools make adequate yearly progress in accordance with the State's definition under subparagraph (B).

"(B) Each State plan shall demonstrate, based on assessments described in paragraph (3), what constitutes adequate yearly progress of the State, and of schools and local educational agencies in the State, toward enabling all students to meet the State's student performance standards. Adequate

yearly progress shall be defined by the State in a manner that—

"(i) applies the same high standards of academic performance to all students in the State;

"(ii) is statistically valid and reliable;

"(iii) results in continuous and substantial academic improvement for all students;

"(iv) measures the progress of schools and local educational agencies based primarily on the assessments described in paragraph (3);

"(v) includes annual measurable objectives for continuing and significant improvement in—

"(I) the achievement of all students; and

"(II) the achievement of economically disadvantaged students, students with disabilities, students with limited English proficiency, migrant students, students by racial and ethnic group, and students by gender, except that such disaggregation shall not be required in any case in which the number of students in a category is insufficient to yield statistically reliable informa-

tion or the results would reveal individually identifiable information about an individual student;

''(vi) includes a timeline for ensuring that each group of students described in clause (v) meets or exceeds the State's proficient level of performance on the State assessment used for the purposes of this section and section 1116 within 10 years from the date of enactment of the Better Education for Students and Teachers Act; and

''(vii) includes school completion or dropout rates and at least 1 other academic indicator, as determined by the States, except that inclusion of such indicators shall not decrease the number of schools or local educational agencies that would otherwise be subject to identification for improvement or corrective action if the discretionary indicators were not included.

''(C) Each State shall ensure that in developing its plan, the State diligently seeks public comment from a range of institutions and individuals in the State with an interest in improved student achievement and performance, including parents, teachers, local educational agencies, pupil services personnel,

administrators (including those described in other parts of this title), and other staff, and that the State will continue to make a substantial effort to ensure that information under this part is widely known and understood by the public, parents, teachers, and school administrators throughout the State. Such efforts shall include, at a minimum, publication of such information and explanatory text, broadly to the public through such means as the Internet, the media, and public agencies.

''(D) If a State educational agency provides evidence, which is satisfactory to the Secretary, that neither the State educational agency nor any other State government official, agency, or entity has sufficient authority, under State law, to adopt curriculum content and student performance standards, and assessments aligned with such standards, which will be applicable to all students enrolled in the State's public schools, the State educational agency may meet the requirements of this subsection by—

''(i) adopting standards and assessments that meet the requirements of this subsection, on a statewide basis, and limiting the applicability of the standards and assessments to students served under this part; or

"(ii) adopting and implementing policies that ensure that each local educational agency in the State which receives a grant under this part will adopt curriculum content and student performance standards, and assessments aligned with such standards, which meet all of the criteria of this subsection.

"(E) Each State plan shall describe the standard the State will use for judging statistically significant educational progress for purposes of implementing the reconstitution provisions contained in section 1116 and, in so doing, describe how the State will take into account issues such as the size of a school and the mobility of the students in a school.

"(3) ASSESSMENTS.—Each State plan shall demonstrate that the State, in consultation with local educational agencies, has a system of high-quality, yearly student assessments in subjects that include, at a minimum, mathematics, reading or language arts, and science that will be used as the primary means of determining the yearly performance of each local educational agency and school in enabling all children to meet the State's student performance standards, except that no State shall be

required to meet the requirements of this part relating to science assessments until the beginning of the 2007–2008 school year. Such assessments shall—

"(A) be the same assessments used to measure the performance of all children;

"(B) be aligned with the State's challenging content and student performance standards and provide coherent information about student attainment of such standards;

"(C) be used for purposes for which such assessments are valid and reliable, and be consistent with relevant, nationally recognized professional and technical standards for such assessments;

"(D) measure the proficiency of students in the academic subjects in which a State has adopted challenging content and student performance standards and be administered not less than 1 or more times during—

"(i) grades 3 through 5;

"(ii) grades 6 through 9; and

"(iii) grades 10 through 12;

"(E) involve multiple up-to-date measures of student performance, including measures

that assess higher order thinking skills and understanding;

"(F) beginning not later than school year 2005–2006, measure the annual performance of students against the challenging State content and student performance standards in grades 3 through 8 in at least mathematics and reading or language arts, except that—

"(i) the Secretary may provide the State 1 additional year if the State demonstrates that exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency or school, prevented full implementation of the assessments by that deadline and that the State will complete the implementation within the additional 1-year period; and

"(ii) a State shall not required to conduct any assessments under this subparagraph, that were not required on the day preceding the date of enactment of the Better Education for Students and Teachers Act, in any school year, if the amount

made available to the State under section 6403(a) for use in that school year for such assessments is less than 50 percent of the costs of administering such assessments by the State in the previous school year, or if such assessments were not administered in the previous school year (in accordance with this clause), in the most recent school year in which such assessments were administered;

''(G) provide for—

''(i) the participation in such assessments of all students;

''(ii) the reasonable adaptations and accommodations for students with disabilities defined under section 602(3) of the Individuals with Disabilities Education Act necessary to measure the achievement of such students relative to State content and State student performance standards;

''(iii) the inclusion of limited English proficient students who shall be assessed, to the extent practicable, in the language and form most likely to yield accurate and

reliable information on what such students know and can do in content areas; and

"(iv) notwithstanding clause (iii), the assessment (using tests written in English) of reading or language arts of any student who has attended school in the United States (excluding the Commonwealth of Puerto Rico) for 3 or more consecutive school years, except that—

"(I) if the local educational agency determines, on a case-by-case individual basis, that assessments in another language and form would likely yield more accurate and reliable information on what such student knows and can do, the local educational agency may assess such student in the appropriate language other than English for 1 additional year; or

"(II) in extraordinary situations, if the local educational agency determines, on a case-by-case individual basis, that assessments in another language and form would likely yield more accurate and reliable informa-

tion, the local educational agency may assess such student in the appropriate language for additional years;

"(H) include students who have attended schools in a local educational agency for a full academic year but have not attended a single school for a full academic year, except that the performance of students who have attended more than 1 school in the local educational agency in any academic year shall be used only in determining the progress of the local educational agency;

"(I) produce individual student interpretive and descriptive reports to be provided to parents of all students, which shall include scores, or other information on the attainment of student performance standards, such as measures of student course work over time, student attendance rates, student dropout rates, and student participation in advanced level courses; and

"(J) enable results to be disaggregated within each State, local educational agency, and school by gender, by racial and ethnic group, by English proficiency status, by migrant status,

by students with disabilities as compared to nondisabled students, and by economically disadvantaged students as compared to students who are not economically disadvantaged, except that in the case of a local educational agency or a school such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal individually identifiable information about an individual student.

''(4) SPECIAL RULES.—(A) Additional measures that do not meet the requirements of paragraph (3)(C) may be included in the assessments if a State includes in the State plan information regarding the State's efforts to validate such measures.

''(B) States may measure the proficiency of students in the academic subjects in which a State has adopted challenging content and student performance standards 1 or more times during grades kindergarten through 2.

''(5) LANGUAGE ASSESSMENTS.—Each State plan shall identify the languages other than English that are present in the participating student population and indicate the languages for which yearly

student assessments are not available and are needed. The State shall make every effort to develop such assessments and may request assistance from the Secretary if linguistically accessible assessment measures are needed. Upon request, the Secretary shall assist with the identification of appropriate assessment measures in the needed languages but shall not mandate a specific assessment or mode of instruction.

"(6) REQUIREMENT.—Each State plan shall describe—

"(A) how the State educational agency will help each local educational agency and school affected by the State plan to develop the capacity to comply with each of the requirements of sections 1112(c)(4), 1114(b), and 1115(c) that is applicable to such agency or school; and

"(B) such other factors the State deems appropriate to provide students an opportunity to achieve the knowledge and skills described in the challenging content standards adopted by the State.

"(7) ED-FLEX.—A State shall not be eligible for designation under the Ed-Flex Partnership Act of 1999 until the State develops assessments aligned

with the State's content standards in at least mathematics and reading or language arts.

"(c) OTHER PROVISIONS TO SUPPORT TEACHING AND LEARNING.—Each State plan shall contain assurances that—

"(1) the State will meet the requirements of subsection (i)(1) and, beginning with the 2002–2003 school year, will produce the annual State report cards described in such subsection;

"(2) the State will, beginning in school year 2002–2003, participate in annual State assessments of 4th and 8th grade reading and mathematics under the National Assessment of Educational Progress carried out under section 411(b)(2) of the National Education Statistics Act of 1994 if the Secretary pays the costs of administering such assessments;

"(3) the State educational agency will work with other agencies, including educational service agencies or other local consortia, and institutions to provide technical assistance to local educational agencies and schools to carry out the State educational agency's responsibilities under this part, including technical assistance in providing professional development under section 1119, technical assistance

under section 1117, and parental involvement under section 1118;

''(4)(A) where educational service agencies exist, the State educational agency will consider providing professional development and technical assistance through such agencies; and

''(B) where educational service agencies do not exist, the State educational agency will consider providing professional development and technical assistance through other cooperative agreements such as through a consortium of local educational agencies;

''(5) the State educational agency will notify local educational agencies and the public of the content and student performance standards and assessments developed under this section, and of the authority to operate schoolwide programs, and will fulfill the State educational agency's responsibilities regarding local educational agency improvement and school improvement under section 1116, including such corrective actions as are necessary;

''(6) the State educational agency will provide the least restrictive and burdensome regulations for local educational agencies and individual schools participating in a program assisted under this part;

"(7) the State educational agency will inform the Secretary and the public of how Federal laws, if at all, hinder the ability of States to hold local educational agencies and schools accountable for student academic performance;

"(8) the State educational agency will encourage schools to consolidate funds from other Federal, State, and local sources for schoolwide reform in schoolwide programs under section 1114;

"(9) the State educational agency will modify or eliminate State fiscal and accounting barriers so that schools can easily consolidate funds from other Federal, State, and local sources for schoolwide programs under section 1114;

"(10) the State educational agency has involved the committee of practitioners established under section 1903(b) in developing the plan and monitoring its implementation;

"(11) the State educational agency will inform local educational agencies of the local educational agency's authority to obtain waivers under subpart 3 of part B of title V and, if the State is an Ed-Flex Partnership State, waivers under the Education Flexibility Partnership Act of 1999; and

"(12) the State will coordinate activities funded under this part with other Federal activities as appropriate.

"(d) PARENTAL INVOLVEMENT.—Each State plan shall describe how the State will support the collection and dissemination to local educational agencies and schools of effective parental involvement practices. Such practices shall—

"(1) be based on the most current research on effective parental involvement that fosters achievement to high standards for all children; and

"(2) be geared toward lowering barriers to greater participation in school planning, review, and improvement experienced by parents.

"(e) PEER REVIEW AND SECRETARIAL APPROVAL.—

"(1) SECRETARIAL DUTIES.—The Secretary shall—

"(A) establish a peer review process to assist in the review of State plans;

"(B) appoint individuals to the peer review process who are representative of parents, teachers, State educational agencies, local educational agencies, and who are familiar with educational standards, assessments, account-

ability, and other diverse educational needs of students;

"(C) approve a State plan within 120 days of its submission unless the Secretary determines that the plan does not meet the requirements of this section;

"(D) if the Secretary determines that the State plan does not meet the requirements of subsection (a), (b), or (c), immediately notify the State of such determination and the reasons for such determination;

"(E) not decline to approve a State's plan before—

"(i) offering the State an opportunity to revise its plan;

"(ii) providing technical assistance in order to assist the State to meet the requirements under subsections (a), (b), and (c); and

"(iii) providing a hearing; and

"(F) have the authority to disapprove a State plan for not meeting the requirements of this part, but shall not have the authority to require a State, as a condition of approval of the State plan, to include in, or delete from, such

plan 1 or more specific elements of the State's content standards or to use specific assessment instruments or items.

"(2) STATE REVISIONS.—States shall revise their plans if necessary to satisfy the requirements of this section.

"(f) PROVISION OF TESTING RESULTS TO PARENTS AND TEACHERS.—Each State plan shall demonstrate how the State educational agency will assist local educational agencies in assuring that results from the assessments required under this section will be provided to parents and teachers as soon as is practicably possible after the test is taken, in a manner and form that is understandable and easily accessible to parents and teachers.

"(g) DURATION OF THE PLAN.—

"(1) IN GENERAL.—Each State plan shall—

"(A) remain in effect for the duration of the State's participation under this part; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

"(2) ADDITIONAL INFORMATION.—If the State makes significant changes in its plan, such as the adoption of new State content standards and State

student performance standards, new assessments, or a new definition of adequate progress, the State shall submit such information to the Secretary.

"(h) LIMITATION ON CONDITIONS.—Nothing in this part shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's specific instructional content or student performance standards and assessments, curriculum, or program of instruction, as a condition of eligibility to receive funds under this part.

"(i) PENALTY.—If a State fails to meet the statutory deadlines for demonstrating that it has in place challenging content standards and student performance standards, and a system for measuring and monitoring adequate yearly progress, the Secretary shall withhold funds for State administration and activities under section 1117 until the Secretary determines that the State plan meets the requirements of this section.

"(j) REPORTS.—

"(1) ANNUAL STATE REPORT CARD.—

"(A) IN GENERAL.—Not later than the beginning of the 2002–2003 school year, a State that receives assistance under this Act shall prepare and disseminate an annual State report card.

"(B) IMPLEMENTATION.—The State report card shall be—

"(i) concise; and

"(ii) presented in a format and manner that parents can understand, and which, to the extent practicable, shall be in a language the parents can understand.

"(C) PUBLIC DISSEMINATION.—The State shall widely disseminate the information described in subparagraph (D) to all schools and local educational agencies in the State and make the information broadly available through public means, such as posting on the Internet, distribution to the media, and distribution through public agencies.

"(D) REQUIRED INFORMATION.—The State shall include in its annual State report card—

"(i) information, in the aggregate, on student achievement and performance at each proficiency level on the State assessments described in subsection (b)(3)(F) (disaggregated by race, ethnicity, gender, disability status, migrant status, English proficiency, and socioeconomic status);

"(ii) the percentage of students not tested (disaggregated by the same categories described in clause (i));

"(iii) such other information (such as dropout, graduation, and school attendance rates, completion of advanced placement courses, professional qualifications of teachers, and average class size by grade level) as the State believes will best provide parents, students, and other members of the public with information on the progress of each of the State's public schools;

"(iv) the number and names of each school identified for school improvement, including schools identified under section 1116(c); and

"(v) information on the performance of local educational agencies in the State regarding making adequate yearly progress, including the number and percentage of schools in the State that did not make adequate yearly progress.

"(2) ANNUAL LOCAL EDUCATIONAL AGENCY REPORT CARDS.—

"(A) IN GENERAL.—Not later than the beginning of the 2002–2003 school year, a local educational agency that receives assistance under this Act shall prepare and disseminate an annual local educational agency report card.

"(B) MINIMUM REQUIREMENTS.—The State shall ensure that each local educational agency collects appropriate data and includes in the local educational agency's annual report the information described in paragraph (1)(D) as applied to the local educational agency and each school served by the local educational agency, and—

"(i) in the case of a local educational agency—

"(I) the number and percentage of schools identified for school improvement and how long they have been so identified, including schools identified under section 1116(c); and

"(II) information that shows how students served by the local educational agency perform on the statewide assessment compared to students in the State as a whole; and

"(ii) in the case of a school—

"(I) whether the school has been identified for school improvement; and

"(II) information that shows how the school's students performed on the statewide assessment compared to students in the local educational agency and the State as a whole.

"(C) OTHER INFORMATION.—A local educational agency may include in its annual reports any other appropriate information whether or not such information is included in the annual State report.

"(D) DATA.—A local educational agency or school shall only include in its annual local educational agency report card data that is sufficient to yield statistically reliable information, as determined by the State, and does not reveal individually identifiable information about an individual student.

"(E) PUBLIC DISSEMINATION.—The local educational agency shall, not later than the beginning of the 2002–2003 school year, publicly disseminate the information described in this paragraph to all schools in the school district

and to all parents of students attending those schools, and make the information broadly available through public means, such as posting on the Internet, distribution to the media, and distribution through public agencies, except that if a local educational agency issues a report card for all students, the local educational agency may include the information under this section as part of such report.

''(3) PREEXISTING REPORT CARDS.—A State or local educational agency that was providing public report cards on the performance of students, schools, local educational agencies, or the State, may continue to use those reports for the purpose of this subsection, if such report is modified, as may be necessary, to contain the information required by this subsection.

''(4) ANNUAL STATE REPORT TO THE SECRETARY.—Each State receiving assistance under this Act shall report annually to the Secretary, and make widely available within the State—

''(A) beginning with school year 2001–2002, information on the State's progress in developing and implementing the assessments described in subsection (b)(3);

"(B) beginning not later than school year 2004–2005, information on the achievement of students on the assessments required by that section, including the disaggregated results for the categories of students identified in subsection (b)(2)(B)(v)(II);

"(C) the number and names of each school identified for school improvement, including schools identified under section 1116(c), the reason why each school was so identified, and the measures taken to address the performance problems of such schools; and

"(D) in any year before the State begins to provide the information described in subparagraph (B), information on the results of student assessments (including disaggregated results) required under this section.

"(5) PARENTS RIGHT-TO-KNOW.—

"(A) QUALIFICATIONS.—A local educational agency that receives funds under this part shall provide and notify the parents of each student attending any school receiving funds under this part that the parents may request, and will be provided on request, information regarding the professional qualifications of

the student's classroom teachers, including, at a minimum, the following:

"(i) Whether the teacher has met State qualification and licensing criteria for the grade levels and subject areas in which the teacher provides instruction.

"(ii) Whether the teacher is teaching under emergency or other provisional status through which State qualification or licensing criteria have been waived.

"(iii) The baccalaureate degree major of the teacher and any other graduate certification or degree held by the teacher, and the field of discipline of the certification or degree.

"(iv) Whether the child is provided services by paraprofessionals and the qualifications of such paraprofessional.

"(B) ADDITIONAL INFORMATION.—A school that receives funds under this part shall provide to parents information on the level of performance, of the individual student for whom they are the parent, in each of the State assessments as required under this part.

"(C) FORMAT.—The notice and information provided to parents shall be in an understandable and uniform format.

"(k) PRIVACY.—Information collected under this section shall be collected and disseminated in a manner that protects the privacy of individuals.

"(l) TECHNICAL ASSISTANCE.—The Secretary shall provide a State educational agency, at the State educational agency's request, technical assistance in meeting the requirements of this section, including the provision of advice by experts in the development of high-quality assessments and other relevant areas.".

SEC. 112. LOCAL EDUCATIONAL AGENCY PLANS.

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

(1) in subsection (a)—

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

(B) in paragraph (2), by striking "14304" and inserting "5504";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by inserting ''and'' after the semicolon; and

(iii) by adding at the end the following:

''(D) determine the literacy levels of first graders and their needs for interventions, including a description of how the agency will ensure that any such assessments—

''(i) are developmentally appropriate;

''(ii) use multiple measures to provide information about the variety of skills that research has identified as leading to early reading; and

''(iii) are administered to students in the language most likely to yield valid results;'';

(B) in paragraph (3), by inserting '', which strategy shall be coordinated with activities under title II if the local educational agency receives funds under title II'' before the semicolon;

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) by striking ''programs, vocational'' and inserting ''programs and vocational''; and

(II) by striking '', and school-to-work transition programs''; and

(ii) in subparagraph (B)—

(I) by striking ''served under part C'' and all that follows through ''1994''; and

(II) by striking ''served under part D''; and

(D) by striking paragraph (9) and inserting the following:

''(9) where appropriate, a description of how the local educational agency will use funds under this part to support early childhood education programs under section 1120B; and

''(10) a description of the strategy the local educational agency will use to implement effective parental involvement under section 1118.'';

(3) by amending subsection (c) to read as follows:

"(c) ASSURANCES.—Each local educational agency plan shall provide assurances that the local educational agency will—

"(1) inform eligible schools and parents of schoolwide project authority;

"(2) provide technical assistance and support to schoolwide programs;

"(3) work in consultation with schools as the schools develop the schools' plans pursuant to section 1114 and assist schools as the schools implement such plans or undertake activities pursuant to section 1115 so that each school can make adequate yearly progress toward meeting the State content standards and State student performance standards;

"(4) fulfill such agency's school improvement responsibilities under section 1116, including taking corrective actions under section 1116(c)(5);

"(5) work in consultation with schools as the schools develop and implement their plans or activities under sections 1118 and 1119;

"(6) coordinate and collaborate, to the extent feasible and necessary as determined by the local educational agency, with other agencies providing services to children, youth, and families, including health and social services;

"(7) provide services to eligible children attending private elementary and secondary schools in accordance with section 1120, and timely and meaningful consultation with private school officials regarding such services;

"(8) take into account the experience of model programs for the educationally disadvantaged, and the findings of relevant research indicating that services may be most effective if focused on students in the earliest grades at schools that receive funds under this part;

"(9) comply with the requirements of section 1119 regarding professional development;

"(10) inform eligible schools of the local educational agency's authority to obtain waivers on the school's behalf under subpart 3 of part B of title V, and if the State is an Ed-Flex Partnership State, waivers under the Education Flexibility Partnership Act of 1999;

"(11) ensure, through incentives for voluntary transfers, the provision of professional development, recruitment programs, or other effective strategies, that low-income students and minority students are not taught at higher rates than other students by unqualified, out-of-field, or inexperienced teachers;

"(12) use the results of the student assessments required under section 1111(b)(3), and other measures or indicators available to the agency, to review annually the progress of each school served by the agency and receiving funds under this title to determine whether or not all of the schools are making the annual progress necessary to ensure that all students will meet the State's proficient level of performance on the State assessments described in section 1111(b)(3) within 10 years of the date of enactment of the Better Education for Students and Teachers Act; and

"(13) ensure that the results from the assessments required under section 1111 will be provided to parents and teachers as soon as is practicably possible after the test is taken, in a manner and form that is understandable and easily accessible to parents and teachers."; and

(4) in subsection (e)—

(A) in paragraph (1), by striking ", except that" and all that follows through "finally approved by the State educational agency"; and

(B) in paragraph (3)—

(i) by striking "professional development"; and

(ii) by striking ''section 1119'' and inserting ''sections 1118 and 1119''.

SEC. 113. ELIGIBLE SCHOOL ATTENDANCE AREAS.

Section 1113(b)(1) (20 U.S.C. 6313(b)(2)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C)(iii), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(D) designate and serve a school attendance area or school that is not an eligible school attendance area under subsection (a)(2), but that was an eligible school attendance area and was served in the fiscal year preceding the fiscal year for which the determination is made, but only for 1 additional fiscal year.''.

SEC. 114. SCHOOLWIDE PROGRAMS.

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

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—A local educational agency may use funds under this part, together with other Federal, State, and local funds, to upgrade the en-

tire educational program of a school that serves an eligible school attendance area in which not less than 40 percent of the children are from low-income families, or not less than 40 percent of the children enrolled in the school are from such families, for the initial year of the schoolwide program.''; and

(B) in paragraph (4)—

(i) by amending the heading to read as follows: ''EXEMPTION FROM STATUTORY AND REGULATORY REQUIREMENTS.—''; and

(ii) by adding at the end the following:

''(C) A school that chooses to use funds from such other programs under this section shall not be required to maintain separate fiscal accounting records, by program, that identify the specific activities supported by those particular funds as long as the school maintains records that demonstrate that the schoolwide program, considered as a whole, addresses the intent and purposes of each of the programs that were consolidated to support the schoolwide program.''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B)(vii), by striking ", if any, approved under title III of the Goals 2000: Educate America Act"; and

(ii) in subparagraph (E), by striking ", such as family literacy services" and inserting "(including activities described in section 1118), such as family literacy services, in-school volunteer opportunities, or parent membership on school-based leadership or management teams."; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking "Improving America's Schools Act of 1994" and inserting "Better Education for Students and Teachers Act"; and

(II) in clause (iv), by inserting "in a language the family can understand" after "assessment results"; and

(ii) in subparagraph (C)—

(I) in clause (i)(II), by striking "Improving America's Schools Act of

1994'' and inserting ''Better Education for Students and Teachers Act''; and

(II) in clause (v), by striking ''the School-to-Work Opportunities Act of 1994''.

SEC. 115. TARGETED ASSISTANCE SCHOOLS.

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

(1) in subsection (b)—

(A) in paragraph (1)(A)(ii), by striking '', yet'' and all that follows through ''setting''; and

(B) in paragraph (2)—

(i) in subparagraph (B), insert ''or in early childhood education services under this title,'' after ''program,''; and

(ii) in subparagraph (C)(i), by striking ''under part D (or its predecessor authority)''; and

(2) in subsection (c)(1)—

(A) by amending subparagraph (G) to read as follows:

''(G) provide opportunities for professional development with resources provided under this part, and to the extent practicable, from other sources, for teachers, principals, administrators,

paraprofessionals, pupil services personnel, and parents, who work with participating children in programs under this section or in the regular education program; and''; and

(B) in subparagraph (H), by striking '', such as family literacy services'' and inserting ''(including activities described in section 1118), such as family literacy services, in-school volunteer opportunities, or parent membership on school-based leadership or management teams.''.

SEC. 116. PUPIL SAFETY AND FAMILY SCHOOL CHOICE.

Subpart 1 of part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A (20 U.S.C. 6316) the following:

''SEC. 1115B. PUPIL SAFETY AND FAMILY SCHOOL CHOICE.

''(a) IN GENERAL.—If a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and—

''(1) becomes a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency shall allow such student to transfer to another public school or public

charter school in the same State as the school where the criminal offense occurred, that is selected by the student's parent unless allowing such transfer is prohibited—

"(A) under the provisions of a State or local law; or

"(B) by a local educational agency policy that is approved by a local school board; or

"(2) the public school that the student attends and that receives assistance under this part has been designated as an unsafe public school, then the local educational agency may allow such student to transfer to another public school or public charter school in the same State as the school where the criminal offense occurred, that is selected by the student's parent.

"(b) STATE EDUCATIONAL AGENCY DETERMINATIONS.—

"(1) The State educational agency shall determine, based upon State law, what actions constitute a violent criminal offense for purposes of this section.

"(2) The State educational agency shall determine which schools in the State are unsafe public schools.

"(3) The term 'unsafe public schools' means a public school that has serious crime, violence, illegal drug, and discipline problems, as indicated by conditions that may include high rates of—

"(A) expulsions and suspensions of students from school;

"(B) referrals of students to alternative schools for disciplinary reasons, to special programs or schools for delinquent youth, or to juvenile court;

"(C) victimization of students or teachers by criminal acts, including robbery, assault and homicide;

"(D) enrolled students who are under court supervision for past criminal behavior;

"(E) possession, use, sale or distribution of illegal drugs;

"(F) enrolled students who are attending school while under the influence of illegal drugs or alcohol;

"(G) possession or use of guns or other weapons;

"(H) participation in youth gangs; or

"(I) crimes against property, such as theft or vandalism.

"(c) TRANSPORTATION COSTS.—The local educational agency that serves the public school in which the violent criminal offense occurred or that serves the designated unsafe public school may use funds provided under this part to provide transportation services or to pay the reasonable costs of transportation for the student to attend the school selected by the student's parent.

"(d) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

"(e) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(f) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student who elects a transfer under this section shall not exceed the per pupil expenditures for elementary or secondary school students as provided by the local educational agency that serves the school involved in the transfer.".

SEC. 117. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY AND SCHOOL IMPROVEMENT.

Section 1116 (20 U.S.C. 6317) is amended to read as follows:

"SEC. 1116. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY AND SCHOOL IMPROVEMENT.

''(a) LOCAL REVIEW.—Each local educational agency receiving funds under this part shall—

''(1) use the State assessments described in the State plan;

''(2) use any additional measures or indicators described in the local educational agency's plan to review annually the progress of each school served under this part to determine whether the school is meeting, or making adequate progress as defined in section 1111(b)(2)(B) toward enabling its students to meet the State's student performance standards described in the State plan;

''(3) provide the results of the local annual review to schools so that the schools can continually refine the program of instruction to help all children served under this part in those schools meet the State's student performance standards; and

''(4) annually review the effectiveness of the actions and activities the schools are carrying out under this part with respect to parental involvement

activities under section 1118, professional development activities under section 1119, and other activities assisted under this Act.

"(b) DESIGNATION OF DISTINGUISHED SCHOOLS.—Each State educational agency and local educational agency receiving funds under this part shall designate distinguished schools in accordance with section 1117.

"(c) SCHOOL IMPROVEMENT.—

"(1) SCHOOL IMPROVEMENT.—(A) Subject to subparagraph (B), a local educational agency shall identify for school improvement any elementary school or secondary school served under this part that—

"(i) fails, for any year, to make adequate yearly progress as defined in the State's plan under section 1111(b)(2)(B); or

"(ii) was in school improvement status under this section on the day preceding the date of enactment of the Better Education for Students and Teachers Act.

"(B) Subparagraph (A) shall not apply to a school if almost every student in such school is meeting the State's proficient level of performance.

"(C) To determine if an elementary school or a secondary school that is conducting a targeted as-

sistance program under section 1115 should be identified for school improvement under this subsection, a local educational agency may choose to review the progress of only the students in the school who are served, or are eligible for services, under this part.

''(2) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE; TIME LIMIT.—(A) Before identifying an elementary school or a secondary school for school improvement under paragraph (1), for corrective action under paragraph (6), or for reconstitution under paragraph (7), the local educational agency shall provide the school with an opportunity to review the school-level data, including assessment data, on which such identification is based.

''(B) If the principal of a school proposed for identification under paragraph (1), (6), or (7) believes that the proposed identification is in error for statistical or other substantive reasons, the principal may provide supporting evidence to the local educational agency, which shall consider that evidence before making a final determination.

''(C) Not later than 30 days after a local educational agency makes an initial determination concerning identifying a school under paragraph (1), (6), or (7), the local educational agency shall make

public a final determination on the status of the school.

"(3) SCHOOL PLAN.—(A) Each school identified under paragraph (1) for school improvement shall, not later than 3 months after being so identified, develop or revise a school plan, in consultation with parents, school staff, the local educational agency serving the school, the local school board, and other outside experts, for approval by such local educational agency. The school plan shall cover a 2-year period and—

"(i) incorporate scientifically based research strategies that strengthen the core academic subjects in the school and address the specific academic issues that caused the school to be identified for school improvement;

"(ii) adopt policies and practices concerning the school's core academic subjects that have the greatest likelihood of ensuring that all groups of students specified in section 1111(b)(2)(B)(v)(II) and enrolled in the school will meet the State's proficient level of performance on the State assessment described in section 1111(b)(3) within 10 years after the date

of enactment of the Better Education for Students and Teachers Act;

"(iii) provide an assurance that the school will reserve not less than 10 percent of the funds made available to the school under this part for each fiscal year that the school is in school improvement status, for the purpose of providing to the school's teachers and principal high-quality professional development that—

"(I) directly addresses the academic performance problem that caused the school to be identified for school improvement; and

"(II) meets the requirements for professional development activities under section 1119;

"(iv) specify how the funds described in clause (iii) will be used to remove the school from school improvement status;

"(v) establish specific annual, objective goals for continuous and significant progress by each group of students specified in section 1111 (b)(2)(B)(v)(II) and enrolled in the school that will ensure that all such groups of students will meet the State's proficient level of performance

on the State assessment described in section 1111(b)(3) within 10 years after the date of enactment of the Better Education for Students and Teachers Act;

''(vi) identify how the school will provide written notification about the identification to the parents of each student enrolled in such school, in a format and, to the extent practicable, in a language the parents can understand;

''(vii) specify the responsibilities of the school, the local educational agency, and the State educational agency serving the school under the plan, including the technical assistance to be provided by the local educational agency under paragraph (4); and

''(viii) include strategies to promote effective parental involvement in the school.

''(B) The local educational agency may condition approval of a school plan on inclusion of 1 or more of the corrective actions specified in paragraph (6)(D)(ii).

''(C) A school shall implement the school plan (including a revised plan) expeditiously, but not later than the beginning of the school year following the

school year in which the school was identified for school improvement.

"(D) The local educational agency, within 45 days after receiving a school plan, shall—

"(i) establish a peer-review process to assist with review of a school plan prepared by a school served by the local educational agency; and

"(ii) promptly review the school plan, work with the school as necessary, and approve the school plan if the plan meets the requirements of this paragraph.

"(4) TECHNICAL ASSISTANCE.—(A) For each school identified for school improvement under paragraph (1), the local educational agency serving the school shall provide technical assistance as the school develops and implements the school plan.

"(B) Such technical assistance—

"(i) shall include assistance in analyzing data from the assessments required under section 1111(b)(3), and other samples of student work, to identify and address instructional problems and solutions;

"(ii) shall include assistance in identifying and implementing instructional strategies and

methods that are tied to scientifically based research and that have proven effective in addressing the specific instructional issues that caused the school to be identified for school improvement;

"(iii) shall include assistance in analyzing and revising the school's budget so that the school resources are more effectively allocated for the activities most likely to increase student performance and to remove the school from school improvement status; and

"(iv) may be provided—

"(I) by the local educational agency, through mechanisms authorized under section 1117; or

"(II) by the State educational agency, an institution of higher education (in full compliance with all the reporting provisions of title II of the Higher Education Act of 1965), a private not-for-profit organization or for-profit organization, an educational service agency, or another entity with experience in helping schools improve performance.

"(C) Technical assistance provided under this section by a local educational agency or an entity approved by that agency shall be based on scientifically based research.

"(5) NOTIFICATION TO PARENTS.—A local educational agency shall promptly provide parents (in a format and, to the extent practicable, in a language they can understand) of each student in an elementary school or a secondary school identified for school improvement—

"(A) an explanation of what the school improvement identification means, and how the school identified for school improvement compares in terms of academic performance to other elementary schools or secondary schools served by the local educational agency and the State educational agency involved;

"(B) the reasons for the identification;

"(C) an explanation of what the school identified for school improvement is doing to address the problem of low performance;

"(D) an explanation of what the local educational agency or State educational agency is doing to help the school address the performance problem; and

"(E) an explanation of how parents described in this paragraph can become involved in addressing the academic issues that caused the school to be identified for school improvement.

"(6) CORRECTIVE ACTION.—(A) In this subsection, the term 'corrective action' means action, consistent with State and local law, that—

"(i) substantially and directly responds to—

"(I) the consistent academic failure of a school that caused the local educational agency to take such action; and

"(II) any underlying staffing, curriculum, or other problem in the school; and

"(ii) is designed to increase substantially the likelihood that students enrolled in the school identified for corrective action will perform at the State's proficient and advanced levels of performance on the State assessment described in section 1111(b)(3).

"(B) In order to help students served under this part meet challenging State standards, each local educational agency shall implement a system of

corrective action in accordance with subparagraphs (C) through (F) and paragraph (7).

"(C) After providing technical assistance under paragraph (4), the local educational agency—

"(i) may identify for corrective action and take corrective action with respect to any school served by the local educational agency under this part that fails to make adequate yearly progress, as defined by the State under section 1111(b)(2)(B), at the end of the first year after the school year in which the school was identified under paragraph (1);

"(ii) shall identify for corrective action and take corrective action with respect to any school served by the local educational agency under this part that—

"(I) fails to make adequate yearly progress, as defined by the State under section 1111(b)(2)(B), at the end of the second year after the school year in which the school was identified under paragraph (1); or

"(II) was in program-improvement status for 2 years or in corrective-action status under this subsection on the day

preceding the date of enactment of the Better Education for Students and Teachers Act;

"(iii) shall continue to provide technical assistance while instituting any corrective action under clause (i) or (ii); and

"(iv) shall promptly notify parents of the option to transfer their child to another public school under subparagraph (D)(i).

"(D) In the case of a school described in subparagraph (C)(ii), the local educational agency shall—

"(i) provide all students enrolled in the school with the option to transfer to another public school within the local educational agency, including a public charter school, that has not been identified for school improvement under paragraph (1), unless—

"(I) such an option is prohibited by State law or local law (which includes a policy adopted by the school board); or

"(II) the local educational agency demonstrates to the satisfaction of the State educational agency that the local educational agency lacks the capacity to

provide that option to all students in the school who request it, in which case it shall permit as many students as possible (selected by the agency on an equitable basis) to make such a transfer; and

''(ii) take at least 1 of the following corrective actions:

''(I) Make alternative governance arrangements, such as reopening the school as a public charter school.

''(II) Replace the relevant school staff.

''(III) Institute and fully implement a new curriculum, including providing appropriate professional development for all relevant staff, that is tied to scientifically based research and offers substantial promise of improving educational performance for low-performing students.

''(E) A local educational agency may delay, for a period not to exceed 1 year, implementation of corrective action only if the school's failure to make adequate yearly progress was justified due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen de-

cline in the financial resources of the local educational agency or school.

"(F) The local educational agency shall publish and disseminate information regarding any corrective action the local educational agency takes under this paragraph at a school—

"(i) to the public and to the parents of each student enrolled in the school subject to corrective action;

"(ii) in a format and, to the extent practicable, in a language that the parents can understand; and

"(iii) through such means as the Internet, the media, and public agencies.

"(7) RECONSTITUTION.—(A) If, after 1 additional year, a school subject to corrective action under paragraph (6) continues to fail to make adequate yearly progress and students in the school who are from economically disadvantaged families are not making statistically significant progress in the subjects included in the State's definition of adequate yearly progress, the local educational agency shall—

"(i) provide all students enrolled in the school with the option to transfer to another public school within the local educational agen-

cy, including a public charter school, that has not been identified for school improvement under paragraph (1), including affording each such student the same right to attend any such school as is afforded to any child who is a new resident of that school's attendance area; and

"(ii) prepare a plan and make necessary arrangements to carry out subparagraph (B).

"(B) Not later than the beginning of the school year following the year in which the local educational agency implements subparagraph (A), the local educational agency shall implement 1 of the following alternative governance arrangements for the school:

"(i) Reopening the school as a public charter school.

"(ii) Replacing all or most of the school staff.

"(iii) Making alternative governance arrangements.

"(C) The local educational agency shall provide prompt notice to teachers and parents whenever subparagraph (A) or (B) applies, shall provide the teachers and parents adequate opportunity to comment before taking any action under those paragraphs and to participate in developing any plan

under subparagraph (A)(ii), and shall provide parents an explanation of the option under subparagraph (A)(i).

"(8) TRANSPORTATION.—In any case described in paragraph (6)(D)(i) or (7)(A)(i), the local educational agency shall provide, or shall pay for the provision of, transportation for the student to the school the child attends, provided that payments for such purpose do not exceed 15 percent of the local educational agency's allocation under this part.

"(9) DURATION OF RECONSTITUTION.—If any school identified for reconstitution under paragraph (7) makes adequate yearly progress for 2 consecutive years and children in that school from economically disadvantaged families are making statistically significant educational progress over that 2-year period, then the local educational agency need no longer subject the school to corrective action or identify the school as in need of improvement.

"(10) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—The State educational agency shall—

"(A) make technical assistance under section 1117 available to all schools identified for school improvement and corrective action under

this subsection, to the extent possible with funds reserved under section 1003; and

"(B) if the State educational agency determines that a local educational agency failed to carry out its responsibilities under this subsection, take such corrective actions as the State educational agency determines appropriate and in compliance with State law.

"(d) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—

"(1) IN GENERAL.—A State educational agency shall review annually—

"(A) the progress of each local educational agency receiving funds under this part to determine whether schools receiving assistance under this part are making adequate progress as defined in section 1111(b)(2)(B) toward meeting the State's student performance standards and to determine whether each local educational agency is carrying out its responsibilities under section 1116 and section 1117; and

"(B) the effectiveness of the activities carried out under this part by each local educational agency that receives funds under this part and is served by the State educational

agency with respect to parental involvement, professional development, and other activities assisted under this part.

"(2) REWARDS.—In the case of a local educational agency that for 3 consecutive years has met or exceeded the State's definition of adequate progress as defined in section 1111(b)(2)(B), the State may make institutional and individual rewards of the kinds described for individual schools in paragraph (2) of section 1117(c).

"(3) IDENTIFICATION.—(A) A State educational agency shall identify for improvement any local educational agency that for 2 consecutive years, is not making adequate progress as defined in section 1111(b)(2)(B) in schools served under this part toward meeting the State's student performance standards, except that schools served by the local educational agency that are operating targeted assistance programs may be reviewed on the basis of the progress of only those students served under this part.

"(B) Before identifying a local educational agency for improvement under paragraph (1), the State educational agency shall provide the local educational agency with an opportunity to review the

school-level data, including assessment data, on which such identification is based. If the local educational agency believes that such identification for improvement is in error due to statistical or other substantive reasons, such local educational agency may provide evidence to the State educational agency to support such belief.

"(4) LOCAL EDUCATIONAL AGENCY REVISIONS.—(A) Each local educational agency identified under paragraph (3) shall, not later than 3 months after being so identified, revise a local educational agency plan as described under section 1112. The plan shall—

"(i) include specific State-determined yearly progress requirements in subjects and grades to ensure that all students will meet proficient levels of performance within 10 years;

"(ii) address the fundamental teaching and learning needs in the schools of that agency, and the specific academic problems of low-performing students including a determination of why the local educational agency's prior plan failed to bring about increased student achievement and performance;

"(iii) incorporate scientifically based research strategies that strengthen the core academic program in the local educational agency;

"(iv) address the professional development needs of the instructional staff by committing to spend not less than 10 percent of the funds received by the school under this part during 1 fiscal year for professional development, which funds shall supplement and not supplant professional development that instructional staff would otherwise receive, and which professional development shall increase the content knowledge of teachers and build the capacity of the teachers to align classroom instruction with challenging content standards and to bring all students to proficient or advanced levels of performance as determined by the State;

"(v) identify specific goals and objectives the local educational agency will undertake for making adequate yearly progress, which goals and objectives shall be consistent with State standards;

"(vi) identify how the local educational agency will provide written notification to par-

ents in a format, and to the extent practicable, in a language that the parents can understand;

"(vii) specify the responsibilities of the State educational agency and the local educational agency under the plan; and

"(viii) include strategies to promote effective parental involvement in the school.

"(5) STATE EDUCATIONAL AGENCY RESPONSIBILITY.—(A) For each local educational agency identified under paragraph (3), the State educational agency shall—

"(i) provide technical or other assistance, if requested, as authorized under section 1117, to better enable the local educational agency to—

"(I) develop and implement the local educational agency's revised plan; and

"(II) work with schools needing improvement; and

"(ii) make available to the local educational agencies farthest from meeting the State's standards, if requested, assistance under section 1117.

"(B) Technical assistance provided under this section by the State educational agency or

an entity authorized by such agency shall be supported by effective methods and scientifically based research instructional strategies. Such technical assistance shall address problems, if any, in implementing the parental involvement activities described in section 1118 and the professional development activities described in section 1119.";

"(6) CORRECTIVE ACTION.—(A) Except as provided in subparagraph (C), after providing technical assistance pursuant to paragraph (5) and taking other remediation measures, the State educational agency may take corrective action at any time against a local educational agency that has been identified under paragraph (3), but, during the fourth year following identification under paragraph (3), shall take such action against any local educational agency that still fails to make adequate progress.

"(B)(i) Consistent with State and local law, in order to help students served under this part meet challenging State and local standards, each State educational agency shall implement a corrective action system in accordance with the following:

"(I) After providing technical assistance as described under paragraph (5), the State educational agency—

"(aa) may take corrective action at any time with respect to a local educational agency that has been identified under paragraph (3);

"(bb) shall take corrective action with respect to any local educational agency that fails to make adequate yearly progress, as defined by the State; and

"(cc) shall continue to provide technical assistance while implementing any corrective action.

"(II) Consistent with State and local law, in the case of a local educational agency described under subclause (I), the State educational agency shall not take less than 1 of the following corrective actions:

"(aa) Instituting and fully implementing a new curriculum that is based on State and local standards, including appropriate scientifically based research professional development for all relevant staff that offers substantial promise of improv-

ing educational achievement for low-performing students.

"(bb) Restructuring the local educational agency.

"(cc) Developing and implementing a joint plan between the State educational agency and the local educational agency that addresses specific elements of student performance problems and that specifies the responsibilities of the State educational agency and the local educational agency under the plan.

"(dd) Reconstituting school district personnel.

"(ee) Making alternative governance arrangements.

"(III) Consistent with State and local law, in the case of a local educational agency described under subclause (I), the State educational agency may take 1 of the following corrective actions:

"(aa) Deferring, reducing, or withholding funds.

"(bb) Restructuring or abolishing the local educational agency.

"(cc) Removal of particular schools from the jurisdiction of the local educational agency and establishment of alternative arrangements for public governance and supervision of such schools.

"(dd) Appointment by the State educational agency of a receiver or trustee to administer the affairs of the local educational agency in place of the superintendent and school board.

"(ii) Notwithstanding clause (i), corrective actions taken pursuant to this section shall not include the actions described in subclauses (I), (II), and (III) of clause (i) until the State has developed assessments that meet the requirements of paragraph (3) of section 1111(b).

"(C) HEARING.—Prior to implementing any corrective action, the State educational agency shall provide notice and a hearing to the affected local educational agency, if State law provides for such notice and hearing. The hearing shall take place not later than 45 days following the decision to implement corrective action.

"(D) NOTIFICATION TO PARENTS.—The State educational agency shall publish, and disseminate to

parents and the public, any corrective action the State educational agency takes under this paragraph through a widely read or distributed medium.

"(E) DELAY.—A State educational agency may delay, for a period not to exceed 1 year, implementation of corrective action if—

"(i) the State educational agency determines that the local educational agency is meeting the State-determined yearly progress requirements in subjects and grades included in the State assessments; and

"(ii) the schools within the local educational agency will meet the State's criteria for improvement within 1 year.

"(F) WAIVERS.—The State educational agency shall review any waivers approved prior to the date of enactment of the Better Education for Students and Teachers Act for a local educational agency designated for improvement or corrective action and shall terminate any waiver approved by the State under the Educational Flexibility Partnership Act of 1999 if the State determines, after notice and an opportunity for a hearing, that the waiver is not helping the local educational agency make yearly progress to meet the objectives and specific goals de-

scribed in the local educational agency's improvement plan.

"(7) SPECIAL RULE.—Local educational agencies that for at least 2 of the 3 years following identification under paragraph (3) make adequate progress toward meeting the State's standards no longer need to be identified for local educational agency improvement.

"(e) CONSTRUCTION.—Nothing in this section shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded school or school district employees under Federal, State, or local laws (including applicable regulations or court orders) or under the terms of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.".

SEC. 118. ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

Section 1117 (20 U.S.C. 6318) is amended—

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

"(3) PRIORITIES.—In carrying out this section, a State educational agency shall—

"(A) first, provide support and assistance to local educational agencies subject to correc-

tive action described in section 1116 and assist schools, in accordance with section 1116, for which a local educational agency has failed to carry out its responsibilities under section 1116;

"(B) second, provide support and assistance to other local educational agencies and schools identified as in need of improvement under section 1116; and

"(C) third, provide support and assistance to other local educational agencies and schools participating under this part that need support and assistance in order to achieve the purpose of this part.";

(2) in subsection (b), by striking "the comprehensive regional technical assistance centers under part A of title XIII and" and inserting "comprehensive regional technical assistance centers, and"; and

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) APPROACHES.—

"(A) IN GENERAL.—In order to achieve the purpose described in subsection (a), each

such system shall give priority to using funds made available to carry out this section—

"(i) to establish school support teams for assignment to and working in schools in the State that are described in subsection (a)(3)(A); and

"(ii) to provide such support as the State educational agency determines to be necessary and available to assure the effectiveness of such teams.

"(B) COMPOSITION.—Each school support team shall be composed of persons knowledgeable about successful schoolwide projects, school reform, and improving educational opportunities for low-achieving students, including—

"(i) teachers;

"(ii) pupil services personnel;

"(iii) parents;

"(iv) distinguished teachers or principals;

"(v) representatives of institutions of higher education;

"(vi) regional educational laboratories or research centers;

"(vii) outside consultant groups; or

"(viii) other individuals as the State educational agency, in consultation with the local educational agency, may determine appropriate.

"(C) FUNCTIONS.—Each school support team assigned to a school under this section shall—

"(i) review and analyze all facets of the school's operation, including the design and operation of the instructional program, and assist the school in developing recommendations for improving student performances in that school;

"(ii) collaborate, with school staff and the local educational agency serving the school, in the design, implementation, and monitoring of a plan that, if fully implemented, can reasonably be expected to improve student performance and help the school meet its goals for improvement, including adequate yearly progress under section 1111(b)(2)(B);

"(iii) evaluate, at least semiannually, the effectiveness of school personnel assigned to the school, including identifying

outstanding teachers and principals, and make findings and recommendations (including the need for additional resources, professional development, or compensation) to the school, the local educational agency, and, where appropriate, the State educational agency; and

''(iv) make additional recommendations as the school implements the plan described in clause (ii) to the local educational agency and the State educational agency concerning additional assistance and resources that are needed by the school or the school support team.

''(D) CONTINUATION OF ASSISTANCE.—After 1 school year, the school support team may recommend that the school support team continue to provide assistance to the school, or that the local educational agency or the State educational agency, as appropriate, take alternative actions with regard to the school.'';

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''part which'' and all that follows through the period and inserting ''part.''; and

(ii) in subparagraph (C)—

(I) by striking ''and may'' and inserting ''(and may''; and

(II) by striking ''exemplary performance'' and inserting ''exemplary performance)''; and

(C) in paragraph (3)—

(i) in the paragraph heading, by striking ''EDUCATORS'' and inserting ''TEACHERS AND PRINCIPALS'';

(ii) by amending subparagraph (A) to read as follows:

''(A) The State may also recognize and provide financial awards to teachers or principals in a school described in paragraph (2) whose students consistently make significant gains in academic achievement.'';

(iii) in subparagraph (B), by striking ''educators'' and inserting ''teachers or principals''; and

(iv) by striking subparagraph (C).

SEC. 119. PARENTAL INVOLVEMENT.

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

(1) in subsection (a)(2)(B), by inserting ''activities to improve student achievement and student and school performance'' after ''involvement'';

(2) in subsection (b)(1)—

(A) in the first sentence, by inserting ''(in a language parents can understand)'' after ''distribute''; and

(B) in the second sentence, insert ''shall be made available to the local community and'' after ''Such policy'';

(3) in subsection (e)—

(A) in paragraph (1), by striking ''participating parents in such areas as understanding the National Education Goals,'' and inserting ''parents of children served by the school or local educational agency, as appropriate, in understanding'';

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''and'' after the semicolon;

(ii) in subparagraph (B), by inserting ''and'' after the semicolon; and

(iii) by adding at the end the following:

"(C) using technology, as appropriate, to foster parental involvement;";

(C) in paragraph (14), by striking "and" after the semicolon;

(D) by amending paragraph (15) to read as follows:

"(15) may establish a school district wide parent advisory council to advise the school and local educational agency on all matters related to parental involvement in programs supported under this section; and"; and

(E) by adding at the end the following:

"(16) shall provide such other reasonable support for parental involvement activities under this section as parents may request, which may include emerging technologies.";

(4) in subsection (f), by striking "or with" and inserting ", parents of migratory children, or parents with"; and

(5) by striking subsection (g) and inserting the following:

"(g) INFORMATION FROM PARENTAL INFORMATION AND RESOURCE CENTERS.—In a State where a parental information and resource center is established to provide training, information, and support to parents and individ-

uals who work with local parents, local educational agencies, and schools receiving assistance under this part, each school or local educational agency that receives assistance under this part and is located in the State, shall assist parents and parental organizations by informing such parents and organizations of the existence and purpose of such centers, providing such parents and organizations with a description of the services and programs provided by such centers, advising parents on how to use such centers, and helping parents to contact such centers.

''(h) REVIEW.—The State educational agency shall review the local educational agency's parental involvement policies and practices to determine if the policies and practices meet the requirements of this section.''.

SEC. 120. PROFESSIONAL DEVELOPMENT.

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

(1) in subsection (b)—

(A) in paragraph (1), by amending subparagraph (A) to read as follows:

''(A) support professional development activities that give teachers, principals, administrators, paraprofessionals, pupil services personnel, and parents the knowledge and skills to provide students with the opportunity to meet

challenging State or local content standards and student performance standards;'';

(B) by redesignating subparagraphs (B) through (E) as subparagraphs (D) through (G), respectively;

(C) by inserting after subparagraph (A) the following:

''(B) advance teacher understanding of effective instructional strategies, based on research for improving student achievement, at a minimum in reading or language arts and mathematics;

''(C) be of sufficient intensity and duration (not to include 1-day or short-term workshops and conferences) to have a positive and lasting impact on the teacher's performance in the classroom, except that this subparagraph shall not apply to an activity if such activity is 1 component of a long-term comprehensive professional development plan established by the teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the needs of students, and the needs of the local educational agency;'';

(D) in subparagraph (E) (as so redesignated), by striking ''title III of the Goals 2000: Educate America Act,'';

(E) in subparagraph (F) (as so redesignated), by striking ''and'' after the semicolon;

(F) in subparagraph (G) (as so redesignated), by striking the period and inserting a semicolon; and

(G) by adding at the end the following:

''(H) to the extent appropriate, provide training for teachers in the use of technology and the applications of technology that are effectively used—

''(i) in the classroom to improve teaching and learning in the curriculum; and

''(ii) in academic content areas in which the teachers provide instruction; and

''(I) be regularly evaluated for their impact on increased teacher effectiveness and improved student performance and achievement, with the findings of such evaluations used to improve the quality of professional development.''; and

(2) in subsection (g), by striking ''title III of the Goals 2000: Educate America Act,'' and inserting ''other Acts''.

SEC. 120A. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

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

(1) in subsection (a)—

(A) in paragraph (1), by inserting ''that address their needs, and shall ensure that teachers and families of such children participate, on an equitable basis, in services and activities under sections 1118 and 1119'' before the period;

(B) in paragraph (3), by inserting ''and shall be provided in a timely manner'' before the period; and

(C) in paragraph (4), insert ''as determined by the local educational agency each year or every 2 years'' before the period;

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (C), by striking ''and where'' and inserting '', where, and by whom'';

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

''(D) how the services will be assessed and how the results of that assessment will be used to improve those services;'';

(iii) in subparagraph (E), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(F) how and when the local educational agency will make decisions about the delivery of services to eligible private school children, including a thorough consideration and analysis of the views of private school officials regarding the provision of contract services through potential third party providers, and if the local educational agency disagrees with the views of the private school officials on such provision of services, the local educational agency shall provide in writing to such private school officials an analysis of the reasons why the local educational agency has chosen not to so provide such services.''; and

(B) by adding at the end the following:

"(4) CONSULTATION.—Each local educational agency shall provide to the State educational agency, and maintain in the local educational agency's records, a written affirmation signed by officials of each participating private school that the consultation required by this section has occurred. If a private school declines in writing to have eligible children in the private school participate in services provided under this section, the local educational agency is not required to further consult with the private school officials or to document the local educational agency's consultation with the private school officials until the private school officials request in writing such consultation. The local educational agency shall inform the private school each year of the opportunity for eligible children to participate in services provided under this section.

"(5) COMPLIANCE.—A private school official shall have the right to appeal to the State educational agency the decision of a local educational agency as to whether consultation provided for in this section was meaningful and timely, and whether due consideration was given to the views of the private school official. If the private school official wishes to appeal the decision, the basis of the claim

of noncompliance with this section by the local educational agencies shall be provided to the State educational agency, and the local educational agency shall forward the appropriate documentation to the State educational agency.'';

(3) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(4) by inserting after subsection (b) the following:

''(c) ALLOCATION FOR EQUITABLE SERVICE TO PRIVATE SCHOOL STUDENTS.—

''(1) CALCULATION.—A local educational agency shall have the final authority, consistent with this section, to calculate the number of private school children, ages 5 through 17, who are low-income by—

''(A) using the same measure of low-income used to count public school children;

''(B) using the results of a survey that, to the extent possible, protects the identity of families of private school students, and allowing such survey results to be extrapolated if complete actual data are unavailable; or

''(C) applying the low-income percentage of each participating public school attendance

area, determined pursuant to this section, to the number of private school children who reside in that school attendance area.

''(2) COMPLAINT PROCESS.—Any dispute regarding low-income data for private school students shall be subject to the complaint process authorized in section 8.'';

(5) in subsection (e) (as so redesignated),

(A) in paragraph (2), by striking ''14505 and 14506'' and inserting ''8 and 9'';

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

(C) by striking ''If a'' and inserting the following:

''(1) IN GENERAL.—If a''; and

(D) by adding at the end the following:

''(2) DETERMINATION.—In making the determination under paragraph (1), the Secretary shall consider 1 or more factors, including the quality, size, scope, or location of the program, or the opportunity of eligible children to participate in the program.''; and

(6) by repealing subsection (f) (as so redesignated).

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

(c) CONFORMING AMENDMENT.—Section 1120A(a) (20 U.S.C. 6322(a)) is amended by striking ''14501 of this Act'' and inserting ''4''.

SEC. 120B. EARLY CHILDHOOD EDUCATION.

Section 1120B (20 U.S.C. 6321) is amended—

(1) by amending the section heading to read as follows:

''SEC. 1120B. COORDINATION REQUIREMENTS; EARLY CHILDHOOD EDUCATION SERVICES.'';

(2) in subsection (c), by striking ''Head Start Act Amendments of 1994'' and inserting ''Head Start Amendments of 1998''; and

(3) by adding at the end the following:

''(d) EARLY CHILDHOOD SERVICES.—A local educational agency may use funds received under this part to provide preschool services—

''(1) directly to eligible preschool children in all or part of its school district;

''(2) through any school participating in the local educational agency's program under this part; or

''(3) through a contract with a local Head Start agency, an eligible entity operating an Even Start

program, a State-funded preschool program, or a comparable public early childhood development program.

"(e) EARLY CHILDHOOD EDUCATION PROGRAMS.—Early childhood education programs operated with funds provided under this part may be operated and funded jointly with Even Start programs under part B of this title, Head Start programs, or State-funded preschool programs. Early childhood education programs funded under this part shall—

"(1) focus on the developmental needs of participating children, including their social, cognitive, and language-development needs, and use scientifically based research approaches that build on competencies that lead to school success, particularly in language and literacy development and in reading;

"(2) teach children to understand and use language in order to communicate for various purposes;

"(3) enable children to develop and demonstrate an appreciation of books; and

"(4) in the case of children with limited English proficiency, enable the children to progress toward acquisition of the English language.".

SEC. 120C. ALLOCATIONS.

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

"Subpart 2—Allocations

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

"(a) RESERVATION OF FUNDS.—From the amount appropriated for any fiscal year under section 1002(a), the Secretary shall reserve a total of 1 percent to provide assistance to—

"(1) the outlying areas on the basis of their respective need for such assistance according to such criteria as the Secretary determines will best carry out the purpose of this part; and

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

"(b) ASSISTANCE TO THE OUTLYING AREAS.—

"(1) IN GENERAL.—From amounts made available under subsection (a)(1) in each fiscal year the Secretary shall make grants to local educational agencies in the outlying areas.

"(2) COMPETITIVE GRANTS.—

"(A) IN GENERAL.—For fiscal year 2002 and each of the 6 succeeding fiscal years, the Secretary shall reserve $5,000,000 from the

amounts made available under subsection (a)(1) to award grants, on a competitive basis, to local educational agencies in the Freely Associated States. The Secretary shall award such grants according to the recommendations of the Pacific Region Educational Laboratory which shall conduct a competition for such grants.

"(B) USES.—Except as provided in subparagraph (C), grant funds awarded under this paragraph only may be used—

"(i) for programs described in this Act, including teacher training, curriculum development, instructional materials, or general school improvement and reform; and

"(ii) to provide direct educational services.

"(C) ADMINISTRATIVE COSTS.—The Secretary may provide 5 percent of the amount made available for grants under this paragraph to the Pacific Region Educational Laboratory to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this paragraph.

"(c) ALLOTMENT TO THE SECRETARY OF THE INTERIOR.—

"(1) IN GENERAL.—The amount reserved for payments to the Secretary of the Interior under subsection (a)(2) for any fiscal year shall be, as determined pursuant to criteria established by the Secretary, the amount necessary to meet the special educational needs of—

"(A) Indian children on reservations served by elementary schools and secondary schools for Indian children operated or supported by the Department of the Interior; and

"(B) out-of-State Indian children in elementary schools and secondary schools in local educational agencies under special contracts with the Department of the Interior.

"(2) PAYMENTS.—From the amount reserved for payments to the Secretary of the Interior under subsection (a)(2), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary determines will best carry out the purposes of this part, with respect to out-of-State Indian children described in paragraph (1)(B). The amount of such payment may not exceed, for each such child, the greater of—

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

"(B) 48 percent of such expenditure in the United States.

"SEC. 1122. AMOUNTS FOR BASIC GRANTS, CONCENTRATION GRANTS, AND TARGETED GRANTS.

"(a) IN GENERAL.—For each of the fiscal years 2002 through 2008—

"(1) the amount appropriated to carry out this part that is less than or equal to the amount appropriated to carry out section 1124 for fiscal year 2001, shall be allocated in accordance with section 1124;

"(2) the amount appropriated to carry out this part that is not used under paragraph (1) that equals the amount appropriated to carry out section 1124A for fiscal year 2001, shall be allocated in accordance with section 1124A; and

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

"(b) ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.—

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year, the Secretary shall ratably reduce the allocations to such local educational agencies, subject to subsections (c) and (d).

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as the allocations were reduced.

"(c) HOLD-HARMLESS AMOUNTS.—

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

"(A) 95 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the

total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

"(B) 90 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

"(C) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

"(2) SPECIAL RULES.—If sufficient funds are appropriated, the hold-harmless amounts described in paragraph (1) shall be paid to all local educational agencies that received grants under section 1124, 1124A, or 1125 for the preceding fiscal year, regardless of whether the local educational agency meets the minimum eligibility criteria provided in section 1124(b), 1124A(a)(1)(A), or 1125(a), respectively, except that a local educational agency that does not meet such minimum eligibility criteria for 5 consecutive years shall no longer be eligible to receive a hold-harmless amount under this subsection.

"(3) COUNTY CALCULATION BASIS.—For any fiscal year for which the Secretary calculates grants on the basis of population data for counties, the Secretary shall apply the hold-homeless percentages in paragraphs (1) and (2) to counties, and if the Secretary's allocation for a county is not sufficient to meet the hold-harmless requirements of this subsection for every local educational agency within that county, then the State educational agency shall reallocate funds proportionately from all other local educational agencies in the State that receive funds for the fiscal year in excess of the hold-harmless amounts specified in this paragraph.

"(d) RATABLE REDUCTIONS.—

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under subsection (c) for such year, the Secretary shall ratably reduce such amounts for such year.

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under subsection (c) for such fiscal year, amounts that were reduced under paragraph (1) shall be increased on the same basis as such amounts were reduced.

"SEC. 1123. DEFINITIONS.

"In this subpart:

"(1) FREELY ASSOCIATED STATES.—The term 'Freely Associated States' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

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

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

"SEC. 1124. BASIC GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) AMOUNT OF GRANTS.—

"(1) GRANTS FOR LOCAL EDUCATIONAL AGENCIES AND PUERTO RICO.—Except as provided in paragraph (4) and in section 1126, the grant that a local educational agency is eligible to receive under this section for a fiscal year is the amount determined by multiplying—

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

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

amount determined under this subparagraph shall not be less than 32 percent, and not more than 48 percent, of the average per-pupil expenditure in the United States.

"(2) CALCULATION OF GRANTS.—

"(A) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—The Secretary shall calculate grants under this section on the basis of the number of children counted under subsection (c) for local educational agencies, unless the Secretary and the Secretary of Commerce determine that some or all of those data are unreliable or that their use would be otherwise inappropriate, in which case—

"(i) the Secretary and the Secretary of Commerce shall publicly disclose the reasons for their determination in detail; and

"(ii) paragraph (3) shall apply.

"(B) ALLOCATIONS TO LARGE AND SMALL LOCAL EDUCATIONAL AGENCIES.—

"(i) LARGE LOCAL EDUCATIONAL AGENCIES.—In the case of an allocation under this section to a large local educational agency, the amount of the grant

under this section for the large local educational agency shall be the amount determined under paragraph (1).

"(ii) SMALL LOCAL EDUCATIONAL AGENCIES.—

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

"(aa) distribute grants under this section in amounts determined by the Secretary under paragraph (1); or

"(bb) use an alternative method approved by the Secretary to distribute the portion of the State's total grants under this section that is based on those small local educational agencies.

"(II) ALTERNATIVE METHOD.—An alternative method under subclause (I)(bb) shall be based on population data that the State educational agency determines best reflect the

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

"(III) APPEAL.—If a small local educational agency is dissatisfied with the determination of the amount of its grant by the State educational agency under subclause (I)(bb), the small local educational agency may appeal the determination to the Secretary, who shall respond within 45 days of receiving the appeal.

"(iii) DEFINITIONS.—In this subparagraph—

"(I) the term 'large local educational agency' means a local educational agency serving a school district with a total population of 20,000 or more; and

"(II) the term 'small local educational agency' means a local educational agency serving a school dis-

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

"(3) ALLOCATIONS TO COUNTIES.—

"(A) IN GENERAL.—For any fiscal year to which this paragraph applies, the Secretary shall calculate grants under this section on the basis of the number of children counted under section 1124(c) for counties, and State educational agencies shall allocate county amounts to local educational agencies, in accordance with regulations promulgated by the Secretary.

"(B) APPLICATION.—In any State in which a large number of local educational agencies overlap county boundaries, or for which the State believes the State has data that would better target funds than allocating the funds by county, the State educational agency may apply to the Secretary for authority to make the allocations under this part for a particular fiscal year directly to local educational agencies without regard to counties.

"(C) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—If the Secretary approves its application under subparagraph (B), the State educational agency shall provide the

Secretary an assurance that the allocations will be made—

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

"(ii) using data that the State educational agency submits to the Secretary for approval that more accurately target poverty.

"(D) APPEAL.—The State educational agency shall provide the Secretary an assurance that a procedure is or will be established through which local educational agencies that are dissatisfied with determinations under subparagraph (B) may appeal directly to the Secretary for a final determination.

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

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

"(A) the percentage determined under the preceding sentence; and

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

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency is eligible for a basic grant under this section for any fiscal year only if the number of children counted under subsection (c) for that agency is—

"(1) 10 or more; and

"(2) more than 2 percent of the total school-age population in the school district of the local educational agency.

"(c) CHILDREN TO BE COUNTED.—

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

"(A) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraphs (2) and (3);

"(B) the number of children aged 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (4); and

"(C) the number of children determined under paragraph (4) for the preceding year (as described in that paragraph, or for the second preceding year, as the Secretary finds appropriate) aged 5 to 17, inclusive, in the school district of such agency in institutions for neglected and delinquent children and youth (other than such institutions operated by the United States), but not counted pursuant to chapter 1 of subpart 1 of part D for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

"(2) DETERMINATION OF NUMBER OF CHILDREN.—For the purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data, described in paragraph (3), available from the Department of Commerce. The District of Columbia and the Commonwealth of Puerto Rico shall be treated as individual local educational agencies. If a

local educational agency contains 2 or more counties in their entirety, then each county shall be treated as if such county were a separate local educational agency for purposes of calculating grants under this part. The total of grants for such counties shall be allocated to such a local educational agency, which local educational agency shall distribute to schools in each county within such agency a share of the local educational agency's total grant that is no less than the county's share of the population counts used to calculate the local educational agency's grant.

"(3) POPULATION UPDATES.—In fiscal year 2001 and every 2 years thereafter, the Secretary shall use updated data on the number of children, aged 5 to 17, inclusive, from families below the poverty level for counties or local educational agencies, published by the Department of Commerce, unless the Secretary and the Secretary of Commerce determine that use of the updated population data would be inappropriate or unreliable. If the Secretary and the Secretary of Commerce determine that some or all of the data referred to in this paragraph are inappropriate or unreliable, the Secretary and the Secretary of Commerce shall publicly disclose their reasons. In determining the families which are below

the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics.

"(4) OTHER CHILDREN TO BE COUNTED.—For purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under a State program funded under part A of title IV of the Social Security Act. In making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics. The Secretary shall determine the number of such children and the number of children aged 5 through 17 living in institutions for neglected or delinquent children,

or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to the Secretary before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to the Secretary at the time of such determination. The Secretary of Health and Human Services shall collect and transmit the information required by this subparagraph to the Secretary not later than January 1 of each year. For the purpose of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(5) ESTIMATE.—When requested by the Secretary, the Secretary of Commerce shall make a special updated estimate of the number of children of such ages who are from families below the poverty level (as determined under paragraph (2)) in each

school district, and the Secretary is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information.

''(d) STATE MINIMUM.—Notwithstanding section 1122, the aggregate amount allotted for all local educational agencies within a State may not be less than the lesser of—

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

''(2) the average of—

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

''(B) the number of children in such State counted under subsection (c) in the fiscal year multiplied by 150 percent of the national average per-pupil payment made with funds available under this section for that fiscal year.

"SEC. 1124A. CONCENTRATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.

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

"(1) ELIGIBILITY.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, each local educational agency in a State that is eligible for a grant under section 1124 for any fiscal year is eligible for an additional grant under this section for that fiscal year if the number of children counted under section 1124(c) who are served by the agency exceeds—

"(i) 6,500; or

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

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

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

"(ii) the average of—

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

"(II) the greater of—

"(aa) $340,000; or

"(bb) the number of children in such State counted for purposes of this section in that fiscal year multiplied by 150 percent of the national average per-pupil payment made with funds available under this section for that fiscal year.

"(2) DETERMINATION.—For each county or local educational agency eligible to receive an additional grant under this section for any fiscal year the Secretary shall determine the product of—

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

"(B) the amount in section 1124(a)(1)(B) for all States except the Commonwealth of Puerto Rico, and the amount in section 1124(a)(3) for the Commonwealth of Puerto Rico.

"(3) AMOUNT.—The amount of the additional grant for which an eligible local educational agency or county is eligible under this section for any fiscal year shall be an amount that bears the same ratio

to the amount available to carry out this section for that fiscal year as the product determined under paragraph (2) for such local educational agency for that fiscal year bears to the sum of such products for all local educational agencies in the United States for that fiscal year.

"(4) LOCAL ALLOCATIONS.—

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

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

"(b) RATABLE REDUCTION RULE.—If the sums available under subsection (a) for any fiscal year for making payments under this section are not sufficient to pay in full the total amounts which all States are eligible to receive under subsection (a) for such fiscal year, the max-

imum amounts that all States are eligible to receive under subsection (a) for such fiscal year shall be ratably reduced. In the case that additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(c) STATES RECEIVING 0.25 PERCENT OR LESS.—In States that receive 0.25 percent or less of the total amount made available to carry out this section for a fiscal year, the State educational agency shall allocate such funds among the local educational agencies in the State—

"(1) in accordance with paragraphs (2) and (4) of subsection (a); or

"(2) based on their respective concentrations and numbers of children counted under section 1124(c), except that only those local educational agencies with concentrations or numbers of children counted under section 1124(c) that exceed the statewide average percentage of such children or the statewide average number of such children shall receive any funds on the basis of this paragraph.

"SEC. 1125. TARGETED GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGENCIES.—

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

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

"(B) if the number of children counted for grants under section 1124(c), before application of the weighted child count described in subsection (c), is at least 5 percent of the total number of children aged 5 to 17 years, inclusive, in the school district of the local educational agency.

"(2) SPECIAL RULE.—For any fiscal year for which the Secretary allocates funds under this section on the basis of counties, funds made available as a result of applying this subsection shall be reallocated by the State educational agency to other eligible local educational agencies in the State in pro-

portion to the distribution of other funds under this section.

"(b) GRANTS FOR LOCAL EDUCATIONAL AGENCIES, THE DISTRICT OF COLUMBIA, AND THE COMMONWEALTH OF PUERTO RICO.—

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

"(A) the weighted child count determined under subsection (c); and

"(B) the amount determined under section 1124(a)(1)(B).

"(2) PUERTO RICO.—For each fiscal year, the amount of the grant the Commonwealth of Puerto Rico is eligible to receive under this section shall be equal to the number of children counted under subsection (c) for the Commonwealth of Puerto Rico, multiplied by the amount determined in section 1124(a)(4) for the Commonwealth of Puerto Rico.

"(c) WEIGHTED CHILD COUNT.—

"(1) WEIGHTS FOR ALLOCATIONS TO COUNTIES.—

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

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

"(i) the number of children determined under section 1124(c) for that county who constitute not more than 15.00 percent, inclusive, of the county's total population aged 5 to 17, inclusive, multiplied by 1.0;

"(ii) the number of such children who constitute more than 15.00 percent, but not more than 19.00 percent, of such population, multiplied by 1.75;

"(iii) the number of such children who constitute more than 19.00 percent, but not more than 24.20 percent, of such population, multiplied by 2.5;

"(iv) the number of such children who constitute more than 24.20 percent, but not more than 29.20 percent, of such population, multiplied by 3.25; and

"(v) the number of such children who constitute more than 29.20 percent of such population, multiplied by 4.0.

"(C) BY NUMBER OF CHILDREN.—The amount referred to in subparagraph (A) is determined by adding—

"(i) the number of children determined under section 1124(c) who constitute not more than 2,311, inclusive, of the county's total population aged 5 to 17, inclusive, multiplied by 1.0;

"(ii) the number of such children between 2,312 and 7,913, inclusive, in such population, multiplied by 1.5;

"(iii) the number of such children between 7,914 and 23,917, inclusive, in such population, multiplied by 2.0;

"(iv) the number of such children between 23,918 and 93,810, inclusive, in such population, multiplied by 2.5; and

"(v) the number of such children in excess of 93,811 in such population, multiplied by 3.0.

"(D) PUERTO RICO.—Notwithstanding subparagraph (A), the weighting factor for the Commonwealth of Puerto Rico under this paragraph shall not be greater than the total number of children counted under section 1124(c) multiplied by 1.72.

"(2) WEIGHTS FOR ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—

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

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

"(i) the number of children determined under section 1124(c) for that local educational agency who constitute not more than 15.233 percent, inclusive, of the

agency's total population aged 5 to 17, inclusive, multiplied by 1.0;

"(ii) the number of such children who constitute more than 15.233 percent, but not more than 22.706 percent, of such population, multiplied by 1.75;

"(iii) the number of such children who constitute more than 22.706 percent, but not more than 32.213 percent, of such population, multiplied by 2.5;

"(iv) the number of such children who constitute more than 32.213 percent, but not more than 41.452 percent, of such population, multiplied by 3.25; and

"(v) the number of such children who constitute more than 41.452 percent of such population, multiplied by 4.0.

"(C) BY NUMBER OF CHILDREN.—The amount referred to in subparagraph (A) is determined by adding—

"(i) the number of children determined under section 1124(c) who constitute not more than 710, inclusive, of the agency's total population aged 5 to 17, inclusive, multiplied by 1.0;

"(ii) the number of such children between 711 and 2,384, inclusive, in such population, multiplied by 1.5;

"(iii) the number of such children between 2,385 and 9,645, inclusive, in such population, multiplied by 2.0;

"(iv) the number of such children between 9,646 and 54,600, inclusive, in such population, multiplied by 2.5; and

"(v) the number of such children in excess of 54,600 in such population, multiplied by 3.0.

"(D) PUERTO RICO.—Notwithstanding subparagraph (A), the weighting factor for the Commonwealth of Puerto Rico under this paragraph shall not be greater than the total number of children counted under section 1124(c) multiplied by 1.72.

"(d) CALCULATION OF GRANT AMOUNTS.—Grant amounts under this section shall be calculated in the same manner as grant amounts are calculated under section 1124(a) (2) and (3).

"(e) STATE MINIMUM.—Notwithstanding any other provision of this section or section 1122, from the total amount available for any fiscal year to carry out this sec-

tion, each State shall be allotted not less than 0.5 percent of the total amount made available to carry out this section for such fiscal year.

"SEC. 1125A. EDUCATION FINANCE INCENTIVE PROGRAM.

"(a) GRANTS.—From funds appropriated under subsection (e) the Secretary is authorized to make grants to States, from allotments under subsection (b), to carry out the purposes of this part.

"(b) DISTRIBUTION BASED UPON FISCAL EFFORT AND EQUITY.—

"(1) IN GENERAL.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), funds appropriated pursuant to subsection (e) shall be allotted to each State based upon the number of children counted under section 1124(c) in such State multiplied by the product of—

"(i) such State's effort factor described in paragraph (2); multiplied by

"(ii) 1.30 minus such State's equity factor described in paragraph (3).

"(B) MINIMUM.—For each fiscal year no State shall receive under this section less than 0.5 percent of the total amount appropriated under subsection (e) for the fiscal year.

"(2) EFFORT FACTOR.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the effort factor for a State shall be determined in accordance with the succeeding sentence, except that such factor shall not be less than 0.95 nor greater than 1.05. The effort factor determined under this sentence shall be a fraction the numerator of which is the product of the 3-year average per-pupil expenditure in the State multiplied by the 3-year average per capita income in the United States and the denominator of which is the product of the 3-year average per capita income in such State multiplied by the 3-year average per-pupil expenditure in the United States.

"(B) COMMONWEALTH OF PUERTO RICO.—The effort factor for the Commonwealth of Puerto Rico shall be equal to the lowest effort factor calculated under subparagraph (A) for any State.

"(3) EQUITY FACTOR.—

"(A) DETERMINATION.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall determine the equity factor under

this section for each State in accordance with clause (ii).

"(ii) COMPUTATION.—

"(I) IN GENERAL.—For each State, the Secretary shall compute a weighted coefficient of variation for the per-pupil expenditures of local educational agencies in accordance with subclauses (II), (III), and (IV).

"(II) VARIATION.—In computing coefficients of variation, the Secretary shall weigh the variation between per-pupil expenditures in each local educational agency and the average per-pupil expenditures in the State according to the number of pupils served by the local educational agency.

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

"(IV) ENROLLMENT REQUIREMENT.—In computing coefficients of variation, the Secretary shall include only those local educational agencies with an enrollment of more than 200 students.

"(B) SPECIAL RULE.—The equity factor for a State that meets the disparity standard described in section 222.162 of title 34, Code of Federal Regulations (as such section was in effect on the day preceding the date of enactment of the Better Education for Students and Teachers Act) or a State with only 1 local educational agency shall be not greater than 0.10.

"(C) REVISIONS.—The Secretary may revise each State's equity factor as necessary based on the advice of independent education finance scholars to reflect other need-based costs of local educational agencies in addition to low-income student enrollment, such as differing geographic costs, costs associated with students with disabilities, children with limited English-proficiency or other meaningful educational needs, which deserve additional support. In addition, after obtaining the advice of independent

education finance scholars, the Secretary may revise each State's equity factor to incorporate other valid and accepted methods to achieve adequacy of educational opportunity that may not be reflected in a coefficient of variation method.

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

"(d) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State is entitled to receive its full allotment of funds under this section for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the fiscal year preceding the fiscal year for which the determination is made was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

"(2) REDUCTION OF FUNDS.—The Secretary shall reduce the amount of funds awarded to any State under this section in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 percent of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

"(3) WAIVERS.—The Secretary may waive, for 1 fiscal year only, the requirements of this subsection if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"SEC. 1126. SPECIAL ALLOCATION PROCEDURES.

"(a) ALLOCATIONS FOR NEGLECTED CHILDREN.—

"(1) IN GENERAL.—If a State educational agency determines that a local educational agency in

the State is unable or unwilling to provide for the special educational needs of children who are living in institutions for neglected or delinquent children as described in section 1124(c)(1)(C), the State educational agency shall, if such agency assumes responsibility for the special educational needs of such children, receive the portion of such local educational agency's allocation under sections 1124, 1124A, and 1125 that is attributable to such children.

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

"(b) ALLOCATIONS AMONG LOCAL EDUCATIONAL AGENCIES.—The State educational agency may allocate the amounts of grants under sections 1124, 1124A, and 1125 among the affected local educational agencies—

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

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

"(3) to reflect the merger, creation, or change of boundaries of 1 or more local educational agencies.

"(c) REALLOCATION.—If a State educational agency determines that the amount of a grant a local educational agency would receive under sections 1124, 1124A, and 1125 is more than such local educational agency will use, the State educational agency shall make the excess amount available to other local educational agencies in the State that need additional funds in accordance with criteria established by the State educational agency.

"SEC. 1127. CARRYOVER AND WAIVER.

"(a) LIMITATION ON CARRYOVER.—Notwithstanding section 421 of the General Education Provisions Act or any other provision of law, not more than 15 percent of the funds allocated to a local educational agency for any fiscal year under this subpart (but not including funds received through any reallocation under this subpart) may remain available for obligation by such agency for one additional fiscal year.

"(b) WAIVER.—A State educational agency may, once every 3 years, waive the percentage limitation in subsection (a) if—

"(1) the agency determines that the request of a local educational agency is reasonable and necessary; or

"(2) supplemental appropriations for this subpart become available.

"(c) EXCLUSION.—The percentage limitation under subsection (a) shall not apply to any local educational agency that receives less than $50,000 under this subpart for any fiscal year.".

PART B—LITERACY FOR CHILDREN AND FAMILIES

SEC. 121. READING FIRST.

Part B of title I (20 U.S.C. 6361 et seq.) is amended—

(1) by striking the part heading and inserting the following:

"PART B—LITERACY FOR CHILDREN AND FAMILIES";

(2) by inserting after the part heading the following:

"Subpart 1—William F. Goodling Even Start Family Literacy Programs";

(3) in sections 1201 through 1212, by striking "this part" each place such term appears and inserting "this subpart"; and

(4) by adding at the end the following:

"Subpart 2—Reading First"

"SEC. 1221. PURPOSES.

''The purposes of this subpart are as follows:

''(1) To provide assistance to States and local educational agencies in establishing reading programs for students in grades kindergarten through 3 that are grounded in scientifically based reading research, in order to ensure that every student can read at grade level or above by the end of the third grade.

''(2) To provide assistance to States and local educational agencies in preparing teachers, through professional development and other support, so the teachers can identify specific reading barriers facing their students and so the teachers have the tools effectively to help their student to learn to read.

''(3) To provide assistance to States and local educational agencies in selecting or developing rigorous diagnostic reading assessments that document the effectiveness of this subpart in improving students' reading and in holding grant and subgrant recipients accountable for their results.

''(4) To provide assistance to States and local educational agencies in selecting or developing effec-

tive instructional materials, programs, and strategies to implement methods that have been proven to prevent or remediate reading failure within a State or States.

"(5) To strengthen coordination among schools, early literacy programs, and family literacy programs in order to improve reading achievement for all children.

"SEC. 1222. FORMULA GRANTS TO STATES; COMPETITIVE SUBGRANTS TO LOCAL AGENCIES.

"(a) IN GENERAL.—In the case of each State that in accordance with section 1224 submits to the Secretary an application for a 5-year period, the Secretary, subject to the application's approval, shall make a grant to the State educational agency for the uses specified in subsections (c) and (d). The grant shall consist of the allotment determined for the State under subsection (b).

"(b) DETERMINATION OF AMOUNT OF ALLOTMENT.—

"(1) IN GENERAL.—From the total amount made available to carry out this subpart for any fiscal year and not reserved under section 1225, the Secretary shall allot 75 percent under this section among each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(2) STATE ALLOTMENTS.—The Secretary shall allot the amount made available under paragraph (1) for a fiscal year among the States in proportion to the amount all local educational agencies in a State would receive under section 1124.

"(3) REALLOTMENT.—If any State does not apply for an allotment under this section for any fiscal year, or if the State's application is not approved, the Secretary shall reallot such amount to the remaining States in accordance with paragraph (2).

"(c) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(1) DISTRIBUTION OF SUBGRANTS.—The Secretary may make a grant to a State under this section only if the State agrees to expend at least 80 percent of the amount of the funds provided under the grant for the purpose of making, in accordance with this subsection, competitive subgrants to eligible local educational agencies.

"(2) NOTICE.—A State receiving a grant under this section shall provide notice to all eligible local educational agencies in the State of the availability of competitive subgrants under this subsection and of the requirements for applying for the subgrants.

"(3) LOCAL APPLICATION.—To be eligible to receive a subgrant under this subsection, an eligible local educational agency shall submit an application to the State at such time, in such manner, and containing such information as the State may reasonably require.

"(4) DEFINITION OF ELIGIBLE LOCAL EDUCATIONAL AGENCY.—In this subpart the term 'eligible local educational agency' means a local educational agency that—

"(A) has a high percentage of students in grades kindergarten through 3 reading below grade level; and

"(B) has—

"(i) jurisdiction over a geographic area that includes an area designated as an empowerment zone, or an enterprise community, under part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986;

"(ii) jurisdiction over at least 1 school that is identified for school improvement under section 1116(c); or

"(iii) a high percentage of children who are counted under section 1124(c), in

comparison to other local educational agencies in the State.

"(5) STATE REQUIREMENT.—In distributing subgrant funds to local educational agencies, a State shall provide the funds in sufficient amounts to enable local educational agencies to improve reading, as measured by scores on rigorous diagnostic reading assessments.

"(6) LOCAL PRIORITY.—In distributing subgrant funds under this subsection a local educational agency shall give priority to providing the funds to schools that—

"(A) have a high percentage of students in grades kindergarten through 3 reading below grade level;

"(B) are identified for school improvement under section 1116(c); or

"(C) have a high percentage of children counted under section 1124(c).

"(7) LOCAL USES OF FUNDS.—Subject to paragraph (8), a local educational agency that receives a subgrant under this subsection shall use the funds provided under the subgrant to carry out the following activities:

"(A) Selecting or developing, and administering, a rigorous diagnostic reading assessment.

"(B) Selecting or developing, and implementing, a program or programs of reading instruction grounded on scientifically based reading research that—

"(i) includes the major components of reading instruction; and

"(ii) provides such instruction to all children, including children who—

"(I) may have reading difficulties;

"(II) are at risk of being referred to special education based on these difficulties;

"(III) have been evaluated under section 614 of the Individuals with Disabilities Education Act but, in accordance with section 614(b)(5) of such Act, and have not been identified as being a child with a disability (as defined in section 602 of such Act);

"(IV) are being served under such Act primarily due to being iden-

tified as being a child with a specific learning disability (as defined in section 602 of such Act) related to reading; or

"(V) are identified as having limited English proficiency (as defined in section 3501).

"(C) Procuring and implementing instructional materials grounded on scientifically based reading research.

"(D) Providing professional development for teachers of grades kindergarten through 3 that—

"(i) will prepare these teachers in all of the major components of reading instruction;

"(ii) shall include—

"(I) information on instructional materials, programs, strategies, and approaches grounded on scientifically based reading research, including early intervention and reading remediation materials, programs, and approaches; and

"(II) instruction in the use of rigorous diagnostic reading assessments and other procedures that effectively identify students who may be at risk for reading failure or who are having difficulty reading; and

"(iii) may be provided by eligible professional development providers or otherwise.

"(E) Promoting reading and library programs that provide access to engaging reading material.

"(F) Providing training to individuals who volunteer to be reading tutors for students to enable the volunteers to support instructional practices that are based on scientific reading research and being used by the student's teacher.

"(G) Assisting parents, through the use of materials, programs, strategies and approaches, that are based on scientific reading research, to help support their children's reading development.

"(H) Collecting and summarizing data from rigorous diagnostic reading assessments—

"(i) to document the effectiveness of this subpart in individual schools and in the local educational agency as a whole; and

"(ii) to stimulate and accelerate improvement by identifying the schools that produce the significant gains in reading achievement.

"(I) Reporting data in the same manner as data is reported under section 1116(c).

"(9) LOCAL PLANNING AND ADMINISTRATION.—A local educational agency that receives a subgrant under this subsection may use not more than 5 percent of the funds provided under the subgrant for planning and administration.

"(d) OTHER STATE USES OF FUNDS.—

"(1) IN GENERAL.—A State that receives a grant under this section may expend not more than a total of 20 percent of the grant funds to carry out the activities described in paragraphs (3), (4), and (5).

"(2) PRIORITY.—A State shall give priority to carrying out the activities described in paragraphs (3), (4), and (5) for schools described in subsection (c)(6).

"(3) PROFESSIONAL DEVELOPMENT.—A State that receives a grant under this section may expend not more than 15 percent of the amount of the funds provided under the grant to develop and implement a program of professional development for teachers of grades kindergarten through 3 that—

"(A) will prepare these teachers in all of the major components of reading instruction;

"(B) shall include—

"(i) information on instructional materials, programs, strategies, and approaches grounded on scientifically based reading research, including early intervention and reading remediation materials, programs, and approaches; and

"(ii) instruction in the use of rigorous diagnostic reading assessments and other procedures that effectively identify students who may be at risk for reading failure or who are having difficulty reading; and

"(C) may be provided by eligible professional development providers or otherwise.

"(4) TECHNICAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES AND SCHOOLS.—A State that

receives a grant under this section may expend not more than 5 percent of the amount of the funds provided under the grant for one or more of the following authorized State activities:

"(A) Assisting local educational agencies in accomplishing the tasks required to design and implement a program under this subpart, including—

"(i) selecting and implementing a program or programs of reading instruction grounded on scientifically based reading research;

"(ii) selecting or developing rigorous diagnostic reading assessments; and

"(iii) identifying eligible professional development providers to help prepare reading teachers to teach students using the programs and assessments described in subparagraphs (A) and (B).

"(B) Providing expanded opportunities to students in grades kindergarten through 3 within eligible local educational agencies for receiving reading assistance from alternative providers that includes—

"(i) a rigorous diagnostic reading assessment; and

"(ii) instruction in the major components of reading that is based on scientific reading research.

"(3) PLANNING, ADMINISTRATION, AND REPORTING.—

"(A) IN GENERAL.—A State that receives a grant under this section shall expend not more than 5 percent of the amount of the funds provided under the grant for the activities described in this paragraph.

"(B) PLANNING AND ADMINISTRATION.—A State that receives a grant under this section may expend funds made available under subparagraph (A) for planning and administration relating to the State uses of funds authorized under this subpart, including the following:

"(i) Administering the distribution of competitive subgrants to local educational agencies under sections 1222 and 1223.

"(ii) Collecting and summarizing data from rigorous diagnostic reading assessments—

"(I) to document the effectiveness of this subpart in individual local educational agencies and in the State as a whole; and

"(II) to stimulate and accelerate improvement by identifying the local educational agencies that produce significant gains in reading achievement.

"(C) ANNUAL REPORTING.—

"(i) IN GENERAL.—A State that receives a grant under this section shall expend funds provided under the grant to provide the Secretary annually with a report on the implementation of this subpart. The report shall include evidence that the State is fulfilling its obligations under this subpart. The report shall also include the data required under subsection (c)(7)(H) to be reported to the State by local educational agencies. The report shall include a specific identification of those local educational agencies that report significant gains in reading achievement overall and such gains based on disaggregated data,

reported in the same manner as data is reported under section 1116(c).

"(ii) PRIVACY PROTECTION.—Data in the report shall be reported in a manner that protects the privacy of individuals.

"(iii) CONTRACT.—To the extent practicable, a State shall enter into a contract with an entity that conducts scientifically based reading research, under which contract the entity will assist the State in producing the reports required to be submitted under this subparagraph.

"SEC. 1223. COMPETITIVE GRANTS TO STATES; COMPETITIVE SUBGRANTS TO LOCAL AGENCIES.

"(a) IN GENERAL.—In the case of a State that in accordance with section 1224 submits to the Secretary an application, the Secretary may award a grant, on a competitive basis, to the State for the use specified in subsection (c). The grant shall consist of the allotment determined for the State under subsection (b).

"(b) DETERMINATION OF AMOUNT OF ALLOTMENT.—

"(1) IN GENERAL.—From the total amount made available to carry out this subpart for any fiscal year referred to in subsection (a) that is neither

used under section 1222 nor reserved under section 1225, the Secretary may allot such remaining amount under this section among each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(2) STATE ALLOTMENTS.—

"(A) IN GENERAL.—In carrying out paragraph (1), the Secretary shall allot such funds to those States that demonstrate the most effective implementation of this subpart, as determined by the peer review panel convened under section 1224 based upon the application contents described in subparagraph (B).

"(B) APPLICATION CONTENTS.—A State that desires to receive a grant under this section shall include in its application the following:

"(i) Evidence that the State has carried out its obligations under this subpart.

"(ii) Evidence that the State has increased significantly the percentage of students reading at grade level or above by the end of the third grade.

"(iii) Evidence that the State has been successful in reducing the reading

deficit in terms of the percentage of students in ethnic, racial, and low-income populations who are reading at grade level or above by the end of the third grade.

"(iv) The amount of funds being requested by the State and a description of the criteria the State intends to use in distributing subgrants to local educational agencies under this section to continue or expand activities under this subpart.

"(v) Any additional evidence that demonstrates success in the implementation of this subpart.

"(c) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(1) IN GENERAL.—The Secretary may make a grant to a State under this section only if the State agrees to expend 100 percent of the amount of the funds provided under the grant for the purpose of making competitive subgrants in accordance with this subsection to local educational agencies.

"(2) NOTICE.—A State receiving a grant under this section shall provide notice to all eligible local educational agencies in the State of the availability

of competitive subgrants under this subsection and of the requirements for applying for the subgrants.

"(3) APPLICATION.—To apply for a subgrant under this subsection, an eligible local educational agency shall submit an application to the State at such time, in such manner, and containing such information as the State may reasonably require.

"(4) DISTRIBUTION.—A State shall distribute funds under this section, on a competitive basis, based on the following criteria:

"(A) Evidence that a local educational agency has carried out its obligations under this subpart.

"(B) Evidence that a local educational agency has increased significantly the percentage of students reading at grade level or above by the end of the third grade.

"(C) Evidence that a local educational agency has been successful in reducing the reading deficit in terms of the percentage of students in ethnic, racial, and low-income populations who are reading at grade level or above by the end of the third grade.

"(D) The amount of funds being requested by a local educational agency in its application

under paragraph (3) and the description in such application of how such funds will be used to support the continuation or expansion of the agency's programs under this subpart.

"(E) Evidence that the local educational agency will work with other eligible local educational agencies in the State who have not received a subgrant under this subsection to assist such nonreceiving agencies in increasing the reading achievement of students.

"(F) Any additional evidence in a local educational agency's application under paragraph (3) that demonstrates success in the implementation of this subpart.

"(5) LOCAL USES OF FUNDS.—A local educational agency that receives a subgrant under this subsection shall use the funds provided under the subgrant to carry out the activities described in subparagraphs (A) through (G) of section 1222(c)(7).

"SEC. 1224. STATE APPLICATIONS.

"(a) IN GENERAL.—A State that desires to receive a grant under this subpart shall submit an application to the Secretary at such time and in such form as the Secretary may require. The application shall contain the information described in subsection (b).

"(b) CONTENTS.—An application under this section shall contain the following:

"(1) An assurance that the Governor of the State, in consultation with the State educational agency, has established a reading and literacy partnership described in subsection (d), and a description of how such partnership—

"(A) coordinated the development of the application; and

"(B) will assist in the oversight and evaluation of the State's activities under this subpart.

"(2) A description of a strategy to expand, continue, or modify activities commenced under part C of title II of this Act (as such part was in effect on the day before the date of the enactment of the Better Education for Students and Teachers Act).

"(3) An assurance that the State will submit to the Secretary, at such time and in such manner as the Secretary may reasonably require, a State plan containing a description of the following:

"(A) How the State will assist local educational agencies in identifying rigorous diagnostic reading assessments.

"(B) How the State will assist local educational agencies in identifying instructional materials, programs, strategies, and approaches, grounded on scientifically based reading research, including early intervention and reading remediation materials, programs and approaches.

"(C) How the State educational agency will ensure that professional development activities related to reading instruction and provided under this subpart are—

"(i) coordinated with other State and local level funds and used effectively to improve instructional practices for reading; and

"(ii) based on scientifically based reading research.

"(D) How the activities assisted under this subpart will address the needs of teachers and other instructional staff in schools receiving assistance under this subpart and will effectively teach students to read.

"(E) The extent to which the activities will prepare teachers in all the major components of reading instruction.

"(F) How subgrants made by the State educational agency under this subpart will meet the requirements of this subpart, including how the State educational agency will ensure that local educational agencies receiving subgrants under this subpart will use practices based on scientifically based reading research.

"(G) How the State educational agency will, to the extent practicable, make grants to subgrantees in both rural and urban areas.

"(H) How the State educational agency—

"(i) will build on, and promote coordination among, literacy programs in the State (including federally funded programs such as the Adult Education and Family Literacy Act and the Individuals with Disabilities Education Act), in order to increase the effectiveness of the programs in improving reading for adults and children and to avoid duplication of the efforts of the program; and

"(ii) will assess and evaluate, on a regular basis, local educational agency activities assisted under this subpart, with

respect to whether they have been effective in achieving the purposes of this subpart.

"(c) APPROVAL OF APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall approve an application of a State under this section only if such application meets the requirement of this section.

"(2) PEER REVIEW.—

"(A) IN GENERAL.—The Secretary, in consultation with the National Institute for Literacy, shall convene a panel to evaluate applications under this section. At a minimum, the panel shall include—

"(i) 3 individuals selected by the Secretary;

"(ii) 3 individuals selected by the National Institute for Literacy;

"(iii) 3 individuals selected by the National Research Council of the National Academy of Sciences; and

"(iv) 3 individuals selected by the National Institute of Child Health and Human Development.

"(B) EXPERTS.—The panel shall include experts who are competent, by virtue of their

training, expertise, or experience, to evaluate applications under this section, and experts who provide professional development to teachers of reading to children and adults, and experts who provide professional development to other instructional staff, based on scientifically based reading research.

"(C) RECOMMENDATIONS.—The panel shall recommend grant applications from States under this section to the Secretary for funding or for disapproval.

"(d) READING AND LITERACY PARTNERSHIPS.—

"(1) REQUIRED PARTICIPANTS.—In order for a State to receive a grant under this subpart, the Governor of the State, in consultation with the State educational agency, shall establish a reading and literacy partnership consisting of at least the following participants:

"(A) The Governor of the State.

"(B) The chief State school officer.

"(C) The chairman and the ranking member of each committee of the State legislature that is responsible for education policy.

"(D) A representative, selected jointly by the Governor and the chief State school officer,

of at least one local educational agency that is eligible to receive a subgrant under section 1222.

''(E) A representative, selected jointly by the Governor and the chief State school officer, of a community-based organization working with children to improve their reading skills, particularly a community-based organization using tutors and scientifically based reading research.

''(F) State directors of appropriate Federal or State programs with a strong reading component.

''(G) A parent of a public or private school student or a parent who educates their child or children in their home, selected jointly by the Governor and the chief State school officer.

''(H) A teacher who successfully teaches reading and an instructional staff member, selected jointly by the Governor and the chief State school officer.

''(I) A family literacy service provider selected jointly by the Governor and the chief state school officer.

"(2) OPTIONAL PARTICIPANTS.—A reading and literacy partnership may include additional participants, who shall be selected jointly by the Governor and the chief State school officer, and who may include a representative of—

"(A) an institution of higher education operating a program of teacher preparation based on scientifically based reading research in the State;

"(B) a local educational agency;

"(C) a private nonprofit or for-profit eligible professional development provider providing instruction based on scientifically based reading research;

"(D) an adult education provider;

"(E) a volunteer organization that is involved in reading programs; or

"(F) a school library or a public library that offers reading or literacy programs for children or families.

"(3) PREEXISTING PARTNERSHIP.—If, before the date of the enactment of the Better Education for Students and Teachers Act, a State established a consortium, partnership, or any other similar body that was considered a reading and literacy partner-

ship for purposes of part C of title II of this Act (as such part was in effect on the day before the date of the enactment of the Better Education for Students and Teachers Act), that consortium, partnership, or body may be considered a reading and literacy partnership for purposes of this subpart notwithstanding that it does not satisfy the requirements of paragraph (1).

"SEC. 1225. RESERVATIONS FROM APPROPRIATIONS.

''From the amounts appropriated to carry out this subpart for a fiscal year, the Secretary—

''(1) may reserve not more than 1 percent to carry out section 1226 (relating to national activities); and

''(2) shall reserve $5,000,000 to carry out section 1227 (relating to information dissemination).

"SEC. 1226. NATIONAL ACTIVITIES.

''From funds reserved under section 1225(1), the Secretary—

''(1) through grants or contracts, shall conduct an evaluation of the program under this subpart using criteria recommended by the peer review panel convened under section 1224; and

''(2) may provide technical assistance in achieving the purposes of this subpart to States, local edu-

cational agencies, and schools requesting such assistance.

"SEC. 1227. INFORMATION DISSEMINATION.

"(a) IN GENERAL.—From funds reserved under section 1225(2), the National Institute for Literacy, in collaboration with the Departments of Education and Health and Human Services, including the National Institute for Child Health and Human Development, shall—

"(1) disseminate information on scientifically based reading research pertaining to children, youth, and adults;

"(2) identify and disseminate information about schools, local educational agencies, and States that effectively developed and implemented reading programs that meet the requirements of this subpart, including those effective States, local educational agencies, and schools identified through the evaluation and peer review provisions of this subpart; and

"(3) support the continued identification of scientifically based reading research that can lead to improved reading outcomes for children, youth, and adults through evidenced-based assessments of the scientific research literature.

"(b) DISSEMINATION AND COORDINATION.—At a minimum, the National Institute for Literacy shall dis-

seminate such information to recipients of Federal financial assistance under titles I and III, the Head Start Act, the Individuals With Disabilities Education Act, and the Adult Education and Family Literacy Act. In carrying out this section, the National Institute for Literacy shall, to the extent practicable, utilize existing information and dissemination networks developed and maintained through other public and private entities.

''(c) USE OF FUNDS.—The National Institute for Literacy may use not more than 5 percent of the funds made available under section 1225(2) for administrative purposes directly related to carrying out of activities authorized by this section.

''SEC. 1228. DEFINITIONS.

''For purposes of this subpart:

''(1) ELIGIBLE PROFESSIONAL DEVELOPMENT PROVIDER.—The term 'eligible professional development provider' means a provider of professional development in reading instruction to teachers that is based on scientifically based reading research.

''(2) INSTRUCTIONAL STAFF.—The term 'instructional staff'—

''(A) means individuals who have responsibility for teaching children to read; and

"(B) includes principals, teachers, supervisors of instruction, librarians, library school media specialists, teachers of academic subjects other than reading, and other individuals who have responsibility for assisting children to learn to read.

"(3) MAJOR COMPONENTS OF READING INSTRUCTION.—The term 'major components of reading instruction' means systematic instruction that includes—

"(A) phonemic awareness;

"(B) phonics;

"(C) vocabulary development;

"(D) reading fluency; and

"(E) reading comprehension strategies.

"(4) READING.—The term 'reading' means a complex system of deriving meaning from print that requires all of the following:

"(A) The skills and knowledge to understand how phonemes, or speech sounds, are connected to print.

"(B) The ability to decode unfamiliar words.

"(C) The ability to read fluently.

"(D) Sufficient background information and vocabulary to foster reading comprehension.

"(E) The development of appropriate active strategies to construct meaning from print.

"(F) The development and maintenance of a motivation to read.

"(5) RIGOROUS DIAGNOSTIC READING ASSESSMENT.—The term 'rigorous diagnostic reading assessment' means a diagnostic reading assessment that—

"(A) is valid, reliable, and grounded in scientifically based reading research;

"(B) measures progress in phonemic awareness and phonics, vocabulary development, reading fluency, and reading comprehension; and

"(C) identifies students who may be at risk for reading failure or who are having difficulty reading.

"(6) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research'—

"(A) means research that applies rigorous, systematic, and objective procedures to obtain

valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

"(B) shall include research that—

"(i) employs systematic, empirical methods that draw on observation or experiment;

"(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

"(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

"(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.".

SEC. 122. EARLY READING INITIATIVE.

Part B of title I (20 U.S.C. 6361 et seq.) is amended further by adding at the end the following:

"Subpart 3—Early Reading First

"SEC. 1241. PURPOSES.

''The purposes of this subpart are as follows:

''(1) To support local efforts to enhance the school readiness of young children, particularly those from low-income families, through scientific, research-based strategies and professional development that are designed to enhance the early language and literacy development of children aged 3 through 5.

''(2) To provide children aged 3 through 5 with cognitive learning opportunities in high-quality language and literature-rich environments, so that they can attain the fundamental knowledge necessary for optimal reading development in kindergarten and beyond.

''(3) To integrate these learning opportunities with family literacy services.

''(4) To demonstrate research-based language and literacy activities, which can be integrated with existing preschool programs, that support the age-appropriate development of letter knowledge, letter sounds and blending of sounds, words, the use of books, and the understanding and use of an increasingly complex and rich spoken vocabulary, developed in part through teacher-read stories, as well as other

activities that build a strong foundation for learning to read.

"SEC. 1242. LOCAL EARLY READING FIRST GRANTS.

"(a) PROGRAM AUTHORIZED.—From amounts appropriated under section 1002(b)(3), the Secretary shall award grants, on a competitive basis, for periods of not more than 4 years, to eligible applicants to enable the eligible applicants to carry out activities that are consistent with the purposes of this subpart.

"(b) DEFINITION OF ELIGIBLE APPLICANT.—In this subpart the term 'eligible applicant' means—

"(1) one or more local educational agencies that are eligible to receive a subgrant under subpart 2;

"(2) one or more public or private organizations, acting on behalf of 1 or more programs that serve preschool age children (such as a program at a Head Start center or a family literacy program), which organizations shall be located in a community served by a local educational agency described in paragraph (1); or

"(3) one or more local educational agencies described in paragraph (1) in collaboration with one or more organizations described in paragraph (2).

"(c) APPLICATIONS.—An eligible applicant that desires to receive a grant under this section shall submit an

application to the Secretary which shall include a description of—

"(1) the programs to be served by the proposed project, including demographic and socioeconomic information on the children enrolled in the programs;

"(2) how the proposed project will prepare and provide ongoing assistance to staff in the programs, through professional development and other support, to provide high-quality language, literacy and prereading activities using scientifically based research, for children ages 3 through 5;

"(3) how the proposed project will provide services and utilize materials that are based on scientifically based research on early language acquisition, prereading activities, and the development of spoken vocabulary skills;

"(4) how the proposed project will help staff in the programs to meet the diverse needs of children in the community better, including children with limited English proficiency, disabilities, or other special needs;

"(5) how the proposed project will help children, particularly children experiencing difficulty with spoken language, prereading, and literacy skills,

to make the transition from preschool to formal classroom instruction in school;

"(6) if the eligible applicant has received a subgrant under subpart 2, how the activities conducted under this subpart will be coordinated with the eligible applicant's activities under subpart 2 at the kindergarten through third-grade level;

"(7) how the proposed project will determine the success of the activities supported under this subpart in enhancing the early language and literacy development of children served by the project; and

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

"(d) APPROVAL OF APPLICATIONS.—The Secretary shall select applicants for funding under this subpart on the basis of the quality of the applications, in consultation with the National Institute for Child Health and Human Development, the National Institute for Literacy, and the National Academy of Sciences. The Secretary shall select applications for approval under this subpart on the basis of a peer review process.

"(e) AWARD AMOUNTS.—The Secretary may establish a maximum award amount, or ranges of award amounts, for grants under this subpart.

"SEC. 1243. FEDERAL ADMINISTRATION.

''The Secretary shall consult with the Secretary of Health and Human Services in order to coordinate the activities undertaken under this subpart with early childhood programs administered by the Department of Health and Human Services.

"SEC. 1244. INFORMATION DISSEMINATION.

''From the funds the National Institute for Literacy receives under section 1227, the National Institute for Literacy, in consultation with the Secretary, shall disseminate information regarding projects assisted under this subpart that have proven effective.

"SEC. 1245. REPORTING REQUIREMENTS.

''Each eligible applicant receiving a grant under this subpart shall report annually to the Secretary regarding the eligible applicant's progress in addressing the purposes of this subpart.

"SEC. 1246. EVALUATIONS.

''From the total amount appropriated under section 1002(b)(3) for the period beginning October 1, 2002 and ending September 30, 2008, the Secretary shall reserve not more than $5,000,000 to conduct an independent evaluation of the effectiveness of this subpart.

"SEC. 1247. ADDITIONAL RESEARCH.

''From the amount appropriated under section 1002(b)(3) for each of the fiscal years 2002 through 2006,

the Secretary shall reserve not more than $3,000,000 to conduct, in consultation with National Institute for Child Health and Human Development, the National Institute for Literacy, and the Department of Health and Human Services, additional research on language and literacy development for children aged 3 through 5.''.

PART C—EDUCATION OF MIGRATORY CHILDREN

SEC. 131. PROGRAM PURPOSE.

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

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

(2) by inserting after paragraph (1) the following:

''(2) ensure that migratory children who move among the States are not penalized in any manner by disparities among the States in curriculum, graduation requirements, and State student performance and content standards;'';

(3) in paragraph (5) (as so redesignated), by striking ''and'' after the semicolon;

(4) in paragraph (6) (as so redesignated), by striking the period and inserting ''; and''; and

(5) by adding at the end the following:

''(7) ensure that migratory children receive full and appropriate opportunities to meet the same

challenging State content and student performance standards that all children are expected to meet.''.

SEC. 132. STATE APPLICATION.

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

(1) in subsection (b)—

(A) in paragraph (1), by striking ''a comprehensive'' and all that follows through ''1306;'' and inserting ''the full range of services that are available for migratory children from appropriate local, State, and Federal educational programs;'';

(B) by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respectively; and

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

''(2) a description of joint planning efforts that will be made with respect to programs assisted under this Act, local, State, and Federal programs, and bilingual education programs under subpart 1 of part A of title III;''; and

(2) in subsection (c), by amending paragraph (3) to read as follows:

''(3) in the planning and operation of programs and projects at both the State and local agency op-

erating level there is consultation with parent advisory councils for programs of one school year in duration, and that all such programs and projects are carried out—

"(A) in a manner consistent with section 1118 unless extraordinary circumstances make implementation with such section impractical; and

"(B) in a format and language understandable to the parents;".

SEC. 133. COMPREHENSIVE PLAN.

(a) COMPREHENSIVE PLAN.—Section 1306(a)(1) (20 U.S.C. 6396(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "the Goals 2000: Educate America Act,"; and

(B) by striking "14306" and inserting "5506"; and

(2) in subparagraph (B), by striking "14302;" and inserting "5502, 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 planning is not used to supplant State efforts regarding, or administrative funding for, this part;".

(b) AUTHORIZED ACTIVITIES.—Section 1306(b)(3) (20 U.S.C. 6396(b)(3)) is amended by inserting ", and shall meet the special educational needs of migrant children before using funds under this part for schoolwide programs under section 1114" before the period.

SEC. 134. COORDINATION.

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

(1) by amending subsection (b) to read as follows:

"(b) ACCESS TO INFORMATION ON MIGRANT STUDENTS.—

"(1) INFORMATION SYSTEM.—(A) The Secretary shall establish an information system for electronically exchanging, among the States, health and educational information regarding all students served under this part. Such information may include—

"(i) immunization records and other health information;

"(ii) elementary and secondary academic history (including partial credit), credit accrual, and results from State assessments required under this title;

"(iii) other academic information essential to ensuring that migrant children achieve to high standards; and

"(iv) eligibility for services under the Individuals with Disabilities Education Act.

"(B) The Secretary shall publish, not later than 120 days after the date of enactment of the Better Education for Students and Teachers Act, a notice in the Federal Register seeking public comment on the proposed data elements that each State receiving funds under this part shall be required to collect for purposes of electronic transfer of migrant student information, the requirements for immediate electronic access to such information, and the educational agencies eligible to access such information.

"(C) Such system of electronic access to migrant student information shall be operational not later than 1 year after the date of enactment of the Better Education for Students and Teachers Act.

"(D) For the purpose of carrying out this subsection in any fiscal year, the Secretary shall reserve not more than $10,000,000 of the amount appropriated to carry out this part for such year.

"(2) REPORT TO CONGRESS.—(A) Not later than April 30, 2003, the Secretary shall report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives the Secretary's findings and recommendations regarding services under this part, and shall include in this report, recommendations for the interim measures that may be taken to ensure continuity of services under this part.

"(B) The Secretary shall assist States in developing effective methods for the transfer of student records and in determining the number of students or full-time equivalent students in each State if such interim measures are required.".

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

(3) in subsection (d)(1), by striking "$1,500,000" and inserting "$3,000,000"; and

(4) by adding at the end the following:

"(e) DATA COLLECTION.—The Secretary shall direct the National Center for Education Statistics to collect data on migratory children.".

PART D—INITIATIVES FOR NEGLECTED, DELINQUENT, OR AT RISK YOUTH

SEC. 141. INITIATIVES FOR NEGLECTED, DELINQUENT, OR AT RISK YOUTH.

Part D of title I (20 U.S.C. 6421 et seq.) is amended to read as follows:

"PART D—INITIATIVES FOR NEGLECTED, DELINQUENT, OR AT RISK STUDENTS

"Subpart 1—Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or at Risk of Dropping Out

"SEC. 1401. PURPOSE; PROGRAM AUTHORIZED.

"(a) PURPOSE.—It is the purpose of this subpart—

"(1) to improve educational services for children in local and State institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging State content standards and challenging State student performance standards that all children in the State are expected to meet;

"(2) to provide such children and youth with the services needed to make a successful transition

from institutionalization to further schooling or employment; and

"(3) to prevent at-risk youth from dropping out of school and to provide dropouts and youth returning from institutions with a support system to ensure their continued education.

"(b) PROGRAM AUTHORIZED.—In order to carry out the purpose of this subpart the Secretary shall make grants to State educational agencies to enable such agencies to award subgrants to State agencies and local educational agencies to establish or improve programs of education for neglected or delinquent children and youth at risk of dropping out of school before graduation.

"SEC. 1402. PAYMENTS FOR PROGRAMS UNDER THIS SUBPART.

"(a) AGENCY SUBGRANTS.—Based on the allocation amount computed under section 1412, the Secretary shall allocate to each State educational agency amounts necessary to make subgrants to State agencies under chapter 1.

"(b) LOCAL SUBGRANTS.—Each State shall retain, for purposes of carrying out chapter 2, funds generated throughout the State under part A of title I based on youth residing in local correctional facilities, or attending

community day programs for delinquent children and youth.

"Chapter 1—State Agency Programs

"SEC. 1411. ELIGIBILITY.

"A State agency is eligible for assistance under this chapter if such State agency is responsible for providing free public education for children—

"(1) in institutions for neglected or delinquent children and youth;

"(2) attending community day programs for neglected or delinquent children and youth; or

"(3) in adult correctional institutions.

"SEC. 1412. ALLOCATION OF FUNDS.

"(a) SUBGRANTS TO STATE AGENCIES.—

"(1) IN GENERAL.—Each State agency described in section 1411 (other than an agency in the Commonwealth of Puerto Rico) is eligible to receive a subgrant under this chapter, for each fiscal year, an amount equal to the product of—

"(A) the number of neglected or delinquent children and youth described in section 1411 who—

"(i) are enrolled for at least 15 hours per week in education programs in adult correctional institutions; and

"(ii) are enrolled for at least 20 hours per week—

"(I) in education programs in institutions for neglected or delinquent children and youth; or

"(II) in community day programs for neglected or delinquent children and youth; and

"(B) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this subparagraph shall not be less than 32 percent, nor more than 48 percent, of the average per-pupil expenditure in the United States.

"(2) SPECIAL RULE.—The number of neglected or delinquent children and youth determined under paragraph (1) shall—

"(A) be determined by the State agency by a deadline set by the Secretary, except that no State agency shall be required to determine the number of such children and youth on a specific date set by the Secretary; and

"(B) be adjusted, as the Secretary determines is appropriate, to reflect the relative length of such agency's annual programs.

"(b) SUBGRANTS TO STATE AGENCIES IN PUERTO RICO.—For each fiscal year, the amount of the subgrant for which a State agency in the Commonwealth of Puerto Rico is eligible under this chapter shall be equal to—

"(1) the number of children and youth counted under subsection (a)(1)(A) for the Commonwealth of Puerto Rico; multiplied by

"(2) the product of—

"(A) the percentage that the average per-pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per-pupil expenditure of any of the 50 States; and

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

"(c) RATABLE REDUCTIONS IN CASE OF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated for any fiscal year for subgrants under subsections (a) and (b) is insufficient to pay the full amount for which all State agencies are eligible under such subsections, the Secretary shall ratably reduce each such amount.

"SEC. 1413. STATE REALLOCATION OF FUNDS.

"If a State educational agency determines that a State agency does not need the full amount of the subgrant for which such State agency is eligible under this chapter for any fiscal year, the State educational agency

may reallocate the amount that will not be needed to other eligible State agencies that need additional funds to carry out the purpose of this subpart, in such amounts as the State educational agency shall determine.

"SEC. 1414. STATE PLAN AND STATE AGENCY APPLICATIONS.

"(a) STATE PLAN.—

"(1) IN GENERAL.—Each State educational agency that desires to receive a grant under this chapter shall submit, for approval by the Secretary, a plan for meeting the needs of neglected and delinquent children and youth and, where applicable, children and youth at risk of dropping out of school, that is integrated with other programs under this Act, or other Acts, as appropriate, consistent with section 5506.

"(2) CONTENTS.—Each such State plan shall—

"(A) describe the program goals, objectives, and performance measures established by the State that will be used to assess the effectiveness of the program in improving academic and vocational skills of children in the program;

"(B) provide that, to the extent feasible, such children will have the same opportunities to learn as such children would have if such

children were in the schools of local educational agencies in the State; and

"(C) contain assurances that the State educational agency will—

"(i) ensure that programs assisted under this subpart will be carried out in accordance with the State plan described in this subsection;

"(ii) carry out the evaluation requirements of section 1431;

"(iii) ensure that the State agencies receiving subgrants under this chapter comply with all applicable statutory and regulatory requirements; and

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

"(3) DURATION OF THE PLAN.—Each State plan shall—

"(A) remain in effect for the duration of the State's participation under this subpart; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this subpart.

"(b) SECRETARIAL APPROVAL; PEER REVIEW.—

"(1) IN GENERAL.—The Secretary shall approve each State plan that meets the requirements of this part.

"(2) PEER REVIEW.—The Secretary may review any State plan with the assistance and advice of individuals with relevant expertise.

"(c) STATE AGENCY APPLICATIONS.—Any State agency that desires to receive funds to carry out a program under this chapter shall submit an application to the State educational agency that—

"(1) describes the procedures to be used, consistent with the State plan under section 1111, to assess the educational needs of the children to be served;

"(2) provides assurances that in making services available to youth in adult correctional institutions, priority will be given to such youth who are likely to complete incarceration within a 2-year period;

"(3) describes the program, including a budget for the first year of the program, with annual updates to be provided to the State educational agency;

"(4) describes how the program will meet the goals and objectives of the State plan;

"(5) describes how the State agency will consult with experts and provide the necessary training for appropriate staff, to ensure that the planning and operation of institution-wide projects under section 1416 are of high quality;

"(6) describes how the agency will carry out evaluation activities and how the results of the most recent evaluation are used to plan and improve the program;

"(7) includes data showing that the agency has maintained the fiscal effort required of a local educational agency, in accordance with section 4;

"(8) describes how the programs will be coordinated with other appropriate State and Federal programs, such as programs under title I of the Workforce Investment Act of 1998, vocational education programs, State and local dropout prevention programs, and special education programs;

"(9) describes how appropriate professional development will be provided to teachers and other staff;

"(10) designates an individual in each affected institution to be responsible for issues relating to the transition of children and youth from the institution to locally operated programs;

"(11) describes how the agency will, endeavor to coordinate with businesses for training and mentoring for participating children and youth;

"(12) provides assurances that the agency will assist in locating alternative programs through which students can continue their education if students are not returning to school after leaving the correctional facility;

"(13) provides assurances that the agency will work with parents to secure parents' assistance in improving the educational achievement of their children and preventing their children's further involvement in delinquent activities;

"(14) provides assurances that the agency works with special education youth in order to meet an existing individualized education program and an assurance that the agency will notify the youth's local school if the youth—

"(A) is identified as in need of special education services while the youth is in the facility; and

"(B) intends to return to the local school;

"(15) provides assurances that the agency will work with youth who dropped out of school before entering the facility to encourage the youth to reen-

ter school once the term of the youth has been completed or provide the youth with the skills necessary to gain employment, continue the education of the youth, or achieve a secondary school diploma or its recognized equivalent if the youth does not intend to return to school;

"(16) provides assurances that teachers and other qualified staff are also trained to work with children with disabilities and other students with special needs taking into consideration the unique needs of such students;

"(17) describes any additional services provided to children and youth, such as career counseling, and assistance in securing student loans and grants; and

"(18) provides assurances that the program under this chapter will be coordinated with any programs operated under the Juvenile Justice and Delinquency Prevention Act of 1974 or other comparable programs, if applicable.

"SEC. 1415. USE OF FUNDS.

"(a) USES.—

"(1) IN GENERAL.—A State agency shall use funds received under this chapter only for programs and projects that—

"(A) are consistent with the State plan under section 1414(a); and

"(B) concentrate on providing participants with the knowledge and skills needed to make a successful transition to secondary school completion, further education, or employment.

"(2) PROGRAMS AND PROJECTS.—Such programs and projects—

"(A) may include the acquisition of equipment;

"(B) shall be designed to support educational services that—

"(i) except for institution-wide projects under section 1416, are provided to children and youth identified by the State agency as failing, or most at risk of failing, to meet the State's challenging State content standards and challenging State student performance standards;

"(ii) supplement and improve the quality of the educational services provided to such children and youth by the State agency; and

"(iii) afford such children and youth an opportunity to learn to such challenging State standards;

"(C) shall be carried out in a manner consistent with section 1120A and part H of title I; and

"(D) may include the costs of evaluation activities.

"(b) SUPPLEMENT, NOT SUPPLANT.—A program under this chapter that supplements the number of hours of instruction students receive from State and local sources shall be considered to comply with the supplement, not supplant requirement of section 1120A without regard to the subject areas in which instruction is given during those hours.

"SEC. 1416. INSTITUTION-WIDE PROJECTS.

"A State agency that provides free public education for children and youth in an institution for neglected or delinquent children and youth (other than an adult correctional institution) or attending a community-day program for such children may use funds received under this part to serve all children in, and upgrade the entire educational effort of, that institution or program if the State agency has developed, and the State educational agency has ap-

proved, a comprehensive plan for that institution or program that—

"(1) provides for a comprehensive assessment of the educational needs of all youth in the institution or program serving juveniles;

"(2) provides for a comprehensive assessment of the educational needs of youth aged 20 and younger in adult facilities who are expected to complete incarceration within a two-year period;

"(3) describes the steps the State agency has taken, or will take, to provide all youth under age 21 with the opportunity to meet challenging State content standards and challenging State student performance standards in order to improve the likelihood that the youths will complete secondary school, attain a secondary diploma or its recognized equivalent, or find employment after leaving the institution;

"(4) describes the instructional program, pupil services, and procedures that will be used to meet the needs described in paragraph (1), including, to the extent feasible, the provision of mentors for students;

"(5) specifically describes how such funds will be used;

"(6) describes the measures and procedures that will be used to assess student progress;

"(7) describes how the agency has planned, and will implement and evaluate, the institution-wide or program-wide project in consultation with personnel providing direct instructional services and support services in institutions or community-day programs for neglected or delinquent children and personnel from the State educational agency; and

"(8) includes an assurance that the State agency has provided for appropriate training for teachers and other instructional and administrative personnel to enable such teachers and personnel to carry out the project effectively.

"SEC. 1417. THREE-YEAR PROGRAMS OR PROJECTS.

"If a State agency operates a program or project under this chapter in which individual children are likely to participate for more than 1 year, the State educational agency may approve the State agency's application for a subgrant under this chapter for a period of not more than 3 years.

"SEC. 1418. TRANSITION SERVICES.

"(a) TRANSITION SERVICES.—Each State agency shall reserve not more than 10 percent of the amount such agency receives under this chapter for any fiscal year to

support projects that facilitate the transition of children and youth from State-operated institutions to local educational agencies.

''(b) CONDUCT OF PROJECTS.—A project supported under this section may be conducted directly by the State agency, or through a contract or other arrangement with one or more local educational agencies, other public agencies, or private nonprofit organizations.

''(c) LIMITATION.—Any funds reserved under subsection (a) shall be used only to provide transitional educational services, which may include pupil services and mentoring, to neglected and delinquent children and youth in schools other than State-operated institutions.

''(d) CONSTRUCTION.—Nothing in this section shall be construed to prohibit a school that receives funds under subsection (a) from serving neglected and delinquent children and youth simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"Chapter 2—Local Agency Programs

"SEC. 1421. PURPOSE.

''The purpose of this chapter is to support the operation of local educational agency programs that involve collaboration with locally operated correctional facilities to—

"(1) carry out high quality education programs to prepare youth for secondary school completion, training, and employment, or further education;

"(2) provide activities to facilitate the transition of such youth from the correctional program to further education or employment; and

"(3) operate dropout prevention programs in local schools for youth at risk of dropping out of school and youth returning from correctional facilities.

"SEC. 1422. PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES.

"(a) LOCAL SUBGRANTS.—With funds made available under section 1412(b), the State educational agency shall award subgrants to local educational agencies with high numbers or percentages of youth residing in locally operated (including county operated) correctional facilities for youth (including facilities involved in community day programs).

"(b) SPECIAL RULE.—A local educational agency which includes a correctional facility that operates a school is not required to operate a dropout prevention program if more than 30 percent of the youth attending such facility will reside outside the boundaries of the local educational agency upon leaving such facility.

"(c) NOTIFICATION.—A State educational agency shall notify local educational agencies within the State of the eligibility of such agencies to receive a subgrant under this chapter.

"SEC. 1423. LOCAL EDUCATIONAL AGENCY APPLICATIONS.

"Eligible local educational agencies desiring assistance under this chapter shall submit an application to the State educational agency, containing such information as the State educational agency may require. Each such application shall include—

"(1) a description of the program to be assisted;

"(2) a description of formal agreements between—

"(A) the local educational agency; and

"(B) correctional facilities and alternative school programs serving youth involved with the juvenile justice system to operate programs for delinquent youth;

"(3) as appropriate, a description of how participating schools will coordinate with facilities working with delinquent youth to ensure that such youth are participating in an education program comparable to one operating in the local school such youth would attend;

"(4) as appropriate, a description of the dropout prevention program operated by participating schools and the types of services such schools will provide to at-risk youth in participating schools and youth returning from correctional facilities;

"(5) as appropriate, a description of the youth expected to be served by the dropout prevention program and how the school will coordinate existing educational programs to meet unique education needs;

"(6) as appropriate, a description of how schools will coordinate with existing social and health services to meet the needs of students at risk of dropping out of school and other participating students, including prenatal health care and nutrition services related to the health of the parent and child, parenting and child development classes, child care, targeted re-entry and outreach programs, referrals to community resources, and scheduling flexibility;

"(7) as appropriate, a description of any partnerships with local businesses to develop training and mentoring services for participating students;

"(8) as appropriate, a description of how the program will involve parents in efforts to improve

the educational achievement of their children, assist in dropout prevention activities, and prevent the involvement of their children in delinquent activities;

''(9) a description of how the program under this chapter will be coordinated with other Federal, State, and local programs, such as programs under title I of the Workforce Investment Act of 1998 and vocational education programs serving at-risk youth;

''(10) a description of how the program will be coordinated with programs operated under the Juvenile Justice and Delinquency Prevention Act of 1974 and other comparable programs, if applicable;

''(11) as appropriate, a description of how schools will work with probation officers to assist in meeting the needs of youth returning from correctional facilities;

''(12) a description of efforts participating schools will make to ensure correctional facilities working with youth are aware of a child's existing individualized education program; and

''(13) as appropriate, a description of the steps participating schools will take to find alternative placements for youth interested in continuing their education but unable to participate in a regular public school program.

"SEC. 1424. USES OF FUNDS.

''Funds provided to local educational agencies under this chapter may be used, where appropriate, for—

''(1) dropout prevention programs which serve youth at educational risk, including pregnant and parenting teens, youth who have come in contact with the juvenile justice system, youth at least one year behind their expected grade level, migrant youth, immigrant youth, students with limited-English proficiency and gang members;

''(2) the coordination of health and social services for such individuals if there is a likelihood that the provision of such services, including day care and drug and alcohol counseling, will improve the likelihood such individuals will complete their education; and

''(3) programs to meet the unique education needs of youth at risk of dropping out of school, which may include vocational education, special education, career counseling, and assistance in securing student loans or grants.

"SEC. 1425. PROGRAM REQUIREMENTS FOR CORRECTIONAL FACILITIES RECEIVING FUNDS UNDER THIS SECTION.

''Each correctional facility having an agreement with a local educational agency under section 1423(2) to provide services to youth under this chapter shall—

''(1) where feasible, ensure educational programs in juvenile facilities are coordinated with the student's home school, particularly with respect to special education students with an individualized education program;

''(2) notify the local school of a youth if the youth is identified as in need of special education services while in the facility;

''(3) where feasible, provide transition assistance to help the youth stay in school, including coordination of services for the family, counseling, assistance in accessing drug and alcohol abuse prevention programs, tutoring, and family counseling;

''(4) provide support programs which encourage youth who have dropped out of school to reenter school once their term has been completed or provide such youth with the skills necessary for such youth to gain employment or seek a secondary school diploma or its recognized equivalent;

"(5) work to ensure such facilities are staffed with teachers and other qualified staff who are trained to work with children with disabilities and other students with special needs taking into consideration the unique needs of such children and students;

"(6) ensure educational programs in correctional facilities are related to assisting students to meet high educational standards;

"(7) use, to the extent possible, technology to assist in coordinating educational programs between the juvenile facility and the community school;

"(8) where feasible, involve parents in efforts to improve the educational achievement of their children and prevent the further involvement of such children in delinquent activities;

"(9) coordinate funds received under this program with other local, State, and Federal funds available to provide services to participating youth, such as funds made available under title I of the Workforce Investment Act of 1998, and vocational education funds;

"(10) coordinate programs operated under this chapter with activities funded under the Juvenile

Justice and Delinquency Prevention Act of 1974 and other comparable programs, if applicable; and

''(11) if appropriate, work with local businesses to develop training and mentoring programs for participating youth.

"SEC. 1426. ACCOUNTABILITY.

''The State educational agency may—

''(1) reduce or terminate funding for projects under this chapter if a local educational agency does not show progress in reducing dropout rates for male students and for female students over a 3-year period; and

''(2) require juvenile facilities to demonstrate, after receiving assistance under this chapter for 3 years, that there has been an increase in the number of youth returning to school, obtaining a secondary school diploma or its recognized equivalent, or obtaining employment after such youth are released.

"Chapter 3—General Provisions

"SEC. 1431. PROGRAM EVALUATIONS.

''(a) SCOPE OF EVALUATION.—Each State agency or local educational agency that conducts a program under chapter 1 or 2 shall evaluate the program, disaggregating data on participation by sex, and if feasible, by race, ethnicity, and age, not less than once every 3 years to deter-

mine the program's impact on the ability of participants to—

"(1) maintain and improve educational achievement;

"(2) accrue school credits that meet State requirements for grade promotion and secondary school graduation;

"(3) make the transition to a regular program or other education program operated by a local educational agency; and

"(4) complete secondary school (or secondary school equivalency requirements) and obtain employment after leaving the institution.

"(b) EVALUATION MEASURES.—In conducting each evaluation under subsection (a), a State agency or local educational agency shall use multiple and appropriate measures of student progress.

"(c) EVALUATION RESULTS.—Each State agency and local educational agency shall—

"(1) submit evaluation results to the State educational agency; and

"(2) use the results of evaluations under this section to plan and improve subsequent programs for participating children and youth.

"SEC. 1432. DEFINITIONS.

''In this subpart:

''(1) ADULT CORRECTIONAL INSTITUTION.—The term 'adult correctional institution' means a facility in which persons are confined as a result of a conviction for a criminal offense, including persons under 21 years of age.

''(2) AT-RISK YOUTH.—The term 'at-risk youth' means school aged youth who are at risk of academic failure, have drug or alcohol problems, are pregnant or are parents, have come into contact with the juvenile justice system in the past, are at least one year behind the expected grade level for the age of the youth, have limited-English proficiency, are gang members, have dropped out of school in the past, or have high absenteeism rates at school.

''(3) COMMUNITY DAY PROGRAM.—The term 'community day program' means a regular program of instruction provided by a State agency at a community day school operated specifically for neglected or delinquent children and youth.

''(4) INSTITUTION FOR NEGLECTED OR DELINQUENT CHILDREN AND YOUTH.—The term 'institution for neglected or delinquent children and youth' means—

"(A) a public or private residential facility, other than a foster home, that is operated for the care of children who have been committed to the institution or voluntarily placed in the institution under applicable State law, due to abandonment, neglect, or death of their parents or guardians; or

"(B) a public or private residential facility for the care of children who have been adjudicated to be delinquent or in need of supervision.".

PART E—21st CENTURY LEARNING CENTERS; COMPREHENSIVE SCHOOL REFORM; SCHOOL DROPOUT PREVENTION

SEC. 151. 21st CENTURY LEARNING CENTERS; COMPREHENSIVE SCHOOL REFORM.

Title I (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating part F as part I;

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

(3) by inserting after part E the following:

"PART F—21st CENTURY COMMUNITY LEARNING CENTERS

"SEC. 1601. SHORT TITLE.

''This part may be cited as the ''21st Century Community Learning Centers Act''.

"SEC. 1602. PURPOSE.

''It is the purpose of this part to provide opportunities for public schools, primarily in rural and inner-city communities, to collaborate with other public and nonprofit entities (including businesses and postsecondary institutions) to—

''(1) offer a broad selection of services that address the needs of the communities served by such schools; and

''(2) offer extended learning opportunities for children, youth, and adults in the communities.

"SEC. 1603. PROGRAM AUTHORIZATION.

''(a) GRANTS BY THE SECRETARY.—The Secretary is authorized, in accordance with the provisions of this part, to award grants to local educational agencies, and units of general purpose local government, on behalf of rural and inner-city public elementary schools or secondary schools, or consortia of such schools, to enable such schools or consortia to plan, implement, or to expand projects that benefit the educational, health, social service,

cultural, and recreational needs of a rural or inner-city community.

"(b) EQUITABLE DISTRIBUTION.—In awarding grants under this part, the Secretary shall assure an equitable distribution of assistance among the States, among urban and rural areas of the United States, and among urban and rural areas of a State.

"(c) GRANT PERIOD.—The Secretary shall award grants under this part for a period not to exceed 3 years.

"(d) AMOUNT.—The Secretary shall not award a grant under this part in any fiscal year in an amount less than $50,000.

"SEC. 1604. ELIGIBILITY OF CERTAIN ORGANIZATIONS AND ENTITIES.

"(a) IN GENERAL.—Notwithstanding any other provision of law—

"(1) the Secretary may award grants under this part to community-based organizations, and public or private entities, that have experience in providing before- and after-school services, on the same basis as local educational agencies described in section 1603; and

"(2) for purposes of this part—

"(A) references to local educational agencies shall be considered to include references to

organizations and entities described in paragraph (1); and

"(B) except as provided in subsection (c), references to schools shall be considered to include references to rural and inner-city public elementary schools or secondary schools served by organizations and entities described in paragraph (1).

"(b) PRIORITY.—In addition to giving priority to applications described in section 1605(b), in awarding grants under this part, the Secretary shall give priority to applications that—

"(1) describe projects that include academic enrichment components; and

"(2) are submitted jointly by—

"(A) organizations and entities described in subsection (a)(1); and

"(B) rural and inner-city public elementary schools or secondary schools (including consortia of such schools).

"(c) WAIVER.—The Secretary may waive, for an organization or entity described in subsection (a)(1), any provision of this part that requires the organization or entity to carry out a project through or in a school, if the Secretary determines that the provision would undermine

the effectiveness of the project or limit the accessibility of the project to children and families in the community.

"SEC. 1605. APPLICATION REQUIRED.

"(a) APPLICATION.—To be eligible to receive a grant under this part, a local educational agency or unit of general purpose local government shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably prescribe. Each such application shall include—

"(1) a comprehensive local plan that enables the school or consortium served by the local educational agency or unit of general purpose local government to serve as a center for the delivery of education and human resources for members of a community;

"(2) an evaluation of the needs, available resources, and goals and objectives for the proposed project in order to determine which activities will be undertaken to address such needs; and

"(3) a description of the proposed project, including—

"(A) a description of the mechanism that will be used to disseminate information in a manner that is understandable and accessible to the community;

"(B) identification of Federal, State, and local programs to be merged or coordinated so that public resources may be maximized;

"(C) a description of the collaborative efforts to be undertaken by community-based organizations, related public agencies, businesses, or other appropriate organizations;

"(D) a description of how the school or consortium served by the local educational agency or unit of general purpose local government will serve as a delivery center for existing and new services, especially for interactive telecommunication used for education and professional training; and

"(E) an assurance that the school or consortium served by the local educational agency or unit of general purpose local government will establish a facility utilization policy that specifically states—

"(i) the rules and regulations applicable to building and equipment use; and

"(ii) supervision guidelines.

"(b) PRIORITY.—The Secretary shall give priority to applications describing projects that offer a broad selection of services which address the needs of the community.

"(c) ENCOURAGING JOINT SUBMISSION OF APPLICATIONS.—The Secretary shall strongly encourage applications for grants under this part to be submitted jointly by a local educational agency (or a consortium of local educational agencies) or unit of general purpose local government, and a community-based organization, including public or private entities with demonstrated effectiveness in providing educational and related services to individuals in the community.

"SEC. 1606. USES OF FUNDS.

"Grant funds awarded under this part may be used to plan, implement, or expand community learning centers which include not less than 4 of the following activities:

"(1) Literacy education programs.

"(2) Senior citizen programs.

"(3) Children's day care services.

"(4) Integrated education, health, social service, recreational, or cultural programs.

"(5) Summer and weekend school programs.

"(6) Expanded library service hours to serve community needs.

"(7) Telecommunications and technology education programs for individuals of all ages.

"(8) Services for individuals who leave school before graduating from secondary school, regardless of the age of such individual.

"(9) Services for individuals with disabilities.

"(10) Academic enrichment activities.

"SEC. 1607. DEFINITIONS.

"For the purpose of this part:

"(1) COMMUNITY LEARNING CENTER.—The term 'community learning center' means an entity within a public elementary school or secondary school building that—

"(A) provides educational, recreational, health, and social service programs for residents of all ages within a local community; and

"(B) is operated by a local educational agency or unit of general purpose local government, in conjunction with local governmental agencies, businesses, vocational education programs, institutions of higher education, community colleges, and cultural, recreational, and other community and human service entities.

"(2) UNIT OF GENERAL PURPOSE LOCAL GOVERNMENT.—The term 'unit of general purpose local government' means any city, town, township, parish,

village, or other general purpose political subdivision of a State.

"PART G—COMPREHENSIVE SCHOOL REFORM

"SEC. 1701. PURPOSE.

''The purpose of this part is to provide financial incentives for schools to develop comprehensive school reforms based upon promising and effective practices and scientifically based research programs that emphasize basic academics and parental involvement so that all children can meet challenging State content and student performance standards.

"SEC. 1702. PROGRAM AUTHORIZATION.

''(a) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to State educational agencies, from allotments under paragraph (2), to enable the State educational agencies to award subgrants to local educational agencies to carry out the purpose described in section 1701.

''(2) ALLOTMENTS.—

''(A) RESERVATIONS.—Of the amount appropriated under section 1002(h) for a fiscal year, the Secretary may reserve—

''(i) not more than 1 percent to provide assistance to schools supported by the

Bureau of Indian Affairs and in the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands according to their respective needs for assistance under this part; and

"(ii) not more than 1 percent to conduct national evaluation activities described in section 1707.

"(B) IN GENERAL.—Of the amount appropriated under section 1002(h) that remains after making the reservation under subparagraph (A) for a fiscal year, the Secretary shall allot to each State for the fiscal year an amount that bears the same ratio to the remainder for that fiscal year as the amount made available under section 1124 to the State for the preceding fiscal year bears to the total amount made available under section 1124 to all States for that year.

"(C) REALLOTMENT.—If a State does not apply for funds under this section, the Secretary shall reallot such funds to other States that do not apply in proportion to the amount

allotted to such other States under subparagraph (B).

"SEC. 1703. STATE APPLICATIONS.

"(a) IN GENERAL.—Each State educational agency that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each such application shall describe—

"(1) the process and selection criteria by which the State educational agency, using expert review, will select local educational agencies to receive subgrants under this section;

"(2) how the State educational agency will ensure that only comprehensive school reforms that are based on promising and effective practices and scientifically based research programs receive funds under this part;

"(3) how the State educational agency will disseminate information on comprehensive school reforms that are based on promising and effective practices and scientifically based research programs;

"(4) how the State educational agency will evaluate the implementation of such reforms and

measure the extent to which the reforms have resulted in increased student academic performance; and

''(5) how the State educational agency will make available technical assistance to a local educational agency or consortia of local educational agencies in evaluating, developing, and implementing comprehensive school reform.

"SEC. 1704. STATE USE OF FUNDS.

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

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

''(1) of sufficient size and scope to support the initial costs for the particular comprehensive school reform plan selected or designed by each school identified in the application of the local educational agency or consortium;

''(2) in an amount not less than $50,000 for each participating school; and

"(3) renewable for 2 additional 1-year periods after the initial 1-year grant is made if the school is making substantial progress in the implementation of reforms.

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

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

"(2) demonstrate a commitment to assist schools with budget allocation, professional development, and other strategies necessary to ensure the comprehensive school reforms are properly implemented and are sustained in the future.

"(d) GRANT CONSIDERATION.—In awarding subgrants under this part, the State educational agency shall take into consideration the equitable distribution of subgrants to different geographic regions within the State, including urban and rural areas, and to schools serving elementary school and secondary students.

"(e) ADMINISTRATIVE COSTS.—A State educational agency that receives a grant under this part may reserve not more than 5 percent of the grant funds for administrative, evaluation, and technical assistance expenses.

"(f) SUPPLEMENT.—Funds made available under this part shall be used to supplement, and not supplant, any other Federal, State, or local funds that would otherwise be available to carry out the activities assisted under this part.

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

"SEC. 1705. LOCAL APPLICATIONS.

"(a) IN GENERAL.—Each local educational agency or consortium of local educational agencies desiring a subgrant under this section shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

"(b) CONTENTS.—Each such application shall—

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

"(2) describe the promising and effective practices and scientifically based research programs that such schools will implement;

"(3) describe how the local educational agency or consortium will provide technical assistance and support for the effective implementation of the promising and effective practices and scientifically based research school reforms selected by such schools; and

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

"SEC. 1706. LOCAL USE OF FUNDS.

"(a) USES OF FUNDS.—A local educational agency or consortium that receives a subgrant under this section shall provide the subgrant funds to schools, that are eligible for assistance under part A and served by the agency, to enable the schools to implement a comprehensive school reform program for—

"(1) employing innovative strategies for student learning, teaching, and school management that are based on promising and effective practices and scientifically based research programs and have been

replicated successfully in schools with diverse characteristics;

''(2) integrating a comprehensive design for effective school functioning, including instruction, assessment, classroom management, professional development, parental involvement, and school management, that aligns the school's curriculum, technology, and professional development into a comprehensive reform plan for schoolwide change designed to enable all students to meet challenging State content and student performance standards and addresses needs identified through a school needs assessment;

''(3) providing high quality and continuous teacher and staff professional development;

''(4) the inclusion of measurable goals for student performance;

''(5) support for teachers, principals, administrators, and other school personnel staff;

''(6) meaningful community and parental involvement initiatives that will strengthen school improvement activities;

''(7) using high quality external technical support and assistance from an entity that has experience and expertise in schoolwide reform and im-

provement, which may include an institution of higher education;

"(8) evaluating school reform implementation and student performance; and

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

"(b) SPECIAL RULE.—A school that receives funds to develop a comprehensive school reform program shall not be limited to using the approaches identified or developed by the Secretary, but may develop the school's own comprehensive school reform programs for schoolwide change as described in subsection (a).

"SEC. 1707. NATIONAL EVALUATION AND REPORTS.

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

"(b) EVALUATION.—The national evaluation shall—

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

"(2) assess the effectiveness of comprehensive school reforms in schools with diverse characteristics.

"(c) REPORTS.—Prior to the completion of the national evaluation, the Secretary shall submit an interim report describing implementation activities for the Comprehensive School Reform Program, which began in 1998, to the Committee on Education and the Workforce, and the Committee on Appropriations of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions, and the Committee on Appropriations of the Senate.

"PART H—SCHOOL DROPOUT PREVENTION

"SEC. 1801. SHORT TITLE.

"This part may be cited as the 'Dropout Prevention Act'.

"SEC. 1802. PURPOSE.

"The purpose of this part is to provide for school dropout prevention and reentry and to raise academic achievement levels by providing grants, to schools through State educational agencies, that—

"(1) challenge all children to attain their highest academic potential; and

"(2) ensure that all students have substantial and ongoing opportunities to do so through schoolwide programs proven effective in school dropout prevention.

"Subpart 1—Coordinated National Strategy

"SEC. 1811. NATIONAL ACTIVITIES.

''(a) IN GENERAL.—The Secretary is authorized—

''(1) to collect systematic data on the participation in the programs described in paragraph (2)(C) of individuals disaggregated within each State, local educational agency, and school by gender, by each major racial and ethnic group, by English proficiency status, by migrant status, by students with disabilities as compared to nondisabled students, and by economically disadvantaged students as compared to students who are not economically disadvantaged;

''(2) to establish and to consult with an interagency working group that shall—

''(A) address inter- and intra-agency program coordination issues at the Federal level with respect to school dropout prevention and middle school and secondary school reentry, and assess the targeting of existing Federal services to students who are most at risk of dropping out of school, and the cost-effectiveness of various programs and approaches used to address school dropout prevention;

''(B) describe the ways in which State and local agencies can implement effective school dropout prevention programs using funds from

a variety of Federal programs, including the programs under this title; and

"(C) address all Federal programs with school dropout prevention or school reentry elements or objectives, including programs under this title, programs under subtitle C of title I of the Workforce Investment Act of 1998, and other programs; and

"(3) carry out a national recognition program in accordance with subsection (b) that recognizes schools that have made extraordinary progress in lowering school dropout rates under which a public middle school or secondary school from each State will be recognized.

"(b) RECOGNITION PROGRAM.—

"(1) NATIONAL GUIDELINES.—The Secretary shall develop uniform national guidelines for the recognition program that shall be used to recognize schools from nominations submitted by State educational agencies.

"(2) ELIGIBLE SCHOOLS.—The Secretary may recognize under the recognition program any public middle school or secondary school (including a charter school) that has implemented comprehensive re-

forms regarding the lowering of school dropout rates for all students at that school.

"(3) SUPPORT.—The Secretary may make monetary awards to schools recognized under the recognition program in amounts determined by the Secretary. Amounts received under this section shall be used for dissemination activities within the school district or nationally.

"(c) CAPACITY BUILDING.—

"(1) IN GENERAL.—The Secretary, through a contract with a non-Federal entity, may conduct a capacity building and design initiative in order to increase the types of proven strategies for dropout prevention and reentry that address the needs of an entire school population rather than a subset of students.

"(2) NUMBER AND DURATION.—

"(A) NUMBER.—The Secretary may award not more than 5 contracts under this subsection.

"(B) DURATION.—The Secretary may award a contract under this subsection for a period of not more than 5 years.

"(d) SUPPORT FOR EXISTING REFORM NETWORKS.—

"(1) IN GENERAL.—The Secretary may provide appropriate support to eligible entities to enable the eligible entities to provide training, materials, development, and staff assistance to schools assisted under this chapter.

"(2) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means an entity that, prior to the date of enactment of the Dropout Prevention Act—

"(A) provided training, technical assistance, and materials to 100 or more elementary schools or secondary schools; and

"(B) developed and published a specific educational program or design for use by the schools.

"Subpart 2—National School Dropout Prevention Initiative

"SEC. 1821. PROGRAM AUTHORIZED.

"(a) GRANTS.—

"(1) DISCRETIONARY GRANTS.—If the sum appropriated under section 1002(i) for a fiscal year is less than $250,000,000, then the Secretary shall use such sum to award grants, on a competitive basis, to State educational agencies to enable the State

educational agencies to award grants under subsection (b).

"(2) FORMULA.—If the sum appropriated under section 1002(i) for a fiscal year equals or exceeds $250,000,000, then the Secretary shall use such sum to make an allotment to each State in an amount that bears the same relation to the sum as the amount the State received under part A for the preceding fiscal year bears to the amount received by all States under such part for the preceding fiscal year.

"(3) DEFINITION OF STATE.—In this subpart, the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(b) GRANTS.—From amounts made available to a State under subsection (a), the State educational agency may award grants to public middle schools or secondary schools that serve students in grades 6 through 12, that have school dropout rates that are the highest of all school dropout rates in the State, to enable the schools to pay

only the startup and implementation costs of effective, sustainable, coordinated, and whole school dropout prevention programs that involve activities such as—

"(1) professional development;

"(2) obtaining curricular materials;

"(3) release time for professional staff;

"(4) planning and research;

"(5) remedial education;

"(6) reduction in pupil-to-teacher ratios;

"(7) efforts to meet State student achievement standards;

"(8) counseling and mentoring for at-risk students; and

"(9) comprehensive school reform models.

"(c) AMOUNT.—

"(1) IN GENERAL.—Subject to subsection (d) and except as provided in paragraph (2), a grant under this subpart shall be awarded—

"(A) in the first year that a school receives a grant payment under this subpart, based on factors such as—

"(i) school size;

"(ii) costs of the model or set of prevention and reentry strategies being implemented; and

"(iii) local cost factors such as poverty rates;

"(B) in the second such year, in an amount that is not less than 75 percent of the amount the school received under this subpart in the first such year;

"(C) in the third year, in an amount that is not less than 50 percent of the amount the school received under this subpart in the first such year; and

"(D) in each succeeding year in an amount that is not less than 30 percent of the amount the school received under this subpart in the first such year.

"(2) INCREASES.—The Secretary shall increase the amount awarded to a school under this subpart by 10 percent if the school creates smaller learning communities within the school and the creation is certified by the State educational agency.

"(d) DURATION.—A grant under this subpart shall be awarded for a period of 3 years, and may be continued for a period of 2 additional years if the State educational agency determines, based on the annual reports described in section 1827(a), that significant progress has been made in lowering the school dropout rate for students par-

ticipating in the program assisted under this subpart compared to students at similar schools who are not participating in the program.

"SEC. 1822. STRATEGIES AND CAPACITY BUILDING.

''Each school receiving a grant under this subpart shall implement scientifically based research, sustainable, and widely replicated strategies for school dropout prevention and reentry that address the needs of an entire school population rather than a subset of students. The strategies may include—

''(1) specific strategies for targeted purposes, such as—

''(A) effective early intervention programs designed to identify at-risk students;

''(B) effective programs encompassing traditionally underserved students, including racial and ethnic minorities and pregnant and parenting teenagers, designed to prevent such students from dropping out of school; and

''(C) effective programs to identify and encourage youth who have already dropped out of school to reenter school and complete their secondary education; and

''(2) approaches such as breaking larger schools down into smaller learning communities and other

comprehensive reform approaches, creating alternative school programs, developing clear linkages to career skills and employment, and addressing specific gatekeeper hurdles that often limit student retention and academic success.

"SEC. 1823. SELECTION OF SCHOOLS.

"(a) SCHOOL APPLICATION.—

"(1) IN GENERAL.—Each school desiring a grant under this subpart shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may require.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall—

"(A) contain a certification from the local educational agency serving the school that—

"(i) the school has the highest number or rates of school dropouts in the age group served by the local educational agency;

"(ii) the local educational agency is committed to providing ongoing operational support, for the school's comprehensive reform plan to address the

problem of school dropouts, for a period of 5 years; and

"(iii) the local educational agency will support the plan, including—

"(I) release time for teacher training;

"(II) efforts to coordinate activities for feeder schools; and

"(III) encouraging other schools served by the local educational agency to participate in the plan;

"(B) demonstrate that the faculty and administration of the school have agreed to apply for assistance under this subpart, and provide evidence of the school's willingness and ability to use the funds under this subpart, including providing an assurance of the support of 80 percent or more of the professional staff at the school;

"(C) describe the instructional strategies to be implemented, how the strategies will serve all students, and the effectiveness of the strategies;

"(D) describe a budget and timeline for implementing the strategies;

"(E) contain evidence of coordination with existing resources;

"(F) provide an assurance that funds provided under this subpart will supplement and not supplant other Federal, State, and local funds available for dropout prevention programs;

"(G) describe how the activities to be assisted conform with scientifically based research knowledge about school dropout prevention and reentry; and

"(H) demonstrate that the school and local educational agency have agreed to conduct a schoolwide program under section 1114.

"(b) STATE AGENCY REVIEW AND AWARD.—The State educational agency shall review applications and award grants to schools under subsection (a) according to a review by a panel of experts on school dropout prevention.

"(c) ELIGIBILITY.—A school is eligible to receive a grant under this subpart if the school is—

"(1) a public school (including a public alternative school)—

"(A) that is eligible to receive assistance under part A, including a comprehensive sec-

ondary school, a vocational or technical secondary school, or a charter school; and

"(B)(i) that serves students 50 percent or more of whom are low-income individuals; or

"(ii) with respect to which the feeder schools that provide the majority of the incoming students to the school serve students 50 percent or more of whom are low-income individuals; or

"(2) participating in a schoolwide program under section 1114 during the grant period.

"(d) COMMUNITY-BASED ORGANIZATIONS.—A school that receives a grant under this subpart may use the grant funds to secure necessary services from a community-based organization, including private sector entities, if—

"(1) the school approves the use;

"(2) the funds are used to provide school drop-out prevention and reentry activities related to schoolwide efforts; and

"(3) the community-based organization has demonstrated the organization's ability to provide effective services as described in section 122 of the Workforce Investment Act of 1998.

"(e) COORDINATION.—Each school that receives a grant under this subpart shall coordinate the activities as-

sisted under this subpart with other Federal programs, such as programs assisted under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965.

"SEC. 1824. DISSEMINATION ACTIVITIES.

''Each school that receives a grant under this part shall provide information and technical assistance to other schools within the school district, including presentations, document-sharing, and joint staff development.

"SEC. 1825. PROGRESS INCENTIVES.

''Notwithstanding any other provision of law, each local educational agency that receives funds under this title shall use such funds to provide assistance to schools served by the agency that have not made progress toward lowering school dropout rates after receiving assistance under this subpart for 2 fiscal years.

"SEC. 1826. SCHOOL DROPOUT RATE CALCULATION.

''For purposes of calculating a school dropout rate under this subpart, a school shall use—

''(1) the annual event school dropout rate for students leaving a school in a single year determined in accordance with the National Center for Education Statistics' Common Core of Data, if available; or

"(2) in other cases, a standard method for calculating the school dropout rate as determined by the State educational agency.

"SEC. 1827. REPORTING AND ACCOUNTABILITY.

"(a) REPORTING.—To receive funds under this subpart for a fiscal year after the first fiscal year that a school receives funds under this subpart, the school shall provide, on an annual basis, to the Secretary and the State educational agency a report regarding the status of the implementation of activities funded under this subpart, the outcome data for students at schools assisted under this subpart disaggregated in the same manner as information under section 1811(a) (such as dropout rates), and a certification of progress from the eligible entity whose strategies the school is implementing.

"(b) ACCOUNTABILITY.—On the basis of the reports submitted under subsection (a), the Secretary shall evaluate the effect of the activities assisted under this subpart on school dropout prevention compared to a control group.

"SEC. 1828. STATE RESPONSIBILITIES.

"(a) UNIFORM DATA COLLECTION.—Within 1 year after the date of enactment of the Dropout Prevention Act, a State educational agency that receives funds under this subpart shall report to the Secretary and statewide, all school district and school data regarding school drop-

out rates in the State disaggregated in the same manner as information under section 1811(a), according to procedures that conform with the National Center for Education Statistics' Common Core of Data.

"(b) ATTENDANCE-NEUTRAL FUNDING POLICIES.—Within 2 years after the date of enactment of the Dropout Prevention Act, a State educational agency that receives funds under this subpart shall develop and implement education funding formula policies for public schools that provide appropriate incentives to retain students in school throughout the school year, such as—

"(1) a student count methodology that does not determine annual budgets based on attendance on a single day early in the academic year; and

"(2) specific incentives for retaining enrolled students throughout each year.

"(c) SUSPENSION AND EXPULSION POLICIES.—Within 2 years after the date of enactment of the Dropout Prevention Act, a State educational agency that receives funds under this subpart shall develop uniform, long-term suspension and expulsion policies (that in the case of a child with a disability are consistent with the suspension and expulsion policies under the Individuals with Disabilities Education Act) for serious infractions resulting in

more than 10 days of exclusion from school per academic year so that similar violations result in similar penalties.

"(d) REGULATIONS.—The Secretary shall promulgate regulations implementing subsections (a) through (c).

"Subpart 3—Definitions; Authorization of Appropriations

"SEC. 1831. DEFINITIONS.

"In this part:

"(1) LOW-INCOME.—The term 'low-income', used with respect to an individual, means an individual determined to be low-income in accordance with measures described in section 1113(a)(5).

"(2) SCHOOL DROPOUT.—The term 'school dropout' means a youth who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.".

PART F—EDUCATION FOR HOMELESS CHILDREN AND YOUTH

SEC. 161. STATEMENT OF POLICY.

Section 721(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11431(3)) is amended by striking "should not be" and inserting "is not".

SEC. 162. GRANTS FOR STATE AND LOCAL ACTIVITIES.

Section 722 of such Act (42 U.S.C. 11432) is amended—

(1) in subsection (c)—

(A) in paragraph (2)(A)—

(i) by inserting ''and'' after ''Samoa,''; and

(ii) by striking '', and Palau'' and all that follows through ''Palau)''; and

(B) in paragraph (3)—

(i) by inserting ''or'' after ''Samoa,''; and

(ii) by striking '', or Palau'';

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

''(3) PROHIBITION ON SEGREGATING HOMELESS STUDENTS.—In providing a free public education to a homeless child or youth, no State receiving funds under this subtitle shall segregate such child or youth, either in a separate school, or in a separate program within a school, based on such child or youth's status as homeless, except as provided in section 723(a)(2)(B)(ii).'';

(3) by amending subsection (f) to read as follows:

''(f) FUNCTIONS OF THE OFFICE OF COORDINATOR.—The Coordinator of Education of Homeless Children and Youth established in each State shall—

"(1) gather reliable, valid, and comprehensive information on the nature and extent of the problems homeless children and youth have in gaining access to public preschool programs and to public elementary schools and secondary schools, the difficulties in identifying the special needs of such children and youth, any progress made by the State educational agency and local educational agencies in the State in addressing such problems and difficulties, and the success of the program under this subtitle in allowing homeless children and youth to enroll in, attend, and succeed in, school;

"(2) develop and carry out the State plan described in subsection (g);

"(3) collect and transmit to the Secretary, at such time and in such manner as the Secretary may require, such information as the Secretary deems necessary to assess the educational needs of homeless children and youth within the State;

"(4) facilitate coordination between the State educational agency, the State social services agency, and other agencies providing services to homeless children and youth, including homeless children and youth who are preschool age, and families of such children and youth;

"(5) in order to improve the provision of comprehensive education and related services to homeless children and youth and their families, coordinate and collaborate with—

"(A) educators, including child development and preschool program personnel;

"(B) providers of services to homeless and runaway children and youth and homeless families (including domestic violence agencies, shelter operators, transitional housing facilities, runaway and homeless youth centers, and transitional living programs for homeless youth);

"(C) local educational agency liaisons for homeless children and youth; and

"(D) community organizations and groups representing homeless children and youth and their families; and

"(6) provide technical assistance to local educational agencies in coordination with local liaisons established under this subtitle, to ensure that local educational agencies comply with the requirements of section 722(e)(3)."; and

(4) in subsection (g)—

(A) in paragraph (1)—

(i) in subparagraph (E)—

(I) by striking ''the report'' and inserting ''the information''; and

(II) by striking ''(f)(4)'' and inserting ''(f)(3)''; and

(ii) by amending subparagraph (H) to read as follows:

''(H) contain assurances that—

''(i) the State educational agency and local educational agencies in the State will adopt policies and practices to ensure that homeless children and youth are not segregated on the basis of their status as homeless or stigmatized; and

''(ii) local educational agencies serving school districts in which homeless children and youth reside or attend school will—

''(I) post public notice of the educational rights of such children and youth where such children and youth receive services under this Act (such as family shelters and soup kitchens); and

''(II) designate an appropriate staff person, who may also be a coordinator for other Federal programs,

as a liaison for homeless children and youth.''; (B) by amending paragraph (3) to read as follows:

''(3) LOCAL EDUCATIONAL AGENCY REQUIREMENTS.—

''(A) IN GENERAL.—Each local educational agency serving a homeless child or youth assisted under this subtitle shall, according to the child's or youth's best interest—

''(i) continue the child's or youth's education in the school of origin—

''(I) for the duration of their homelessness;

''(II) if the child becomes permanently housed, for the remainder of the academic year; or

''(III) in any case in which a family becomes homeless between academic years, for the following academic year; or

''(ii) enroll the child or youth in any school that nonhomeless students who live in the attendance area in which the child

or youth is actually living are eligible to attend.

"(B) BEST INTEREST.—In determining the best interest of the child or youth under subparagraph (A), the local educational agency shall—

"(i) to the extent feasible, keep a homeless child or youth in the school of origin, except when doing so is contrary to the wishes of the child's or youth's parent or guardian, or in the case of an unaccompanied youth, doing so is contrary to the youth's wish; and

"(ii) provide a written explanation to the homeless child's or youth's parent or guardian when the local educational agency sends such child or youth to a school other than the school of origin or a school requested by the parent or guardian.

"(C) ENROLLMENT.—

"(i) DOCUMENTATION.—The school selected in accordance with this paragraph shall immediately enroll the homeless child or youth even if the child or youth is unable to produce records normally required

for enrollment, such as previous academic records, medical records, proof of residency, or other documentation.

"(ii) SPECIAL RULE.—The enrolling school immediately shall contact the school last attended by the child or youth to obtain relevant academic and other records. If the child or youth needs to obtain immunizations, the enrolling school shall promptly refer the child or youth to the appropriate authorities for such immunizations.

"(iii) DISPUTES.—If a dispute arises over school selection or enrollment in a school, the child or youth shall be admitted immediately to the school in which the parent or guardian (or in the case of an unaccompanied youth, the youth) seeks enrollment pending resolution of the dispute.

"(D) DEFINITION OF SCHOOL OF ORIGIN.—For purposes of this paragraph, the term 'school of origin' means the school that the child or youth attended when permanently housed, or the school in which the child or youth was last enrolled.

"(E) PLACEMENT CHOICE.—The choice regarding placement shall be made regardless of whether the child or youth lives with the homeless parents or has been temporarily placed elsewhere by the parents.";

(C) by amending paragraph (6) to read as follows:

"(6) COORDINATION.—

"(A) IN GENERAL.—Each local educational agency serving homeless children and youth that receives assistance under this subtitle shall coordinate the provision of services under this subtitle with local services agencies and other agencies or programs providing services to homeless children and youth and their families, including services and programs funded under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.).

"(B) HOUSING ASSISTANCE.—If applicable, each State and local educational agency that receives assistance under this subtitle shall coordinate with State and local housing agencies responsible for developing the comprehensive housing affordability strategy described in section 105 of the Cranston-Gonzales National

Affordable Housing Act (42 U.S.C. 12705) to minimize educational disruption for children and youth who become homeless.

"(C) COORDINATION PURPOSE.—The coordination required under subparagraphs (A) and (B) shall be designed to—

"(i) ensure that homeless children and youth have access to available education and related support services; and

"(ii) raise the awareness of school personnel and service providers of the effects of short-term stays in shelters and other challenges associated with homeless children and youth.";

(D) by amending paragraph (7) to read as follows:

"(7) LIAISON.—

"(A) IN GENERAL.—Each local liaison for homeless children and youth designated pursuant to paragraph (1)(H)(ii)(II) shall ensure that—

"(i) homeless children and youth enroll, and have a full and equal opportunity to succeed, in the schools of the local educational agency;

"(ii) homeless families, children, and youth receive educational services for which such families, children, and youth are eligible, including Head Start and Even Start programs and preschool programs administered by the local educational agency, and referrals to health care services, dental services, mental health services, and other appropriate services;

"(iii) the parents or guardians of homeless children and youth are informed of the education and related opportunities available to their children and are provided with meaningful opportunities to participate in the education of their children; and

"(iv) public notice of the educational rights of homeless children and youth is posted where such children and youth receive services under this Act (such as family shelters and soup kitchens).

"(B) INFORMATION.—State coordinators in States receiving assistance under this subtitle and local educational agencies receiving assistance under this subtitle shall inform school personnel, service providers, and advocates working

with homeless families of the duties of the liaisons for homeless children and youth.

"(C) LOCAL AND STATE COORDINATION.—Liaisons for homeless children and youth shall, as a part of their duties, coordinate and collaborate with State coordinators and community and school personnel responsible for the provision of education and related services to homeless children and youth.

"(D) DISPUTE RESOLUTION.—Unless another individual is designated by State law, the local liaison for homeless children and youth shall provide resource information and assist in resolving a dispute under this subtitle if such a dispute arises."; and

(E) by striking paragraph (9).

SEC. 163. LOCAL EDUCATIONAL AGENCY GRANTS.

Section 723 of such Act (42 U.S.C. 11433) is amended—

(1) in subsection (a), by amending paragraph (2) to read as follows:

"(2) SERVICES.—

"(A) IN GENERAL.—Services provided under paragraph (1)—

"(i) may be provided through programs on school grounds or at other facilities;

"(ii) shall, to the maximum extent practicable, be provided through existing programs and mechanisms that integrate homeless individuals with nonhomeless individuals; and

"(iii) shall be designed to expand or improve services provided as part of a school's regular academic program, but not replace that program.

"(B) SERVICES ON SCHOOL GROUNDS.—If services under paragraph (1) are provided on school grounds, schools—

"(i) may use funds under this subtitle to provide the same services to other children and youth who are determined by the local educational agency to be at risk of failing in, or dropping out of, schools, subject to clause (ii); and

"(ii) shall not provide services in settings within a school that segregates homeless children and youth from other children

and youth, except as is necessary for short periods of time—

"(I) for health and safety emergencies; or

"(II) to provide temporary, special, supplementary services to meet the unique needs of homeless children and youth.";

(2) in subsection (b)—

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

(B) by inserting before paragraph (2) (as so redesignated) the following:

"(1) an assessment of the educational and related needs of homeless children and youth in the school district (which may be undertaken as a part of needs assessments for other disadvantaged groups);"; and

(C) in paragraph (4) (as so redesignated), by striking "(9)" and inserting "(8)"; and

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) IN GENERAL.—The State educational agency, in accordance with the requirements of this subtitle and from amounts made available to the State educational agency under section 726, shall award grants, on a competitive basis, to local educational agencies that submit applications under subsection (b). Such grants shall be awarded on the basis of the need of such agencies for assistance under this subtitle and the quality of the applications submitted.";

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following:

"(3) QUALITY.—In determining the quality of applications under paragraph (1), the State educational agency shall consider—

"(A) the local educational agency's needs assessment under subsection (b)(1) and the likelihood that the program to be assisted will meet the needs;

"(B) the types, intensity, and coordination of services to be assisted under the program;

"(C) the involvement of parents or guardians;

"(D) the extent to which homeless children and youth will be integrated within the regular education program;

"(E) the quality of the local educational agency's evaluation plan for the program;

"(F) the extent to which services provided under this subtitle will be coordinated with other available services;

"(G) the extent to which the local educational agency provides case management or related services to homeless children and youth who are unaccompanied by a parent or guardian; and

"(H) such other measures as the State educational agency determines indicative of a high-quality program.".

SEC. 164. SECRETARIAL RESPONSIBILITIES.

Section 724 of such Act (42 U.S.C. 11434) is amended—

(1) in subsection (a), by striking "the State educational" and inserting "State educational";

(2) by striking subsection (f);

(3) by redesignating subsections (c) through (e) as subsections (d) through (f), respectively;

(4) by inserting after subsection (b) the following:

"(c) GUIDELINES.—The Secretary shall develop, issue, and publish in the Federal Register, not later than 60 days after the date of enactment of the Better Education for Students and Teachers Act, school enrollment guidelines for States with respect to homeless children and youth. The guidelines shall describe—

"(1) successful ways in which a State may assist local educational agencies to enroll immediately homeless children and youth in school; and

"(2) how a State can review the State's requirements regarding immunization and medical or school records and make revisions to the requirements as are appropriate and necessary in order to enroll homeless children and youth in school more quickly."; and

(5) by adding at the end the following:

"(g) INFORMATION.—

"(1) IN GENERAL.—From funds appropriated under section 726, the Secretary, directly or through grants, contracts, or cooperative agreements, shall periodically collect and disseminate data and information regarding—

"(A) the number and location of homeless children and youth;

"(B) the education and related services homeless children and youth receive;

"(C) the extent to which the needs of homeless children and youth are met; and

"(D) such other data and information as the Secretary determines necessary and relevant to carry out this subtitle.

"(2) COORDINATION.—The Secretary shall coordinate such collection and dissemination with other agencies and entities that receive assistance and administer programs under this subtitle.

"(h) REPORT.—Not later than 4 years after the date of enactment of the Better Education for Students and Teachers Act, the Secretary shall prepare and submit to the President and the appropriate committees of the House of Representatives and the Senate a report on the status of the education of homeless children and youth, which shall include information regarding—

"(1) the education of homeless children and youth; and

"(2) the actions of the Department of Education and the effectiveness of the programs supported under this subtitle.".

SEC. 165. DEFINITIONS.

Section 725 of such Act (42 U.S.C. 11434a) is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following:

''(1) the terms 'local educational agency' and 'State educational agency' have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965;''.

SEC. 166. AUTHORIZATION OF APPROPRIATIONS.

Section 726 of such Act (42 U.S.C. 11435) is amended to read as follows:

''SEC. 726. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this subtitle, there are authorized to be appropriated $70,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SEC. 167. CONFORMING AMENDMENTS.

(a) GRANTS FOR STATE AND LOCAL ACTIVITIES.—Section 722 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432) is amended—

(1) in subsection (c)(1), by striking ''section 724(c)'' and inserting ''section 724(d)''; and

(2) in subsection (g)(2), by striking ''paragraphs (3) through (9)'' and inserting ''paragraphs (3) through (8)''.

(b) LOCAL EDUCATIONAL AGENCY GRANTS.—Section 723(b)(3) of such Act (42 U.S.C. 11433(b)(3)) is amended by striking ''paragraphs (3) through (9) of section 722(g)'' and inserting ''paragraphs (3) through (8) of section 722(g)''.

(c) SECRETARIAL RESPONSIBILITIES.—Section 724(f) of such Act (as amended by section 164(3)) is amended by striking ''subsection (d)'' and inserting ''subsection (e)''.

TITLE II—TEACHERS

SEC. 201. TEACHER QUALITY.

Title II (20 U.S.C. 6601 et seq.) is amended to read as follows:

''TITLE II—TEACHERS

''PART A—TEACHER QUALITY

''SEC. 2101. PURPOSE.

''The purpose of this part is to provide grants to State educational agencies, local educational agencies, State agencies for higher education, and eligible partnerships in order to—

''(1) increase student academic achievement and student performance through such strategies as

improving teacher quality and increasing the number of highly qualified teachers in the classroom; and

''(2) hold local educational agencies and schools accountable for improvements in student academic achievement and student performance.

''SEC. 2102. DEFINITIONS.

''In this part:

''(1) ALL STUDENTS.—The term 'all students' means students from a broad range of backgrounds and circumstances, including economically disadvantaged students, students with diverse racial, ethnic, and cultural backgrounds, students with disabilities, students with limited English proficiency, and academically talented students.

''(2) CORE ACADEMIC SUBJECTS.—The term 'core academic subjects' means English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

''(3) HIGHLY QUALIFIED.—The term 'highly qualified' means—

''(A) with respect to an elementary school teacher, a teacher—

''(i)(I) with an academic major in the arts and sciences; or

"(II) who can demonstrate competence through a high level of performance in core academic subjects; and

"(ii) who is certified or licensed by the State involved; and

"(B) with respect to a secondary school teacher, a teacher—

"(i)(I) with an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the teacher teaches or a related field;

"(II) who can demonstrate a high level of competence through rigorous academic subject tests and achievement of a high level of competence as described in subclause (III);

"(III) who can demonstrate a high level of competence through a high level of performance in the academic subjects that the teacher teaches; and

"(ii) who is certified or licensed by the State.

"(4) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency'

has the meaning given the term in section 201(b) of the Higher Education Act of 1965.

"(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a) of the Higher Education Act of 1965.

"(6) OUT-OF-FIELD TEACHER.—The term 'out-of-field teacher' means a secondary school teacher who is teaching an academic subject for which the teacher is not highly qualified.

"(7) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act) applicable to a family of the size involved.

"(8) PROFESSIONAL DEVELOPMENT.—The term 'professional development' means activities that—

"(A) are an integral part of broad schoolwide and districtwide educational improvement plans;

"(B) enhance the ability of teachers and other staff to—

"(i) help all students meet challenging State and local content and student performance standards;

"(ii) improve understanding and use of student assessments by the teachers and staff;

"(iii) improve classroom management skills; and

"(iv) as appropriate, integrate technology into the curriculum;

"(C) are sustained, intensive, and school-embedded;

"(D) are tied to State content and student performance standards;

"(E) are of high quality and sufficient duration to have a positive and lasting impact on classroom instruction, and are not one-time workshops; and

"(F) are based on the best available research on teaching and learning.

"SEC. 2103. AUTHORIZATION OF APPROPRIATIONS.

"(a) GRANTS TO STATES, LOCAL EDUCATIONAL AGENCIES, AND ELIGIBLE PARTNERSHIPS.—There are authorized to be appropriated to carry out this part (other than subpart 5) $3,000,000,000 for fiscal year 2002 and

such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) NATIONAL PROGRAMS.—There are authorized to be appropriated to carry out subpart 5 (other than subsection (f)) $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"Subpart 1—Grants to States

"SEC. 2111. ALLOTMENTS TO STATES.

"(a) IN GENERAL.—The Secretary shall make grants to States with applications approved under section 2112 to pay for the Federal share of carrying out the activities specified in section 2113. Each grant shall consist of the allotment determined for a State under subsection (b).

"(b) DETERMINATION OF ALLOTMENTS.—

"(1) RESERVATION OF FUNDS.—

"(A) IN GENERAL.—From the total amount appropriated under section 2103(a) for a fiscal year, the Secretary shall reserve—

"(i) ½ of 1 percent for payments to the outlying areas, to be distributed among the outlying areas on the basis of their relative need, as determined by the Secretary, for activities authorized under this part re-

lating to teacher quality, including professional development and teacher hiring; and

"(ii) ½ of 1 percent for payments to the Secretary of the Interior for activities described in clause (i) in schools operated or funded by the Bureau of Indian Affairs.

"(B) LIMITATION.—In reserving an amount for the purposes described in clauses (i) and (ii) of subparagraph (A) for a fiscal year, the Secretary shall not reserve more than the total amount the outlying areas and the schools operated or funded by the Bureau of Indian Affairs received for fiscal year 2001 under—

"(i) section 2202(b) of this Act (as in effect on the day before the date of enactment of the Better Education for Students and Teachers Act); and

"(ii) section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554).

"(2) STATE ALLOTMENTS.—

"(A) HOLD HARMLESS.—

"(i) IN GENERAL.—Subject to subparagraph (B), from the total amount ap-

propriated under section 2103(a) for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 2001 under the authorities described in paragraph (1)(B).

"(ii) RATABLE REDUCTION.—If the total amount appropriated under section 2103(a) for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for the fiscal year, the Secretary shall ratably reduce such amounts for the fiscal year.

"(B) ALLOTMENT OF ADDITIONAL FUNDS.—

"(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the total amount appropriated under section 2103(a) and not reserved under paragraph (1) exceeds the total amount made available to the 50 States, the District of Co-

lumbia, and the Commonwealth of Puerto Rico for fiscal year 2001 under the authorities described in paragraph (1)(B), the Secretary shall allot to each of those States the sum of—

"(I) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined; and

"(II) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 from families with incomes below the poverty line in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined.

"(ii) EXCEPTION.—No State receiving an allotment under clause (i) may receive less than ½ of 1 percent of the total excess amount allotted under clause (i) for a fiscal year.

"(3) REALLOTMENT.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallot the amount of the allotment to the remaining States in accordance with this subsection.

"SEC. 2112. STATE APPLICATIONS.

"(a) IN GENERAL.—For a State to be eligible to receive a grant under this part, the State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted under this section shall include the following:

"(1) A description of how the activities to be carried out by the State educational agency under this subpart will be based on a review of relevant research and an explanation of why the activities are expected to improve student performance and outcomes.

"(2) A description of how the State educational agency will align activities assisted under this subpart with State content and student performance standards and State assessments.

"(3) A description of how the State educational agency will ensure that a local educational agency receiving a subgrant to carry out subpart 2 will comply with the requirements of such subpart.

"(4) A description of how the State educational agency will use funds made available under this part to improve the quality of the State's teaching force and the educational opportunities for students.

"(5) A description of how the State educational agency will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including those authorized under—

"(A) title I, part C of this title, part A of title III, and title IV; and

"(B) where applicable, the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, and title II of the Higher Education Act of 1965.

"(6) An assurance that the State educational agency will consistently monitor the progress of each local educational agency and school in the State in achieving the purpose of this part and meeting the performance objectives and measures described in section 2141.

"(c) APPROVAL.—The Secretary shall approve a State application submitted to the Secretary under this section unless the Secretary makes a written determination, within 90 days after receiving the application, that the application does not meet the requirements of this Act.

"SEC. 2113. STATE USE OF FUNDS.

"(a) IN GENERAL.—A State that receives a grant under section 2111 shall—

"(1) reserve a portion of the funds made available through the grant for State activities described in subsection (b);

"(2) reserve 95 percent of the funds to make subgrants to local educational agencies as described in subpart 2; and

"(3) reserve a portion of the funds to make subgrants to local partnerships as described in subpart 3.

"(b) STATE ACTIVITIES.—The State educational agency for a State that receives a grant under section

2111 shall use the funds reserved under subsection (a)(1) to carry out 1 or more of the following activities:

"(1) Reforming teacher certification (including recertification) or licensing requirements to ensure that—

"(A) teachers have the necessary subject matter knowledge and teaching skills in the academic subjects that the teachers teach;

"(B) the requirements are aligned with challenging State content standards; and

"(C) teachers have the subject matter knowledge and teaching skills necessary to help students meet challenging State student performance standards.

"(2) Carrying out programs that provide support during the initial teaching experience, such as programs that provide mentoring, team teaching, reduced schedules, and intensive professional development.

"(3) Carrying out programs that establish, expand, or improve alternative routes for State certification of teachers for highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college

or university graduates with records of academic distinction who demonstrate the potential to become highly effective teachers.

''(4) Supporting activities to encourage and support teachers seeking national board certification from the National Board for Professional Teaching Standards or other recognized entities.

''(5) Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

''(6) Funding projects to promote reciprocity of teacher certification or licensure between or among States.

''(7) Testing new teachers for subject matter knowledge, and testing the teachers for State certification or licensing, consistent with title II of the Higher Education Act of 1965.

''(8) Supporting activities that ensure that teachers are able to use State content and student performance standards and assessments to improve instructional practices and improve student achievement and student performance.

''(9) Establishing teacher compensation systems based on merit and proven performance.

"(10) Reforming tenure systems.

"(c) COORDINATION.—A State that receives a grant to carry out this subpart and a grant under section 202 of the Higher Education Act of 1965 shall coordinate the activities carried out under this subpart and the activities carried out under that section 202.

"Subpart 2—Subgrants to Local Educational Agencies

"SEC. 2121. ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.

"(a) IN GENERAL.—A State that receives a grant under section 2111 shall use the funds reserved under section 2113(a)(2) to make subgrants to eligible local educational agencies to carry out the activities specified in section 2123. Each subgrant shall consist of the allocation determined for a local educational agency under subsection (b).

"(b) DETERMINATION OF ALLOCATIONS.—From the total amount made available through the grant, the State shall allocate to each of the eligible local educational agencies the sum of—

"(1) an amount that bears the same relationship to 25 percent of the total amount as the number of individuals age 5 through 17 in the geographic area served by the agency, as determined by

the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined; and

"(2) an amount that bears the same relationship to 75 percent of the total amount as the number of individuals age 5 through 17 from families with incomes below the poverty line, in the geographic area served by the agency, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined.

"SEC. 2122. LOCAL APPLICATIONS AND NEEDS ASSESSMENT.

"(a) IN GENERAL.—To be eligible to receive a subgrant under this subpart, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

"(b) CONTENTS.—Each application submitted under this section shall be based on the needs assessment required in subsection (c) and shall include the following:

"(1)(A) A description of the activities to be carried out by the local educational agency under this subpart.

"(B) A description of how the activities will be based on a review of relevant research and an explanation of why the activities are expected to improve student performance and outcomes.

"(2) A description of how the activities will have a substantial, measurable, and positive impact on student academic achievement and student performance and how the activities will be used as part of a broader strategy to eliminate the achievement gap that separates low-income and minority students from other students.

"(3) An assurance that the local educational agency will target funds to schools served by the local educational agency that—

"(A) have the lowest proportions of highly qualified teachers;

"(B) are identified for school improvement under section 1116(c); or

"(C) are identified for school improvement in accordance with other measures of school quality as determined and documented by the local educational agency.

"(4) A description of how the local educational agency will coordinate professional development activities authorized under this subpart with professional development activities provided under other Federal, State, and local programs, including those authorized under—

"(A) title I, part C of this title, part A of title III, and title IV; and

"(B) where applicable, the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, and title II of the Higher Education Act of 1965.

"(5) A description of the evaluation plan that the local educational agency will carry out pursuant to section 2141.

"(6) A description of how the local educational agency has collaborated with teachers, paraprofessionals, principals, other relevant school personnel, and parents in the preparation of the application.

"(7) A description of the results of the needs assessment described in subsection (c).

"(8) A description of how the local educational agency will address the ongoing professional develop-

ment and mentoring needs of teachers and administrators.

"(c) NEEDS ASSESSMENT.—

"(1) IN GENERAL.—To be eligible to receive a subgrant under this subpart, a local educational agency shall conduct an assessment of local needs for professional development and hiring, as identified by the local educational agency and school staff.

"(2) REQUIREMENTS.—Such needs assessment shall be conducted with the involvement of teachers, including teachers receiving assistance under part A of title I, and shall take into account the activities that need to be conducted in order to give teachers and, where appropriate, administrators, the means, including subject matter knowledge and teaching skills, to provide students with the opportunity to meet challenging State and local student performance standards.

"SEC. 2123. LOCAL USE OF FUNDS.

"(a) SPECIAL RULE.—

"(1) IN GENERAL.—A local educational agency that receives a subgrant under section 2121 may use the amount described in paragraph (2), of the funds made available through the subgrant, to carry out activities described in section 306 of the Department

of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554).

"(2) AMOUNT.—The amount referred to in paragraph (1) is the amount received by the agency under that section 306.

"(b) LOCAL USE OF FUNDS.—A local educational agency that receives a subgrant under section 2121 shall use the funds made available through the subgrant to carry out 1 or more of the following activities:

"(1) Providing professional development activities that improve the knowledge of teachers concerning—

"(A) 1 or more of the core academic subjects that the teachers teach;

"(B) effective instructional strategies, methods, and skills for improving student academic achievement and student performance; and

"(C) effective use of State content and student performance standards and assessments to improve instructional practices and improve student achievement and student performance.

"(2) Mentoring.

"(3) Providing teachers and principals with opportunities for professional development through institutions of higher education.

"(4) Providing induction and support for teachers during their first 3 years of teaching.

"(5) Recruiting (including recruiting through the use of scholarships, signing bonuses, or other financial incentives, as well as accelerated paraprofessional-to-teacher training programs and programs that attract mid-career professionals from other professions), hiring, and training regular and special education teachers (which may include hiring special education teachers to team-teach in classrooms that contain both children with disabilities and non-disabled children, and may include recruiting and hiring certified or licensed teachers to reduce class size), and teachers of special needs children, who are highly qualified.

"(6) Carrying out programs and activities related to—

"(A) reform of teacher tenure systems;

"(B) provision of merit pay for teachers; and

"(C) testing of elementary school and secondary school teachers in the academic subjects that the teachers teach.

"Subpart 3—Subgrants to Eligible Partnerships

"SEC. 2131. SUBGRANTS.

"(a) IN GENERAL.—The State agency for higher education for a State that receives a grant under section 2111, working in conjunction with the State educational agency (if such agencies are separate) shall use the funds reserved under section 2113(a)(3) to make subgrants, on a competitive basis, to eligible partnerships to enable such partnerships to carry out the activities described in section 2133.

"(b) DISTRIBUTION.—The State agency for higher education shall ensure that—

"(1) such subgrants are equitably distributed by geographic area within a State; or

"(2) eligible partnerships in all geographic areas within the State are served through the subgrants.

"(c) SPECIAL RULE.—No single participant in an eligible partnership may use more than 50 percent of the funds made available to the partnership under this section.

"SEC. 2132. APPLICATIONS.

''To be eligible to receive a subgrant under this subpart, an eligible partnership shall submit an application to the State agency for higher education at such time, in such manner, and containing such information as the agency may require.

"SEC. 2133. USE OF FUNDS.

''(a) IN GENERAL.—An eligible partnership that receives a subgrant under section 2131 shall use the funds made available through the subgrant for—

''(1) professional development activities in core academic subjects to ensure that teachers, paraprofessionals, and, if appropriate, principals have subject matter knowledge in the academic subjects that the teachers teach; and

''(2) developing and providing assistance to local educational agencies and individuals who are teachers, paraprofessionals, or principals of schools served by such agencies, for sustained, high-quality professional development activities that—

''(A) ensure that the individuals are able to use State content standards, performance standards, and assessments to improve instructional practices and improve student academic achievement and student performance; and

"(B) may include intensive programs designed to prepare such individuals who will return to a school to provide instruction related to the professional development described in subparagraph (A) to other such individuals within such school.

"(b) COORDINATION.—An eligible partnership that receives a subgrant to carry out this subpart and a grant under section 203 of the Higher Education Act of 1965 shall coordinate the activities carried out under this subpart and the activities carried out under that section 203.

"SEC. 2134. DEFINITION.

"In this subpart, the term 'eligible partnership' means an entity that—

"(1) shall include—

"(A) a private or State institution of higher education and the division of the institution that prepares teachers;

"(B) a school of arts and sciences; and

"(C) a high need local educational agency; and

"(2) may include another local educational agency, a public charter school, an elementary school or secondary school, an educational service agency, a nonprofit educational organization, another insti-

tution of higher education, a school of arts and sciences within such an institution, the division of such an institution that prepares teachers, a non-profit cultural organization, an entity carrying out a prekindergarten program, a teacher organization, or a business.

"Subpart 4—Accountability

"SEC. 2141. EVALUATION PLAN FOR LOCAL EDUCATIONAL AGENCIES.

''Each local educational agency receiving funds under this part shall establish and include in the agency's application submitted under section 2122(b) an evaluation plan that requires evaluation of the agency and the schools served by the agency with respect to—

''(1) strong performance objectives and other measures concerning—

''(A)(i) increasing student academic achievement and student performance for all students as measured by the local educational agency; and

''(ii) increasing participation in sustained professional development and mentoring;

''(B) increasing teacher retention among teachers in the first 3 years of their teaching careers; and

"(C) decreasing use of out-of-field teachers; and

"(2) other measures of improved student academic achievement and student performance, as determined by the local educational agency.

"SEC. 2142. SANCTIONS FOR LOCAL EDUCATIONAL AGENCIES.

"(a) REPORTS.—Each local educational agency receiving a subgrant under this part shall annually prepare and submit to the State educational agency a report describing the progress of the local educational agency and the schools served by the agency toward achieving the purpose of this part and meeting the performance objectives and measures described in section 2141.

"(b) TECHNICAL ASSISTANCE.—If a State educational agency determines that a local educational agency in the State has failed to make substantial progress toward achieving the purpose and meeting the objectives and measures described in subsection (a) by the end of the third year for which the local educational agency receives funds under this part, the State educational agency shall provide technical assistance—

"(1) to the local educational agency; and

"(2) if applicable, to schools served by the local educational agency that need assistance to achieve the purpose and meet the objectives and measures.

"(c) WITHHOLDING OF FUNDS.—If the State educational agency determines that the local educational agency has failed to make substantial progress toward achieving the purpose and meeting the objectives and measures described in subsection (a) by the end of the fifth year for which the local educational agency receives funds under this part, the State educational agency shall—

"(1) withhold the allocation described in section 2121(b) from the local educational agency for 2 fiscal years; and

"(2) use the funds to carry out programs to assist the local educational agency and schools served by the local educational agency to achieve the purpose and meet the objectives and measures.

"Subpart 5—National Programs

"SEC. 2151. NATIONAL PROGRAMS OF DEMONSTRATED EFFECTIVENESS.

"(a) IN GENERAL.—The Secretary shall use funds made available under section 2103(b) to carry out each of the activities described in subsections (b) through (e).

"(b) SCHOOL LEADERSHIP.—The Secretary shall award grants to entities that are State educational agencies, local educational agencies, institutions of higher education, or nonprofit educational organizations, and consortia of such entities, to enable such entities and consortia to recruit and train school leaders (including principals and assistant principals), provide mentorship for new school leaders, and provide ongoing professional development to develop or enhance the leadership skills of school leaders.

"(c) ADVANCED CERTIFICATION OR ADVANCED CREDENTIALING.—

"(1) IN GENERAL.—The Secretary shall support activities to encourage and support teachers seeking advanced certification or advanced credentialing through high quality professional teacher enhancement programs designed to improve teaching and learning, including programs provided by the National Board for Professional Teaching Standards.

"(2) IMPLEMENTATION.—In carrying out paragraph (1), the Secretary shall make grants to the National Board for Professional Teaching Standards, State educational agencies, local educational agencies, or individuals, to promote outreach, teach-

er recruitment, teacher subsidy, or teacher support programs related to teacher certification by the National Board for Professional Teaching Standards.

''(d) TROOPS-TO-TEACHERS PROGRAM.—

''(1) PURPOSE.—The purpose of this subsection is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000).

''(2) TRANSFER OF FUNDS FOR ADMINISTRATION OF PROGRAM.—To the extent that funds are made available under this Act to the Secretary for the Troops-to-Teachers Program, the Secretary shall use the funds to enter into a contract with the Defense Activity for Non-Traditional Education Support of the Department of Defense. The Defense Activity shall use the amounts made available through the contract to perform the actual administration of the Troops-to-Teachers Program, including the selection of participants in the program under section 1704 of the Troops-to-Teachers Program Act of 1999. The Secretary may retain a portion of the funds to identify local educational agencies with concentrations of children from low-income families or

with teacher shortages and States with alternative certification or licensure requirements, as required by section 1702 of such Act.

"(e) TRANSITION TO TEACHING.—The Secretary shall provide assistance for activities to support the development and implementation of national or regional programs to—

"(1) recruit, prepare, place, and support mid-career professionals who have knowledge and experience that will help the professionals become highly qualified teachers, through alternative routes to certification, for high need local educational agencies; and

"(2) help retain the professionals as classroom teachers serving the local educational agencies for more than 3 years.

"(f) NATIONAL TEACHER RECRUITMENT CAMPAIGN.—

"(1) GRANT.—The Secretary shall award a grant, on a competitive basis, to a single national coalition of teacher and media organizations, including the National Teacher Recruitment Clearinghouse, to enable such organizations to jointly conduct a national public service campaign as described in paragraph (2).

"(2) USE OF FUNDS.—A coalition that receives a grant under paragraph (1) shall use amounts made available under the grant to conduct a national public service campaign concerning the resources for and routes to entering the field of teaching. In conducting the campaign, the coalition shall focus on providing information both to a national audience and in specific media markets, and shall specifically expand on, promote, and link the coalition's outreach efforts to, the information referral activities and resources of the National Teacher Recruitment Clearinghouse.

"(3) APPLICATION.—To be eligible to receive a grant under this subsection, a coalition shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $3,000,0000 for fiscal year 2002 and each of the 6 succeeding fiscal years.

"PART B—MATHEMATICS AND SCIENCE PARTNERSHIPS

"SEC. 2201. PURPOSE.

''The purpose of this part is to improve the performance of students in the areas of mathematics and science by encouraging States, institutions of higher education, elementary schools, and secondary schools to participate in programs that—

''(1) upgrade the status and stature of mathematics and science teaching by encouraging institutions of higher education to assume greater responsibility for improving mathematics and science teacher education through the establishment of a comprehensive, integrated system of recruiting and advising such teachers;

''(2) focus on education of mathematics and science teachers as a career-long process that should continuously stimulate teachers' intellectual growth and upgrade teachers' knowledge and skills;

''(3) bring mathematics and science teachers in elementary schools and secondary schools together with scientists, mathematicians, and engineers to increase the subject matter knowledge and improve the teaching skills of teachers through the use of more sophisticated laboratory equipment and space, computing facilities, libraries, and other resources that

institutions of higher education are better able to provide than the schools; and

"(4) develop more rigorous mathematics and science curricula that are aligned with State and local standards and with the standards expected for postsecondary study in mathematics and science, respectively.

"SEC. 2202. DEFINITIONS.

"In this part:

"(1) ELIGIBLE PARTNERSHIP.—The term 'eligible partnership' means a partnership that—

"(A) shall include—

"(i) a State educational agency;

"(ii) a mathematics or science department of an institution of higher education; and

"(iii) a local educational agency; and

"(B) may include—

"(i) another mathematics, science, or teacher training department of an institution of higher education;

"(ii) another local educational agency, or an elementary school or secondary school;

"(iii) a business; or

"(iv) a nonprofit organization of demonstrated effectiveness, including a museum.

"(2) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' has the meaning given the term in section 201(b) of the Higher Education Act of 1965.

"(3) SUMMER WORKSHOP OR INSTITUTE.— The term 'summer workshop or institute' means a workshop or institute, conducted during the summer, that—

"(A) is conducted during a period of not less than 2 weeks;

"(B) provides for a program that provides direct interaction between students and faculty; and

"(C) provides for followup training during the academic year that—

"(i) except as provided in clause (ii) or (iii), shall be conducted in the classroom for a period of not less than 3 days, which may or may not be consecutive;

"(ii) if the program described in subparagraph (B) is for a period of not more

than 2 weeks, shall be conducted for a period of more than 3 days; or

"(iii) if the program is for teachers in rural school districts, may be conducted through distance education.

"Subpart 1—Grants to Partnerships

"SEC. 2211. GRANTS AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to pay the Federal share of the costs of carrying out the authorized activities described in section 2213.

"(b) DURATION.—The Secretary shall award grants under this section for a period of 5 years.

"(c) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of the costs of the activities assisted under this subpart shall be—

"(A) 75 percent of the costs for the first year an eligible partnership receives a grant payment under this subpart;

"(B) 65 percent of the costs for the second such year; and

"(C) 50 percent of the costs for each of the third, fourth, and fifth such years.

"(2) NON-FEDERAL SHARE.—The non-Federal share of the costs may be provided in cash or in kind, fairly evaluated.

"(d) PRIORITY.—In awarding grants under this subpart the Secretary shall give priority to partnerships that include high need local educational agencies.

"SEC. 2212. APPLICATION REQUIREMENTS.

"(a) IN GENERAL.—Each eligible partnership desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(b) CONTENTS.—Each such application shall include—

"(1) an assessment of the teacher quality and professional development needs of all the schools and agencies participating in the eligible partnership with respect to the teaching and learning of mathematics and science;

"(2) a description of how the activities to be carried out by the eligible partnership will be aligned with State and local standards and with other educational reform activities that promote student achievement in mathematics and science;

"(3) a description of how the activities to be carried out by the eligible partnership will be based

on a review of relevant research, and an explanation of why the activities are expected to improve student performance and to strengthen the quality of mathematics and science instruction; and

''(4) a description of—

''(A) how the eligible partnership will carry out the authorized activities described in section 2213; and

''(B) the eligible partnership's evaluation and accountability plan described in section 2214.

"SEC. 2213. AUTHORIZED ACTIVITIES.

''An eligible partnership shall use the grant funds provided under this subpart for 1 or more of the following activities related to elementary schools or secondary schools:

''(1) Developing or redesigning more rigorous mathematics and science curricula that are aligned with State and local standards and with the standards expected for postsecondary study in mathematics and science, respectively.

''(2) Creating opportunities for enhanced and ongoing professional development that improves the subject matter knowledge of mathematics and science teachers.

"(3) Recruiting mathematics and science majors to teaching.

"(4) Promoting strong teaching skills for mathematics and science teachers and teacher educators, including integrating reliable scientifically based research teaching methods into the curriculum.

"(5) Establishing mathematics and science summer workshops or institutes (including followup training) for teachers, using curricula that are experiment-oriented, content-based, and grounded in research that is current as of the date of the workshop or institute involved.

"(6) Establishing distance learning programs for mathematics and science teachers using curricula that are experiment-oriented, content-based, and grounded in research that is current as of the date of the program involved.

"(7) Designing programs to prepare a teacher at a school to provide professional development to other teachers at the school and to assist novice teachers at such school, including (if applicable) a mechanism to integrate experiences from a summer workshop or institute.

"(8) Designing programs to bring teachers into contact with working scientists.

"SEC. 2214. EVALUATION AND ACCOUNTABILITY PLAN.

''Each eligible partnership receiving a grant under this subpart shall develop an evaluation and accountability plan for activities assisted under this subpart that includes strong performance objectives. The plan shall include objectives and measures for—

''(1) improved student performance on State mathematics and science assessments or the Third International Math and Science Study assessment;

''(2) increased participation by students in advanced courses in mathematics and science;

''(3) increased percentages of secondary school classes in mathematics and science taught by teachers with academic majors in mathematics and science, respectively; and

''(4) increased numbers of mathematics and science teachers who participate in content-based professional development activities.

"SEC. 2215. REPORT; REVOCATION OF GRANT.

''(a) REPORT.—Each eligible partnership receiving a grant under this subpart annually shall report to the Secretary regarding the eligible partnership's progress in meeting the performance objectives described in section 2214.

''(b) REVOCATION.—If the Secretary determines that an eligible partnership is not making substantial progress

in meeting the performance objectives described in section 2214 by the end of the third year of a grant under this subpart, the grant payments shall not be made for the fourth and fifth year of the grant.

"Subpart 2—Eisenhower Clearinghouse for Mathematics and Science Education

"SEC. 2221. CLEARINGHOUSE.

''(a) GRANT OR CONTRACT.—

''(1) IN GENERAL.—The Secretary, in consultation with the Director of the National Science Foundation, may award a grant or contract to an entity to continue the operation of the Eisenhower National Clearinghouse for Mathematics and Science Education (referred to in this section as the 'Clearinghouse'). The Secretary shall award the grant or contract on a competitive basis, on the basis of merit.

''(2) DURATION.—The grant or contract awarded under paragraph (1) shall be awarded for a period of 5 years.

''(b) CLEARINGHOUSE.—

''(1) USE OF FUNDS.—An entity that receives a grant or contract under subsection (a) shall use the funds made available through the grant or contract to—

"(A) maintain a permanent repository of mathematics and science education instructional materials and programs for elementary schools and secondary schools, including middle schools;

"(B) compile information on all mathematics and science education programs administered by each Federal agency or department;

"(C) disseminate instructional materials, programs, and information to the public and dissemination networks, including information on model engineering, science, technology, and mathematics teacher mentoring programs;

"(D) coordinate activities with entities operating identifiable databases containing mathematics and science instructional materials and programs, including Federal, non-Federal, and, where feasible, international, databases;

"(E) gather qualitative and evaluative data on submissions to the Clearinghouse;

"(F)(i) solicit and gather (in consultation with the Department, national teacher associations, professional associations, and other reviewers and developers of instructional materials and programs) qualitative and evaluative

materials and programs, including full text and graphics, for the Clearinghouse;

"(ii) review the evaluation of the materials and programs, and rank the effectiveness of the materials and programs on the basis of the evaluations, except that nothing in this subparagraph shall be construed to permit the Clearinghouse to directly conduct an evaluation of the materials or programs; and

"(iii) distribute to teachers, in an easily accessible manner, the results of the reviews (in a short, standardized, and electronic format that contains electronic links to an electronic version of the qualitative and evaluative materials and programs described in clause (i)), excerpts of the materials and programs, links to Internet-based sites, and information regarding on-line communities of persons who use the materials and programs; and

"(G) develop and establish an Internet-based site offering a search mechanism to assist site visitors in identifying information available through the Clearinghouse on engineering, science, technology, and mathematics education instructional materials and programs, including

electronic links to information on classroom demonstrations and experiments, to teachers who have used materials or participated in programs, to vendors, to curricula, and to textbooks.

"(2) SUBMISSION TO CLEARINGHOUSE.—Each Federal agency or department that develops mathematics or science education instructional materials or programs, including the National Science Foundation and the Department, shall submit to the Clearinghouse copies of such materials or programs.

"(3) STEERING COMMITTEE.—The Secretary may appoint a steering committee to recommend policies and activities for the Clearinghouse.

"(4) APPLICATION OF COPYRIGHT LAWS.—Nothing in this section shall be construed to allow the use or copying, in any medium, of any material collected by the Clearinghouse that is protected under the copyright laws of the United States unless the Clearinghouse obtains the permission of the owner of the copyright. The Clearinghouse, in carrying out this subsection, shall ensure compliance with title 17, United States Code.

"(c) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive a grant or contract under subsection (a) to operate the Clearinghouse, an entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) PEER REVIEW.—The Secretary shall establish a peer review process to review the applications and select the recipient of the award under subsection (a).

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall disseminate information concerning the grant or contract awarded under this section to State educational agencies, local educational agencies, and institutions of higher education. The information disseminated shall include examples of exemplary national programs in mathematics and science instruction and information on necessary technical assistance for the establishment of similar programs.

"(e) REPORT.—Not later than 2 years after the date of enactment of the Better Education for Students and Teachers Act, the National Academy of Sciences, in conjunction with appropriate related associations and organizations, shall—

"(1) conduct a study on the Clearinghouse to evaluate the effectiveness of the Clearinghouse in conducting the activities described in subsection (b)(1); and

"(2) submit to Congress a report on the results of the study, including any recommendations of the Academy regarding the Clearinghouse.

"Subpart 3—Preparing Tomorrow's Teachers To Use Technology

"SEC. 2231. PURPOSE; PROGRAM AUTHORITY.

"(a) PURPOSE.—It is the purpose of this subpart to assist consortia of public and private entities in carrying out programs that prepare prospective teachers to use advanced technology to foster learning environments conducive to preparing all students to meet challenging State and local content and student performance standards.

"(b) PROGRAM AUTHORITY.—

"(1) IN GENERAL.—The Secretary, acting through the Director of the Office of Educational Technology, is authorized to award grants, contracts, or cooperative agreements on a competitive basis to eligible applicants in order to pay for the Federal share of the cost of assisting applicants in carrying out projects to develop or redesign teacher preparation programs to enable prospective teachers

to use advanced technology effectively in their classrooms.

"(2) PERIOD OF AWARDS.—The Secretary may award grants, contracts, or cooperative agreements under this subpart for a period of not more than 5 years.

"SEC. 2232. ELIGIBILITY.

"(a) ELIGIBLE APPLICANTS.—In order to receive an award under this subpart, an applicant shall be a consortium that includes—

"(1) at least 1 institution of higher education that offers a baccalaureate degree and prepares teachers for their initial entry into teaching;

"(2) at least 1 State educational agency or local educational agency; and

"(3) 1 or more entities consisting of—

"(A) an institution of higher education (other than the institution described in paragraph (1));

"(B) a school or department of education at an institution of higher education;

"(C) a school or college of arts and sciences at an institution of higher education;

"(D) a professional association, foundation, museum, library, for-profit business, pub-

lic or private nonprofit organization, community-based organization, or other entity, with the capacity to contribute to the technology-related reform of teacher preparation programs.

"(b) APPLICATION REQUIREMENTS.—In order to receive an award under this subpart, an eligible applicant shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include—

"(1) a description of the proposed project, including how the project would ensure that individuals participating in the project would be prepared to use advanced technology to create learning environments conducive to preparing all students, including girls and students who have economic and educational disadvantages, to meet challenging State and local content and student performance standards;

"(2) a demonstration of—

"(A) the commitment, including the financial commitment, of each of the members of the consortium for the proposed project; and

"(B) the active support of the leadership of each organization that is a member of the consortium for the proposed project;

"(3) a description of how each member of the consortium will be included in project activities;

"(4) a description of how the proposed project will be continued after Federal funds are no longer awarded under this subpart; and

"(5) a plan for the evaluation of the project, which shall include benchmarks to monitor progress toward specific project objectives.

"(c) MATCHING REQUIREMENTS.—

"(1) IN GENERAL.—The Federal share of the cost of any project funded under this subpart shall not exceed 50 percent. Except as provided in paragraph (2), the non-Federal share of the cost of such project may be provided in cash or in kind, fairly evaluated, including services.

"(2) ACQUISITION OF EQUIPMENT.—Not more than 10 percent of the funds awarded for a project under this subpart may be used to acquire equipment, networking capabilities, or infrastructure, and the non-Federal share of the cost of any such acquisition shall be provided in cash.

"SEC. 2233. USE OF FUNDS.

"(a) REQUIRED USES.—A recipient of an award under this subpart shall use funds made available under this subpart for—

"(1) a project that creates programs that enable prospective teachers to use advanced technology to create learning environments conducive to preparing all students, including girls and students who have economic and educational disadvantages, to meet challenging State and local content and student performance standards; and

"(2) evaluating the effectiveness of the project.

"(b) PERMISSIBLE USES.—The recipient may use funds made available under this subpart for activities, described in the application submitted by the recipient under this subpart, that carry out the purpose of this subpart, such as—

"(1) developing and implementing high-quality teacher preparation programs that enable educators to—

"(A) learn the full range of resources that can be accessed through the use of technology;

"(B) integrate a variety of technologies into the classroom in order to expand students' knowledge;

"(C) evaluate educational technologies and their potential for use in instruction; and

"(D) help students develop their technical skills and digital learning environments;

"(2) developing alternative teacher development paths that provide elementary schools and secondary schools with well-prepared, technology-proficient educators;

"(3) developing performance-based standards and assessments aligned with the standards to measure the capacity of prospective teachers to use technology effectively in their classrooms;

"(4) providing technical assistance to entities carrying out other teacher preparation programs;

"(5) developing and disseminating resources and information in order to assist institutions of higher education to prepare teachers to use technology effectively in their classrooms; and

"(6) subject to section 2232(c)(2), acquiring equipment, networking capabilities, and infrastructure to carry out the project.

"Subpart 4—General Provisions

"SEC. 2241. CONSULTATION WITH NATIONAL SCIENCE FOUNDATION.

"In carrying out the activities authorized by this part, the Secretary shall consult and coordinate activities with the Director of the National Science Foundation, particularly with respect to the appropriate roles for the Department and the Foundation in the conduct of summer

workshops or institutes provided by the eligible partnerships to improve mathematics and science teaching in elementary schools and secondary schools.

"SEC. 2242. AUTHORIZATION OF APPROPRIATIONS.

"(a) GRANTS.—There are authorized to be appropriated to carry out subpart 1 $500,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) CLEARINGHOUSE.—There are authorized to be appropriated to carry out subpart 2 $5,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(c) TECHNOLOGY PREPARATION.—There are authorized to be appropriated to carry out subpart 3 $150,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"PART C—STATE AND LOCAL PROGRAMS FOR TECHNOLOGY USE IN CLASSROOMS

"SEC. 2301. PURPOSE; GOAL.

"(a) PURPOSE.—The purpose of this part is to support a comprehensive system to effectively use technology in elementary and secondary schools to improve student academic achievement and performance.

"(b) GOAL.—A goal of this part shall also be to assist every student in crossing the digital divide by ensuring

that every child is technologically literate by the time the child finishes the 8th grade, regardless of the child's race, ethnicity, gender, income, geography, or disability.

"SEC. 2302. DEFINITIONS.

''In this part:

''(1) ADULT EDUCATION.—The term 'adult education' has the meaning given the term in section 312(2) of the Adult Education Act (20 U.S.C. 1201a(2)).

''(2) ALL STUDENTS.—The term 'all students' means students from a broad range of backgrounds and circumstances, including disadvantaged students, students with diverse racial, ethnic, and cultural backgrounds, students with disabilities, students with limited English proficiency, and academically talented students.

''(3) CHILD IN POVERTY.—The term 'child in poverty' means a child from a family with a family income below the poverty line (as defined in section 2102).

''(4) INFORMATION INFRASTRUCTURE.—The term 'information infrastructure' means a network of communication systems designed to exchange information among all citizens and residents of the United States.

"(5) INTEROPERABLE; INTEROPERABILITY.—The terms 'interoperable' and 'interoperability' mean the ability to exchange data easily with, and connect to, other hardware and software in order to provide the greatest accessibility for all students and other users.

"(6) PUBLIC TELECOMMUNICATIONS ENTITY.—The term 'public telecommunications entity' has the meaning given the term in section 397(12) of the Communications Act of 1934 (47 U.S.C. 397(12)).

"(7) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' includes the Bureau of Indian Affairs for purposes of serving schools funded by the Bureau of Indian Affairs in accordance with this part.

"(8) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term 'State library administrative agency' has the meaning given the term in section 213(5) of the Library Services and Technology Act (20 U.S.C. 9122(5)).

"SEC. 2303. ALLOTMENT AND REALLOTMENT.

"(a) LIMITATION.—From funds appropriated under this part, the Secretary shall first reserve such sums as may be necessary for grants awarded under section 3136

prior to the date of enactment of the Better Education for Students and Teacher Act.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each State educational agency shall be eligible to receive a grant under this part for a fiscal year in an amount which bears the same relationship to the amount made available under section 2310 for such year as the amount such State received under part A of title I for such year bears to the amount received for such year under such part by all States.

"(2) MINIMUM.—No State educational agency shall be eligible to receive a grant under paragraph (1) in any fiscal year in an amount which is less than ½ of 1 percent of the amount made available under section 2310 for such year.

"(c) REALLOTMENT OF UNUSED FUNDS.—

"(1) IN GENERAL.—The amount of any State educational agency's allotment under subsection (b) for any fiscal year which the State determines will not be required for such fiscal year to carry out this part shall be available for reallotment from time to time, on such dates during such year as the Secretary may determine, to other State educational agencies in proportion to the original allotments to

such State educational agencies under subsection (b) for such year, but with such proportionate amount for any of such other State educational agencies being reduced to the extent such amount exceeds the sum the State estimates such State needs and will be able to use for such year.

"(2) OTHER REALLOTMENTS.—The total of reductions under paragraph (1) shall be similarly reallotted among the State educational agencies whose proportionate amounts were not so reduced. Any amounts reallotted to a State educational agency under this subsection during a year shall be deemed a subpart of such agency's allotment under subsection (b) for such year.

"SEC. 2304. TECHNOLOGY GRANTS.

"(a) GRANTS TO STATES.—

"(1) IN GENERAL.—From amounts made available under section 2303, the Secretary, through the Office of Educational Technology, shall award grants to State educational agencies having applications approved under section 2305.

"(2) USE OF GRANTS.—

"(A) AWARD TO AGENCIES.—Each State educational agency receiving a grant under paragraph (1) shall use such grant funds to

award grants, on a competitive basis, to local educational agencies to enable such local educational agencies to carry out the activities described in section 2306.

"(B) SUFFICIENCY.—In awarding grants under subparagraph (A), each State educational agency shall ensure that each such grant is of sufficient duration, and of sufficient size, scope, and quality, to carry out the purposes of this part effectively.

"(C) PRIORITY.—In awarding the grants, each State educational agency shall give priority to the local educational agencies serving the school districts that have the highest number or percentage of children in poverty.

"(D) DISTRIBUTION.—In awarding the grants, each State educational agency shall assure an equitable distribution of assistance under this part among urban and rural areas of the State, according to the demonstrated need of the local educational agencies serving the areas.

"(b) TECHNICAL ASSISTANCE.—Each State educational agency receiving a grant under subsection (a) shall—

"(1) identify the local educational agencies served by the State educational agency that—

"(A) have the highest number or percentage of children in poverty; and

"(B) demonstrate to such State educational agency the greatest need for technical assistance in developing the application under 2307; and

"(2) offer such technical assistance to such local educational agencies.

"SEC. 2305. STATE APPLICATION.

"To receive a grant under this part, each State educational agency shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require, including a systemic statewide educational technology plan that—

"(1) outlines the long-term strategies for improving student performance and student academic achievement through the effective use of technology in classrooms throughout the State;

"(2) outlines long-term strategies for financing technology education in the State and describes how business, industry, and other public and private agencies, including libraries, library literacy pro-

grams, and institutions of higher education, can participate in the implementation, ongoing planning, and support of the plan; and

''(3) meets such other criteria as the Secretary may establish in order to enable such agency to provide assistance to local educational agencies that have the highest numbers or percentages of children in poverty and demonstrate the greatest need for technology, in order to enable such local educational agencies, for the benefit of school sites served by such local educational agencies, to improve student academic achievement and student performance.

''SEC. 2306. LOCAL USES OF FUNDS.

''(a) IN GENERAL.—Each local educational agency, to the extent possible, shall use the funds made available under section 2304(a)(2) for—

''(1) developing, adapting, or expanding existing and new applications of technology to support the school reform effort to improve student academic achievement and student performance;

''(2) providing ongoing professional development in the integration of quality educational technologies into school curriculum;

''(3) acquiring connectivity linkages, resources, and services, including the acquisition of hardware

and software, for use by teachers, students, and school library media personnel in the classroom or in school library media centers, in order to improve student academic achievement and student performance;

''(4) acquiring connectivity with wide area networks for purposes of accessing information and educational programming sources, particularly with institutions of higher education and public libraries;

''(5) providing educational services for adults and families; and

''(6) repairing and maintaining school technology equipment.

''(b) SPECIAL RULE.—A local educational agency receiving a grant under this part shall use at least 30 percent of allocated funds for professional development.

''SEC. 2307. LOCAL APPLICATION.

''(a) APPLICATION.—Each local educational agency desiring assistance from a State educational agency under section 2304(a)(2) shall submit an application, consistent with the objectives of the systemic statewide plan, to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require. Such application,

at a minimum, shall include an updated version of a strategic, long-range plan (3 to 5 years) that includes—

"(1) a description of how the activities to be carried out by the local educational agency under this part will be based on a review of relevant research and an explanation of why the activities are expected to improve student achievement;

"(2) an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency improve student academic achievement, student performance, and teaching;

"(3) a description of the type of technologies to be acquired, including specific provisions for interoperability among components of such technologies and, to the extent practicable, with existing technologies;

"(4) an explanation of how programs will be developed in collaboration with existing adult literacy service providers to maximize the use of such technologies;

"(5) a description of how the local educational agency will ensure ongoing, sustained professional development for teachers, administrators, and school library media personnel served by the local edu-

cational agency to further the effective use of technology in the classroom or library media center, including a list of those entities that will partner with the local educational agency in providing ongoing sustained professional development;

''(6) a description of the supporting resources, such as services, software, and print resources, which will be acquired to ensure successful and effective use of technologies acquired under this part;

''(7) the projected cost of technologies to be acquired and related expenses needed to implement the plan;

''(8) a description of how the local educational agency will coordinate the technology provided pursuant to this part with other grant funds available for technology from other Federal, State, and local sources;

''(9) a description of a process for the ongoing evaluation of how technologies acquired under this part will be integrated into the school curriculum; and will affect student academic achievement and student performance as related to challenging State content standards and State student performance standards in all subjects; and

"(10) a description of the evaluation plan that the local educational agency will carry out pursuant to section 2308(a).

"(b) FORMATION OF CONSORTIA.—A local educational agency for any fiscal year may apply for financial assistance as part of a consortium with other local educational agencies, institutions of higher education, intermediate educational units, libraries, or other educational entities appropriate to provide local programs. The State educational agency may assist in the formation of consortia among local educational agencies, providers of educational services for adults and families, institutions of higher education, intermediate educational units, libraries, or other appropriate educational entities to provide services for the teachers and students in a local educational agency at the request of such local educational agency.

"(c) COORDINATION OF APPLICATION REQUIREMENTS.—If a local educational agency submitting an application for assistance under this section has developed a comprehensive education improvement plan, the State educational agency may approve such plan, or a component of such plan if the State educational agency determines that such approval would further the purposes of this part.

"SEC. 2308. ACCOUNTABILITY.

"(a) EVALUATION PLAN.—Each local educational agency receiving funds under this part shall establish and include in the agency's application submitted under section 2307 an evaluation plan that requires evaluation of the agency and the schools served by the agency with respect to strong performance objectives and other measures concerning—

"(1) increased professional development in the effective use of technology in educating students with the goal of improving student academic achievement and student performance;

"(2) increased access to technology in the classroom, especially in low-income schools; and

"(3) other indicators reflecting increased student academic achievement or student performance.

"(b) REPORT.—Each local educational agency receiving a grant under this part shall annually prepare and submit to the State educational agency a report regarding the progress of the local educational agency and the schools served by the local educational agency toward achieving the purposes of this part and meeting the performance objectives and measures described in this section.

"(c) SANCTION.—If after 3 years, the local educational agency does not show measurable improvements

in all of the areas, the local educational agency shall not receive funds for the remaining grant years.

"(d) ASSISTANCE.—The State educational agency shall provide technical assistance to the local educational agency to assist them in meeting the performance objectives and measures described in this section.

"SEC. 2309. NATIONAL EDUCATION TECHNOLOGY PLAN.

"(a) IN GENERAL.—Not later than 12 months after the date of enactment of this section, the Secretary shall prepare the national long-range plan that supports the overall national technology policy. The Secretary shall update such plan periodically when appropriate.

"(b) CONSULTATION.—In preparing the plan described in subsection (a), the Secretary shall consult with other Federal departments or agencies, State and local education practitioners, and policymakers, including teachers, principals, and superintendents, experts in technology and the applications of technology to education, representatives of distance learning consortia, representatives of telecommunications partnerships receiving assistance under the Star Schools Act or the Technology Challenge Fund program, and providers of technology services and products.

"(c) SUBMISSION; PUBLICATION.—Upon completion of the plan described in subsection (a), the Secretary shall—

"(1) submit such plan to the President and to the appropriate committees of Congress; and

"(2) publish such plan in a form that is readily accessible to the public, including on the Internet.

"(d) CONTENT OF THE PLAN.—The plan described in subsection (a) shall describe the following:

"(1) EFFECTIVE USE.—The plan shall describe the manner in which the Secretary will encourage the effective use of technology to provide all students the opportunity to achieve challenging State academic content standards and challenging State student performance standards, especially through programs administered by the Department.

"(2) JOINT ACTIVITIES.—The plan shall describe joint activities in support of the overall national technology policy to be carried out with other Federal departments or agencies, such as the Office of Science and Technology Policy, the National Endowment for the Humanities, the National Endowment for the Arts, the National Institute for Literacy, the National Aeronautics and Space Administration, the National Science Foundation, the Bu-

reau of Indian Affairs, and the Departments of Commerce, Energy, Health and Human Services, and Labor—

"(A) to promote the use of technology in education, training, and lifelong learning, including plans for the educational uses of a national information infrastructure; and

"(B) to ensure that the policies and programs of such departments or agencies facilitate the use of technology for educational purposes, to the extent feasible.

"(3) COLLABORATION.—The plan shall describe the manner in which the Secretary will work with educators, State and local educational agencies, and appropriate representatives of the private sector, including the Universal Service Administrative Company, to facilitate the effective use of technology in education.

"(4) PROMOTING ACCESS.—The plan shall describe the manner in which the Secretary will promote—

"(A) higher academic achievement and performance of all students through the integration of technology into the curriculum;

"(B) increased access to the benefits of technology for teaching and learning for schools with a high number or percentage of children from low-income families;

"(C) the use of technology to assist in the implementation of State systemic reform strategies;

"(D) the application of technological advances to use in improving educational opportunities;

"(E) increased access to high quality adult and family education services through the use of technology for instruction and professional development; and

"(F) increased opportunities for the professional development of teachers in the use of new technologies.

"(5) GUIDELINES.—The plan shall describe the manner in which the Secretary will determine, in consultation with appropriate individuals, organizations, industries, and agencies, the feasibility and desirability of establishing guidelines to facilitate an easy exchange of data and effective use of technology in improving educational opportunities.

"(6) EXCHANGE.—The plan shall describe the manner in which the Secretary will promote the exchange of information among States, local educational agencies, schools, consortia, and other entities concerning the effective use of technology in improving educational opportunities.

"(7) GOALS.—The plan shall describe the Secretary's long-range measurable goals and objectives relating to the purposes of this part.

"SEC. 2310. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part $1,000,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) LIMITATION.—Not more than 5 percent of the funds made available to a recipient under this part for any fiscal year may be used by such recipient for administrative costs or technical assistance.".

SEC. 202. TEACHER MOBILITY.

(a) SHORT TITLE.—This section may be cited as the "Teacher Mobility Act".

(b) PORTABILITY OF TEACHER PENSIONS AND CREDENTIALS.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.), as

amended by section 201, is further amended by adding at the end the following:

"PART D—PORTABILITY OF TEACHER PENSIONS AND CREDENTIALS

"SEC. 2401. DEFINITION.

''In this part, the term 'pension' means a pension provided under an employee pension benefit plan, as defined in section 3(2) of the Employee Retirement Income Security Act of 1974.

"SEC. 2402. NATIONAL PANEL ON PORTABILITY OF TEACHER PENSIONS AND CREDENTIALS.

''(a) ESTABLISHMENT.—There is established a panel to be known as the National Panel on Portability of Teacher Pensions and Credentials (referred to in this section as the 'panel').

''(b) MEMBERSHIP.—The panel shall be composed of 9 members appointed by the Secretary. The Secretary shall appoint the members from among practitioners and experts with experience relating to teacher pensions and credentials, such as pension managers, teachers, members of teacher certification or licensing bodies, faculty of institutions of higher education that prepare teachers, and State policymakers with such experience.

''(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the panel. Any va-

cancy in the panel shall not affect the powers of the panel, but shall be filled in the same manner as the original appointment.

"(d) DUTIES.—

"(1) STUDY.—The panel shall study various options for increasing the reciprocity of recognition of teacher credentials, and the portability of teacher pensions, between States.

"(2) REPORT.—Not later than 1 year after the date on which all members of the panel have been appointed, the panel shall submit to the Secretary and to the appropriate committees of Congress a report containing the results of the study.

"(e) POWERS.—

"(1) HEARINGS.—The panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the panel considers advisable to carry out the objectives of this section.

"(2) INFORMATION FROM FEDERAL AGENCIES.—The panel may secure directly from any Federal department or agency such information as the panel considers necessary to carry out the provisions of this section. Upon request of a majority of the members of the panel, the head of such department

or agency shall furnish such information to the panel.

"(3) POSTAL SERVICES.—The panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(f) PERSONNEL.—

"(1) TRAVEL EXPENSES.—The members of the panel shall not receive compensation for the performance of services for the panel, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel. Notwithstanding section 1342 of title 31, United States Code, the Secretary may accept the voluntary and uncompensated services of members of the panel.

"(2) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(g) PERMANENT COMMITTEE.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel.

"(h) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2002.

"(2) AVAILABILITY.—Any sums appropriated under the authorization contained in this subsection shall remain available, without fiscal year limitation, until expended.".

TITLE III—MOVING LIMITED ENGLISH PROFICIENT STUDENTS TO ENGLISH FLUENCY

SEC. 301. BILINGUAL EDUCATION.

Title III (20 U.S.C. 6511 et seq.) is amended to read as follows:

"TITLE III—BILINGUAL EDUCATION, LANGUAGE ENHANCEMENT, AND LANGUAGE ACQUISITION PROGRAMS

"PART A—BILINGUAL EDUCATION

"SEC. 3001. SHORT TITLE.

"This part may be cited as the 'Bilingual Education Act'.

"SEC. 3002. PURPOSE.

"The purpose of this part is to help ensure that limited English proficient students master English and meet the same rigorous standards for academic performance as all children and youth are expected to meet, including meeting challenging State content standards and challenging State student performance standards in academic subjects by—

"(1) promoting systemic improvement and reform of, and developing accountability systems for, educational programs serving limited English proficient students;

"(2) developing bilingual skills and multicultural understanding;

"(3) developing the English of limited English proficient children and youth and, to the extent possible, the native language skills of such children and youth;

"(4) providing similar assistance to Native Americans with certain modifications relative to the unique status of Native American languages under Federal law;

"(5) developing data collection and dissemination, research, materials, and technical assistance that are focused on school improvement for limited English proficient students; and

"(6) developing programs that strengthen and improve the professional training of educational personnel who work with limited English proficient students.

"SEC. 3003. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part $300,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) DISTRIBUTION.—From the sums appropriated under subsection (a) for any fiscal year, the Secretary shall reserve not less than 25 percent of such funds for such year to carry out subpart 3.

"SEC. 3004. NATIVE AMERICAN CHILDREN IN SCHOOL.

"(a) ELIGIBLE ENTITIES.—

"(1) IN GENERAL.—For the purpose of carrying out programs under this part for individuals served by elementary schools, secondary schools, and postsecondary schools operated predominately for Native American (including Alaska Native) children and youth, an Indian tribe, a tribally sanctioned educational authority, a Native Hawaiian or Native American Pacific Islander native language education organization, or an elementary school or secondary school that is operated or funded by the Bureau of

Indian Affairs shall be considered to be a local educational agency.

"(2) DEFINITIONS.—In this section:

"(A) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Native village or Regional Corporation or Village Corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(B) TRIBALLY SANCTIONED EDUCATIONAL AUTHORITY.—The term 'tribally sanctioned educational authority' means—

"(i) any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe; and

"(ii) any nonprofit institution or organization that is—

"(I) chartered by the governing body of an Indian tribe to operate any school operated predominately for In-

dian children and youth or otherwise to oversee the delivery of educational services to members of that tribe; and

''(II) approved by the Secretary for the purpose of this section.

''(b) ELIGIBLE ENTITY APPLICATION.—Notwithstanding any other provision of this part, each eligible entity described in subsection (a) shall submit any application for assistance under this part directly to the Secretary along with timely comments on the need for the program proposed in the application.

''SEC. 3005. RESIDENTS OF THE TERRITORIES AND FREELY ASSOCIATED STATES.

''For the purpose of carrying out programs under this part in the outlying areas, the term 'local educational agency' includes public institutions or agencies whose mission is the preservation and maintenance of native languages.

''Subpart 1—Bilingual Education Capacity and Demonstration Grants

''SEC. 3101. FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION.

''The purpose of this subpart is to assist local educational agencies, institutions of higher education, and

community-based organizations, through the grants authorized under sections 3102 and 3103, to—

"(1) develop and enhance their capacity to provide high-quality instruction through bilingual education or special alternative instruction programs to children and youth of limited English proficiency; and

"(2) help such children and youth—

"(A) develop proficiency in English, and to the extent possible, their native language; and

"(B) meet the same challenging State content standards and challenging State student performance standards as all children and youth are expected to meet under section 1111(b).

"SEC. 3102. PROGRAM ENHANCEMENT PROJECTS.

"(a) PURPOSE.—The purpose of this section is to—

"(1) provide grants to eligible entities to provide innovative, locally designed, high quality instruction to children and youth of limited English proficiency;

"(2) help children and youth develop proficiency in the English language by expanding or strengthening instructional programs; and

"(3) help children and youth attain the standards established under section 1111(b).

"(b) PROGRAM AUTHORIZED.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary is authorized to award grants to eligible entities having applications approved under section 3104 to enable such entities to carry out activities described in paragraph (2).

"(B) PERIOD.—Each grant awarded under this section shall be awarded for a period of 3 years.

"(2) AUTHORIZED ACTIVITIES.—

"(A) MANDATORY ACTIVITIES.—Grants awarded under this section shall be used for—

"(i) developing, implementing, expanding, or enhancing comprehensive preschool, elementary, or secondary education programs for limited English proficient children and youth, that are—

"(I) aligned with State and local content and student performance standards, and local school reform efforts; and

"(II) coordinated with related services for children and youth;

"(ii) providing high quality professional development to classroom teachers, administrators, and other school or community-based organization personnel to improve the instruction and assessment of limited English proficient students; and

"(iii) annually assessing the English proficiency of all limited English proficient students served by activities carried out under this section.

"(B) PERMISSIBLE ACTIVITIES.—Grants awarded under this section may be used for—

"(i) implementing programs to upgrade the reading and other academic skills of limited English proficient students;

"(ii) developing accountability systems to monitor the academic progress of limited English proficient and formerly limited English proficient students;

"(iii) implementing family education programs and parent outreach and training activities designed to assist parents to

become active participants in the education of their children;

''(iv) improving the instructional programs for limited English proficient students by identifying, acquiring, and applying effective curricula, instructional materials (including materials provided through technology), and assessments that are all aligned with State and local standards;

''(v) providing intensified instruction, including tutorials and academic or career counseling, for children and youth who are limited English proficient;

''(vi) adapting best practice models for meeting the needs of limited English proficient students;

''(vii) assisting limited English proficient students with disabilities;

''(viii) implementing applied learning activities such as service learning to enhance and support comprehensive elementary and secondary bilingual education programs; and

"(ix) carrying out such other activities related to the purpose of this part as the Secretary may approve.

"(c) PRIORITY.—In awarding grants under this section, the Secretary may give priority to an entity that—

"(1) serves a school district—

"(A) that has a total district enrollment that is less than 10,000 students; or

"(B) with a large percentage or number of limited English proficient students; and

"(2) has limited or no experience in serving limited English proficient students.

"(d) ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

"(1) 1 or more local educational agencies;

"(2) 1 or more local educational agencies in collaboration with an institution of higher education, community-based organization, or State educational agency; or

"(3) a community-based organization or an institution of higher education that has an application approved by the local educational agency to participate in programs carried out under this subpart by enhancing early childhood education or family education programs or conducting instructional pro-

grams that supplement the educational services provided by a local educational agency.

"SEC. 3103. COMPREHENSIVE SCHOOL AND SYSTEMWIDE IMPROVEMENT GRANTS.

''(a) PURPOSES.—The purposes of this section are—

''(1) to provide financial assistance to schools and local educational agencies for implementing bilingual education programs, in coordination with programs carried out under this title, for children and youth of limited English proficiency;

''(2) to assist limited English proficient students to meet the standards established under section 1111(b); and

''(3) to improve, reform, and upgrade relevant instructional programs and operations, carried out by schools and local educational agencies, that serve significant percentages of students of limited English proficiency or significant numbers of such students.

''(b) AUTHORIZED ACTIVITIES.—

''(1) AUTHORITY.—The Secretary may award grants to eligible entities having applications approved under section 3104 to enable such entities to carry out activities described in paragraphs (2) and (3).

"(2) MANDATORY ACTIVITIES.—Grants awarded under this section shall be used for—

"(A) improving instructional programs for limited English proficient students by acquiring and upgrading curricula and related instructional materials;

"(B) aligning the activities carried out under this section with State and local school reform efforts;

"(C) providing training, aligned with State and local standards, to school personnel and participating community-based organization personnel to improve the instruction and assessment of limited English proficient students;

"(D) developing and implementing plans, coordinated with plans for programs carried out under title II of the Higher Education Act of 1965 (where applicable), and title II of this Act (where applicable), to recruit teachers trained to serve limited English proficient students;

"(E) implementing culturally and linguistically appropriate family education programs, or parent outreach and training activities, that are designed to assist parents to become active participants in the education of their children;

"(F) coordinating the activities carried out under this section with other programs, such as programs carried out under this title;

"(G) providing services to meet the full range of the educational needs of limited English proficient students;

"(H) annually assessing the English proficiency of all limited English proficient students served by the activities carried out under this section; and

"(I) developing or improving accountability systems to monitor the academic progress of limited English proficient students.

"(3) PERMISSIBLE ACTIVITIES.—Grants awarded under this section may be used for—

"(A) implementing programs to upgrade reading and other academic skills of limited English proficient students;

"(B) developing and using educational technology to improve learning, assessments, and accountability to meet the needs of limited English proficient students;

"(C) implementing scientifically based research programs to meet the needs of limited English proficient students;

"(D) providing tutorials and academic or career counseling for limited English proficient children and youth;

"(E) developing and implementing State and local content and student performance standards for learning English as a second language, as well as for learning other languages;

"(F) developing and implementing programs for limited English proficient students to meet the needs of changing populations of such students;

"(G) implementing policies to ensure that limited English proficient students have access to other education programs (other than programs designed to address limited English proficiency), such as gifted and talented, vocational education, and special education programs;

"(H) assisting limited English proficient students with disabilities;

"(I) developing and implementing programs to help all students become proficient in more than 1 language; and

"(J) carrying out such other activities related to the purpose of this part as the Secretary may approve.

"(4) SPECIAL RULE.—A recipient of a grant under this section, before carrying out activities under this section, shall plan, train personnel, develop curricula, and acquire or develop materials, but shall not use funds made available under this section for planning purposes for more than 90 days. The recipient shall commence carrying out activities under this section not later than 90 days after the date of receipt of the grant.

"(c) AVAILABILITY OF APPROPRIATIONS.—

"(1) RESERVATION OF FUNDS FOR CONTINUED PAYMENTS.—

"(A) COVERED GRANT.—In this paragraph, the term 'covered grant' means a grant—

"(i) that was awarded under section 7114 or 7115 (as such sections were in effect on the day before the date of enactment of the Better Education for Students and Teachers Act); and

"(ii) for which the grant period has not ended.

"(B) RESERVATION.—For any fiscal year that is part of the grant period of a covered grant, the Secretary shall reserve funds for the

payments described in subparagraph (C) from the amount appropriated for the fiscal year under section 3003 and made available for carrying out this section.

"(C) PAYMENTS.—The Secretary shall continue to make grant payments to each entity that received a covered grant, for the duration of the grant period of the grant, to carry out activities in accordance with the appropriate section described in subparagraph (A)(i).

"(2) AVAILABILITY.—Of the amount appropriated for a fiscal year under section 3003 that is made available for carrying out this section, and that remains after the Secretary reserves funds for payments under paragraph (1)—

"(A) not less than ⅓ of the remainder shall be used to award grants for activities carried out within an entire school district; and

"(B) not less than ⅔ of the remainder shall be used to award grants for activities carried out within individual schools.

"(d) ELIGIBLE ENTITIES.—In this section, the term 'eligible entity' means—

"(1) 1 or more local educational agencies; or

"(2) 1 or more local educational agencies, in collaboration with an institution of higher education, community-based organization, or State educational agency.

"SEC. 3104. APPLICATIONS.

"(a) IN GENERAL.—

"(1) SECRETARY.—To receive a grant under this subpart, an eligible entity shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

"(2) STATE EDUCATIONAL AGENCY.—An eligible entity, with the exception of schools funded by the Bureau of Indian Affairs, shall submit a copy of the application submitted by the entity under this section to the State educational agency.

"(b) STATE REVIEW AND COMMENTS.—

"(1) DEADLINE.—The State educational agency, not later than 45 days after receipt of an application under this section, shall review the application and submit the written comments of the agency regarding the application to the Secretary.

"(2) COMMENTS.—

"(A) SUBMISSION OF COMMENTS.—Regarding applications submitted under this subpart, the State educational agency shall—

"(i) submit to the Secretary written comments regarding all such applications; and

"(ii) submit to each eligible entity the comments that pertain to such entity.

"(B) SUBJECT.—For purposes of this subpart, such comments shall address—

"(i) how the activities to be carried out under the grant will further the academic achievement and English proficiency of limited English proficient students served under the grant; and

"(ii) how the grant application is consistent with the State plan required under section 1111.

"(c) ELIGIBLE ENTITY COMMENTS.—An eligible entity may submit to the Secretary comments that address the comments submitted by the State educational agency.

"(d) COMMENT CONSIDERATION.—In making grants under this subpart, the Secretary shall take into consideration comments made by State educational agencies.

"(e) WAIVER.—Notwithstanding subsection (b), the Secretary is authorized to waive the review requirement specified in subsection (b) if a State educational agency can demonstrate that such review requirement may impede such agency's ability to fulfill the requirements of participation in the program authorized in section 3124, particularly such agency's ability to carry out data collection efforts and such agency's ability to provide technical assistance to local educational agencies not receiving funds under this Act.

"(f) REQUIRED DOCUMENTATION.—Such application shall include documentation that—

"(1) the applicant has the qualified personnel required to develop, administer, and implement the program proposed in the application; and

"(2) the leadership personnel of each school participating in the program have been involved in the development and planning of the program in the school.

"(g) CONTENTS.—

"(1) IN GENERAL.—An application for a grant under this subpart shall contain the following:

"(A) A description of the need for the proposed program, including—

"(i) data on the number of limited English proficient students in the school or school district to be served;

"(ii) information on the characteristics of such students, including—

"(I) the native languages of the students;

"(II) the proficiency of the students in English and their native language;

"(III) achievement data (current as of the date of submission of the application) for the limited English proficient students in—

"(aa) reading or language arts (in English and in the native language, if applicable); and

"(bb) mathematics;

"(IV) a comparison of that data for the students with that data for the English proficient peers of the students; and

"(V) the previous schooling experiences of the students;

"(iii) the professional development needs of the instructional personnel who will provide services for the limited English proficient students under the proposed program; and

"(iv) how the services provided through the grant will supplement the basic services provided to limited English proficient students.

"(B) A description of the program to be implemented and how such program's design—

"(i) relates to the linguistic and academic needs of the children and youth of limited English proficiency to be served;

"(ii) will ensure that the services provided through the program will supplement the basic services the applicant provides to limited English proficient students;

"(iii) will ensure that the program is coordinated with other programs under this Act and other Acts;

"(iv) involves the parents of the children and youth of limited English proficiency to be served;

"(v) ensures accountability in achieving high academic standards; and

"(vi) promotes coordination of services for the children and youth of limited English proficiency to be served and their families.

"(C) A description, if appropriate, of the applicant's collaborative activities with institutions of higher education, community-based organizations, local educational agencies or State educational agencies, private schools, nonprofit organizations, or businesses in carrying out the proposed program.

"(D) An assurance that the applicant will not reduce the level of State and local funds that the applicant expends for bilingual education or special alternative instruction programs if the applicant receives an award under this subpart.

"(E) An assurance that the applicant will employ teachers in the proposed program who, individually or in combination, are proficient in—

"(i) English, with respect to written, as well as oral, communication skills; and

"(ii) the native language of the majority of the students that the teachers teach, if instruction in the program is in the native language as well as English.

"(F) A budget for the grant funds.

"(2) ADDITIONAL INFORMATION.—Each application for a grant under section 3103 shall—

"(A) describe—

"(i) current services (as of the date of submission of the application) the applicant provides to children and youth of limited English proficiency;

"(ii) what services children and youth of limited English proficiency will receive under the grant that such children or youth will not otherwise receive;

"(iii) how funds received under this subpart will be integrated with all other Federal, State, local, and private resources that may be used to serve children and youth of limited English proficiency;

"(iv) specific achievement and school retention goals for the children and youth to be served by the proposed program and

how progress toward achieving such goals will be measured; and

"(v) the current family education programs (as of the date of submission of the application) of the eligible entity, if applicable; and

"(B) provide assurances that—

"(i) the program funded with the grant will be integrated with the overall educational program of the students served through the proposed program; and

"(ii) the application has been developed in consultation with an advisory council, the majority of whose members are parents and other representatives of the children and youth to be served in such program.

"(h) APPROVAL OF APPLICATIONS.—An application for a grant under this subpart may be approved only if the Secretary determines that—

"(1) the program proposed in the application will use qualified personnel, including personnel who are proficient in the language or languages used for instruction;

"(2) in designing the program, the eligible entity has, after consultation with appropriate private school officials—

"(A) taken into account the needs of children in nonprofit private elementary schools and secondary schools; and

"(B) in a manner consistent with the number of such children enrolled in such schools in the area to be served, whose educational needs are of the type and whose language, and grade levels are of a similar type to the needs, language, and grade levels that the program is intended to address, provided for the participation of such children on a basis comparable to the basis on which public school children participate;

"(3)(A) student evaluation and assessment procedures in the program are valid, reliable, and fair for limited English proficient students; and

"(B) limited English proficient students with disabilities will be identified and served through the program in accordance with the requirements of the Individuals with Disabilities Education Act;

"(4) Federal funds made available for the program will be used to supplement the State and local

funds that, in the absence of such Federal funds, would be expended for special programs for children of limited English proficient individuals, and in no case to supplant such State and local funds, except that nothing in this paragraph shall be construed to preclude a local educational agency from using funds made available under this subpart—

"(A) for activities carried out under an order of a Federal or State court respecting services to be provided to such children; or

"(B) to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided to such children;

"(5)(A) the assistance provided through the grant will contribute toward building the capacity of the eligible entity to provide a program on a regular basis, similar to the proposed program, that will be of sufficient size, scope, and quality to promise significant improvement in the education of limited English proficient students; and

"(B) the eligible entity will have the resources and commitment to continue the program of sufficient size, scope, and quality when assistance under this subpart is reduced or no longer available; and

"(6) the eligible entity will use State and national dissemination sources for program design and dissemination of results and products.

"(i) PRIORITIES AND SPECIAL RULES.—

"(1) PRIORITY.—In approving applications for grants for programs under this subpart, the Secretary shall give priority to an applicant who—

"(A) experiences a dramatic increase in the number or percentage of limited English proficient students enrolled in the applicant's programs and has limited or no experience in serving limited English proficient students;

"(B) is a local educational agency that serves a school district that has a total district enrollment that is less than 10,000 students;

"(C) demonstrates that the applicant has a proven record of success in helping limited English proficient children and youth learn English and meet high academic standards;

"(D) proposes programs that provide for the development of bilingual proficiency both in English and another language for all participating students; or

"(E) serves a school district with a large number or percentage of limited English proficient students.

"(2) CONSIDERATION.—In determining whether to approve an application under this subpart, the Secretary shall give consideration to the degree to which the program for which assistance is sought involves the collaborative efforts of institutions of higher education, community-based organizations, the appropriate local educational agency and State educational agency, or businesses.

"(3) DUE CONSIDERATION.—In determining whether to approve an application under this subpart, the Secretary shall give due consideration to an application that—

"(A) provides for training for personnel participating in or preparing to participate in the program that will assist such personnel in meeting State and local certification requirements; and

"(B) to the extent possible, describes how credit at an institution of higher education will be awarded for such training.

"SEC. 3105. CAPACITY BUILDING.

''Each recipient of a grant under this subpart shall use the grant in ways that will build such recipient's capacity to continue to offer high-quality bilingual and special alternative education programs and services to children and youth of limited English proficiency after Federal assistance is reduced or eliminated.

"SEC. 3106. PROGRAMS FOR NATIVE AMERICANS AND PUERTO RICO.

''Programs authorized under this subpart that serve Native American children (including Native American Pacific Islander children), and children in the Commonwealth of Puerto Rico, notwithstanding any other provision of this subpart, may include programs of instruction, teacher training, curriculum development, evaluation, and testing designed for Native American children and youth learning and studying Native American languages and children and youth of limited Spanish proficiency, except that 1 outcome of such programs serving Native American children shall be increased English proficiency among such children.

"SEC. 3107. EVALUATIONS.

''(a) EVALUATION.—Each recipient of funds under this subpart for a program shall annually conduct an evaluation of the program and submit to the Secretary a re-

port concerning the evaluation, in the form prescribed by the Secretary.

"(b) USE OF EVALUATION.—Such evaluation shall be used by the grant recipient—

"(1) for program improvement;

"(2) to further define the program's goals and objectives; and

"(3) to determine program effectiveness.

"(c) EVALUATION REPORT COMPONENTS.—In preparing the evaluation reports, the recipient shall—

"(1) use the data provided in the application submitted by the recipient under section 3104 as baseline data against which to report academic achievement and gains in English proficiency for students in the program;

"(2) disaggregate the results of the evaluation by gender, language groups, and whether the students have disabilities;

"(3) include data on the progress of the recipient in achieving the objectives of the program, including data demonstrating the extent to which students served by the program are meeting the State's student performance standards, and including data comparing limited English proficient students with

English proficient students with regard to school retention and academic achievement concerning—

"(A) reading and language arts;

"(B) English proficiency;

"(C) mathematics; and

"(D) the native language of the students if the program develops native language proficiency;

"(4) include information on the extent that professional development activities carried out through the program have resulted in improved classroom practices and improved student performance;

"(5) include a description of how the activities carried out through the program are coordinated and integrated with the other Federal, State, or local programs serving limited English proficient children and youth; and

"(6) include such other information as the Secretary may require.

"SEC. 3108. CONSTRUCTION.

"Nothing in this subpart shall be construed to prohibit a local educational agency from serving limited English proficient children and youth simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"Subpart 2—Research, Evaluation, and Dissemination

"SEC. 3121. AUTHORITY.

''(a) IN GENERAL.—The Secretary is authorized to conduct data collection, dissemination, research, and ongoing program evaluation activities in accordance with the provisions of this subpart for the purpose of improving bilingual education and special alternative instruction programs for children and youth of limited English proficiency.

''(b) COMPETITIVE AWARDS.—Research and program evaluation activities carried out under this subpart shall be supported through competitive grants, contracts and cooperative agreements awarded to institutions of higher education, nonprofit organizations, State educational agencies, and local educational agencies.

''(c) ADMINISTRATION.—The Secretary shall conduct data collection, dissemination, and ongoing program evaluation activities authorized by this subpart through the Office of Bilingual Education and Minority Language Affairs.

"SEC. 3122. RESEARCH.

''(a) ADMINISTRATION.—The Secretary shall conduct research activities authorized by this subpart through the Office of Educational Research and Improvement in co-

ordination and collaboration with the Office of Bilingual Education and Minority Language Affairs.

"(b) REQUIREMENTS.—Such research activities—

"(1) shall have a practical application to teachers, counselors, paraprofessionals, school administrators, parents, and others involved in improving the education of limited English proficient students and their families;

"(2) may include research on effective instructional practices for multilingual classes, and on effective instruction strategies to be used by a teacher or other staff member who does not know the native language of a limited English proficient child or youth in the teacher's or staff member's classroom;

"(3) may include establishing (through the National Center for Education Statistics in consultation with experts in bilingual education, second language acquisition, and English-as-a-second-language) a common definition of 'limited English proficient student' for purposes of national data collection; and

"(4) shall be administered by individuals with expertise in bilingual education and the needs of limited English proficient students and their families.

"(c) FIELD-INITIATED RESEARCH.—

"(1) IN GENERAL.—The Secretary shall reserve not less than 5 percent of the funds made available to carry out this section for field-initiated research conducted by recipients of grants under subpart 1 or this subpart who have received such grants within the previous 5 years. Such research may provide for longitudinal studies of students or teachers into bilingual education, monitoring the education of such students from entry into bilingual education through secondary school completion.

"(2) APPLICATIONS.—An applicant for assistance under this subsection may submit an application for such assistance to the Secretary at the same time as the applicant submits another application under subpart 1 or this subpart. The Secretary shall complete a review of such applications on a timely basis to allow the activities carried out under research and program grants to be coordinated when recipients are awarded 2 or more of such grants.

"(d) CONSULTATION.—The Secretary shall consult with agencies and organizations that are engaged in bilingual education research and practice, or related research, and bilingual education researchers and practitioners, to identify areas of study and activities to be funded under this section.

"(e) DATA COLLECTION.—The Secretary shall provide for the collection of data on limited English proficient students as part of the data systems operated by the Department.

"SEC. 3123. ACADEMIC EXCELLENCE AWARDS.

"(a) AUTHORITY.—The Secretary may make grants to State educational agencies to assist the agencies in recognizing local educational agencies and other public and nonprofit entities whose programs have—

"(1) demonstrated significant progress in assisting limited English proficient students to learn English according to age appropriate and developmentally appropriate standards; and

"(2) demonstrated significant progress in assisting limited English proficient children and youth to meet, according to age appropriate and developmentally appropriate standards, the same challenging State content standards as all children and youth are expected to meet.

"(b) APPLICATIONS.—A State educational agency desiring a grant under this section shall include an application for such grant in the application submitted by the agency under section 3124(e).

"SEC. 3124. STATE GRANT PROGRAM.

"(a) STATE GRANT PROGRAM.—The Secretary is authorized to make an award to a State educational agency that demonstrates, to the satisfaction of the Secretary, that such agency, through such agency's programs and other Federal education programs, effectively provides for the education of children and youth of limited English proficiency within the State.

"(b) PAYMENTS.—The amount paid to a State educational agency under subsection (a) shall not exceed 5 percent of the total amount awarded to local educational agencies and entities within the State under subpart 1 for the previous fiscal year, except that in no case shall the amount paid by the Secretary to any State educational agency under this subsection for any fiscal year be less than $200,000.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—A State educational agency shall use funds awarded under this section to—

"(A) assist local educational agencies in the State with activities that—

"(i) consist of program design, capacity building, assessment of student performance, program evaluation, and development of data collection and account-

ability systems for limited English proficient students; and

"(ii) are aligned with State reform efforts; and

"(B) collect data on the State's limited English proficient populations and document the services available to all such populations.

"(2) TRAINING.—The State educational agency may also use funds provided under this section for the training of State educational agency personnel in educational issues affecting limited English proficient children and youth.

"(3) SPECIAL RULE.—Recipients of funds under this section shall not restrict the provision of services under this section to federally funded programs.

"(d) STATE CONSULTATION.—A State educational agency receiving funds under this section shall consult with recipients of grants under this subpart and other individuals or organizations involved in the development or operation of programs serving limited English proficient children or youth to ensure that such funds are used in a manner consistent with the requirements of this subpart.

"(e) APPLICATIONS.—A State educational agency desiring to receive funds under this section shall submit an

application to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require.

"(f) SUPPLEMENT NOT SUPPLANT.—Federal funds made available under this section for any fiscal year shall be used by the State educational agency to supplement and, to the extent practical, to increase the State funds that, in the absence of such Federal funds, would be made available for the purposes described in this section, and in no case to supplant such State funds.

"(g) REPORT TO THE SECRETARY.—A State educational agency receiving an award under this section shall provide for the annual submission of a summary report to the Secretary describing such State's use of the funds made available through the award.

"SEC. 3125. NATIONAL CLEARINGHOUSE FOR BILINGUAL EDUCATION.

"(a) ESTABLISHMENT.—The Secretary shall establish and support the operation of a National Clearinghouse for Bilingual Education, which shall collect, analyze, synthesize, and disseminate information about bilingual education and related programs.

"(b) FUNCTIONS.—The National Clearinghouse for Bilingual Education shall—

"(1) be administered as an adjunct clearinghouse of the Educational Resources Information Center Clearinghouses system of clearinghouses supported by the Office of Educational Research and Improvement;

"(2) coordinate activities with Federal data and information clearinghouses and entities operating Federal dissemination networks and systems;

"(3) develop a database management and monitoring system for improving the operation and effectiveness of federally funded bilingual education programs;

"(4) develop, maintain, and disseminate a listing, by geographical area, of education professionals, parents, teachers, administrators, community members, and others, who are native speakers of languages other than English, for use as a resource by local educational agencies and schools in the development and implementation of bilingual education programs; and

"(5) publish, on an annual basis, a list of grant recipients under this subpart.

"SEC. 3126. INSTRUCTIONAL MATERIALS DEVELOPMENT.

''(a) IN GENERAL.—The Secretary may make grants for the development, publication, and dissemination of high-quality instructional materials—

''(1) in Native American languages (including Native Hawaiian languages and the language of Native American Pacific Islanders), and the language of natives of the outlying areas, for which instructional materials are not readily available; and

''(2) in other low-incidence languages in the United States for which instructional materials are not readily available.

''(b) PRIORITY.—In making the grants, the Secretary shall give priority to applicants for the grants who propose—

''(1) to develop instructional materials in languages indigenous to the United States or the outlying areas; and

''(2) to develop and evaluate materials, in collaboration with entities carrying out activities assisted under subpart 1 and this subpart, that are consistent with voluntary national content standards and challenging State content standards.

"Subpart 3—Professional Development

"SEC. 3131. PURPOSE.

''The purpose of this subpart is to assist in preparing educators to improve the educational services for limited English proficient children and youth by supporting professional development programs and the dissemination of information on appropriate instructional practices for such children and youth.

"SEC. 3132. TRAINING FOR ALL TEACHERS PROGRAM.

''(a) PURPOSE.—The purpose of this section is to provide for the incorporation of courses and curricula on appropriate and effective instructional and assessment methodologies, strategies, and resources specific to limited English proficient students into preservice and inservice professional development programs for individuals who are teachers, pupil services personnel, administrators, or other education personnel in order to prepare such individuals to provide effective services to limited English proficient students.

''(b) AUTHORIZATION.—

''(1) AUTHORITY.—The Secretary may award grants under this section to—

''(A) local educational agencies; or

''(B) 1 or more local educational agencies in a consortium with 1 or more State edu-

cational agencies, institutions of higher education, or nonprofit organizations.

"(2) DURATION.—Each grant awarded under this section shall be awarded for a period of not more than 5 years.

"(c) AUTHORIZED ACTIVITIES.—

"(1) PROFESSIONAL DEVELOPMENT ACTIVITIES.—Grants awarded under this section shall be used to conduct high-quality, long-term professional development activities relating to meeting the needs of limited English proficient students, which may include—

"(A) developing and implementing induction programs for new teachers, including programs that provide mentoring and coaching by trained teachers, and team teaching with experienced teachers;

"(B) implementing school-based collaborative efforts among teachers to improve instruction in core academic areas, including reading, for students of limited English proficiency;

"(C) coordinating activities with entities carrying out other programs, such as other pro-

grams carried out under this title, title II, and the Head Start Act;

"(D) implementing programs that support effective teacher use of education technologies to improve instruction and assessment;

"(E) establishing and maintaining local professional networks;

"(F) developing curricular materials and assessments for teachers that are aligned with State and local standards and the needs of the limited English proficient students to be served; and

"(G) carrying out such other activities as are consistent with the purpose of this section.

"(2) PERMISSIBLE ACTIVITIES.—Grants awarded under this section may be used to conduct activities that include the development of training programs in collaboration with entities carrying out other programs, such as other programs authorized under this title, title II, and the Head Start Act.

"SEC. 3133. BILINGUAL EDUCATION TEACHERS AND PERSONNEL GRANTS.

"(a) PURPOSE.—The purpose of this section is to provide for—

"(1) preservice and inservice professional development for bilingual education teachers, administrators, pupil services personnel, and other educational personnel who are either involved in, or preparing to be involved in, the provision of educational services for children and youth of limited English proficiency; and

"(2) national professional development institutes that assist schools or departments of education in institutions of higher education to improve the quality of professional development programs for personnel serving, preparing to serve, or who may serve, children and youth of limited English proficiency.

"(b) PROGRAM AUTHORIZED.—

"(1) GRANTS TO INSTITUTIONS OF HIGHER EDUCATION.—The Secretary is authorized to award grants for a period of not more than 5 years to institutions of higher education, in consortia with State educational agencies or local educational agencies, to achieve the purpose of this section.

"(2) GRANTS TO STATE AND LOCAL EDUCATIONAL AGENCIES.—The Secretary is authorized to award grants for a period of not more than 5 years to State educational agencies and local edu-

cational agencies, for inservice professional development programs.

''(c) PRIORITY.—The Secretary shall give priority in awarding grants under this section to institutions of higher education, in consortia with State educational agencies or local educational agencies, that offer degree programs that prepare new bilingual education teachers for teaching in order to increase the availability of teachers to provide high-quality education to limited English proficient students.

''SEC. 3134. BILINGUAL EDUCATION CAREER LADDER PROGRAM.

''(a) PURPOSE.—The purpose of this section is—

''(1) to upgrade the qualifications and skills of noncertified educational personnel, especially educational paraprofessionals, to enable the personnel to meet high professional standards, including standards for certification and licensure as bilingual education teachers or for other types of educational personnel who serve limited English proficient students, through collaborative training programs operated by institutions of higher education and State educational agencies and local educational agencies; and

''(2) to help recruit and train secondary school students as bilingual education teachers and other

types of educational personnel to serve limited English proficient students.

''(b) AUTHORIZATION.—

''(1) IN GENERAL.—The Secretary is authorized to award grants for bilingual education career ladder programs to institutions of higher education, in consortia with State educational agencies or local educational agencies, which consortia may include community-based organizations or professional education organizations.

''(2) DURATION.—Each grant awarded under this section shall be awarded for a period of not more than 5 years.

''(c) PERMISSIBLE ACTIVITIES.—Grants awarded under this section may be used—

''(1) for the development of bilingual education career ladder program curricula appropriate to the needs of the consortium participants involved;

''(2) to provide assistance for stipends and costs related to tuition, fees, and books for enrolling in courses required to complete the degree, and certification or licensing requirements for bilingual education teachers; and

''(3) for programs to introduce secondary school students to careers in bilingual education teaching

that are coordinated with other activities assisted under this section.

"(d) SPECIAL CONSIDERATION.—In awarding the grants, the Secretary shall give special consideration to an applicant proposing a program that provides for—

"(1) participant completion of teacher education programs for a baccalaureate or master's degree, and certification requirements, which programs may include effective employment placement activities;

"(2) development of teacher proficiency in English as a second language, including developing proficiency in the instructional use of English and, as appropriate, a second language in classroom contexts;

"(3) coordination with the Federal TRIO programs under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965, programs under title I of the National and Community Service Act of 1990, and other programs for the recruitment and retention of bilingual students in secondary and postsecondary programs to train the students to become bilingual educators; and

"(4) the applicant's contribution of additional student financial aid to participating students.

"SEC. 3135. GRADUATE FELLOWSHIPS IN BILINGUAL EDUCATION PROGRAM.

"(a) AUTHORIZATION.—

"(1) IN GENERAL.—The Secretary may award fellowships for master's, doctoral, and post-doctoral study related to instruction of children and youth of limited English proficiency in such areas as teacher training, program administration, research and evaluation, and curriculum development, and for the support of dissertation research related to such study.

"(2) INFORMATION.—The Secretary shall include information on the operation of, and the number of fellowships awarded under, the fellowship program in the evaluation required under section 3138.

"(b) FELLOWSHIP REQUIREMENTS.—

"(1) IN GENERAL.—Any person receiving a fellowship under this section shall agree to—

"(A) work in an activity related to the program or in an activity such as an activity authorized under this part, including work as a bilingual education teacher, for a period of time equivalent to the period of time during which such person receives assistance under this section; or

"(B) repay such assistance.

"(2) REGULATIONS.—The Secretary shall establish in regulations such terms and conditions for such agreement as the Secretary determines to be reasonable and necessary and may waive the requirement of paragraph (1) in extraordinary circumstances.

"(c) PRIORITY.—In awarding fellowships under this section the Secretary may give priority to institutions of higher education that demonstrate experience in assisting fellowship recipients to find employment in the field of bilingual education.

"SEC. 3136. APPLICATION.

"(a) IN GENERAL.—

"(1) SECRETARY.—To receive an award under this subpart, an eligible entity shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

"(2) CONSULTATION AND ASSESSMENT.—Each such application shall contain a description of how the applicant has consulted with, and assessed the needs of, public and private schools serving children and youth of limited English proficiency to determine such schools' need for, and the design of, the program for which funds are sought.

"(3) SPECIAL RULE.—

"(A) TRAINING PRACTICUM.—An eligible entity who proposes to conduct a master's- or doctoral-level program with funds received under this subpart shall submit an application under this section that contains an assurance that such program will include, as a part of the program, a training practicum in a local school program serving children and youth of limited English proficiency.

"(B) WAIVER.—A recipient of a grant under this subpart for a program may waive the requirement that a participant in the program participate in the training practicum, for a degree candidate with significant experience in a local school program serving children and youth of limited English proficiency.

"(4) STATE EDUCATIONAL AGENCY.—An eligible entity that submits an application under this section, with the exception of a school funded by the Bureau of Indian Affairs, shall submit a copy of the application to the appropriate State educational agency.

"(b) STATE REVIEW AND COMMENTS.—

"(1) DEADLINE.—The State educational agency, not later than 45 days after receipt of such application, shall review the application and transmit such application to the Secretary.

"(2) COMMENTS.—

"(A) SUBMISSION OF COMMENTS.—Regarding applications submitted under this subpart, the State educational agency shall—

"(i) submit to the Secretary written comments regarding all such applications; and

"(ii) submit to each eligible entity the comments that pertain to such entity.

"(B) SUBJECT.—For purposes of this subpart, comments shall address—

"(i) how the activities to be carried out under the award will further the academic achievement and English proficiency of limited English proficient students served under the award; and

"(ii) how the application is consistent with the State plan required under section 1111.

"(c) ELIGIBLE ENTITY COMMENTS.—An eligible entity may submit to the Secretary comments that address the comments submitted by the State educational agency.

"(d) COMMENT CONSIDERATION.—In making awards under this subpart, the Secretary shall take into consideration comments made by State educational agencies.

"(e) WAIVER.—Notwithstanding subsection (b), the Secretary is authorized to waive the review requirement specified in subsection (b) if a State educational agency can demonstrate that such review requirement may impede such agency's ability to fulfill the requirements of participation in the program authorized in section 3124, particularly such agency's ability to carry out data collection efforts, and such agency's ability to provide technical assistance to local educational agencies not receiving funds under this Act.

"(f) SPECIAL RULE.—

"(1) OUTREACH AND TECHNICAL ASSISTANCE.—The Secretary shall provide for outreach and technical assistance to institutions of higher education eligible for assistance under title III of the Higher Education Act of 1965 and institutions of higher education that are operated or funded by the Bureau of Indian Affairs to facilitate the participa-

tion of such institutions in activities under this subpart.

"(2) DISTRIBUTION RULE.—In making awards under this subpart, the Secretary, consistent with subsection (d), shall ensure adequate representation of Hispanic-serving institutions that demonstrate competence and experience concerning the programs and activities authorized under this subpart and are otherwise qualified.

"SEC. 3137. STIPENDS.

"The Secretary shall provide, for persons participating in training programs under this subpart, for the payment of such stipends (including allowances for subsistence and other expenses for such persons and their dependents), as the Secretary determines to be appropriate.

"SEC. 3138. PROGRAM EVALUATIONS.

"Each recipient of funds under this subpart for a program shall annually conduct an evaluation of the program and submit to the Secretary a report containing the evaluation. Such report shall include information on—

"(1) the number of participants served through the program, the number of participants who completed program requirements, and the number of participants who took positions in an instructional setting with limited English proficient students;

"(2) the effectiveness of the program in imparting the professional skills necessary for participants to achieve the objectives of the program; and

"(3) the teaching effectiveness of graduates of the program or other participants who have completed the program.

"SEC. 3139. USE OF FUNDS FOR SECOND LANGUAGE COMPETENCE.

"Awards under this subpart may be used to develop a program participant's competence in a second language for use in instructional programs.

"PART B—FOREIGN LANGUAGE ASSISTANCE PROGRAM

"SEC. 3201. SHORT TITLE.

"This part may be cited as the 'Foreign Language Assistance Act of 1994'.

"SEC. 3202. PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make grants, on a competitive basis, to State educational agencies or local educational agencies to pay the Federal share of the cost of innovative model programs providing for the establishment, improvement or expansion of foreign language study for elementary school and secondary school students.

"(2) DURATION.—Each grant under paragraph (1) shall be awarded for a period of 3 years.

"(b) REQUIREMENTS.—

"(1) GRANTS TO STATE EDUCATIONAL AGENCIES.—In awarding a grant under subsection (a) to a State educational agency, the Secretary shall support programs that promote systemic approaches to improving foreign language learning in the State.

"(2) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—In awarding a grant under subsection (a) to a local educational agency, the Secretary shall support programs that—

"(A) show the promise of being continued beyond the grant period;

"(B) demonstrate approaches that can be disseminated and duplicated in other local educational agencies; and

"(C) may include a professional development component.

"(c) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share for each fiscal year shall be 50 percent.

"(2) WAIVER.—The Secretary may waive the requirement of paragraph (1) for any local educational agency which the Secretary determines does

not have adequate resources to pay the non-Federal share of the cost of the activities assisted under this part.

"(3) SPECIAL RULE.—Not less than ¾ of the funds appropriated under section 3205 shall be used for the expansion of foreign language learning in the elementary grades.

"(4) RESERVATION.—The Secretary may reserve not more than 5 percent of funds appropriated under section 3205 to evaluate the efficacy of programs under this part.

"SEC. 3203. APPLICATIONS.

"(a) IN GENERAL.—Any State educational agency or local educational agency desiring a grant under this part shall submit an application to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require.

"(b) SPECIAL CONSIDERATION.—The Secretary shall give special consideration to applications describing programs that—

"(1) include intensive summer foreign language programs for professional development;

"(2) link non-native English speakers in the community with the schools in order to promote two-way language learning;

"(3) promote the sequential study of a foreign language for students, beginning in elementary schools;

"(4) make effective use of technology, such as computer-assisted instruction, language laboratories, or distance learning, to promote foreign language study;

"(5) promote innovative activities such as foreign language immersion, partial foreign language immersion, or content-based instruction; and

"(6) are carried out through a consortium comprised of the agency receiving the grant and an elementary school or secondary school.

"SEC. 3204. ELEMENTARY SCHOOL FOREIGN LANGUAGE INCENTIVE PROGRAM.

"(a) INCENTIVE PAYMENTS.—From amounts appropriated under section 3205 the Secretary shall make an incentive payment for each fiscal year to each public elementary school that provides to students attending such school a program designed to lead to communicative competency in a foreign language.

"(b) AMOUNT.—The Secretary shall determine the amount of the incentive payment under subsection (a) for each public elementary school for each fiscal year on the basis of the number of students participating in a program

described in such subsection at such school for such year compared to the total number of such students at all such schools in the United States for such year.

''(c) REQUIREMENT.—The Secretary shall consider a program to be designed to lead to communicative competency in a foreign language if such program is comparable to a program that provides not less than 45 minutes of instruction in a foreign language not less than 4 days per week throughout an academic year.

''SEC. 3205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $35,000,000 for the fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, to carry out this part, of which not more than $20,000,000 may be used in each fiscal year to carry out section 3204.

''PART C—EMERGENCY IMMIGRANT EDUCATION PROGRAM

''SEC. 3301. PURPOSE.

''(a) FINDINGS.—The Congress finds that—

''(1) the education of our Nation's children and youth is 1 of the most sacred government responsibilities;

''(2) local educational agencies have struggled to fund adequately education services;

"(3) in the case of Plyler v. Doe, 457 U.S. 202 (1982), the Supreme Court held that States have a responsibility under the Equal Protection Clause of the Constitution to educate all children, regardless of immigration status; and

"(4) immigration policy is solely a responsibility of the Federal Government.

"(b) PURPOSE.—The purpose of this part is to assist eligible local educational agencies that experience unexpectedly large increases in their student population due to immigration to—

"(1) provide high-quality instruction to immigrant children and youth; and

"(2) help such children and youth—

"(A) with their transition into American society; and

"(B) meet the same challenging State performance standards expected of all children and youth.

"SEC. 3302. STATE ADMINISTRATIVE COSTS.

"For any fiscal year, a State educational agency may reserve not more than 1.5 percent (2 percent if the State educational agency distributes funds received under this part to local educational agencies on a competitive basis) of the amount allocated to such agency under section 3304

to pay the costs of performing such agency's administrative functions under this part.

"SEC. 3303. WITHHOLDING.

"Whenever the Secretary, after providing reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirement of any provision of this part, the Secretary shall notify that agency that further payments will not be made to the agency under this part, or in the discretion of the Secretary, that the State educational agency shall not make further payments under this part to specified local educational agencies whose actions cause or are involved in such failure until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made to the State educational agency under this part, or payments by the State educational agency under this part shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

"SEC. 3304. STATE ALLOCATIONS.

"(a) PAYMENTS.—The Secretary shall, in accordance with the provisions of this section, make payments to State educational agencies for each of the fiscal years

2002 through 2008 for the purpose set forth in section 3301.

"(b) ALLOCATIONS.—

"(1) IN GENERAL.—Except as provided in subsections (c) and (d), of the amount appropriated for each fiscal year for this part, each State participating in the program assisted under this part shall receive an allocation equal to the proportion of such State's number of immigrant children and youth who are enrolled in public elementary schools or secondary schools under the jurisdiction of each local educational agency described in paragraph (2) within such State, and in nonpublic elementary schools or secondary schools within the district served by each such local educational agency, relative to the total number of immigrant children and youth so enrolled in all the States participating in the program assisted under this part.

"(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The local educational agencies referred to in paragraph (1) are those local educational agencies in which the sum of the number of immigrant children and youth who are enrolled in public elementary schools or secondary schools under the jurisdiction of such agencies, and in nonpublic elementary

schools or secondary schools within the districts served by such agencies, during the fiscal year for which the payments are to be made under this part, is equal to—

"(A) at least 500; or

"(B) at least 3 percent of the total number of students enrolled in such public or nonpublic schools during such fiscal year,

whichever is less.

"(c) DETERMINATIONS OF NUMBER OF CHILDREN AND YOUTH.—

"(1) IN GENERAL.—Determinations by the Secretary under this section for any period with respect to the number of immigrant children and youth shall be made on the basis of data or estimates provided to the Secretary by each State educational agency in accordance with criteria established by the Secretary, unless the Secretary determines, after notice and opportunity for a hearing to the affected State educational agency, that such data or estimates are clearly erroneous.

"(2) SPECIAL RULE.—No such determination with respect to the number of immigrant children and youth shall operate because of an underestimate or overestimate to deprive any State educational

agency of the allocation under this section that such State would otherwise have received had such determination been made on the basis of accurate data.

"(d) REALLOCATION.—Whenever the Secretary determines that any amount of a payment made to a State under this part for a fiscal year will not be used by such State for carrying out the purpose for which the payment was made, the Secretary shall make such amount available for carrying out such purpose to 1 or more other States to the extent the Secretary determines that such other States will be able to use such additional amount for carrying out such purpose. Any amount made available to a State from any appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under subsection (b)) for such year, but shall remain available until the end of the succeeding fiscal year.

"(e) RESERVATION OF FUNDS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part, if the amount appropriated to carry out this part exceeds $50,000,000 for a fiscal year, a State educational agency may reserve not more than 20 percent of such agency's payment under this part for such year to award grants, on a

competitive basis, to local educational agencies within the State as follows:

"(A) AGENCIES WITH IMMIGRANT CHILDREN AND YOUTH.—At least ½ of such grants shall be made available to eligible local educational agencies (as described in subsection (b)(2)) within the State with the highest numbers and percentages of immigrant children and youth.

"(B) AGENCIES WITH A SUDDEN INFLUX OF CHILDREN AND YOUTH.—Funds reserved under this paragraph and not made available under subparagraph (A) may be distributed to local educational agencies within the State experiencing a sudden influx of immigrant children and youth which are otherwise not eligible for assistance under this part.

"(2) USE OF GRANT FUNDS.—Each local educational agency receiving a grant under paragraph (1) shall use such grant funds to carry out the activities described in section 3307.

"(3) INFORMATION.—Local educational agencies with the highest number of immigrant children and youth receiving funds under paragraph (1) may make information available on serving immigrant

children and youth to local educational agencies in the State with sparse numbers of such children.

"SEC. 3305. STATE APPLICATIONS.

"(a) SUBMISSION.—No State educational agency shall receive any payment under this part for any fiscal year unless such agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

"(1) provide that the educational programs, services, and activities for which payments under this part are made will be administered by or under the supervision of the agency;

"(2) provide assurances that payments under this part will be used for purposes set forth in sections 3301 and 3307, including a description of how local educational agencies receiving funds under this part will use such funds to meet such purposes and will coordinate with other programs assisted under this Act, and other Acts as appropriate;

"(3) provide an assurance that local educational agencies receiving funds under this part will coordinate the use of such funds with programs assisted under part A or title I;

"(4) provide assurances that such payments, with the exception of payments reserved under section 3304(e), will be distributed among local educational agencies within that State on the basis of the number of immigrant children and youth counted with respect to each such local educational agency under section 3304(b)(1);

"(5) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this part without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

"(6) provide for making such reports as the Secretary may reasonably require to perform the Secretary's functions under this part;

"(7) provide assurances—

"(A) that to the extent consistent with the number of immigrant children and youth enrolled in the nonpublic elementary schools or secondary schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of such children and youth secular, neutral, and non-

ideological services, materials, and equipment necessary for the education of such children and youth;

''(B) that the control of funds provided under this part to any materials, equipment, and property repaired, remodeled, or constructed with those funds shall be in a public agency for the uses and purpose provided in this part, and a public agency shall administer such funds and property; and

''(C) that the provision of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such nonpublic elementary school or secondary school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds;

"(8) provide that funds reserved under section 3304(e) be awarded on a competitive basis based on merit and need in accordance with such section; and

"(9) provide an assurance that State educational agencies and local educational agencies receiving funds under this part will comply with the requirements of section 1120(b).

"(b) APPLICATION REVIEW.—

"(1) IN GENERAL.—The Secretary shall review all applications submitted pursuant to this section by State educational agencies.

"(2) APPROVAL.—The Secretary shall approve any application submitted by a State educational agency that meets the requirements of this section.

"(3) DISAPPROVAL.—The Secretary shall disapprove any application submitted by a State educational agency which does not meet the requirements of this section, but shall not finally disapprove an application except after providing reasonable notice, technical assistance, and an opportunity for a hearing to the State.

"SEC. 3306. ADMINISTRATIVE PROVISIONS.

"(a) NOTIFICATION OF AMOUNT.—The Secretary, not later than June 1 of each year, shall notify each State educational agency that has an application approved under

section 3305 of the amount of such agency's allocation under section 3304 for the succeeding year.

"(b) SERVICES TO CHILDREN ENROLLED IN NONPUBLIC SCHOOLS.—If by reason of any provision of law a local educational agency is prohibited from providing educational services for children enrolled in nonpublic elementary schools and secondary schools, as required by section 3305(a)(7), or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in such schools, the Secretary may waive such requirement and shall arrange for the provision of services, subject to the requirements of this part, to such children. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with the provisions of title I.

"SEC. 3307. USES OF FUNDS.

"(a) USE OF FUNDS.—Funds awarded under this part shall be used to pay for enhanced instructional opportunities for immigrant children and youth, which may include—

"(1) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

"(2) salaries of personnel, including teacher aides who have been specifically trained, or are being trained, to provide services to immigrant children and youth;

"(3) tutorials, mentoring, and academic or career counseling for immigrant children and youth;

"(4) identification and acquisition of curricular materials, educational software, and technologies to be used in the program;

"(5) basic instructional services which are directly attributable to the presence in the school district of immigrant children, including the costs of providing additional classroom supplies, overhead costs, costs of construction, acquisition or rental of space, costs of transportation, or such other costs as are directly attributable to such additional basic instructional services; and

"(6) such other activities, related to the purpose of this part, as the Secretary may authorize.

"(b) CONSORTIA.—A local educational agency that receives a grant under this part may collaborate or form a consortium with 1 or more local educational agencies, institutions of higher education, and nonprofit organizations to carry out the program described in an application approved under this part.

"(c) SUBGRANTS.—A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a nonprofit organization, or a consortium of such entities to carry out a program described in an application approved under this part, including a program to serve out-of-school youth.

"(d) CONSTRUCTION.—Nothing in this part shall be construed to prohibit a local educational agency from serving immigrant children simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 3308. REPORTS.

"(a) BIENNIAL REPORT.—Each State educational agency receiving funds under this part shall submit, once every 2 years, a report to the Secretary concerning the expenditure of funds by local educational agencies under this part. Each local educational agency receiving funds under this part shall submit to the State educational agency such information as may be necessary for such report.

"(b) REPORT TO CONGRESS.—The Secretary shall submit, once every 2 years, a report to the appropriate committees of the Congress concerning programs assisted under this part.

"SEC. 3309. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this part, there are authorized to be appropriated $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"PART D—ADMINISTRATION

"SEC. 3401. RELEASE TIME.

''The Secretary shall allow entities carrying out professional development programs funded under part A to use funds provided under part A for professional release time to enable individuals to participate in programs assisted under part A.

"SEC. 3402. EDUCATION TECHNOLOGY.

''Funds made available under part A may be used to provide for the acquisition or development of education technology or instructional materials, including authentic materials in languages other than English, access to and participation in electronic networks for materials, training and communications, and incorporation of such resources in curricula and programs such as those funded under this title.

"SEC. 3403. NOTIFICATION.

''The State educational agency, and when applicable, the State board for postsecondary education, shall be notified within 3 working days of the date an award under part A is made to an eligible entity within the State.

"SEC. 3404. CONTINUED ELIGIBILITY.

''Entities receiving grants under this title shall remain eligible for grants for subsequent activities which extend or expand and do not duplicate those activities supported by a previous grant under this title. In considering applications for grants under this title, the Secretary shall take into consideration the applicant's record of accomplishments under previous grants under this title.

"SEC. 3405. COORDINATION AND REPORTING REQUIREMENTS.

''(a) COORDINATION WITH RELATED PROGRAMS.—In order to maximize Federal efforts aimed at serving the educational needs of children and youth of limited English proficiency, the Secretary shall coordinate and ensure close cooperation with other programs serving language-minority and limited English proficient students that are administered by the Department and other agencies. The Secretary shall consult with the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Agriculture, the Attorney General and the heads of other relevant agencies to identify and eliminate barriers to appropriate coordination of programs that affect language-minority and limited English proficient students and their families. The Secretary shall provide for continuing consultation and collaboration, between the Office and relevant programs operated by the Department, in-

cluding programs under this title and other programs under this Act, in planning, contracts, providing joint technical assistance, providing joint field monitoring activities and in other relevant activities to ensure effective program coordination to provide high quality education opportunities to all language-minority and limited English proficient students.

''(b) DATA.—The Secretary shall, to the extent feasible, ensure that all data collected by the Department shall include the collection and reporting of data on limited English proficient students.

''(c) PUBLICATION OF PROPOSALS.—The Secretary shall publish and disseminate all requests for proposals for programs funded under part A.

''(d) REPORT.—The Director shall prepare and, not later than February 1 of every other year, shall submit to the Secretary and to the Committee on Health, Education, Labor, and Pensions of the Senate and to the Committee on Education and the Workforce of the House of Representatives a report on—

''(1) the activities carried out under this title and the effectiveness of such activities in improving the education provided to limited English proficient children and youth;

"(2) a critical synthesis of data reported by the States pursuant to section 3124;

"(3) an estimate of the number of certified bilingual education personnel in the field and an estimate of the number of bilingual education teachers which will be needed for the succeeding 5 fiscal years;

"(4) the major findings of research carried out under this title; and

"(5) recommendations for further developing the capacity of our Nation's schools to educate effectively limited English proficient students.

"PART E—GENERAL PROVISIONS

"SEC. 3501. DEFINITIONS.

"Except as otherwise provided, in this title:

"(1) BILINGUAL EDUCATION PROGRAM.—The term 'bilingual education program' means an educational program for limited English proficient students that—

"(A) makes instructional use of both English and a student's native language;

"(B) enables limited English proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking,

so as to meet age-appropriate grade-promotion and graduation standards;

"(C) may also develop the native language skills of limited English proficient students, or ancestral language skills of American Indians (within the meaning of part A of title VII), Alaska Natives (as defined in section 7306), Native Hawaiians (as defined in section 7207), and native residents of the outlying areas; and

"(D) may include the participation of English proficient students if such program is designed to enable all enrolled students to become proficient in English and a second language.

"(2) CHILDREN AND YOUTH.—The term 'children and youth' means individuals aged 3 through 21.

"(3) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization of demonstrated effectiveness or Indian tribe or tribally sanctioned educational authority (as such terms are defined in section 3004) that is representative of a community or significant segments of a community and that provides educational or related services to individuals in

the community. Such term includes Native Hawaiian organizations including Native Hawaiian Educational Organizations as such term is defined in section 4009 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, as such section was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994.

"(4) COMMUNITY COLLEGE.—The term 'community college' means an institution of higher education as defined in section 101 of the Higher Education Act of 1965 that provides not less than a 2-year program that is acceptable for full credit toward a bachelor's degree, including institutions receiving assistance under the Tribally Controlled College or University Assistance Act of 1978.

"(5) DIRECTOR.—The term 'Director' means the Director of the Office of Bilingual Education and Minority Languages Affairs established under section 209 of the Department of Education Organization Act.

"(6) FAMILY EDUCATION PROGRAM.—

"(A) IN GENERAL.—The term 'family education program' means a bilingual education or special alternative instructional program that—

"(i) is designed—

"(I) to help limited English proficient adults and out-of-school youths achieve proficiency in the English language; and

"(II) to provide instruction on how parents and family members can facilitate the educational achievement of their children;

"(ii) when feasible, uses instructional programs such as the models developed under the Even Start Family Literacy Programs, which promote adult literacy and train parents to support the educational growth of their children, the Parents as Teachers Program, and the Home Instruction Program for Preschool Youngsters; and

"(iii) gives preference to participation by parents and immediate family members of children attending school.

"(B) INSTRUCTION FOR HIGHER EDUCATION AND EMPLOYMENT.—Such term may include programs that provide instruction to fa-

cilitate higher education and employment outcomes.

"(7) IMMIGRANT CHILDREN AND YOUTH.—The term 'immigrant children and youth' means individuals who—

"(A) are aged 3 through 21;

"(B) were not born in any State; and

"(C) have not been attending 1 or more schools in any 1 or more States for more than 3 full academic years.

"(8) LIMITED ENGLISH PROFICIENCY AND LIMITED ENGLISH PROFICIENT.—The terms 'limited English proficiency' and 'limited English proficient', when used with reference to an individual, mean an individual—

"(A)(i) who was not born in the United States, or whose native language is a language other than English, and who comes from an environment where a language other than English is dominant;

"(ii) who is a Native American or Alaska Native, or is a native resident of the outlying areas, and comes from an environment where a language other than English has had a signifi-

cant impact on such individual's level of English language proficiency; or

"(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

"(B) who has sufficient difficulty speaking, reading, writing, or understanding the English language and whose difficulties may deny such individual the opportunity to learn successfully in classrooms where the language of instruction is English or to participate fully in society.

"(9) NATIVE AMERICAN AND NATIVE AMERICAN LANGUAGE.—The terms 'Native American' and 'Native American language' shall have the meanings given such terms in section 103 of the Native American Languages Act.

"(10) NATIVE HAWAIIAN OR NATIVE AMERICAN PACIFIC ISLANDER NATIVE LANGUAGE EDUCATIONAL ORGANIZATION.—The term 'Native Hawaiian or Native American Pacific Islander native language educational organization' means a nonprofit organization with a majority of its governing board and employees consisting of fluent speakers of the traditional Native American languages used in the orga-

nization's educational programs and with not less than 5 years successful experience in providing educational services in traditional Native American languages.

"(11) NATIVE LANGUAGE.—The term 'native language', when used with reference to an individual of limited English proficiency, means the language normally used by such individual, or in the case of a child or youth, the language normally used by the parents of the child or youth.

"(12) OFFICE.—The term 'Office' means the Office of Bilingual Education and Minority Languages Affairs.

"(13) OTHER PROGRAMS FOR PERSONS OF LIMITED ENGLISH PROFICIENCY.—The term 'other programs for persons of limited English proficiency' means any other programs administered by the Secretary that serve persons of limited English proficiency.

"(14) PARAPROFESSIONAL.—The term 'paraprofessional' means an individual who is employed in a preschool, elementary school, or secondary school under the supervision of a certified or licensed teacher, including individuals employed in bilingual education, special education and migrant education.

"(15) SPECIAL ALTERNATIVE INSTRUCTIONAL PROGRAM.—The term 'special alternative instructional program' means an educational program for limited English proficient students that—

"(A) utilizes specially designed English language curricula and services but does not use the student's native language for instructional purposes;

"(B) enables limited English proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking, so as to meet age-appropriate grade-promotion and graduation standards; and

"(C) is particularly appropriate for schools where the diversity of the limited English proficient students' native languages and the small number of students speaking each respective language makes bilingual education impractical and where there is a critical shortage of bilingual education teachers.

"SEC. 3502. REGULATIONS AND NOTIFICATION.

"(a) REGULATION RULE.—In developing regulations under this title, the Secretary shall consult with State educational agencies and local educational agencies, organiza-

tions representing limited English proficient individuals, and organizations representing teachers and other personnel involved in bilingual education.

"(b) PARENTAL NOTIFICATION.—

"(1) IN GENERAL.—Parents of children and youth participating in programs assisted under part A shall be informed of—

"(A) a student's level of English proficiency, how such level was assessed, the status of a student's academic achievement, and the implications of a student's educational strengths and needs for age and grade appropriate academic attainment, promotion, and graduation;

"(B) what programs are available to meet the student's educational strengths and needs and how the programs differ in content and instructional goals, and in the case of a student with a disability, how the program meets the objectives of a student's individualized education program; and

"(C) the instructional goals of the bilingual education or special alternative instructional program, and how the program will specifically help the limited English proficient student ac-

quire English and meet age-appropriate standards for grade promotion and graduation, including—

"(i) the benefits, nature, and past academic results of the bilingual educational program and of the instructional alternatives; and

"(ii) the reasons for the selection of their child as being in need of bilingual education.

"(2) OPTION TO DECLINE.—

"(A) IN GENERAL.—Such parents shall also be informed that such parents have the option of declining enrollment of their children and youth in such programs and shall be given an opportunity to so decline if such parents so choose.

"(B) CIVIL RIGHTS OBLIGATIONS.—A local educational agency shall not be relieved of any of its obligations under title VI of the Civil Rights Act of 1964 because parents choose not to enroll their children in programs carried out under part A.

"(3) RECEIPT OF INFORMATION.—Such parents shall receive, in a manner and form understandable

to such parents, including, if necessary and to the extent feasible, in the native language of such parents, the information required by this subsection. At a minimum, such parents shall receive—

"(A) timely information about projects funded under part A; and

"(B) if the parents of participating children so desire, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from such parents.

"(4) SPECIAL RULE.—Students shall not be admitted to or excluded from any federally assisted education program merely on the basis of a surname or language-minority status.".

TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

SEC. 401. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Title IV (20 U.S.C. 7101 et seq.) is amended to read as follows:

"TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

"PART A—STATE GRANTS

"SEC. 4001. SHORT TITLE.

''This part may be cited as the 'Safe and Drug-Free Schools and Communities Act of 1994'.

"SEC. 4002. FINDINGS.

''Congress makes the following findings:

''(1) Every student should attend a school in a drug- and violence-free learning environment.

''(2) The widespread illegal use of alcohol and drugs among the Nation's secondary school students, and increasingly by students in elementary schools as well, constitutes a grave threat to such students' physical and mental well-being, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

''(3) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety, youth development, positive school outcomes, and to reduce the demand for and illegal use of alcohol, tobacco and drugs

throughout the Nation. Schools, local organizations, parents, students, and communities throughout the Nation have a special responsibility to work together to combat the continuing epidemic of violence and illegal drug use and should measure the success of their programs against clearly defined goals and objectives.

''(4) Drug and violence prevention programs are most effective when implemented within a scientifically based research, drug and violence prevention framework of proven effectiveness.

''(5) Research clearly shows that community contexts contribute to substance abuse and violence.

''(6) Substance abuse and violence are intricately related and must be dealt with in a holistic manner.

''(7) Research has documented that parental behavior and environment directly influence a child's inclination to use alcohol, tobacco or drugs.

''SEC. 4003. PURPOSE.

''The purpose of this part is to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, school,

and community efforts and resources, through the provision of Federal assistance to—

"(1) States for grants to local educational agencies and educational service agencies and consortia of such agencies to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools for the development and implementation of policies that set clear and appropriate standards regarding the illegal use of alcohol, tobacco and drugs, and for violent behavior (including intermediate and junior high schools);

"(2) States for grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention including community mobilization, early intervention, rehabilitation referral, and education;

"(3) States for development, training, technical assistance, and coordination activities; and

"(4) public and private nonprofit organizations to provide technical assistance, conduct training, demonstrations, and evaluation, and to provide supplementary services and community mobilization ac-

tivities for the prevention of drug use and violence among students and youth.

"SEC. 4004. FUNDING.

''There are authorized to be appropriated—

''(1) $700,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, for State grants under subpart 1;

''(2) $150,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, for national programs under subpart 2;

''(3) $75,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, for the National Coordinator Initiative under section 4122; and

''(4) $5,000,000 for each of fiscal years 2002 through 2004 to carry out section 4125.

"Subpart 1—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS

"SEC. 4111. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount made available under section 4004(1) to carry out this subpart for each fiscal year, the Secretary—

"(1) shall reserve 1 percent of such amount for grants under this subpart to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with the Secretary's determination of their respective needs;

"(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

"(3) may reserve not more than $2,000,000 for the national impact evaluation required by section 4117(a); and

"(4) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 4118.

"(b) STATE ALLOTMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, for each fiscal year, allocate among the States—

"(A) one-half of the remainder not reserved under subsection (a) according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

"(B) one-half of such remainder according to the ratio between the amount each State received under section 1124A for the preceding year and the sum of such amounts received by all the States.

"(2) MINIMUM.—For any fiscal year, no State shall be allotted under this subsection an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this subsection.

"(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within 2 years of such allotment. Such reallotments shall be made on the same basis as allotments are made under paragraph (1).

"(4) DEFINITIONS.—In this subsection:

"(A) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(B) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' includes educational service agencies and consortia of such agencies.

"(c) LIMITATION.—Amounts appropriated under section 4004(2) for a fiscal year may not be increased above the amounts appropriated under such section for the previous fiscal year unless the amounts appropriated under section 4004(1) for the fiscal year involved are at least 10 percent greater that the amounts appropriated under such section 4004(1) for the previous fiscal year.

"SEC. 4112. STATE APPLICATIONS.

"(a) IN GENERAL.—In order to receive an allotment under section 4111 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

"(1) contains a comprehensive plan for the use of funds by the State educational agency and the chief executive officer to provide safe, orderly, and drug-free schools and communities;

"(2) contains the results of the State's needs assessment for drug and violence prevention programs, which shall be based on the results of ongoing State evaluation activities, including data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities and the prevalence of risk or protective factors, buffers or assets or other sci-

entifically based research variables in the school and community;

''(3) contains assurances that the sections of the application concerning the funds provided to the chief executive officer and the State educational agency were developed together, with each such officer or State representative, in consultation and coordination with appropriate State officials and others, including the chief State school officer, the chief executive officer, the head of the State alcohol and drug abuse agency, the heads of the State health and mental health agencies, the head of the State criminal justice planning agency, the head of the State child welfare agency, the head of the State board of education, or their designees, and representatives of parents, students, and community-based organizations;

''(4) contains an assurance that the State will cooperate with, and assist, the Secretary in conducting a national impact evaluation of programs required by section 4117(a);

''(5) contains assurances that the State education agency and the Governor will develop their respective applications in consultation with an advisory council that includes, to the extent practicable, rep-

resentatives from school districts, businesses, parents, youth, teachers, administrators, pupil services personnel, private schools, appropriate State agencies, community-based organizations, the medical profession, law enforcement, the faith-based community and other groups with interest and expertise in alcohol, tobacco, drug, and violence prevention;

''(6) contains assurances that the State education agency and the Governor involve the representatives described in paragraph (5), on an ongoing basis, to review program evaluations and other relevant material and make recommendations to the State education agency and the Governor on how to improve their respective alcohol, tobacco, drug, and violence prevention programs;

''(7) contains a list of the State's results-based performance measures for drug and violence prevention, that shall—

''(A) be focused on student behavior and attitudes and be derived from the needs assessment;

''(B) include targets and due dates for the attainment of such performance measures; and

''(C) include a description of the procedures that the State will use to inform local

educational agencies of such performance measures for assessing and publicly reporting progress toward meeting such measures or revising them as needed; and

''(8) includes any other information the Secretary may require.

''(b) STATE EDUCATIONAL AGENCY FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4113(a) by the State educational agency that includes—

''(1) a plan for monitoring the implementation of, and providing technical assistance regarding, the drug and violence prevention programs conducted by local educational agencies in accordance with section 4116;

''(2) a description of how the State educational agency will use funds under section 4113(b), including how the agency will receive input from parents regarding the use of such funds;

''(3) a description of how the State educational agency will coordinate such agency's activities under this subpart with the chief executive officer's drug and violence prevention programs under this subpart and with the prevention efforts of other State agencies; and

"(4) a description of the procedures the State educational agency will use to review applications from and allocate funding to local educational agencies under section 4115 and how such review will receive input from parents.

"(c) GOVERNOR'S FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 4114(a) by the chief executive officer that includes, with respect to each activity to be carried out by the State—

"(1) a description of how the chief executive officer will coordinate such officer's activities under this part with the State educational agency and other State agencies and organizations involved with drug and violence prevention efforts;

"(2) a description of how funds reserved under section 4114(a) will be used so as not to duplicate the efforts of the State educational agency and local educational agencies with regard to the provision of school-based prevention efforts and services and how those funds will be used to serve populations not normally served by the State educational agency, such as school dropouts and youth in detention centers;

"(3) a description of how the chief executive officer will award funds under section 4114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds;

"(4) a description of the special outreach activities that will be carried out to maximize the participation of community-based nonprofit organizations of demonstrated effectiveness which provide services in low-income communities;

"(5) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning and community mobilization activities; and

"(6) a specific description of how input from parents will be sought regarding the use of funds under section 4114(a).

"(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

"(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 2002 a 1-year interim application and plan for the use of funds under this subpart that are consistent with the requirements of this section and contain such in-

formation as the Secretary may specify in regulations. The purpose of such interim application and plan shall be to afford the State the opportunity to fully develop and review such State's application and comprehensive plan otherwise required by this section. A State may not receive a grant under this subpart for a fiscal year subsequent to fiscal year 2002 unless the Secretary has approved such State's application and comprehensive plan in accordance with this subpart.

"SEC. 4113. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

"(a) USE OF FUNDS.—An amount equal to 80 percent of the total amount allocated to a State under section 4111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section.

"(b) STATE LEVEL PROGRAMS.—

"(1) IN GENERAL.—A State educational agency shall use not more than 5 percent of the amount available under subsection (a) for activities such as—

"(A) voluntary training and technical assistance concerning drug and violence prevention for local educational agencies and edu-

cational service agencies, including teachers, administrators, coaches and athletic directors, other staff, parents, students, community leaders, health service providers, local law enforcement officials, and judicial officials;

''(B) the development, identification, dissemination, and evaluation of the most readily available, accurate, and up-to-date drug and violence prevention curriculum materials (including videotapes, software, and other technology-based learning resources), for consideration by local educational agencies;

''(C) making available to local educational agencies cost effective scientifically based research programs for youth violence and drug abuse prevention;

''(D) demonstration projects in drug and violence prevention, including service-learning projects;

''(E) training, technical assistance, and demonstration projects to address violence associated with prejudice and intolerance;

''(F) training, technical assistance and demonstration projects to address the impact of

family violence on school violence and substance abuse;

"(G) financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children or sparsely populated areas, or to meet other special needs consistent with the purposes of this subpart; and

"(H) the evaluation of activities carried out within the State under this part.

"(2) SPECIAL RULE.—A State educational agency may carry out activities under this subsection directly, or through grants or contracts.

"(c) STATE ADMINISTRATION.—

"(1) IN GENERAL.—A State educational agency may use not more than 5 percent of the amount reserved under subsection (a) for the administrative costs of carrying out its responsibilities under this part.

"(2) UNIFORM MANAGEMENT INFORMATION AND REPORTING SYSTEM.—In carrying out its responsibilities under this part, a State shall implement a uniform management information and reporting system that includes information on the types of curricula, programs and services provided

by the State, Governor, local education agencies, and other recipients of funds under this title.

"(d) LOCAL EDUCATIONAL AGENCY PROGRAMS.—

"(1) IN GENERAL.—A State educational agency shall distribute not less than 91 percent of the amount made available under subsection (a) for each fiscal year to local educational agencies in accordance with this subsection.

"(2) DISTRIBUTION.—A State educational agency shall distribute amounts under paragraph (1) in accordance with any one of the following subparagraphs:

"(A) ENROLLMENT AND COMBINATION APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

"(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

"(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i)—

"(I) to each local educational agency in an amount determined appropriate by the State educational agency; or

"(II) to local educational agencies that the State education agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

"(B) COMPETITIVE AND NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

"(i) not to exceed 70 percent of such amount to local educational agencies that the State agency determines, through a competitive process, have the greatest need for funds to carry out drug and violence prevention programs based on criteria established by the State agency and authorized under this subpart; and

"(ii) at least 30 percent of any amounts remaining after amounts are distributed under clause (i) to local edu-

cational agencies that the State agency determines have a need for additional funds to carry out the program authorized under this subpart.

"(3) CONSIDERATION OF OBJECTIVE DATA.—For purposes of paragraph (2), in determining which local educational agencies have the greatest need for funds, the State educational agency shall consider objective data which may include—

"(A) high or increasing rates of alcohol or drug use among youth;

"(B) high or increasing rates of victimization of youth by violence and crime;

"(C) high or increasing rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

"(D) the extent of illegal gang activity;

"(E) high or increasing incidence of violence associated with prejudice and intolerance;

"(F) high or increasing rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

"(G) high or increasing rates of referrals of youths to juvenile court;

"(H) high or increasing rates of expulsions and suspensions of students from schools;

"(I) high or increasing rates of reported cases of child abuse and domestic violence; and

"(J) high or increasing rates of drug related emergencies or deaths.

"(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to such agency under subsection (d), or if such agency's application under section 4115 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of its other local educational agencies.

"(f) RETURN OF FUNDS TO STATE EDUCATIONAL AGENCY; REALLOCATION.—

"(1) RETURN.—Except as provided in paragraph (2), upon the expiration of the 1-year period beginning on the date that a local educational agency or educational service agency under this title receives its allocation under this title—

"(A) such agency shall return to the State educational agency any funds from such allocation that remain unobligated; and

"(B) the State educational agency shall reallocate any such amount to local educational

agencies or educational service agencies that have plans for using such amount for programs or activities on a timely basis.

''(2) REALLOCATION.—In any fiscal year, a local educational agency, may retain for obligation in the succeeding fiscal year—

''(A) an amount equal to not more than 25 percent of the allocation it receives under this title for such fiscal year; or

''(B) upon a demonstration of good cause by such agency or consortium, a greater amount approved by the State educational agency.

''SEC. 4114. GOVERNOR'S PROGRAMS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—An amount equal to 20 percent of the total amount allocated to a State under section 4111(b)(1) for each fiscal year shall be used by the chief executive officer of such State for drug and violence prevention programs and activities in accordance with this section.

''(2) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the 20 percent described in paragraph (1) for the administrative costs incurred in carrying out the duties

of such officer under this section. The chief executive officer of a State may use amounts under this paragraph to award grants to State, county, or local law enforcement agencies, including district attorneys, in consultation with local education agencies or community-based agencies, for the purposes of carrying out drug abuse and violence prevention activities.

''(b) STATE PLAN.—Amounts shall be used under this section in accordance with a State plan submitted by the chief executive office of the State. Such State plan shall contain—

''(1) an objective analysis of the current use (and consequences of such use) of alcohol, tobacco, and controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend schools in the State (including private school students who participate in the States's drug and violence prevention programs) that is based on ongoing local assessment or evaluation activities;

''(2) an analysis, based on data reasonably available at the time, of the prevalence of risk factors, including high or increasing rates of reported cases of child abuse and domestic violence, or protec-

tive factors, buffers or assets or other scientifically based research variables in schools and communities in the State;

"(3) a description of the scientifically based research strategies and programs, which shall be used to prevent or reduce drug use, violence, or disruptive behavior, which shall include—

"(A) a specification of the objectively measurable goals, objectives, and activities for the program;

"(B) a specification for how risk factors, if any, which have been identified will be targeted through scientifically based research programs; and

"(C) a specification for how protective factors, buffers, or assets, if any, will be targeted through scientifically based research programs;

"(4) a specification for the method or methods by which measurements of program goals will be achieved; and

"(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program.

"(c) PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—A chief executive officer shall use funds made available under subsection (a)(1) directly for grants to or contracts with parent groups, schools, community action and job training agencies, community-based organizations, community anti-drug coalitions, law enforcement education partnerships, and other public entities and private nonprofit organizations and consortia thereof. In making such grants and contracts, a chief executive officer shall give priority to programs and activities described in subsection (d) for—

"(A) children and youth who are not normally served by State or local educational agencies; or

"(B) populations that need special services or additional resources (such as preschoolers, youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teenagers, and school dropouts).

"(2) PEER REVIEW.—Grants or contracts awarded under this subsection shall be subject to a peer review process.

"(d) AUTHORIZED ACTIVITIES.—Grants and contracts under subsection (c) shall be used to carry out the

comprehensive State plan as required under section 4112(a)(1) through programs and activities such as—

"(1) disseminating information about drug and violence prevention;

"(2) the voluntary training of parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, health education (as it relates to drug and violence prevention), domestic violence and child abuse education (as it relates to drug and violence prevention), early intervention, pupil services, or rehabilitation referral;

"(3) developing and implementing comprehensive, community-based drug and violence prevention programs that link community resources with schools and integrate services involving education, vocational and job skills training and placement, law enforcement, health, mental health, family violence prevention, community service, service-learning, mentoring, and other appropriate services;

"(4) planning and implementing drug and violence prevention activities that coordinate the efforts of State agencies with efforts of the State educational agency and its local educational agencies;

"(5) activities to protect students traveling to and from school;

"(6) before-and-after school recreational, instructional, cultural, and artistic programs that encourage drug- and violence-free lifestyles;

"(7) activities that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

"(8) developing and implementing activities to prevent and reduce violence associated with prejudice and intolerance;

"(9) developing and implementing activities to prevent and reduce dating violence;

"(10) developing and implementing strategies to prevent illegal gang activity;

"(11) coordinating and conducting school and community-wide violence and safety and drug abuse assessments and surveys;

"(12) service-learning projects that encourage drug- and violence-free lifestyles;

"(13) evaluating programs and activities assisted under this section;

"(14) developing and implementing community mobilization activities to undertake environmental

change strategies related to substance abuse and violence; and

''(15) partnerships between local law enforcement agencies, including district attorneys, and local education agencies or community-based agencies.

''SEC. 4115. LOCAL APPLICATIONS.

''(a) APPLICATION REQUIRED.—

''(1) IN GENERAL.—In order to be eligible to receive a distribution under section 4113(d) for any fiscal year, a local educational agency shall submit, at such time as the State educational agency requires, an application to the State educational agency for approval. Such an application shall be amended, as necessary, to reflect changes in the local educational agency's program.

''(2) DEVELOPMENT.—

''(A) CONSULTATION.—A local educational agency shall develop its application under subsection (a)(1) in consultation with a local or substate regional advisory council that includes, to the extent possible, representatives of local government, business, parents, students, teachers, pupil services personnel, appropriate State agencies, private schools, the medical profession, law enforcement, community-based organi-

zations, and other groups with interest and expertise in drug and violence prevention.

"(B) DUTIES OF ADVISORY COUNCIL.—In addition to assisting the local educational agency to develop an application under this section, the advisory council established or designated under subparagraph (A) shall, on an ongoing basis—

"(i) disseminate information about scientifically based research drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

"(ii) advise the local educational agency regarding how best to coordinate such agency's activities under this subpart with other related programs, projects, and activities;

"(iii) ensure that a mechanism is in place to enable local educational agencies to have access to up-to-date information concerning the agencies that administer related programs, projects, and activities and any changes in the law that alter the duties of the local educational agencies with

respect to activities conducted under this subpart; and

"(iv) review program evaluations and other relevant material and make recommendations on an active and ongoing basis to the local educational agency on how to improve such agency's drug and violence prevention programs.

"(b) CONTENTS OF APPLICATIONS.—An application under this section shall contain—

"(1) an objective analysis of the current use (and consequences of such use) of alcohol, tobacco, and controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend the schools of the applicant (including private school students who participate in the applicant's drug and violence prevention program) that is based on ongoing local assessment or evaluation activities;

"(2) an analysis, based on data reasonably available at the time, of the prevalence of risk factors, including high or increasing rates of reported cases of child abuse and domestic violence, or protective factors, buffers or assets or other scientifically

based research variables in the school and community;

"(3) a description of the scientifically based research strategies and programs, which shall be used to prevent or reduce drug use, violence, or disruptive behavior, which shall include—

"(A) a specification of the objectively measurable goals, objectives, and activities for the program, which shall include—

"(i) reductions in the use of alcohol, tobacco, and illicit drugs and violence by youth;

"(ii) specific reductions in the prevalence of identified risk factors;

"(iii) specific increases in the prevalence of protective factors, buffers, or assets if any have been identified; or

"(iv) other scientifically based research goals, objectives, and activities that are identified as part of the application that are not otherwise covered under clauses (i) through (iii);

"(B) a specification for how risk factors, if any, which have been identified will be targeted

through scientifically based research programs; and

"(C) a specification for how protective factors, buffers, or assets, if any, will be targeted through scientifically based research programs;

"(4) a specification for the method or methods by which measurements of program goals will be achieved;

"(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

"(6) an assurance that the applicant has, or the schools to be served have, a plan for keeping schools safe and drug-free that includes—

"(A) appropriate and effective discipline policies that prohibit disorderly conduct, the possession of firearms and other weapons, and the illegal use, possession, distribution, and sale of tobacco, alcohol, and other drugs by students;

"(B) security procedures at school and while students are on the way to and from school;

"(C) prevention activities that are designed to create and maintain safe, disciplined, and drug-free environments; and

"(D) a crisis management plan for responding to violent or traumatic incidents on school grounds; and

"(7) such other information and assurances as the State educational agency may reasonably require.

"(c) REVIEW OF APPLICATION.—

"(1) IN GENERAL.—In reviewing local applications under this section, a State educational agency shall use a peer review process or other methods of assuring the quality of such applications.

"(2) CONSIDERATIONS.—

"(A) IN GENERAL.—In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency's comprehensive plan under subsection (b)(6) and the extent to which the proposed plan provides a thorough assessment of the substance abuse and violence problem, uses objective data and the knowledge of a wide range of community members, develops

measurable goals and objectives, and implements scientifically based research programs that have been shown to be effective and meet identified needs.

"(B) DISAPPROVAL.—A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or place restrictions on the use of funds allotted to such a local educational agency in a manner the State educational agency determines will best promote the purposes of this part, except that a local educational agency shall be afforded an opportunity to appeal any such disapproval.

"SEC. 4116. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

"(a) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this subpart to adopt and carry out a comprehensive drug and violence prevention program which shall—

"(1) be designed, for all students and school employees, to—

"(A) prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students and to prevent the illegal use, pos-

session, and distribution of such substances by school employees;

"(B) prevent violence and promote school safety; and

"(C) create a disciplined environment conducive to learning;

"(2) include activities to promote the involvement of parents and coordination with community groups and agencies, including the distribution of information about the local educational agency's needs, goals, and programs under this subpart;

"(3) implement activities which shall include—

"(A) a thorough assessment of the substance abuse violence problem, using objective data and the knowledge of a wide range of community members;

"(B) the development of measurable goals and objectives;

"(C) the implementation of scientifically based research programs that have been shown to be effective and meet identified goals; and

"(D) an evaluation of program activities; and

"(4) implement prevention programming activities within the context of a scientifically based research prevention framework.

"(b) USE OF FUNDS.—A comprehensive, age-appropriate, developmentally-, and scientifically based research drug and violence prevention program carried out under this subpart may include—

"(1) drug or violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs or violence, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

"(2) programs of drug or violence prevention, health education (as it relates to drug and violence prevention), domestic violence and child abuse education (as it relates to drug and violence prevention), early intervention, pupil services, mentoring, or rehabilitation referral, which emphasize students' sense of individual responsibility and which may include—

"(A) the dissemination of information about drug or violence prevention;

"(B) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

"(C) the implementation of strategies, including strategies to integrate the delivery of services from a variety of providers, to combat illegal alcohol, tobacco and drug use, such as—

"(i) family counseling; and

"(ii) activities, such as community service and service-learning projects, that are designed to increase students' sense of community;

"(3) age-appropriate, developmentally based violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, including sexual harassment and abuse, domestic violence and child abuse, and victimization associated with prejudice and intolerance, and that include activities designed to help students develop a sense of

individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

"(4) violence prevention programs for school-aged youth, which emphasize students' sense of individual responsibility and may include—

"(A) the dissemination of information about school safety and discipline;

"(B) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent school violence;

"(C) the implementation of strategies, such as conflict resolution and peer mediation, student outreach efforts against violence, anti-crime youth councils (which work with school and community-based organizations to discuss and develop crime prevention strategies), and the use of mentoring programs, to combat school violence and other forms of disruptive

behavior, such as sexual harassment and abuse; and

"(D) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents and schools; and

"(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

"(5) supporting 'safe zones of passage' for students between home and school through such measures as Drug- and Weapon-Free School Zones, enhanced law enforcement, and neighborhood patrols;

"(6) the acquisition or hiring of school security equipment, technologies, personnel, or services such as—

"(A) metal detectors;

"(B) electronic locks;

"(C) surveillance cameras; and

"(D) other drug and violence prevention-related equipment and technologies;

"(7) professional development for teachers and other staff and curricula that promote the awareness of and sensitivity to alternatives to violence through

courses of study that include related issues of intolerance and hatred in history;

''(8) the promotion of before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings;

''(9) other scientifically based research prevention programming that is—

''(A) effective in reducing the prevalence of alcohol, tobacco or drug use, and violence in youth;

''(B) effective in reducing the prevalence of risk factors predictive of increased alcohol, tobacco or drug use, and violence; or

''(C) effective in increasing the prevalence of protective factors, buffers, and assets predictive of decreased alcohol, tobacco or drug use and violence among youth;

''(10) the collection of objective data used to assess program needs, program implementation, or program success in achieving program goals and objectives;

''(11) community involvement activities including community mobilization;

''(12) voluntary parental involvement and training;

"(13) the evaluation of any of the activities authorized under this subsection;

"(14) the provision of mental health counseling (by qualified counselors) to students for drug or violence related problems;

"(15) consistent with the fourth amendment to the Constitution of the United States, the testing of a student for illegal drug use or inspecting a student's locker for guns, explosives, other weapons, or illegal drugs, including at the request of or with the consent of a parent or legal guardian of the student, if the local educational agency elects to so test or inspect; and

"(16) the conduct of a nationwide background check of each local educational agency employee (regardless of when hired) and prospective employees for the purpose of determining whether the employee or prospective employee has been convicted of a crime that bears upon the employee's or prospective employee's fitness—

"(A) to have responsibility for the safety or well-being of children;

"(B) to serve in the particular capacity in which the employee or prospective employee is or will be employed; or

"(C) to otherwise be employed at all by the local educational agency.

"(c) LIMITATIONS.—

"(1) IN GENERAL.—Not more than 20 percent of the funds made available to a local educational agency under this subpart may be used to carry out the activities described in paragraphs (5) and (6) of subsection (b).

"(2) SPECIAL RULE.—A local educational agency shall only use funds received under this subpart for activities described in paragraphs (5) and (6) of subsection (b) if funding for such activities is not received from other Federal agencies.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit the use of funds under this part by any local educational agency or school for the establishment or implementation of a school uniform policy so long as such policy is part of the overall comprehensive drug and violence prevention plan of the State involved and is supported by the State's needs assessment and other scientifically based research information.

"SEC. 4117. EVALUATION AND REPORTING.

"(a) IMPACT EVALUATION.—

"(1) BIENNIAL EVALUATION.—The Secretary, in consultation with the National Advisory Com-

mittee, shall conduct an independent biennial evaluation of the impact of programs assisted under this subpart and of other recent and new initiatives to combat violence in schools. The evaluation shall report on—

"(A) whether funded community and local education agency programs—

"(i) provided a thorough assessment of the substance abuse and violence problem;

"(ii) used objective data and the knowledge of a wide range of community members;

"(iii) developed measurable goals and objectives;

"(iv) implemented scientifically based research programs that have been shown to be effective and meet identified needs; and

"(v) conducted periodic program evaluations to assess progress made towards achieving program goals and objectives and whether they used evaluations to improve program goals, objectives and activities;

"(B) whether funded community and local education agency programs have been designed and implemented in a manner that specifically targets, if relevant to the program—

"(i) scientifically based research variables that are predictive of drug use or violence;

"(ii) risk factors that are predictive of an increased likelihood that young people will use drugs, alcohol or tobacco or engage in violence or drop out of school; or

"(iii) protective factors, buffers, or assets that are known to protect children and youth from exposure to risk, either by reducing the exposure to risk factors or by changing the way the young person responds to risk, and to increase the likelihood of positive youth development;

"(C) whether funded community and local education agency programs have appreciably reduced the level of drug, alcohol and tobacco use and school violence and the presence of firearms at schools; and

"(D) whether funded community and local educational agency programs have conducted ef-

fective parent involvement and voluntary training programs.

"(2) DATA COLLECTION.—The National Center for Education Statistics shall collect data to determine the incidence and prevalence of social disapproval of drug use and violence in elementary and secondary schools in the States.

"(3) BIENNIAL REPORT.—Not later than January 1, 2003, and every 2 years thereafter, the Secretary shall submit to the President and Congress a report on the findings of the evaluation conducted under paragraph (1) together with the data collected under paragraph (2) and data available from other sources on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use in elementary and secondary schools in the States. The Secretary shall include data submitted by the States pursuant to subsection (b)(2)(B).

"(b) STATE REPORT.—

"(1) IN GENERAL.—By December 1, 2002, and every 2 years thereafter, the chief executive officer of the State, in cooperation with the State educational agency, shall submit to the Secretary a report—

"(A) on the implementation and outcomes of State programs under section 4114 and section 4113(b) and local educational agency programs under section 4113(d), as well as an assessment of their effectiveness;

"(B) on the State's progress toward attaining its goals for drug and violence prevention under subsections (b)(1) and (c)(1) of section 4112; and

"(C) on the State's efforts to inform parents of, and include parents in, violence and drug prevention efforts.

"(2) SPECIAL RULE.—The report required by this subsection shall be—

"(A) in the form specified by the Secretary;

"(B) based on the State's ongoing evaluation activities, and shall include data on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth in schools and communities; and

"(C) made readily available to the public.

"(c) LOCAL EDUCATIONAL AGENCY REPORT.—

"(1) IN GENERAL.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency such information that the State requires to complete the State report required by subsection (b), including a description of how parents were informed of, and participated in, violence and drug prevention efforts.

"(2) AVAILABILITY.—Information under paragraph (1) shall be made readily available to the public.

"(3) PROVISION OF DOCUMENTATION.—Not later than January 1 of each year that a State is required to report under subsection (b), the Secretary shall provide to the State education agency all of the necessary documentation required for compliance with this section.

"SEC. 4118. PROGRAMS FOR NATIVE HAWAIIANS.

"(a) GENERAL AUTHORITY.—From the funds made available pursuant to section 4111(a)(4) to carry out this section, the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Native Hawaiians which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with

the provisions of this title for the benefit of Native Hawaiians.

''(b) DEFINITION OF NATIVE HAWAIIAN.—For the purposes of this section, the term 'Native Hawaiian' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

"Subpart 2—National Programs

"SEC. 4121. FEDERAL ACTIVITIES.

''(a) PROGRAM AUTHORIZED.—From funds made available to carry out this subpart under section 4004(2), the Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels from preschool through the post-secondary level. The Secretary shall carry out such programs directly, or through grants, contracts, or cooperative agreements with public and private nonprofit organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

"(1) the development and demonstration of innovative strategies for the voluntary training of school personnel, parents, and members of the community, including the demonstration of model preservice training programs for prospective school personnel;

"(2) demonstrations and rigorous evaluations of innovative approaches to drug and violence prevention;

"(3) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the clearinghouse for alcohol and drug abuse information established under section 501(d)(16) of the Public Health Service Act;

"(4) the development of curricula related to child abuse prevention and education and the training of personnel to teach child abuse education and prevention to elementary and secondary schoolchildren;

"(5) program evaluations that address issues not addressed under section 4117(a);

"(6) direct services to schools and school systems afflicted with especially severe drug and vio-

lence problems or to support crisis situations and appropriate response efforts;

''(7) activities in communities designated as empowerment zones or enterprise communities that will connect schools to community-wide efforts to reduce drug and violence problems;

''(8) developing and disseminating drug and violence prevention materials, including video-based projects and model curricula;

''(9) developing and implementing a comprehensive violence prevention strategy for schools and communities, that may include conflict resolution, peer mediation, the teaching of law and legal concepts, and other activities designed to stop violence;

''(10) the implementation of innovative activities, such as community service and service-learning projects, designed to rebuild safe and healthy neighborhoods and increase students' sense of individual responsibility;

''(11) grants to noncommercial telecommunications entities for the production and distribution of national video-based projects that provide young people with models for conflict resolution and responsible decisionmaking;

"(12) the development of education and training programs, curricula, instructional materials, and professional training and development for preventing and reducing the incidence of crimes and conflicts motivated by hate in localities most directly affected by hate crimes; and

"(13) other activities that meet unmet national needs related to the purposes of this title.

"(b) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

"SEC. 4122. NATIONAL COORDINATOR PROGRAM.

"(a) IN GENERAL.—From amounts available to carry out this section under section 4004(3), the Secretary shall provide for the establishment of a National Coordinator Program under which the Secretary shall award grants to local educational agencies for the hiring of drug prevention and school safety program coordinators.

"(b) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used by local educational agencies to recruit, hire, and train individuals to serve as drug prevention and school safety program coordinators in schools with significant drug and school safety problems. Such coordinators shall be responsible for developing, conducting, and analyzing assessments of drug and

crime problems at their schools, and administering the safe and drug free grant program at such schools.

"SEC. 4123. SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ADVISORY COMMITTEE.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is hereby established an advisory committee to be known as the 'Safe and Drug Free Schools and Communities Advisory Committee' (referred to in this section as the 'Advisory Committee') to—

"(A) consult with the Secretary under subsection (b);

"(B) coordinate Federal school- and community-based substance abuse and violence prevention programs and reduce duplicative research or services;

"(C) develop core data sets and evaluation protocols for safe and drug free school- and community-based programs;

"(D) provide technical assistance and training for safe and drug free school- and community-based programs;

"(E) provide for the diffusion of scientifically based research safe and drug free school- and community-based programs; and

"(F) review other regulations and standards developed under this title.

"(2) COMPOSITION.—The Advisory Committee shall be composed of representatives from—

"(A) the Department of Education;

"(B) the Centers for Disease Control and Prevention;

"(C) the National Institute on Drug Abuse;

"(D) the National Institute on Alcoholism and Alcohol Abuse;

"(E) the Center for Substance Abuse Prevention;

"(F) the Center for Mental Health Services;

"(G) the Office of Juvenile Justice and Delinquency Prevention;

"(H) the Office of National Drug Control Policy; and

"(I) State and local governments, including education agencies.

"(3) CONSULTATION.—In carrying out its duties under this section, the Advisory Committee shall annually consult with interested State and local coordinators of school- and community-based sub-

stance abuse and violence prevention programs and other interested groups.

"(b) PROGRAMS.—

"(1) IN GENERAL.—From amounts made available under section 4004(2) to carry out this subpart, the Secretary, in consultation with the Advisory Committee, shall carry out scientifically based research programs to strengthen the accountability and effectiveness of the State, Governor's, and national programs under this title.

"(2) GRANTS, CONTRACTS OR COOPERATIVE AGREEMENTS.—The Secretary shall carry out paragraph (1) directly or through grants, contracts, or cooperative agreements with public and nonprofit private organizations and individuals or through agreements with other Federal agencies.

"(3) COORDINATION.—The Secretary shall coordinate programs under this section with other appropriate Federal activities.

"(4) ACTIVITIES.—Activities that may be carried out under programs funded under this section may include—

"(A) the provision of technical assistance and training, in collaboration with other Federal agencies utilizing their expertise and na-

tional and regional training systems, for Governors, State educational agencies and local educational agencies to support high quality, effective programs that—

"(i) provide a thorough assessment of the substance abuse and violence problem;

"(ii) utilize objective data and the knowledge of a wide range of community members;

"(iii) develop measurable goals and objectives; and

"(iv) implement scientifically based research activities that have been shown to be effective and that meet identified needs;

"(B) the provision of technical assistance and training to foster program accountability;

"(C) the diffusion and dissemination of best practices and programs;

"(D) the development of core data sets and evaluation tools;

"(E) program evaluations;

"(F) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the clearinghouse for alcohol and drug

abuse information established under section 501(d)(16) of the Public Health Service Act; and

"(G) other activities that meet unmet needs related to the purposes of this title and that are undertaken in consultation with the Advisory Committee.

"SEC. 4124. HATE CRIME PREVENTION.

"(a) GRANT AUTHORIZATION.—From funds made available to carry out this subpart under section 4004(2) the Secretary may make grants to local educational agencies and community-based organizations for the purpose of providing assistance to localities most directly affected by hate crimes.

"(b) USE OF FUNDS.—

"(1) PROGRAM DEVELOPMENT.—Grants under this section may be used to improve elementary and secondary educational efforts, including—

"(A) development of education and training programs designed to prevent and to reduce the incidence of crimes and conflicts motivated by hate;

"(B) development of curricula for the purpose of improving conflict or dispute resolution skills of students, teachers, and administrators;

"(C) development and acquisition of equipment and instructional materials to meet the needs of, or otherwise be part of, hate crime or conflict programs; and

"(D) professional training and development for teachers and administrators on the causes, effects, and resolutions of hate crimes or hate-based conflicts.

"(2) IN GENERAL.—In order to be eligible to receive a grant under this section for any fiscal year, a local educational agency, or a local educational agency in conjunction with a community-based organization, shall submit an application to the Secretary in such form and containing such information as the Secretary may reasonably require.

"(3) REQUIREMENTS.—Each application under paragraph (2) shall include—

"(A) a request for funds for the purposes described in this section;

"(B) a description of the schools and communities to be served by the grants; and

"(C) assurances that Federal funds received under this section shall be used to supplement, not supplant, non-Federal funds.

"(4) COMPREHENSIVE PLAN.—Each application shall include a comprehensive plan that contains—

"(A) a description of the hate crime or conflict problems within the schools or the community targeted for assistance;

"(B) a description of the program to be developed or augmented by such Federal and matching funds;

"(C) assurances that such program or activity shall be administered by or under the supervision of the applicant;

"(D) procedures for the proper and efficient administration of such program; and

"(E) fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this section.

"(c) AWARD OF GRANTS.—

"(1) SELECTION OF RECIPIENTS.—The Secretary shall consider the incidence of crimes and conflicts motivated by bias in the targeted schools and communities in awarding grants under this section.

"(2) GEOGRAPHIC DISTRIBUTION.—The Secretary shall attempt, to the extent practicable, to

achieve an equitable geographic distribution of grant awards.

"(3) DISSEMINATION OF INFORMATION.—The Secretary shall attempt, to the extent practicable, to make available information regarding successful hate crime prevention programs, including programs established or expanded with grants under this section.

"(d) REPORTS.—The Secretary shall submit to the Congress a report every two years which shall contain a detailed statement regarding grants and awards, activities of grant recipients, and an evaluation of programs established under this section.

"SEC. 4125. GRANTS TO COMBAT THE IMPACT OF EXPERIENCING OR WITNESSING DOMESTIC VIOLENCE ON ELEMENTARY AND SECONDARY SCHOOL CHILDREN.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary is authorized to award grants and contracts to elementary schools and secondary schools that work with experts to enable the elementary schools and secondary schools—

"(A) to provide training to school administrators, faculty, and staff, with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing do-

mestic violence, and the impact of the violence described in this subparagraph on children;

"(B) to provide educational programming to students regarding domestic violence and the impact of experiencing or witnessing domestic violence on children;

"(C) to provide support services for students and school personnel for the purpose of developing and strengthening effective prevention and intervention strategies with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this subparagraph on children; and

"(D) to develop and implement school system policies regarding appropriate, safe responses identification and referral procedures for students who are experiencing or witnessing domestic violence.

"(2) AWARD BASIS.—The Secretary shall award grants and contracts under this section—

"(A) on a competitive basis; and

"(B) in a manner that ensures that such grants and contracts are equitably distributed

throughout a State among elementary schools and secondary schools located in rural, urban, and suburban areas in the State.

"(3) POLICY DISSEMINATION.—The Secretary shall disseminate to elementary schools and secondary schools any Department of Education policy guidance regarding the prevention of domestic violence and the impact of experiencing or witnessing domestic violence on children.

"(b) USES OF FUNDS.—Funds provided under this section may be used for the following purposes:

"(1) To provide training for elementary school and secondary school administrators, faculty, and staff that addresses issues concerning elementary school and secondary school students who experience domestic violence in dating relationships or witness or experience family violence, and the impact of such violence on the students.

"(2) To provide education programs for elementary school and secondary school students that are developmentally appropriate for the students' grade levels and are designed to meet any unique cultural and language needs of the particular student populations.

"(3) To develop and implement elementary school and secondary school system policies regarding appropriate, safe responses, identification and referral procedures for students who are experiencing or witnessing domestic violence and to develop and implement policies on reporting and referral procedures for these students.

"(4) To provide the necessary human resources to respond to the needs of elementary school and secondary school students and personnel who are faced with the issue of domestic violence, such as a resource person who is either on-site or on-call, and who is an expert.

"(5) To provide media center materials and educational materials to elementary schools and secondary schools that address issues concerning children who experience domestic violence in dating relationships and witness domestic violence, and the impact of the violence described in this paragraph on the children.

"(6) To conduct evaluations to assess the impact of programs and policies assisted under this section in order to enhance the development of the programs.

"(c) CONFIDENTIALITY.—Policies, programs, training materials, and evaluations developed and implemented under subsection (b) shall address issues of safety and confidentiality for the victim and the victim's family in a manner consistent with applicable Federal and State laws.

"(d) APPLICATION.—

"(1) IN GENERAL.—To be eligible to be awarded a grant or contract under this section for any fiscal year, an elementary school or secondary school, in consultation with an expert, shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

"(2) CONTENTS.—Each application submitted under paragraph (1) shall—

"(A) describe the need for funds provided under the grant or contract and the plan for implementation of any of the activities described in subsection (b);

"(B) describe how the experts shall work in consultation and collaboration with the elementary school or secondary school;

"(C) provide measurable goals for and expected results from the use of the funds provided under the grant or contract; and

"(D) incorporate appropriate remuneration for collaborating partners.

"(e) APPLICABILITY.—The provisions of this part (other than this section) shall not apply to this section.

"(f) DEFINITIONS.—In this section:

"(1) DOMESTIC VIOLENCE.—The term 'domestic violence' has the meaning given that term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2)).

"(2) EXPERTS.—The term 'experts' means—

"(A) experts on domestic violence, sexual assault, and child abuse from the educational, legal, youth, mental health, substance abuse, and victim advocacy fields; and

"(B) State and local domestic violence coalitions and community-based youth organizations.

"(3) WITNESS DOMESTIC VIOLENCE.—

"(A) IN GENERAL.—The term 'witness domestic violence' means to witness—

"(i) an act of domestic violence that constitutes actual or attempted physical assault; or

"(ii) a threat or other action that places the victim in fear of domestic violence.

"(B) WITNESS.—In subparagraph (A), the term 'witness' means to—

"(i) directly observe an act, threat, or action described in subparagraph (A), or the aftermath of that act, threat, or action; or

"(ii) be within earshot of an act, threat, or action described in subparagraph (A), or the aftermath of that act, threat, or action.

"Subpart 3—General Provisions

"SEC. 4131. DEFINITIONS.

"In this part:

"(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

"(2) DRUG AND VIOLENCE PREVENTION.—The term 'drug and violence prevention' means—

"(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education related to the illegal use of alcohol and the use of controlled, illegal, addictive, or harmful substances, including inhalants and anabolic steroids;

"(B) prevention, early intervention, smoking cessation activities, or education, related to the use of tobacco by children and youth eligible for services under this title; and

"(C) with respect to violence, the promotion of school safety, such that students and school personnel are free from violent and disruptive acts, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, on school premises, going to and from school, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

"(3) HATE CRIME.—The term 'hate crime' means a crime as described in section 1(b) of the Hate Crime Statistics Act of 1990.

"(4) NONPROFIT.—The term 'nonprofit', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(5) OBJECTIVELY MEASURABLE GOALS.—The term 'objectively measurable goals' means prevention programming goals defined through use of quantitative epidemiological data measuring the prevalence of alcohol, tobacco, and other drug use, violence, and the prevalence of risk and protective factors predictive of these behaviors, collected through a variety of methods and sources known to provide high quality data.

"(6) PROTECTIVE FACTOR, BUFFER, OR ASSET.—The terms 'protective factor', 'buffer', and 'asset' mean any one of a number of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, or which are grounded in a well-established theoretical model of prevention, and have been shown to prevent alcohol, tobacco, or illicit drug use,

as well as violent behavior, by youth in the community, and which promote positive youth development.

"(7) RISK FACTOR.—The term 'risk factor' means any one of a number of characteristics of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, to be predictive of alcohol, tobacco, and illicit drug use, as well as violent behavior, by youth in the school and community.

"(8) SCHOOL-AGED POPULATION.—The term 'school-aged population' means the population aged five through 17, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(9) SCHOOL PERSONNEL.—The term 'school personnel' includes teachers, administrators, counselors, social workers, psychologists, nurses, librarians, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

"SEC. 4132. MATERIALS.

"(a) 'ILLEGAL AND HARMFUL' MESSAGE.—Drug prevention programs supported under this part shall convey a clear and consistent message that the illegal use of alcohol and other drugs is illegal and harmful.

"(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this part, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

"SEC. 4133. PROHIBITED USES OF FUNDS.

"No funds under this part may be used for—

"(1) construction (except for minor remodeling needed to accomplish the purposes of this part); and

"(2) medical services, drug treatment or rehabilitation, except for pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs.

"SEC. 4134. QUALITY RATING.

"(a) IN GENERAL.—The chief executive officer of each State, or in the case of a State in which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for education activities, such individual, entity, or agency, is authorized and encouraged—

"(1) to establish a standard of quality for drug, alcohol, and tobacco prevention programs implemented in public elementary schools and secondary

schools in the State in accordance with subsection (b); and

"(2) to identify and designate, upon application by a public elementary school or secondary school, any such school that achieves such standard as a quality program school.

"(b) CRITERIA.—The standard referred to in subsection (a) shall address, at a minimum—

"(1) a comparison of the rate of illegal use of drugs, alcohol, and tobacco by students enrolled in the school for a period of time to be determined by the chief executive officer of the State;

"(2) the rate of suspensions or expulsions of students enrolled in the school for drug, alcohol, or tobacco-related offenses;

"(3) the effectiveness of the drug, alcohol, or tobacco prevention program as proven by research;

"(4) the involvement of parents and community members in the design of the drug, alcohol, and tobacco prevention program; and

"(5) the extent of review of existing community drug, alcohol, and tobacco prevention programs before implementation of the public school program.

"(c) REQUEST FOR QUALITY PROGRAM SCHOOL DESIGNATION.—A school that wishes to receive a quality

program school designation shall submit a request and documentation of compliance with this section to the chief executive officer of the State or the individual, entity, or agency described in subsection (a), as the case may be.

''(d) PUBLIC NOTIFICATION.—Not less than once a year, the chief executive officer of each State or the individual, entity, or agency described in subsection (a), as the case may be, shall make available to the public a list of the names of each public school in the State that has received a quality program school designation in accordance with this section.''.

SEC. 402. GUN-FREE REQUIREMENTS.

Title IV (20 U.S.C. 7101 et seq.) is amended by adding at the end the following:

''PART B—GUN POSSESSION

''SEC. 4201. GUN-FREE REQUIREMENTS.

''(a) SHORT TITLE.—This part may be cited as the ''Gun-Free Schools Act of 1994''.

''(b) REQUIREMENTS.—

''(1) IN GENERAL.—Each State receiving Federal funds under this Act shall have in effect a State law requiring local educational agencies to expel from school for a period of not less than one year a student who is determined to have brought a weapon to a school under the jurisdiction of local

educational agencies in that State, except that such State law shall allow the chief administering officer of a local educational agency to modify such expulsion requirement for a student on a case-by-case basis.

"(2) CONSTRUCTION.—Nothing in this part shall be construed to prevent a State from allowing a local educational agency that has expelled a student from such a student's regular school setting from providing educational services to such student in an alternative setting.

"(3) DEFINITION.—For the purpose of this section, the term 'weapon' means a firearm as such term is defined in section 921(a) of title 18, United States Code.

"(c) SPECIAL RULE.—The provisions of this section shall be construed in a manner consistent with the Individuals with Disabilities Education Act.

"(d) REPORT TO STATE.—Each local educational agency requesting assistance from the State educational agency that is to be provided from funds made available to the State under this Act shall provide to the State, in the application requesting such assistance—

"(1) an assurance that such local educational agency is in compliance with the State law required by subsection (b); and

"(2) a description of the circumstances surrounding any expulsions imposed under the State law required by subsection (b), including—

"(A) the name of the school concerned;

"(B) the number of students expelled from such school; and

"(C) the type of weapons concerned.

"(e) REPORTING.—Each State shall report the information described in subsection (d) to the Secretary on an annual basis.

"SEC. 4202. POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.

"(a) IN GENERAL.—No funds shall be made available under this Act to any local educational agency unless such agency has a policy requiring referral to the criminal justice or juvenile delinquency system of any student who brings a firearm or weapon to a school served by such agency.

"(b) DEFINITIONS.—For the purpose of this section, the terms 'firearm' and 'school' have the meanings given the terms in section 921(a) of title 18, United States Code.".

SEC. 403. SCHOOL SAFETY AND VIOLENCE PREVENTION.

(a) IN GENERAL.—Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART C—SCHOOL SAFETY AND VIOLENCE PREVENTION

"SEC. 4301. SCHOOL SAFETY AND VIOLENCE PREVENTION.

''Subject to this title, and subpart 4 of part B of title V, funds made available under this title and such subpart may be used for—

''(1) training, including in-service training, for school personnel (including custodians and bus drivers), with respect to—

''(A) the identification of potential threats, such as illegal weapons and explosive devices;

''(B) crisis preparedness and intervention procedures; and

''(C) emergency response;

''(2) training for parents, teachers, school personnel and other interested members of the community regarding the identification and responses to early warning signs of troubled and violent youth;

''(3) innovative scientifically based research delinquency and violence prevention programs, including—

''(A) school antiviolence programs; and

''(B) mentoring programs;

"(4) comprehensive security assessments;

"(5) in accordance with section 4116(c), the purchase of school security equipment and technologies such as—

"(A) metal detectors;

"(B) electronic locks; and

"(C) surveillance cameras;

"(6) collaborative efforts with community-based organizations, including faith-based organizations, statewide consortia, and law enforcement agencies, that have demonstrated expertise in providing effective, scientifically based research violence prevention and intervention programs for school-aged children;

"(7) providing assistance to States, local education agencies, or schools to establish school uniform policies;

"(8) school resource officers, including community policing officers; and

"(9) other innovative, local responses that are consistent with reducing incidents of school violence and improving the educational atmosphere of the classroom.

"SEC. 4302. SCHOOL UNIFORMS.

"(a) CONSTRUCTION.—Nothing in this part shall be construed to prohibit any State, local education agency, or school from establishing a school uniform policy.

"(b) FUNDING.—Subject to this title and subpart 4 of part B of title V, funds provided under this title and such subpart may be used for establishing a uniform policy.

"SEC. 4303. TRANSFER OF SCHOOL DISCIPLINARY RECORDS.

"(a) NONAPPLICATION OF PROVISIONS.—This section shall not apply to any disciplinary records with respect to a suspension or expulsion that are transferred from a private, parochial or other nonpublic school, person, institution, or other entity, that provides education below the college level.

"(b) DISCIPLINARY RECORDS.—In accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g), not later than 2 years after the date of enactment of this part, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records, with respect to a suspension or expulsion, by local educational agencies to any private or public elementary school or secondary school for any student who is enrolled or seeks, intends,

or is instructed to enroll, on a full- or part-time basis, in the school.''.

(b) BACKGROUND CHECKS.—Section 5(9) of the National Child Protection Act of 1993 (42 U.S.C. 5119c(9)) is amended—

(1) in subparagraph (A)(i), by inserting ''(including an individual who is employed by a school in any capacity, including as a child care provider, a teacher, or another member of school personnel)'' before the semicolon; and

(2) in subparagraph (B)(i), by inserting ''(including an individual who seeks to be employed by a school in any capacity, including as a child care provider, a teacher, or another member of school personnel)'' before the semicolon.

SEC. 404. ENVIRONMENTAL TOBACCO SMOKE.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART D—ENVIRONMENTAL TOBACCO SMOKE

"SEC. 4401. SHORT TITLE.

''This part may be cited as the 'Pro-Children Act of 2001'.

"SEC. 4402. DEFINITIONS.

''As used in this part:

"(1) CHILDREN.—The term 'children' means individuals who have not attained the age of 18.

"(2) CHILDREN'S SERVICES.—The term 'children's services' means the provision on a routine or regular basis of health, day care, education, or library services—

"(A) that are funded, after the date of enactment of the Better Education for Students and Teachers Act, directly by the Federal Government or through State or local governments, by Federal grant, loan, loan guarantee, or contract programs—

"(i) administered by either the Secretary of Health and Human Services or the Secretary of Education (other than services provided and funded solely under titles XVIII and XIX of the Social Security Act); or

"(ii) administered by the Secretary of Agriculture in the case of a clinic (as defined in part 246.2 of title 7, Code of Federal Regulations (or any corresponding similar regulation or ruling)) under section 17(b)(6) of the Child Nutrition Act of 1966; or

"(B) that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds, as determined by the appropriate head of a Federal agency in any enforcement action carried out under this part,

except that nothing in clause (ii) of subparagraph (A) is intended to include facilities (other than clinics) where coupons are redeemed under the Child Nutrition Act of 1966.

"(3) INDOOR FACILITY.—The term 'indoor facility' means a building that is enclosed.

"(4) PERSON.—The term 'person' means any State or local subdivision of a State, agency of such State or subdivision, corporation, or partnership that owns or operates or otherwise controls and provides children's services or any individual who owns or operates or otherwise controls and provides such services.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"SEC. 4403. NONSMOKING POLICY FOR CHILDREN'S SERVICES.

"(a) PROHIBITION.—After the date of enactment of the Better Education for Students and Teachers Act, no person shall permit smoking within any indoor facility

owned or leased or contracted for, and utilized, by such person for provision of routine or regular kindergarten, elementary, or secondary education or library services to children.

"(b) ADDITIONAL PROHIBITION.—

"(1) IN GENERAL.—After the date of enactment of the Better Education for Students and Teachers Act, no person shall permit smoking within any indoor facility (or portion of such a facility) owned or leased or contracted for, and utilized by, such person for the provision of regular or routine health care or day care or early childhood development (Head Start) services.

"(2) EXCEPTION.—Paragraph (1) shall not apply to—

"(A) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

"(B) any private residence.

"(c) FEDERAL AGENCIES.—

"(1) KINDERGARTEN, ELEMENTARY, OR SECONDARY EDUCATION OR LIBRARY SERVICES.—After the date of enactment of the Better Education for Students and Teachers Act, no Federal agency shall

permit smoking within any indoor facility in the United States operated by such agency, directly or by contract, to provide routine or regular kindergarten, elementary, or secondary education or library services to children.

"(2) HEALTH OR DAY CARE OR EARLY CHILDHOOD DEVELOPMENT SERVICES.—

"(A) IN GENERAL.—After the date of enactment of the Better Education for Students and Teachers Act, no Federal agency shall permit smoking within any indoor facility (or portion of such facility) operated by such agency, directly or by contract, to provide routine or regular health or day care or early childhood development (Head Start) services to children.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to—

"(i) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

"(ii) any private residence.

"(3) APPLICATION OF PROVISIONS.—The provisions of paragraph (2) shall also apply to the provision of such routine or regular kindergarten, elemen-

tary or secondary education or library services in the facilities described in paragraph (2) not subject to paragraph (1).

"(d) NOTICE.—The prohibitions in subsections (a) through (c) shall be published in a notice in the Federal Register by the Secretary (in consultation with the heads of other affected agencies) and by such agency heads in funding arrangements involving the provision of children's services administered by such heads. Such prohibitions shall be effective 90 days after such notice is published, or 270 days after the date of enactment of the Better Education for Students and Teachers Act, whichever occurs first.

"(e) CIVIL PENALTIES.—

"(1) IN GENERAL.—Any failure to comply with a prohibition in this section shall be considered to be a violation of this section and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty in an amount not to exceed $1,000 for each violation, or may be subject to an administrative compliance order, or both, as determined by the Secretary. Each day a violation continues shall constitute a separate violation. In the case of any civil penalty assessed under this section, the total amount shall not exceed

the amount of Federal funds received by such person for the fiscal year in which the continuing violation occurred. For the purpose of the prohibition in subsection (c), the term 'person', as used in this paragraph, shall mean the head of the applicable Federal agency or the contractor of such agency providing the services to children.

"(2) ADMINISTRATIVE PROCEEDING.—A civil penalty may be assessed in a written notice, or an administrative compliance order may be issued under paragraph (1), by the Secretary only after an opportunity for a hearing in accordance with section 554 of title 5, United States Code. Before making such assessment or issuing such order, or both, the Secretary shall give written notice of the assessment or order to such person by certified mail with return receipt and provide information in the notice of an opportunity to request in writing, not later than 30 days after the date of receipt of such notice, such hearing. The notice shall reasonably describe the violation and be accompanied with the procedures for such hearing and a simple form that may be used to request such hearing if such person desires to use such form. If a hearing is requested, the Secretary shall establish by such certified notice the time and

place for such hearing, which shall be located, to the greatest extent possible, at a location convenient to such person. The Secretary (or the Secretary's designee) and such person may consult to arrange a suitable date and location where appropriate.

"(3) CIRCUMSTANCES AFFECTING PENALTY OR ORDER.—In determining the amount of the civil penalty or the nature of the administrative compliance order, the Secretary shall take into account, as appropriate—

"(A) the nature, circumstances, extent, and gravity of the violation;

"(B) with respect to the violator, any good faith efforts to comply, the importance of achieving early and permanent compliance, the ability to pay or comply, the effect of the penalty or order on the ability to continue operation, any prior history of the same kind of violation, the degree of culpability, and any demonstration of willingness to comply with the prohibitions of this section in a timely manner; and

"(C) such other matters as justice may require.

"(4) MODIFICATION.—The Secretary may, as appropriate, compromise, modify, or remit, with or without conditions, any civil penalty or administrative compliance order. In the case of a civil penalty, the amount, as finally determined by the Secretary or agreed upon in compromise, may be deducted from any sums that the United States or the agencies or instrumentalities of the United States owe to the person against whom the penalty is assessed.

"(5) PETITION FOR REVIEW.—Any person aggrieved by a penalty assessed or an order issued, or both, by the Secretary under this section may file a petition for judicial review of the order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business. Such person shall provide a copy of the petition to the Secretary or the Secretary's designee. The petition shall be filed within 30 days after the Secretary's assessment or order, or both, are final and have been provided to such person by certified mail. The Secretary shall promptly provide to the court a certified copy of the transcript of any hearing held under this section and a copy of the notice or order.

"(6) FAILURE TO COMPLY.—If a person fails to pay an assessment of a civil penalty or comply with an order, after the assessment or order, or both, are final under this section, or after a court has entered a final judgment under paragraph (5) in favor of the Secretary, the Attorney General, at the request of the Secretary, shall recover the amount of the civil penalty (plus interest at prevailing rates from the day the assessment or order, or both, are final) or enforce the order in an action brought in the appropriate district court of the United States. In such action, the validity and appropriateness of the penalty or order or the amount of the penalty shall not be subject to review.

"SEC. 4404. PREEMPTION.

"Nothing in this part is intended to preempt any provision of law of a State or political subdivision of a State that is more restrictive than a provision of this part.".

TITLE V—PUBLIC SCHOOL CHOICE AND FLEXIBILITY

SEC. 501. PUBLIC SCHOOL CHOICE AND FLEXIBILITY.

Title V (20 U.S.C. 7301 et seq.) is amended to read as follows:

"TITLE V—PUBLIC SCHOOL CHOICE AND FLEXIBILITY

"PART A—PUBLIC SCHOOL CHOICE

"Subpart 1—Charter Schools

"SEC. 5111. PURPOSE.

''It is the purpose of this subpart to increase national understanding of the charter schools model by—

''(1) providing financial assistance for the planning, program design and initial implementation of charter schools;

''(2) evaluating the effects of such schools, including the effects on students, student achievement, staff, and parents; and

''(3) expanding the number of high-quality charter schools available to students across the Nation.

"SEC. 5112. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary may award grants to State educational agencies having applications approved pursuant to section 5113 to enable such agencies to conduct a charter school grant program in accordance with this subpart.

''(b) SPECIAL RULE.—If a State educational agency elects not to participate in the program authorized by this subpart or does not have an application approved under

section 5113, the Secretary may award a grant to an eligible applicant that serves such State and has an application approved pursuant to section 5113(c).

"(c) PROGRAM PERIODS.—

"(1) GRANTS TO STATES.—Grants awarded to State educational agencies under this subpart shall be awarded for a period of not more than 3 years.

"(2) GRANTS TO ELIGIBLE APPLICANTS.—Grants awarded by the Secretary to eligible applicants or subgrants awarded by State educational agencies to eligible applicants under this subpart shall be awarded for a period of not more than 3 years, of which the eligible applicant may use—

"(A) not more than 18 months for planning and program design;

"(B) not more than 2 years for the initial implementation of a charter school; and

"(C) not more than 2 years to carry out dissemination activities described in section 5114(f)(6)(B).

"(d) LIMITATION.—A charter school may not receive—

"(1) more than one grant for activities described in subparagraphs (A) and (B) of subsection (c)(2); or

"(2) more than one grant for activities under subparagraph (C) of subsection (c)(2).

"(e) PRIORITY TREATMENT.—

"(1) IN GENERAL.—In awarding grants under this subpart for fiscal year 2002 or any succeeding fiscal year from any funds appropriated under section 5121, the Secretary shall give priority to States to the extent that the States meet the criteria described in paragraph (2) and one or more of the criteria described in subparagraph (A), (B), or (C) of paragraph (3).

"(2) REVIEW AND EVALUATION PRIORITY CRITERIA.—The criteria referred to in paragraph (1) is that the State provides for periodic review and evaluation by the authorized public chartering agency of each charter school, at least once every 5 years unless required more frequently by State law, to determine whether the charter school is meeting the terms of the school's charter, and is meeting or exceeding the academic performance requirements and goals for charter schools as set forth under State law or the school's charter.

"(3) PRIORITY CRITERIA.—The criteria referred to in paragraph (1) are the following:

"(A) The State has demonstrated progress, in increasing the number of high quality charter schools that are held accountable in the terms of the schools' charters for meeting clear and measurable objectives for the educational progress of the students attending the schools, in the period prior to the period for which a State educational agency or eligible applicant applies for a grant under this subpart.

"(B) The State—

"(i) provides for one authorized public chartering agency that is not a local educational agency, such as a State chartering board, for each individual or entity seeking to operate a charter school pursuant to such State law; or

"(ii) in the case of a State in which local educational agencies are the only authorized public chartering agencies, allows for an appeals process for the denial of an application for a charter school.

"(C) The State ensures that each charter school has a high degree of autonomy over the charter school's budgets and expenditures.

"(f) AMOUNT CRITERIA.—In determining the amount of a grant to be awarded under this subpart to a State educational agency, the Secretary shall take into consideration the number of charter schools that are operating, or are approved to open, in the State.

"SEC. 5113. APPLICATIONS.

"(a) APPLICATIONS FROM STATE AGENCIES.—Each State educational agency desiring a grant from the Secretary under this subpart shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

"(b) CONTENTS OF A STATE EDUCATIONAL AGENCY APPLICATION.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the objectives of the State educational agency's charter school grant program and a description of how such objectives will be fulfilled, including steps taken by the State educational agency to inform teachers, parents, and communities of the State educational agency's charter school grant program; and

"(2) describe how the State educational agency—

"(A) will inform each charter school in the State regarding—

"(i) Federal funds that the charter school is eligible to receive; and

"(ii) Federal programs in which the charter school may participate;

"(B) will ensure that each charter school in the State receives the charter school's commensurate share of Federal education funds that are allocated by formula each year, including during the first year of operation of the charter school; and

"(C) will disseminate best or promising practices of charter schools to each local educational agency in the State; and

"(3) contain assurances that the State educational agency will require each eligible applicant desiring to receive a subgrant to submit an application to the State educational agency containing—

"(A) a description of the educational program to be implemented by the proposed charter school, including—

"(i) how the program will enable all students to meet challenging State student performance standards;

"(ii) the grade levels or ages of children to be served; and

"(iii) the curriculum and instructional practices to be used;

"(B) a description of how the charter school will be managed;

"(C) a description of—

"(i) the objectives of the charter school; and

"(ii) the methods by which the charter school will determine its progress toward achieving those objectives;

"(D) a description of the administrative relationship between the charter school and the authorized public chartering agency;

"(E) a description of how parents and other members of the community will be involved in the planning, program design and implementation of the charter school;

"(F) a description of how the authorized public chartering agency will provide for continued operation of the school once the Federal grant has expired, if such agency determines that the school has met the objectives described in subparagraph (C)(i);

"(G) a request and justification for waivers of any Federal statutory or regulatory provisions that the applicant believes are necessary for the successful operation of the charter school, and a description of any State or local rules, generally applicable to public schools, that will be waived for, or otherwise not apply to, the school;

"(H) a description of how the subgrant funds or grant funds, as appropriate, will be used, including a description of how such funds will be used in conjunction with other Federal programs administered by the Secretary;

"(I) a description of how students in the community will be—

"(i) informed about the charter school; and

"(ii) given an equal opportunity to attend the charter school;

"(J) an assurance that the eligible applicant will annually provide the Secretary and the State educational agency such information as may be required to determine if the charter school is making satisfactory progress toward

achieving the objectives described in subparagraph (C)(i);

"(K) an assurance that the applicant will cooperate with the Secretary and the State educational agency in evaluating the program assisted under this subpart;

"(L) a description of how a charter school that is considered a local educational agency under State law, or a local educational agency in which a charter school is located, will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act;

"(M) if the eligible applicant desires to use subgrant funds for dissemination activities under section 5112(c)(2)(C), a description of those activities and how those activities will involve charter schools and other public schools, local educational agencies, developers, and potential developers; and

"(N) such other information and assurances as the Secretary and the State educational agency may require.

"(c) CONTENTS OF ELIGIBLE APPLICANT APPLICATION.—Each eligible applicant desiring a grant pursuant to section 5112(b) shall submit an application to the State

educational agency or Secretary, respectively, at such time, in such manner, and accompanied by such information as the State educational agency or Secretary, respectively, may reasonably require.

"(d) CONTENTS OF APPLICATION.—Each application submitted pursuant to subsection (c) shall contain—

"(1) the information and assurances described in subparagraphs (A) through (N) of subsection (b)(3), except that for purposes of this subsection subparagraphs (J), (K), and (N) of such subsection shall be applied by striking 'and the State educational agency' each place such term appears; and

"(2) assurances that the State educational agency—

"(A) will grant, or will obtain, waivers of State statutory or regulatory requirements; and

"(B) will assist each subgrantee in the State in receiving a waiver under section 5114(e).

"SEC. 5114. ADMINISTRATION.

"(a) SELECTION CRITERIA FOR STATE EDUCATIONAL AGENCIES.—The Secretary shall award grants to State educational agencies under this subpart on the basis of the quality of the applications submitted under

section 5113(b), after taking into consideration such factors as—

"(1) the contribution that the charter schools grant program will make to assisting educationally disadvantaged and other students to achieving State content standards and State student performance standards and, in general, a State's education improvement plan;

"(2) the degree of flexibility afforded by the State educational agency to charter schools under the State's charter schools law;

"(3) the ambitiousness of the objectives for the State charter school grant program;

"(4) the quality of the strategy for assessing achievement of those objectives;

"(5) the likelihood that the charter school grant program will meet those objectives and improve educational results for students;

"(6) the number of high quality charter schools created under this subpart in the State; and

"(7) in the case of State educational agencies that propose to use grant funds to support dissemination activities under section 5112(c)(2)(C), the quality of those activities and the likelihood that those activities will improve student achievement.

"(b) SELECTION CRITERIA FOR ELIGIBLE APPLICANTS.—The Secretary shall award grants to eligible applicants under this subpart on the basis of the quality of the applications submitted under section 5113(c), after taking into consideration such factors as—

"(1) the quality of the proposed curriculum and instructional practices;

"(2) the degree of flexibility afforded by the State educational agency and, if applicable, the local educational agency to the charter school;

"(3) the extent of community support for the application;

"(4) the ambitiousness of the objectives for the charter school;

"(5) the quality of the strategy for assessing achievement of those objectives;

"(6) the likelihood that the charter school will meet those objectives and improve educational results for students; and

"(7) in the case of an eligible applicant that proposes to use grant funds to support dissemination activities under section 5112(c)(2)(C), the quality of those activities and the likelihood that those activities will improve student achievement.

"(c) PEER REVIEW.—The Secretary, and each State educational agency receiving a grant under this subpart, shall use a peer review process to review applications for assistance under this subpart.

"(d) DIVERSITY OF PROJECTS.—The Secretary and each State educational agency receiving a grant under this subpart, shall award subgrants under this subpart in a manner that, to the extent possible, ensures that such grants and subgrants—

"(1) are distributed throughout different areas of the Nation and each State, including urban and rural areas; and

"(2) will assist charter schools representing a variety of educational approaches, such as approaches designed to reduce school size.

"(e) WAIVERS.—The Secretary may waive any statutory or regulatory requirement over which the Secretary exercises administrative authority except any such requirement relating to the elements of a charter school described in section 5120(1), if—

"(1) the waiver is requested in an approved application under this subpart; and

"(2) the Secretary determines that granting such a waiver will promote the purpose of this subpart.

"(f) USE OF FUNDS.—

"(1) STATE EDUCATIONAL AGENCIES.—Each State educational agency receiving a grant under this subpart shall use such grant funds to award subgrants to one or more eligible applicants in the State to enable such applicant to plan and implement a charter school in accordance with this subpart, except that the State educational agency may reserve not more than 10 percent of the grant funds to support dissemination activities described in paragraph (6).

"(2) ELIGIBLE APPLICANTS.—Each eligible applicant receiving funds from the Secretary or a State educational agency shall use such funds to plan and implement a charter school, or to disseminate information about the charter school and successful practices in the charter school, in accordance with this subpart.

"(3) ALLOWABLE ACTIVITIES.—An eligible applicant receiving a grant or subgrant under this subpart may use the grant or subgrant funds only for—

(A) post-award planning and design of the educational program, which may include—

"(i) refinement of the desired educational results and of the methods for

measuring progress toward achieving those results; and

"(ii) professional development of teachers and other staff who will work in the charter school; and

"(B) initial implementation of the charter school, which may include—

"(i) informing the community about the school;

"(ii) acquiring necessary equipment and educational materials and supplies;

"(iii) acquiring or developing curriculum materials; and

"(iv) other initial operational costs that cannot be met from State or local sources.

"(4) ADMINISTRATIVE EXPENSES.—Each State educational agency receiving a grant pursuant to this subpart may reserve not more than 5 percent of such grant funds for administrative expenses associated with the charter school grant program assisted under this subpart.

"(5) REVOLVING LOAN FUNDS.—Each State educational agency receiving a grant pursuant to this subpart may reserve not more than 10 percent

of the grant amount for the establishment of a revolving loan fund. Such fund may be used to make loans to eligible applicants that have received a subgrant under this subpart, under such terms as may be determined by the State educational agency, for the initial operation of the charter school grant program of such recipient until such time as the recipient begins receiving ongoing operational support from State or local financing sources.

"(6) DISSEMINATION.—

"(A) IN GENERAL.—A charter school may apply for funds under this subpart, whether or not the charter school has applied for or received funds under this subpart for planning, program design, or implementation, to carry out the activities described in subparagraph (B) if the charter school has been in operation for at least 3 consecutive years and has demonstrated overall success, including—

"(i) substantial progress in improving student achievement;

"(ii) high levels of parent satisfaction; and

"(iii) the management and leadership necessary to overcome initial start-up prob-

lems and establish a thriving, financially viable charter school.

"(B) ACTIVITIES.—A charter school described in subparagraph (A) may use funds reserved under paragraph (1) to assist other schools in adapting the charter school's program (or certain aspects of the charter school's program), or to disseminate information about the charter school, through such activities as—

"(i) assisting other individuals with the planning and start-up of one or more new public schools, including charter schools, that are independent of the assisting charter school and the assisting charter school's developers, and that agree to be held to at least as high a level of accountability as the assisting charter school;

"(ii) developing partnerships with other public schools, including charter schools, designed to improve student performance in each of the schools participating in the partnership;

"(iii) developing curriculum materials, assessments, and other materials that promote increased student achievement and

are based on successful practices within the assisting charter school; and

"(iv) conducting evaluations and developing materials that document the successful practices of the assisting charter school and that are designed to improve student performance in other schools.

"(g) TRIBALLY CONTROLLED SCHOOLS.—Each State that receives a grant under this subpart and designates a tribally controlled school as a charter school shall not consider payments to a school under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507) in determining—

"(1) the eligibility of the school to receive any other Federal, State, or local aid; or

"(2) the amount of such aid.

"SEC. 5115. NATIONAL ACTIVITIES.

"(a) IN GENERAL.—The Secretary shall reserve for each fiscal year the greater of 5 percent or $5,000,000 of the amount appropriated to carry out this subpart, except that in no fiscal year shall the total amount so reserved exceed $8,000,000, to carry out the following activities:

"(1) To provide charter schools, either directly or through State educational agencies, with—

"(A) information regarding—

"(i) Federal funds that charter schools are eligible to receive; and

"(ii) other Federal programs in which charter schools may participate; and

"(B) assistance in applying for Federal education funds that are allocated by formula, including assistance with filing deadlines and submission of applications.

"(2) To provide for the completion of the 4-year national study (which began in 1995) of charter schools.

"(3) To provide for other evaluations or studies that include the evaluation of the impact of charter schools on student achievement, including information regarding—

"(A) students attending charter schools reported on the basis of race, age, disability, gender, limited English proficiency, and previous enrollment in public school; and

"(B) the professional qualifications of teachers within a charter school and the turnover of the teaching force.

"(4) To provide—

"(A) information to applicants for assistance under this subpart;

"(B) assistance to applicants for assistance under this subpart with the preparation of applications under section 5113;

"(C) assistance in the planning and start-up of charter schools;

"(D) training and technical assistance to existing charter schools; and

"(E) for the dissemination to other public schools of best or promising practices in charter schools.

"(5) To provide (including through the use of one or more contracts that use a competitive bidding process) for the collection of information regarding the financial resources available to charter schools, including access to private capital, and to widely disseminate to charter schools any such relevant information and model descriptions of successful programs.

"(b) CONSTRUCTION.—Nothing in this section shall be construed to require charter schools to collect any data described in subsection (a).

"SEC. 5116. FEDERAL FORMULA ALLOCATION DURING FIRST YEAR AND FOR SUCCESSIVE ENROLLMENT EXPANSIONS.

"(a) IN GENERAL.—For purposes of the allocation to schools by the States or their agencies of funds under part A of title I, and any other Federal funds which the Secretary allocates to States on a formula basis, the Secretary and each State educational agency shall take such measures not later than 6 months after the date of the enactment of the Charter School Expansion Act of 1998 as are necessary to ensure that every charter school receives the Federal funding for which the charter school is eligible not later than 5 months after the charter school first opens, notwithstanding the fact that the identity and characteristics of the students enrolling in that charter school are not fully and completely determined until that charter school actually opens. The measures similarly shall ensure that every charter school expanding its enrollment in any subsequent year of operation receives the Federal funding for which the charter school is eligible not later than 5 months after such expansion.

"(b) ADJUSTMENT AND LATE OPENINGS.—

"(1) IN GENERAL.—The measures described in subsection (a) shall include provision for appropriate adjustments, through recovery of funds or reduction of payments for the succeeding year, in cases where

payments made to a charter school on the basis of estimated or projected enrollment data exceed the amounts that the school is eligible to receive on the basis of actual or final enrollment data.

"(2) RULE.—For charter schools that first open after November 1 of any academic year, the State, in accordance with guidance provided by the Secretary and applicable Federal statutes and regulations, shall ensure that such charter schools that are eligible for the funds described in subsection (a) for such academic year have a full and fair opportunity to receive those funds during the charter schools' first year of operation.

"SEC. 5117. SOLICITATION OF INPUT FROM CHARTER SCHOOL OPERATORS.

"To the extent practicable, the Secretary shall ensure that administrators, teachers, and other individuals directly involved in the operation of charter schools are consulted in the development of any rules or regulations required to implement this subpart, as well as in the development of any rules or regulations relevant to charter schools that are required to implement part A of title I, the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), or any other program administered by the

Secretary that provides education funds to charter schools or regulates the activities of charter schools.

"SEC. 5118. RECORDS TRANSFER.

''State educational agencies and local educational agencies, to the extent practicable, shall ensure that a student's records and, if applicable, a student's individualized education program as defined in section 602(11) of the Individuals with Disabilities Education Act, are transferred to a charter school upon the transfer of the student to the charter school, and to another public school upon the transfer of the student from a charter school to another public school, in accordance with applicable State law.

"SEC. 5119. PAPERWORK REDUCTION.

''To the extent practicable, the Secretary and each authorized public chartering agency shall ensure that implementation of this subpart results in a minimum of paperwork for any eligible applicant or charter school.

"SEC. 5120. DEFINITIONS.

''In this subpart:

''(1) CHARTER SCHOOL.—The term 'charter school' means a public school that—

''(A) in accordance with a specific State statute authorizing the granting of charters to schools, is exempted from significant State or

local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

"(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;

"(C) operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;

"(D) provides a program of elementary or secondary education, or both;

"(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

"(F) does not charge tuition;

"(G) complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

"(H) is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

"(I) agrees to comply with the same Federal and State audit requirements as do other elementary schools and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;

"(J) meets all applicable Federal, State, and local health and safety requirements;

"(K) operates in accordance with State law; and

"(L) has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

"(2) DEVELOPER.—The term 'developer' means an individual or group of individuals (including a public or private nonprofit organization), which may

include teachers, administrators and other school staff, parents, or other members of the local community in which a charter school project will be carried out.

"(3) ELIGIBLE APPLICANT.—The term 'eligible applicant' means an authorized public chartering agency participating in a partnership with a developer to establish a charter school in accordance with this subpart.

"(4) AUTHORIZED PUBLIC CHARTERING AGENCY.—The term 'authorized public chartering agency' means a State educational agency, local educational agency, or other public entity that has the authority pursuant to State law and approved by the Secretary to authorize or approve a charter school.

"SEC. 5121. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this subpart, there are authorized to be appropriated $190,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"Subpart 2—Magnet Schools Assistance

"SEC. 5131. FINDINGS AND STATEMENT OF PURPOSE.

"(a) FINDINGS.—Congress makes the following findings:

"(1) Magnet schools are a significant part of our Nation's effort to achieve voluntary desegregation of our Nation's schools.

"(2) It is in the national interest to continue the Federal Government's support of school districts that are implementing court-ordered desegregation plans and school districts that are voluntarily seeking to foster meaningful interaction among students of different racial and ethnic backgrounds.

"(3) Desegregation can help ensure that all students have equitable access to high-quality education that will prepare them to function well in a technologically oriented and highly competitive society comprised of people from many different racial and ethnic backgrounds.

"(4) It is in the national interest to desegregate and diversify those schools in our Nation that are racially, economically, linguistically, or ethnically segregated. Such segregation exists between minority and non-minority students as well as among students of different minority groups.

"(b) STATEMENT OF PURPOSE.—The purpose of this subpart is to assist in the desegregation of schools served by local educational agencies by providing financial assistance to eligible local educational agencies for—

"(1) the elimination, reduction, or prevention of minority group isolation in elementary schools and secondary schools with substantial proportions of minority students which shall assist in the efforts of the United States to achieve voluntary desegregation in public schools;

"(2) the development and implementation of magnet school projects that will assist local educational agencies in achieving systemic reforms and providing all students the opportunity to meet challenging State and local content standards and challenging State and local student performance standards;

"(3) the development and design of innovative educational methods and practices;

"(4) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational, technological and career skills of students attending such schools;

"(5) improving the capacity of local educational agencies, including through professional development, to continue operating magnet schools at a high performance level after Federal funding is terminated; and

"(6) ensuring that all students enrolled in the magnet school program have equitable access to high quality education that will enable the students to succeed academically and continue with post secondary education or productive employment.

"SEC. 5132. PROGRAM AUTHORIZED.

"The Secretary, in accordance with this subpart, is authorized to make grants to eligible local educational agencies, and consortia of such agencies where appropriate, to carry out the purpose of this subpart for magnet schools that are—

"(1) part of an approved desegregation plan; and

"(2) designed to bring students from different social, economic, ethnic, and racial backgrounds together.

"SEC. 5133. DEFINITION.

"For the purpose of this subpart, the term 'magnet school' means a public elementary school or secondary school or a public elementary or secondary education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.

"SEC. 5134. ELIGIBILITY.

"A local educational agency, or consortium of such agencies where appropriate, is eligible to receive assistance under this subpart to carry out the purposes of this subpart if such agency or consortium—

"(1) is implementing a plan undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, that requires the desegregation of minority-group-segregated children or faculty in the elementary schools and secondary schools of such agency; or

"(2) without having been required to do so, has adopted and is implementing, or will, if assistance is made available to such local educational agency or consortium of such agencies under this subpart, adopt and implement a plan that has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority-group-segregated children or faculty in such schools.

"SEC. 5135. APPLICATIONS AND REQUIREMENTS.

"(a) APPLICATIONS.—An eligible local educational agency or consortium of such agencies desiring to receive assistance under this subpart shall submit an application to the Secretary at such time, in such manner, and con-

taining such information and assurances as the Secretary may reasonably require.

"(b) INFORMATION AND ASSURANCES.—Each such application shall include—

"(1) a description of—

"(A) how assistance made available under this subpart will be used to promote desegregation, including how the proposed magnet school project will increase interaction among students of different social, economic, ethnic, and racial backgrounds;

"(B) the manner and extent to which the magnet school project will increase student achievement in the instructional area or areas offered by the school;

"(C) how an applicant will continue the magnet school project after assistance under this subpart is no longer available, including, if applicable, an explanation of why magnet schools established or supported by the applicant with funds under this subpart cannot be continued without the use of funds under this subpart;

"(D) how funds under this subpart will be used to implement services and activities that

are consistent with other programs under this Act, and other Acts, as appropriate, in accordance with the provisions of section 5506; and

"(E) the criteria to be used in selecting students to attend the proposed magnet school project; and

"(2) assurances that the applicant will—

"(A) use funds under this subpart for the purposes specified in section 5131(b);

"(B) employ State certified or licensed teachers in the courses of instruction assisted under this subpart to teach or supervise others who are teaching the subject matter of the courses of instruction;

"(C) not engage in discrimination based on race, religion, color, national origin, sex, or disability in—

"(i) the hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

"(ii) the assignment of students to schools, or to courses of instruction within the school, of such agency, except to carry out the approved plan; and

"(iii) designing or operating extracurricular activities for students;

"(D) carry out a high-quality education program that will encourage greater parental decisionmaking and involvement; and

"(E) give students residing in the local attendance area of the proposed magnet school project equitable consideration for placement in the project, consistent with desegregation guidelines and the capacity of the project to accommodate these students.

"(c) SPECIAL RULE.—No application may be approved under this section unless the Assistant Secretary of Education for Civil Rights determines that the assurances described in subsection (b)(2)(C) will be met.

"SEC. 5136. PRIORITY.

"In approving applications under this subpart, the Secretary shall give priority to applicants that—

"(1) demonstrate the greatest need for assistance, based on the expense or difficulty of effectively carrying out an approved desegregation plan and the projects for which assistance is sought;

"(2) propose to carry out new magnet school projects, or significantly revise existing magnet school projects;

"(3) propose to select students to attend magnet school projects by methods such as lottery, rather than through academic examination;

"(4) propose to implement innovative educational approaches that are consistent with the State and local content and student performance standards; and

"(5) propose activities, which may include professional development, that will build local capacity to operate the magnet school program once Federal assistance has terminated.

"SEC. 5137. USE OF FUNDS.

"(a) IN GENERAL.—Grant funds made available under this subpart may be used by an eligible local educational agency or consortium of such agencies—

"(1) for planning and promotional activities directly related to the development, expansion, continuation, or enhancement of academic programs and services offered at magnet schools;

"(2) for the acquisition of books, materials, and equipment, including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools;

"(3) for the payment, or subsidization of the compensation, of elementary school and secondary

school teachers who are certified or licensed by the State, and instructional staff where applicable, who are necessary for the conduct of programs in magnet schools;

''(4) with respect to a magnet school program offered to less than the entire student population of a school, for instructional activities that—

''(A) are designed to make available the special curriculum that is offered by the magnet school project to students who are enrolled in the school but who are not enrolled in the magnet school program; and

''(B) further the purposes of this subpart;

''(5) to include professional development, which professional development shall build the agency's or consortium's capacity to operate the magnet school once Federal assistance has terminated;

''(6) to enable the local educational agency or consortium to have more flexibility in the administration of a magnet school program in order to serve students attending a school who are not enrolled in a magnet school program; and

''(7) to enable the local educational agency or consortium to have flexibility in designing magnet schools for students at all grades.

"(b) SPECIAL RULE.—Grant funds under this subpart may be used in accordance with paragraphs (2) and (3) of subsection (a) only if the activities described in such paragraphs are directly related to improving the students' reading skills or knowledge of mathematics, science, history, geography, English, foreign languages, art, or music, or to improving vocational, technological and career skills.

"SEC. 5138. PROHIBITION.

"Grants under this subpart may not be used for transportation or any activity that does not augment academic improvement.

"SEC. 5139. LIMITATIONS.

"(a) DURATION OF AWARDS.—A grant under this subpart shall be awarded for a period that shall not exceed 3 fiscal years.

"(b) LIMITATION ON PLANNING FUNDS.—A local educational agency may expend for planning (professional development shall not be considered as planning for purposes of this subsection) not more than 50 percent of the funds received under this subpart for the first year of the project, 25 percent of such funds for the second such year, and 15 percent of such funds for the third such year.

"(c) AMOUNT.—No local educational agency or consortium awarded a grant under this subpart shall receive

more than $4,000,000 under this subpart in any 1 fiscal year.

"(d) TIMING.—To the extent practicable, the Secretary shall award grants for any fiscal year under this subpart not later than June 1 of the applicable fiscal year.

"SEC. 5140. INNOVATIVE PROGRAMS.

"(a) IN GENERAL.—From amounts reserved under subsection (d) for each fiscal year, the Secretary shall award grants to local educational agencies or consortia of such agencies described in section 5134 to enable such agencies or consortia to conduct innovative programs that—

"(1) involve innovative strategies other than magnet schools, such as neighborhood or community model schools, to support desegregation of schools and to reduce achievement gaps;

"(2) assist in achieving systemic reforms and providing all students the opportunity to meet challenging State and local content standards and challenging State and local student performance standards; and

"(3) include innovative educational methods and practices that—

"(A) are organized around a special emphasis, theme, or concept; and

"(B) involve extensive parent and community involvement.

"(b) APPLICABILITY.—Sections 5131(b), 5132, 5135, 5136, and 5137, shall not apply to grants awarded under subsection (a).

"(c) APPLICATIONS.—Each local educational agency or consortia of such agencies desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may reasonably require.

"(d) INNOVATIVE PROGRAMS.—The Secretary shall reserve not more than 5 percent of the funds appropriated under section 5142(a) for each fiscal year to award grants under this section.

"SEC. 5141. EVALUATIONS.

"(a) RESERVATION.—The Secretary may reserve not more than 2 percent of the funds appropriated under section 5142(a) for any fiscal year to carry out evaluations of projects assisted under this subpart and to provide technical assistance for grant recipients under this subpart.

"(b) CONTENTS.—Each evaluation described in subsection (a), at a minimum, shall address—

"(1) how and the extent to which magnet school programs lead to educational quality and improvement;

"(2) the extent to which magnet school programs enhance student access to quality education;

"(3) the extent to which magnet school programs lead to the elimination, reduction, or prevention of minority group isolation in elementary schools and secondary schools with substantial proportions of minority students;

"(4) the extent to which magnet school programs differ from other school programs in terms of the organizational characteristics and resource allocations of such magnet school programs; and

"(5) the extent to which magnet school programs continue once grant assistance under this subpart is terminated.

"(c) DISSEMINATION.—The Secretary shall collect and disseminate to the general public information on successful magnet school programs.

"SEC. 5142. AUTHORIZATION OF APPROPRIATIONS; RESERVATION.

"(a) AUTHORIZATION.—For the purpose of carrying out this subpart, there are authorized to be appropriated

$125,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) AVAILABILITY OF FUNDS FOR GRANTS TO AGENCIES NOT PREVIOUSLY ASSISTED.—In any fiscal year for which the amount appropriated pursuant to subsection (a) exceeds $75,000,000, the Secretary shall give priority to using such amounts in excess of $75,000,000 to award grants to local educational agencies or consortia of such agencies that did not receive a grant under this subpart in the preceding fiscal year.

"Subpart 3—Public School Choice

"SEC. 5151. PUBLIC SCHOOL CHOICE.

"(a) ALLOTMENT TO STATE.—From the amount appropriated under subsection (e) for a fiscal year, the Secretary shall allot to each State an amount that bears the same relation to the amount as the amount the State received under section 1122 for the preceding year bears to the amount received by all States under section 1122 for the preceding year.

"(b) STATE USE OF FUNDS.—Each State receiving an allotment under subsection (a) shall use 100 percent of the allotted funds for allocations to local educational agencies to enable the local educational agencies to carry out school improvement under section 1116(c).

"(c) PUBLIC SCHOOL CHOICE.—Subject to subsection (d), each local educational agency receiving an allocation under subsection (b), and each local educational agency that is within a State that receives funds under part A of title I (other than a local educational agency within a State that receives a minimum grant under section 1124(d) or 1124A(a)(1)(B) of such Act), shall provide all students enrolled in a school identified under section 1116(c) and served by the local educational agency with the option to transfer to another public school within the school district served by the local educational agency, including a public charter school, that has not been identified for school improvement under section 1116(c), unless such option to transfer is prohibited by State law or local law (which includes school board-approved local educational agency policy).

"(d) SPECIAL RULE.—If a local educational agency demonstrates to the satisfaction of the State educational agency that the local educational agency lacks the capacity to provide all students with the option to transfer to another public school within the school district served by the local educational agency in accordance with subsection (c), and gives notice (consistent with State and local law) to the parents of children affected that it is not possible to accommodate the transfer request of every student, then

the local educational agency shall permit as many students as possible (who shall be selected by the local educational agency on an equitable basis) to transfer to a public school within such school district that has not been identified for school improvement under section 1116(c).

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $225,000,000 for fiscal year 2002 and each of the 6 succeeding fiscal years.''.

"PART B—FLEXIBILITY

"Subpart 1—Education Flexibility Partnerships

"SEC. 5201. SHORT TITLE.

''This subpart may be cited as the 'Education Flexibility Partnership Act of 2001'.

"SEC. 5202. DEFINITIONS.

''In this subpart:

''(1) ELIGIBLE SCHOOL ATTENDANCE AREA; SCHOOL ATTENDANCE AREA.—The terms 'eligible school attendance area' and 'school attendance area' have the meanings given the terms in section 1113(a)(2).

''(2) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and each outlying area.

"SEC. 5203. EDUCATION FLEXIBILITY PARTNERSHIP.

"(a) EDUCATIONAL FLEXIBILITY PROGRAM.—

"(1) PROGRAM AUTHORIZED.—

"(A) IN GENERAL.—The Secretary may carry out an educational flexibility program under which the Secretary authorizes a State educational agency that serves an eligible State to waive statutory or regulatory requirements applicable to one or more programs described in subsection (b), other than requirements described in subsection (c), for any local educational agency or school within the State.

"(B) DESIGNATION.—Each eligible State participating in the program described in subparagraph (A) shall be known as an 'Ed-Flex Partnership State'.

"(2) ELIGIBLE STATE.—For the purpose of this section the term 'eligible State' means a State that—

"(A) has—

"(i) developed and implemented the challenging State content standards, challenging State student performance standards, and aligned assessments described in section 1111(b), and for which local educational agencies in the State are pro-

ducing the individual school performance profiles required by section 1116(a)(3); or

"(ii)(I) developed and implemented the content standards described in clause (i);

"(II) developed and implemented interim assessments; and

"(III) made substantial progress (as determined by the Secretary) toward developing and implementing the performance standards and final aligned assessments described in clause (i), and toward having local educational agencies in the State produce the profiles described in clause (i);

"(B) holds local educational agencies and schools accountable for meeting the educational goals described in the local applications submitted under paragraph (4), and for engaging in technical assistance and corrective actions consistent with section 1116, for the local educational agencies and schools that do not make adequate yearly progress as described in section 1111(b)(2); and

"(C) waives State statutory or regulatory requirements relating to education while holding

local educational agencies or schools within the State that are affected by such waivers accountable for the performance of the students who are affected by such waivers.

"(3) STATE APPLICATION.—

"(A) IN GENERAL.—Each State educational agency desiring to participate in the educational flexibility program under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall demonstrate that the eligible State has adopted an educational flexibility plan for the State that includes—

"(i) a description of the process the State educational agency will use to evaluate applications from local educational agencies or schools requesting waivers of—

"(I) Federal statutory or regulatory requirements as described in paragraph (1)(A); and

"(II) State statutory or regulatory requirements relating to education;

"(ii) a detailed description of the State statutory and regulatory requirements relating to education that the State educational agency will waive;

"(iii) a description of clear educational objectives the State intends to meet under the educational flexibility plan;

"(iv) a description of how the educational flexibility plan is consistent with and will assist in implementing the State comprehensive reform plan or, if a State does not have a comprehensive reform plan, a description of how the educational flexibility plan is coordinated with activities described in section 1111(b);

"(v) a description of how the State educational agency will evaluate, consistent with the requirements of title I, the performance of students in the schools and local educational agencies affected by the waivers; and

"(vi) a description of how the State educational agency will meet the requirements of paragraph (8).

"(B) APPROVAL AND CONSIDERATIONS.—The Secretary may approve an application described in subparagraph (A) only if the Secretary determines that such application demonstrates substantial promise of assisting the State educational agency and affected local educational agencies and schools within the State in carrying out comprehensive educational reform, after considering—

"(i) the eligibility of the State as described in paragraph (2);

"(ii) the comprehensiveness and quality of the educational flexibility plan described in subparagraph (A);

"(iii) the ability of the educational flexibility plan to ensure accountability for the activities and goals described in such plan;

"(iv) the degree to which the State's objectives described in subparagraph (A)(iii)—

"(I) are clear and have the ability to be assessed; and

"(II) take into account the performance of local educational agencies

or schools, and students, particularly those affected by waivers;

''(v) the significance of the State statutory or regulatory requirements relating to education that will be waived; and

''(vi) the quality of the State educational agency's process for approving applications for waivers of Federal statutory or regulatory requirements as described in paragraph (1)(A) and for monitoring and evaluating the results of such waivers.

''(4) LOCAL APPLICATION.—

''(A) IN GENERAL.—Each local educational agency or school requesting a waiver of a Federal statutory or regulatory requirement as described in paragraph (1)(A) and any relevant State statutory or regulatory requirement from a State educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require. Each such application shall—

"(i) indicate each Federal program affected and each statutory or regulatory requirement that will be waived;

"(ii) describe the purposes and overall expected results of waiving each such requirement;

"(iii) describe, for each school year, specific, measurable, educational goals for each local educational agency or school affected by the proposed waiver, and for the students served by the local educational agency or school who are affected by the waiver;

"(iv) explain why the waiver will assist the local educational agency or school in reaching such goals; and

"(v) in the case of an application from a local educational agency, describe how the local educational agency will meet the requirements of paragraph (8).

"(B) EVALUATION OF APPLICATIONS.—A State educational agency shall evaluate an application submitted under subparagraph (A) in accordance with the State's educational flexibility plan described in paragraph (3)(A).

"(C) APPROVAL.—A State educational agency shall not approve an application for a waiver under this paragraph unless—

"(i) the local educational agency or school requesting such waiver has developed a local reform plan that is applicable to such agency or school, respectively;

"(ii) the waiver of Federal statutory or regulatory requirements as described in paragraph (1)(A) will assist the local educational agency or school in reaching its educational goals, particularly goals with respect to school and student performance; and

"(iii) the State educational agency is satisfied that the underlying purposes of the statutory requirements of each program for which a waiver is granted will continue to be met.

"(D) TERMINATION.—The State educational agency shall annually review the performance of any local educational agency or school granted a waiver of Federal statutory or regulatory requirements as described in paragraph (1)(A) in accordance with the evaluation

requirement described in paragraph (3)(A)(v), and shall terminate any waiver granted to the local educational agency or school if the State educational agency determines, after notice and an opportunity for a hearing, that the local educational agency or school's performance with respect to meeting the accountability requirement described in paragraph (2)(C) and the goals described in paragraph (4)(A)(iii)—

"(i) has been inadequate to justify continuation of such waiver; or

"(ii) has decreased for two consecutive years, unless the State educational agency determines that the decrease in performance was justified due to exceptional or uncontrollable circumstances.

"(5) OVERSIGHT AND REPORTING.—

"(A) OVERSIGHT.—Each State educational agency participating in the educational flexibility program under this section shall annually monitor the activities of local educational agencies and schools receiving waivers under this section.

"(B) STATE REPORTS.—

"(i) ANNUAL REPORTS.—The State educational agency shall submit to the Secretary an annual report on the results of such oversight and the impact of the waivers on school and student performance.

"(ii) PERFORMANCE DATA.—Not later than 2 years after the date a State is designated an Ed-Flex Partnership State, each such State shall include, as part of the State's annual report submitted under clause (i), data demonstrating the degree to which progress has been made toward meeting the State's educational objectives. The data, when applicable, shall include—

"(I) information on the total number of waivers granted for Federal and State statutory and regulatory requirements under this section, including the number of waivers granted for each type of waiver;

"(II) information describing the effect of the waivers on the implementation of State and local educational reforms pertaining to school and student performance;

"(III) information describing the relationship of the waivers to the performance of schools and students affected by the waivers; and

"(IV) an assurance from State program managers that the data reported under this section are reliable, complete, and accurate, as defined by the State, or a description of a plan for improving the reliability, completeness, and accuracy of such data as defined by the State.

"(C) SECRETARY'S REPORTS.—The Secretary, not later than 2 years after the date of enactment of the Education Flexibility Partnership Act of 1999 and annually thereafter, shall—

"(i) make each State report submitted under subparagraph (B) available to Congress and the public; and

"(ii) submit to Congress a report that summarizes the State reports and describes the effects that the educational flexibility program under this section had on the implementation of State and local

educational reforms and on the performance of students affected by the waivers.

"(6) DURATION OF FEDERAL WAIVERS.—

"(A) IN GENERAL.—The Secretary shall not approve the application of a State educational agency under paragraph (3) for a period exceeding 5 years, except that the Secretary may extend such period if the Secretary determines that such agency's authority to grant waivers—

"(i) has been effective in enabling such State or affected local educational agencies or schools to carry out their State or local reform plans and to continue to meet the accountability requirement described in paragraph (2)(C); and

"(ii) has improved student performance.

"(B) PERFORMANCE REVIEW.—Three years after the date a State is designated an Ed-Flex Partnership State, the Secretary shall review the performance of the State educational agency in granting waivers of Federal statutory or regulatory requirements as described in paragraph (1)(A) and shall terminate such

agency's authority to grant such waivers if the Secretary determines, after notice and an opportunity for a hearing, that such agency's performance (including performance with respect to meeting the objectives described in paragraph (3)(A)(iii)) has been inadequate to justify continuation of such authority.

"(C) RENEWAL.—In deciding whether to extend a request for a State educational agency's authority to issue waivers under this section, the Secretary shall review the progress of the State educational agency to determine if the State educational agency—

"(i) has made progress toward achieving the objectives described in the application submitted pursuant to paragraph (3)(A)(iii); and

"(ii) demonstrates in the request that local educational agencies or schools affected by the waiver authority or waivers have made progress toward achieving the desired results described in the application submitted pursuant to paragraph (4)(A)(iii).

"(7) AUTHORITY TO ISSUE WAIVERS.—Notwithstanding any other provision of law, the Secretary is authorized to carry out the educational flexibility program under this section for each of the fiscal years 2002 through 2008.

"(8) PUBLIC NOTICE AND COMMENT.—Each State educational agency seeking waiver authority under this section and each local educational agency seeking a waiver under this section—

"(A) shall provide the public with adequate and efficient notice of the proposed waiver authority or waiver, consisting of a description of the agency's application for the proposed waiver authority or waiver in a widely read or distributed medium, including a description of any improved student performance that is expected to result from the waiver authority or waiver;

"(B) shall provide the opportunity for parents, educators, and all other interested members of the community to comment regarding the proposed waiver authority or waiver;

"(C) shall provide the opportunity described in subparagraph (B) in accordance with any applicable State law specifying how the comments may be received, and how the com-

ments may be reviewed by any member of the public; and

"(D) shall submit the comments received with the agency's application to the Secretary or the State educational agency, as appropriate.

"(b) INCLUDED PROGRAMS.—The statutory or regulatory requirements referred to in subsection (a)(1)(A) are any such requirements for programs carried out under the following provisions:

"(1) Title I (other than subsections (a) and (c) of section 1116, subpart 2 of part B, and part F).

"(2) Subparts 1, 2, and 3 of part A of title II.

"(3) Part C of title II.

"(4) Part C of title III.

"(5) Part A of title IV.

"(6) Subpart 4 of this part.

"(7) The Carl D. Perkins Vocational and Technical Education Act of 1998.

"(c) WAIVERS NOT AUTHORIZED.—The Secretary and the State educational agency may not waive under subsection (a)(1)(A) any statutory or regulatory requirement—

"(1) relating to—

"(A) maintenance of effort;

"(B) comparability of services;

"(C) equitable participation of students and professional staff in private schools;

"(D) parental participation and involvement;

"(E) distribution of funds to States or to local educational agencies;

"(F) serving eligible school attendance areas in rank order under section 1113(a)(3);

"(G) the selection of a school attendance area or school under subsections (a) and (b) of section 1113, except that a State educational agency may grant a waiver to allow a school attendance area or school to participate in activities under part A of title I if the percentage of children from low-income families in the school attendance area of such school or who attend such school is not less than 10 percentage points below the lowest percentage of such children for any school attendance area or school of the local educational agency that meets the requirements of such subsections (a) and (b);

"(H) use of Federal funds to supplement, not supplant, non-Federal funds; and

"(I) applicable civil rights requirements; and

"(2) unless the underlying purposes of the statutory requirements of the program for which a waiver is granted continue to be met to the satisfaction of the Secretary.

"(d) TREATMENT OF EXISTING ED-FLEX PARTNERSHIP STATES.—

"(1) IN GENERAL.—Except as provided in paragraphs (3) and (4), this section shall not apply to a State educational agency that has been granted waiver authority under the provisions of law described in paragraph (2) (as such provisions were in effect on the day before the date of enactment of the Better Education for Students and Teachers Act) for the duration of the waiver authority.

"(2) APPLICABLE PROVISIONS.—The provisions of law referred to in paragraph (1) are as follows:

"(A) Section 311(e) of the Goals 2000: Educate America Act (as such section was in effect on the day before the date of enactment of the Better Education for Students and Teachers Act).

"(B) The proviso referring to such section 311(e) under the heading 'EDUCATION REFORM' in the Department of Education Appropriations

Act, 1996 (Public Law 104–134; 110 Stat. 1321–229).

"(3) SPECIAL RULE.—If a State educational agency granted waiver authority pursuant to the provisions of law described in subparagraph (A) or (B) of paragraph (2) applies to the Secretary for waiver authority under this section—

"(A) the Secretary shall review the progress of the State educational agency in achieving the objectives set forth in the application submitted pursuant to section 311(e) of the Goals 2000: Educate America Act (as such section was in effect on the day before the date of enactment of the Better Education for Students and Teachers Act); and

"(B) the Secretary shall administer the waiver authority granted under this section in accordance with the requirements of this section.

"(4) TECHNOLOGY.—In the case of a State educational agency granted waiver authority under the provisions of law described in subparagraph (A) or (B) of paragraph (2), the Secretary shall permit a State educational agency to expand, on or after the date of enactment of the Better Education for

Students and Teachers Act, the waiver authority to include programs under part C of title II.

''(e) PUBLICATION.—A notice of the Secretary's decision to authorize State educational agencies to issue waivers under this section, including a description of the rationale the Secretary used to approve applications under subsection (a)(3)(B), shall be published in the Federal Register and the Secretary shall provide for the dissemination of such notice to State educational agencies, interested parties (including educators, parents, students, and advocacy and civil rights organizations), and the public.

"Subpart 2—Rural Education Initiative

"SEC. 5221. SHORT TITLE.

''This subpart may be cited as the 'Rural Education Achievement Program'.

"SEC. 5222. PURPOSE.

''It is the purpose of this subpart to address the unique needs of rural school districts that frequently—

''(1) lack the personnel and resources needed to compete for Federal competitive grants; and

''(2) receive formula allocations in amounts too small to be effective in meeting their intended purposes.

"SEC. 5223. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart—

"(1) $300,000,000 for fiscal year 2002, of which $150,000,000 shall be made available to carry out chapter 1; and

"(2) such sums as may be necessary for each of the 6 succeeding fiscal years.

"Chapter 1—Small, Rural School Achievement Program

"SEC. 5231. FORMULA GRANT PROGRAM AUTHORIZED.

"(a) ALTERNATIVE USES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, an eligible local educational agency may use the applicable funding, that the agency is eligible to receive from the State educational agency for a fiscal year, to carry out activities described in section 1114, 1115, 1116, 2123, or 4116.

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

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

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

"(2) all of the schools served by the local educational agency are designated with a School Locale Code of 7 or 8, as determined by the Secretary, except that the Secretary may waive the School Locale Code requirement of this paragraph if the Secretary determines, based on certification provided by the local educational agency or the State educational agency on behalf of the local educational agency, that the local educational agency is located in an area defined as rural by a governmental agency of the State.

"(c) APPLICABLE FUNDING.—In this section, the term 'applicable funding' means funds provided under each of titles II and IV, and subpart 4 of this part.

"(d) DISBURSAL.—Each State educational agency that receives applicable funding for a fiscal year shall disburse the applicable funding to local educational agencies for alternative uses under this section for the fiscal year at the same time that the State educational agency dis-

burses the applicable funding to local educational agencies that do not intend to use the applicable funding for such alternative uses for the fiscal year.

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

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

"(g) CONSTRUCTION.—Nothing in this chapter shall be construed to prohibit a local educational agency that enters into cooperative arrangements with other local educational agencies for the provision of special, compensatory, or other education services pursuant to State law or a written agreement from entering into similar arrangements for the use or the coordination of the use of the funds made available under this section.

"SEC. 5232. COMPETITIVE GRANT PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to award grants to eligible local educational agencies to enable the local educational agencies to carry out activities described in section 1114, 1115, 1116, 2123, 2213, 2306, or 4116.

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

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

"(2) all of the schools served by the local educational agency are designated with a School Locale Code of 7 or 8, as determined by the Secretary, except that the Secretary may waive the School Locale Code requirement of this paragraph if the Secretary determines, based on certification provided by the local educational agency or the State educational agency on behalf of the local educational agency, that the local educational agency is located in an area defined as rural by a governmental agency of the State.

"(c) AMOUNT.—

"(1) IN GENERAL.—The Secretary shall award a grant to a local educational agency under this section for a fiscal year in an amount equal to the amount determined under paragraph (2) for the fiscal year minus the total amount received under the provisions of law described under section 5231(c) for the fiscal year.

"(2) DETERMINATION.—The amount referred to in paragraph (1) is equal to $100 multiplied by the total number of students in excess of 50 students that are in average daily attendance at the schools served by the local educational agency, plus $20,000, except that the amount may not exceed $60,000.

"(3) CENSUS DETERMINATION.—

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

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

"(4) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under paragraph (3) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the

amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under paragraph (3).

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

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

''(f) CONSTRUCTION.—Nothing in this chapter shall be construed to prohibit a local educational agency that enters into cooperative arrangements with other local educational agencies for the provision of special, compensatory, or other education services pursuant to State law or a written agreement from entering into similar arrangements for the use or the coordination of the use of the funds made available under this section.

''SEC. 5233. ACCOUNTABILITY.

''(a) ACADEMIC ACHIEVEMENT.—

''(1) IN GENERAL.—Each local educational agency that uses or receives funds under section 5231 or 5232 for a fiscal year shall—

"(A) administer an assessment that is used statewide and is consistent with the assessment described in section 1111(b), to assess the academic achievement of students in the schools served by the local educational agency; or

"(B) in the case of a local educational agency for which there is no statewide assessment described in subparagraph (A), administer a test, that is selected by the local educational agency, to assess the academic achievement of students in the schools served by the local educational agency.

"(2) SPECIAL RULE.—Each local educational agency that uses or receives funds under section 5231 or 5232 shall use the same assessment or test described in paragraph (1) for each year of participation in the program carried out under such section.

"(b) STATE EDUCATIONAL AGENCY DETERMINATION REGARDING CONTINUING PARTICIPATION.—Each State educational agency that receives funding under the provisions of law described in section 5231(c) shall—

"(1) after the 3rd year that a local educational agency in the State participates in a program authorized under section 5231 or 5232 and on the

basis of the results of the assessments or tests described in subsection (a), determine whether the students served by the local educational agency participating in the program performed better on the assessments or tests after the 3rd year of the participation than the students performed on the assessments or tests after the 1st year of the participation;

''(2) permit only the local educational agencies that participated in the program and served students that performed better on the assessments or tests, as described in paragraph (1), to continue to participate in the program for an additional period of 3 years; and

''(3) prohibit the local educational agencies that participated in the program and served students that did not perform better on the assessments or tests, as described in paragraph (1), from participating in the program, for a period of 3 years from the date of the determination.

''SEC. 5234. RATABLE REDUCTIONS IN CASE OF INSUFFICIENT APPROPRIATIONS.

''(a) IN GENERAL.—If the amount appropriated for any fiscal year and made available for grants under this chapter is insufficient to pay the full amount for which

all agencies are eligible under this chapter, the Secretary shall ratably reduce each such amount.

''(b) ADDITIONAL AMOUNTS.—If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subsection (a) shall be increased on the same basis as such payments were reduced.

"Chapter 2—Low-Income and Rural School Program

"SEC. 5241. DEFINITIONS.

''In this chapter:

''(1) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

''(2) SPECIALLY QUALIFIED AGENCY.—The term 'specially qualified agency' means an eligible local educational agency, located in a State that does not participate in a program carried out under this chapter for a fiscal year, which may apply directly to the Secretary for a grant for such year in accordance with section 5242(b).

"SEC. 5242. PROGRAM AUTHORIZED.

''(a) GRANTS TO STATES.—

"(1) IN GENERAL.—From the sum appropriated under section 5223 for a fiscal year and made available to carry out this chapter, the Secretary shall award grants, from allotments made under paragraph (2), to State educational agencies that have applications approved under section 5244 to enable the State educational agencies to award grants to eligible local educational agencies for innovative assistance activities described in section 5331(b).

"(2) ALLOTMENT.—From the sum appropriated under section 5223 for a fiscal year and made available to carry out this chapter, the Secretary shall allot to each State educational agency an amount that bears the same ratio to the sum as the number of students in average daily attendance at the schools served by eligible local educational agencies in the State for that fiscal year bears to the number of all such students at the schools served by eligible local educational agencies in all States for that fiscal year.

"(b) DIRECT GRANTS TO SPECIALLY QUALIFIED AGENCIES.—

"(1) NONPARTICIPATING STATE.—If a State educational agency elects not to participate in the

program carried out under this chapter or does not have an application approved under section 5244, a specially qualified agency in such State desiring a grant under this chapter shall apply directly to the Secretary under section 5244 to receive a grant under this chapter.

"(2) DIRECT AWARDS TO SPECIALLY QUALIFIED AGENCIES.—The Secretary may award, on a competitive basis, the amount the State educational agency is eligible to receive under subsection (a)(2) directly to specially qualified agencies in the State.

"(c) ADMINISTRATIVE COSTS.—A State educational agency that receives a grant under this chapter may not use more than 5 percent of the amount of the grant for State administrative costs.

"SEC. 5243. STATE DISTRIBUTION OF FUNDS.

"(a) IN GENERAL.—A State educational agency that receives a grant under this chapter may use the funds made available through the grant to award grants to eligible local educational agencies to enable the local educational agencies to carry out innovative assistance activities described in section 5331(b).

"(b) LOCAL AWARDS.—

"(1) ELIGIBILITY.—A local educational agency shall be eligible to receive a grant under this chapter if—

"(A) 20 percent or more of the children age 5 through 17 that are served by the local educational agency are from families with incomes below the poverty line; and

"(B) all of the schools served by the agency are located in a community with a Locale Code of 6, 7, or 8, as determined by the Secretary of Education.

"(c) AWARD BASIS.—The State educational agency shall award the grants to eligible local educational agencies—

"(1) on a competitive basis; or

"(2) according to a formula based on the number of students in average daily attendance at schools served by the eligible local educational agencies.

"SEC. 5244. APPLICATIONS.

"(a) IN GENERAL.—Each State educational agency and specially qualified agency desiring to receive a grant under this chapter shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(b) CONTENTS.—At a minimum, such application shall include information on specific measurable goals and objectives to be achieved through the activities carried out through the grant, which may include specific educational goals and objectives relating to—

"(1) increased student academic achievement;

"(2) decreased student dropout rates; or

"(3) such other factors as the State educational agency or specially qualified agency may choose to measure.

"SEC. 5245. ACCOUNTABILITY.

"(a) STATE REPORTS.—Each State educational agency that receives a grant under this chapter shall prepare and submit to the Secretary an annual report. The report shall describe—

"(1) the method the State educational agency used to award grants to eligible local educational agencies under this chapter;

"(2) how the local educational agencies used the funds provided under this chapter; and

"(3) the degree to which the State made progress toward meeting the goals and objectives described in the application submitted under section 5244.

"(b) SPECIALLY QUALIFIED AGENCY REPORT.—Each specially qualified agency that receives a grant under this chapter shall prepare and submit to the Secretary an annual report. The report shall describe—

"(1) how such agency used the funds provided under this chapter; and

"(2) the degree to which the agency made progress toward meeting the goals and objectives described in the application submitted under section 5244.

"(c) ACADEMIC ACHIEVEMENT.—

"(1) IN GENERAL.—Each local educational agency that receives a grant under this chapter for a fiscal year shall—

"(A) administer an assessment that is used statewide and is consistent with the assessment described in section 1111(b), to assess the academic achievement of students in the schools served by the local educational agency; or

"(B) in the case of a local educational agency for which there is no statewide assessment described in subparagraph (A), administer a test, that is selected by the local educational agency, to assess the academic achievement of

students in the schools served by the local educational agency.

"(2) SPECIAL RULE.—Each local educational agency that receives a grant under this chapter shall use the same assessment or test described in paragraph (1) for each year of participation in the program carried out under this chapter.

"(d) STATE EDUCATIONAL AGENCY DETERMINATION REGARDING CONTINUING PARTICIPATION.—Each State educational agency that receives a grant under this chapter shall—

"(1) after the 3rd year that a local educational agency in the State participates in the program authorized under this chapter and on the basis of the results of the assessments or tests described in subsection (c), determine whether the students served by the local educational agency participating in the program performed better on the assessments or tests after the 3rd year of the participation than the students performed on the assessments or tests after the 1st year of the participation;

"(2) permit only the local educational agencies that participated in the program and served students that performed better on the assessments or tests, as described in paragraph (1), to continue to partici-

pate in the program for an additional period of 3 years; and

''(3) prohibit the local educational agencies that participated in the program and served students that did not perform better on the assessments or tests, as described in paragraph (1), from participating in the program for a period of 3 years from the date of the determination.

"SEC. 5246. SUPPLEMENT NOT SUPPLANT.

''Funds made available under this chapter shall be used to supplement and not supplant any other Federal, State, or local education funds.

"SEC. 5247. SPECIAL RULE.

''No local educational agency may concurrently participate in activities carried out under chapter 1 and activities carried out under this chapter.

"Subpart 3—Waivers

"SEC. 5251. WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

''(a) IN GENERAL.—Except as provided in subsection (c), the Secretary may waive any statutory or regulatory requirement of this Act for a State educational agency, local educational agency, Indian tribe, or school through a local educational agency, that—

"(1) receives funds under a program authorized by this Act; and

"(2) requests a waiver under subsection (b).

"(b) REQUEST FOR WAIVER.—

"(1) IN GENERAL.—A State educational agency, local educational agency, or Indian tribe which desires a waiver shall submit a waiver request to the Secretary that—

"(A) identifies the Federal programs affected by such requested waiver;

"(B) describes which Federal requirements are to be waived and how the waiving of such requirements will—

"(i) increase the quality of instruction for students; or

"(ii) improve the academic performance of students;

"(C) if applicable, describes which similar State and local requirements will be waived and how the waiving of such requirements will assist the local educational agencies, Indian tribes or schools, as appropriate, to achieve the objectives described in clauses (i) and (ii) of subparagraph (B);

"(D) describes specific, measurable educational improvement goals and expected outcomes for all affected students;

"(E) describes the methods to be used to measure progress in meeting such goals and outcomes; and

"(F) describes how schools will continue to provide assistance to the same populations served by programs for which waivers are requested.

"(2) ADDITIONAL INFORMATION.—Such requests—

"(A) may provide for waivers of requirements applicable to State educational agencies, local educational agencies, Indian tribes, and schools; and

"(B) shall be developed and submitted—

"(i)(I) by local educational agencies (on behalf of such agencies and schools) to State educational agencies; and

"(II) by State educational agencies (on behalf of, and based upon the requests of, local educational agencies) to the Secretary; or

"(ii) by Indian tribes (on behalf of schools operated by such tribes) to the Secretary.

"(3) GENERAL REQUIREMENTS.—

"(A) STATE EDUCATIONAL AGENCIES.—In the case of a waiver request submitted by a State educational agency acting in its own behalf, the State educational agency shall—

"(i) provide all interested local educational agencies in the State with notice and a reasonable opportunity to comment on the request;

"(ii) submit the comments to the Secretary; and

"(iii) provide notice and information to the public regarding the waiver request in the manner that the applying agency customarily provides similar notices and information to the public.

"(B) LOCAL EDUCATIONAL AGENCIES.—In the case of a waiver request submitted by a local educational agency that receives funds under this Act—

"(i) such request shall be reviewed by the State educational agency and be ac-

companied by the comments, if any, of such State educational agency; and

"(ii) notice and information regarding the waiver request shall be provided to the public by the agency requesting the waiver in the manner that such agency customarily provides similar notices and information to the public.

"(c) RESTRICTIONS.—The Secretary shall not waive under this section any statutory or regulatory requirements relating to—

"(1) the allocation or distribution of funds to States, local educational agencies, or other recipients of funds under this Act;

"(2) maintenance of effort;

"(3) comparability of services;

"(4) use of Federal funds to supplement, not supplant, non-Federal funds;

"(5) equitable participation of private school students and teachers;

"(6) parental participation and involvement;

"(7) applicable civil rights requirements;

"(8) the requirement for a charter school under subpart 1 of part A;

"(9) the prohibitions regarding—

"(A) State aid in section 5; or

"(B) use of funds for religious worship or instruction in section 10; or

"(10) the selection of a school attendance area or school under subsections (a) and (b) of section 1113, except that the Secretary may grant a waiver to allow a school attendance area or school to participate in activities under part A of title I if the percentage of children from low-income families in the school attendance area of such school or who attend such school is not less than 10 percentage points below the lowest percentage of such children for any school attendance area or school of the local educational agency that meets the requirements of such subsections (a) and (b).

"(d) DURATION AND EXTENSION OF WAIVER.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the duration of a waiver approved by the Secretary under this section may be for a period not to exceed 3 years.

"(2) EXTENSION.—The Secretary may extend the period described in paragraph (1) if the Secretary determines that—

"(A) the waiver has been effective in enabling the State or affected recipients to carry

out the activities for which the waiver was requested and the waiver has contributed to improved student performance; and

"(B) such extension is in the public interest.

"(e) REPORTS.—

"(1) LOCAL WAIVER.—A local educational agency that receives a waiver under this section shall at the end of the second year for which a waiver is received under this section, and each subsequent year, submit a report to the State educational agency that—

"(A) describes the uses of such waiver by such agency or by schools;

"(B) describes how schools continued to provide assistance to the same populations served by the programs for which waivers are requested; and

"(C) evaluates the progress of such agency and of schools in improving the quality of instruction or the academic performance of students.

"(2) STATE WAIVER.—A State educational agency that receives reports required under paragraph (1) shall annually submit a report to the Sec-

retary that is based on such reports and contains such information as the Secretary may require.

"(3) INDIAN TRIBE WAIVER.—An Indian tribe that receives a waiver under this section shall annually submit a report to the Secretary that—

"(A) describes the uses of such waiver by schools operated by such tribe; and

"(B) evaluates the progress of such schools in improving the quality of instruction or the academic performance of students.

"(4) REPORT TO CONGRESS.—Beginning in fiscal year 2002 and each subsequent year, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report—

"(A) summarizing the uses of waivers by State educational agencies, local educational agencies, Indian tribes, and schools; and

"(B) describing whether such waivers—

"(i) increased the quality of instruction to students; or

"(ii) improved the academic performance of students.

"(f) TERMINATION OF WAIVERS.—The Secretary shall terminate a waiver under this section if the Secretary determines that the performance of the State or other recipient affected by the waiver has been inadequate to justify a continuation of the waiver or if the waiver is no longer necessary to achieve its original purposes.

"(g) PUBLICATION.—A notice of the Secretary's decision to grant each waiver under subsection (a) shall be published in the Federal Register and the Secretary shall provide for the dissemination of such notice to State educational agencies, interested parties, including educators, parents, students, advocacy and civil rights organizations, and the public.

"Subpart 4—Innovative Education Program Strategies

"SEC. 5301. PURPOSE; STATE AND LOCAL RESPONSIBILITY.

"(a) PURPOSE.—The purpose of this subpart is—

"(1) to support local education reform efforts that are consistent with and support statewide education reform efforts;

"(2) to provide funding to enable State and local educational agencies to implement promising educational reform strategies;

"(3) to provide a continuing source of innovation and educational improvement, including support

for library services and instructional and media materials; and

"(4) to develop and implement education programs to improve school, student, and teacher performance, including professional development activities and class size reduction programs.

"(b) STATE AND LOCAL RESPONSIBILITY.—The basic responsibility for the administration of funds made available under this subpart is within the State educational agencies, but it is the intent of Congress that the responsibility be carried out with a minimum of paperwork and that the responsibility for the design and implementation of programs assisted under this subpart will be mainly that of local educational agencies, school superintendents and principals, and classroom teachers and supporting personnel, because such agencies and individuals have the most direct contact with students and are most likely to be able to design programs to meet the educational needs of students in their own school districts.

"SEC. 5302. AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE.

"(a) AUTHORIZATION.—To carry out the purposes of this subpart, there are authorized to be appropriated $850,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) DURATION OF ASSISTANCE.—During the period beginning October 1, 2002, and ending September 30, 2008, the Secretary, in accordance with the provisions of this subpart, shall make payments to State educational agencies for the purpose of this subpart.

"SEC. 5303. DEFINITION OF EFFECTIVE SCHOOLS PROGRAM.

"In this subpart the term 'effective schools program' means a school-based program that—

"(1) may encompass preschool through secondary school levels; and

"(2) has the objectives of—

"(A) promoting school-level planning, instructional improvement, and staff development for all personnel;

"(B) increasing the academic performance levels of all children and particularly educationally disadvantaged children; and

"(C) achieving as an ongoing condition in the school the following factors identified through effective schools research:

"(i) Strong and effective administrative and instructional leadership.

"(ii) A safe and orderly school environment that enables teachers and students to focus on academic performance.

"(iii) Continuous assessment of students and initiatives to evaluate instructional techniques.

"Chapter 1—State and Local Programs

"SEC. 5311. ALLOTMENT TO STATES.

"(a) RESERVATIONS.—From the sums appropriated to carry out this subpart in any fiscal year, the Secretary shall reserve not more than 1 percent for payments to outlying areas to be allotted in accordance with their respective needs.

"(b) ALLOTMENT.—From the remainder of such sums, the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to ½ of 1 percent of such remainder.

"(c) DEFINITIONS.—In this chapter:

"(1) SCHOOL-AGE POPULATION.—The term 'school-age population' means the population aged 5 through 17.

"(2) STATE.—The term 'State' includes the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 5312. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

"(a) FORMULA.—From the sums made available each year to carry out this subpart, the State educational agency shall distribute not less than 85 percent to local educational agencies within such State according to the relative enrollments in public and private elementary schools and secondary schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies serving the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

"(1) children living in areas with high concentrations of low-income families;

"(2) children from low-income families; and

"(3) children living in sparsely populated areas.

"(b) CALCULATION OF ENROLLMENTS.—

"(1) IN GENERAL.—The calculation of relative enrollments under subsection (a) shall be on the basis of the total of—

"(A) the number of children enrolled in public schools; and

"(B) the number of children enrolled in private nonprofit schools that desire that their children participate in programs or projects assisted under this subpart, for the fiscal year preceding the fiscal year for which the determination is made.

"(2) CONSTRUCTION.—Nothing in this subsection shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within the areas served by such agencies in order to determine whether such schools desire that their children participate in programs assisted under this subpart.

"(3) ADJUSTMENTS.—

"(A) IN GENERAL.—Relative enrollments under subsection (a) shall be adjusted, in accordance with criteria approved by the Secretary under subparagraph (B), to provide higher per pupil allocations only to local educational agencies which serve the greatest numbers or percentages of—

"(i) children living in areas with high concentrations of low-income families;

"(ii) children from low-income families; or

"(iii) children living in sparsely populated areas.

"(B) CRITERIA.—The Secretary shall review criteria submitted by a State educational agency for adjusting allocations under subparagraph (A) and shall approve such criteria only if the Secretary determines that such criteria are reasonably calculated to produce an adjusted allocation that reflects the relative needs within the State's local educational agencies based on the factors set forth in subparagraph (A).

"(c) PAYMENT OF ALLOCATIONS.—

"(1) DISTRIBUTION.—From the funds paid to a State educational agency pursuant to section 5311 for a fiscal year, a State educational agency shall distribute to each eligible local educational agency which has submitted an application as required in section 5333 the amount of such local educational agency's allocation as determined under subsection (a).

"(2) ADDITIONAL FUNDS.—

"(A) IN GENERAL.—Additional funds resulting from higher per pupil allocations provided to a local educational agency on the basis of adjusted enrollments of children described in subsection (a), may, at the discretion of the local educational agency, be allocated for expenditures to provide services for children enrolled in public and private nonprofit schools in direct proportion to the number of children described in subsection (a) and enrolled in such schools within the local educational agency.

"(B) REQUIREMENT.—In any fiscal year, any local educational agency that elects to allocate such additional funds in the manner described in subparagraph (A) shall allocate all additional funds to schools within the local educational agency in such manner.

"(C) CONSTRUCTION.—The provisions of subparagraphs (A) and (B) may not be construed to require any school to limit the use of such additional funds to the provision of services to specific students or categories of students.

"Chapter 2—State Programs

"SEC. 5321. STATE USES OF FUNDS.

''(a) AUTHORIZED ACTIVITIES.—A State educational agency may use funds made available for State use under this subpart only for—

''(1) State administration of programs under this subpart, including—

''(A) supervision of the allocation of funds to local educational agencies;

''(B) planning, supervision, and processing of State funds; and

''(C) monitoring and evaluation of programs and activities under this subpart;

''(2) support for planning, designing, and initial implementation of charter schools as described in subpart 1 of part A;

''(3) support for designing and implementation of high-quality yearly student assessments;

''(4) support for implementation of State and local standards; and

''(5) technical assistance and direct grants to local educational agencies, and statewide education reform activities, including effective schools programs which assist local educational agencies to provide targeted assistance.

"(b) LIMITATIONS AND REQUIREMENTS.—Not more than 15 percent of funds available for State programs under this subpart in any fiscal year may be used for State administration under subsection (a)(1).

"SEC. 5322. STATE APPLICATIONS.

"(a) APPLICATION REQUIREMENTS.—Any State which desires to receive assistance under this subpart shall submit to the Secretary an application which—

"(1) designates the State educational agency as the State agency responsible for administration and supervision of programs assisted under this subpart;

"(2) provides for a biennial submission of data on the use of funds, the types of services furnished, and the students served under this subpart;

"(3) sets forth the allocation of such funds required to implement section 5342;

"(4) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this section);

"(5) provides assurances that, apart from technical and advisory assistance and monitoring compliance with this subpart, the State educational agency has not exercised and will not exercise any influence

in the decisionmaking processes of local educational agencies as to the expenditure made pursuant to an application under section 5333;

''(6) contains assurances that there is compliance with the specific requirements of this subpart; and

''(7) provides for timely public notice and public dissemination of the information provided pursuant to paragraph (2).

''(b) PERIOD OF APPLICATION.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

''(c) AUDIT RULE.—A local educational agency that receives less than an average of $10,000 under this subpart for 3 fiscal years shall not be audited more frequently than once every 5 years.

"Chapter 3—Local Innovative Education Programs

"SEC. 5331. TARGETED USE OF FUNDS.

''(a) GENERAL RULE.—Funds made available to local educational agencies under section 5312 shall be used for innovative assistance described in subsection (b).

''(b) INNOVATIVE ASSISTANCE.—

"(1) IN GENERAL.—The innovative assistance programs referred to in subsection (a) include—

"(A) programs for the acquisition and use of instructional and educational materials, including library services and materials (including media materials), assessments, and other curricular materials;

"(B) programs to improve teaching and learning, including professional development activities, that are consistent with comprehensive State and local systemic education reform efforts;

"(C) activities that encourage and expand improvements throughout the local educational agency that are designed to advance student performance;

"(D) initiatives to generate, maintain, and strengthen parental and community involvement, including initiatives creating activities for school-age children and activities to meet the educational needs of children aged birth through 5;

"(E) programs to recruit, hire, and train certified teachers (including teachers certified

through State and local alternative routes) in order to reduce class size;

"(F) programs to improve the academic performance of educationally disadvantaged elementary school and secondary school students, including activities to prevent students from dropping out of school;

"(G) programs and activities that expand learning opportunities through best practice models designed to improve classroom learning and teaching;

"(H) programs to combat both student and parental illiteracy;

"(I) technology activities related to the implementation of school-based reform efforts, including professional development to assist teachers and other school personnel (including school library media personnel) regarding how to effectively use technology in the classrooms and the school library media centers involved;

"(J) school improvement programs or activities under section 1116 or 1117;

"(K) programs to provide for the educational needs of gifted and talented children;

"(L) programs to provide same gender schools and classrooms, if equal educational opportunities are made available to students of both sexes, consistent with the Constitution of the United States of America;

"(M) service learning activities; and

"(N) school safety programs.

"(2) REQUIREMENTS.—The innovative assistance programs referred to in subsection (a) shall be—

"(A) tied to promoting high academic standards;

"(B) used to improve student performance; and

"(C) part of an overall education reform strategy.

"SEC. 5332. ADMINISTRATIVE AUTHORITY.

"In order to conduct the activities authorized by this subpart, each State or local educational agency may use funds made available under this subpart to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private nonprofit agencies, organizations, and institutions.

"SEC. 5333. LOCAL APPLICATIONS.

"(a) CONTENTS OF APPLICATION.—A local educational agency or consortium of such agencies may receive an allocation of funds under this subpart for any year for which an application is submitted to the State educational agency and such application is certified to meet the requirements of this section. The State educational agency shall certify any such application if such application—

"(1)(A) sets forth the planned allocation of funds among innovative assistance programs described in section 5331 and describes the programs, projects, and activities designed to carry out such innovative assistance which the local educational agency intends to support, together with the reasons for the selection of such programs, projects, and activities; and

"(B) sets forth the allocation of such funds required to implement section 5342;

"(2) describes how assistance under this subpart will contribute to improving student achievement or improving the quality of education for students;

"(3) provides assurances of compliance with the provisions of this subpart, including the participa-

tion of children enrolled in private, nonprofit schools in accordance with section 5342;

"(4) provides an assurance that the local educational agency will keep such records, and provide such information to the State educational agency, as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State educational agency under this subpart; and

"(5) provides in the allocation of funds for the assistance authorized by this subpart, and in the design, planning, and implementation of such programs, for systematic consultation with parents of children attending elementary schools and secondary schools in the area served by the local educational agency, with teachers and administrative personnel in such schools, and with other groups involved in the implementation of this subpart (such as librarians, school counselors, and other pupil services personnel) as may be considered appropriate by the local educational agency.

"(b) PERIOD OF APPLICATION.—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds to programs for a period of

3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

"(c) LOCAL EDUCATIONAL AGENCY DISCRETION.—Subject to the limitations and requirements of this subpart, a local educational agency shall have complete discretion in determining how funds under this chapter shall be divided among the areas of targeted assistance. In exercising such discretion, a local educational agency shall ensure that expenditures under this chapter carry out the purposes of this subpart and are used to meet the educational needs within the schools of such local educational agency.

"Chapter 4—General Administrative Provisions

"SEC. 5341. MAINTENANCE OF EFFORT; FEDERAL FUNDS SUPPLEMENTARY.

"(a) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State is entitled to receive its full allocation of funds under this subpart for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the fiscal year preceding the fiscal year for which the determination is made was not less than 90 percent of such combined fiscal

effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

"(2) REDUCTION OF FUNDS.—The Secretary shall reduce the amount of the allocation of funds under this subpart in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 percent of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

"(3) WAIVERS.—The Secretary may waive, for 1 fiscal year only, the requirements of this section if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

"(b) FEDERAL FUNDS SUPPLEMENTARY.—A State or local educational agency may use and allocate funds received under this subpart only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available

under this subpart, be made available from non-Federal sources, and in no case may such funds be used so as to supplant funds from non-Federal sources.

"SEC. 5342. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

''(a) PARTICIPATION ON EQUITABLE BASIS.—

''(1) IN GENERAL.—To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this subpart or which serves the area in which a program or project assisted under this subpart is located who are enrolled in private nonprofit elementary and secondary schools, or with respect to instructional or personnel training programs funded by the State educational agency from funds made available for State use, such agency, after consultation with appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment, including the participation of the teachers of such children (and other educational personnel serving such children) in training programs, and the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this

section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this subpart.

"(2) OTHER PROVISIONS FOR SERVICES.—If no program or project is carried out under paragraph (1) in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit agencies or organizations, under which children in private schools in such district are provided with services and materials to the extent that would have occurred if the local educational agency had received funds under this subpart.

"(3) APPLICATION OF REQUIREMENTS.—The requirements of this section relating to the participation of children, teachers, and other personnel serving such children shall apply to programs and projects carried out under this subpart by a State or local educational agency, whether directly or through

grants to or contracts with other public or private agencies, institutions, or organizations.

"(b) EQUAL EXPENDITURES.—Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this subpart for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors which relate to such expenditures, and when funds available to a local educational agency under this subpart are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

"(c) FUNDS.—

"(1) ADMINISTRATION OF FUNDS AND PROPERTY.—The control of funds provided under this subpart, and title to materials, equipment, and property repaired, remodeled, or constructed with such funds, shall be in a public agency for the uses and

purposes provided in this subpart, and a public agency shall administer such funds and property.

"(2) PROVISION OF SERVICES.—The provision of services pursuant to this subpart shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which, in the provision of such services, is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this subpart shall not be commingled with State or local funds.

"(d) STATE PROHIBITION WAIVER.—If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation in programs of children enrolled in private elementary schools and secondary schools, as required by this section, the Secretary shall waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(e) WAIVER AND PROVISION OF SERVICES.—

"(1) FAILURE TO COMPLY.—If the Secretary determines that a State or a local educational agen-

cy has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary schools and secondary schools as required by this section, the Secretary may waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(2) WITHHOLDING OF ALLOCATION.—Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Secretary may withhold from the allocation of the affected State or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of those services.

"(f) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

"(g) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the ap-

propriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this subpart.

"(h) REVIEW.—

"(1) WRITTEN OBJECTIONS.—The Secretary shall not take any final action under this section until the State educational agency and the local educational agency affected by such action have had an opportunity, for not less than 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or the Secretary's designee to show cause why that action should not be taken.

"(2) COURT ACTION.—If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under paragraph (1), such agency may, not later than 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based this action, as pro-

vided in section 2112 of title 28, United States Code.

"(3) REMAND TO SECRETARY.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) COURT REVIEW.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set such action aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(i) PRIOR DETERMINATION.—Any bypass determination by the Secretary under chapter 2 of part I of this Act (as such chapter was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994) shall, to the extent consistent with

the purposes of this subpart, apply to programs under this subpart.

"SEC. 5343. FEDERAL ADMINISTRATION.

"(a) TECHNICAL ASSISTANCE.—The Secretary, upon request, shall provide technical assistance to State and local educational agencies under this subpart.

"(b) RULEMAKING.—The Secretary shall issue regulations under this subpart to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements and assurances required by this subpart.

"(c) AVAILABILITY OF APPROPRIATIONS.—Notwithstanding any other provision of law, unless expressly in limitation of this subsection, funds appropriated in any fiscal year to carry out activities under this subpart shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the subsequent fiscal year.

"PART C—FLEXIBILITY IN THE USE OF ADMINISTRATIVE AND OTHER FUNDS

"SEC. 5401. CONSOLIDATION OF STATE ADMINISTRATIVE FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

"(a) CONSOLIDATION OF ADMINISTRATIVE FUNDS.—

"(1) IN GENERAL.—A State educational agency may consolidate the amounts specifically made available to such agency for State administration under one or more of the programs specified under paragraph (2) if such State educational agency can demonstrate that the majority of such agency's resources come from non-Federal sources.

"(2) APPLICABILITY.—This section applies to programs under title I, those covered programs described in subparagraphs (C), (D), (E), and (F) of section 3(10).

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—A State educational agency shall use the amount available under this section for the administration of the programs included in the consolidation under subsection (a).

"(2) ADDITIONAL USES.—A State educational agency may also use funds available under this section for administrative activities designed to enhance the effective and coordinated use of funds under the programs included in the consolidation under subsection (a), such as—

"(A) the coordination of such programs with other Federal and non-Federal programs;

"(B) the establishment and operation of peer-review mechanisms under this Act;

"(C) the administration of this part, part D, and sections 3 through 17;

"(D) the dissemination of information regarding model programs and practices; and

"(E) technical assistance under programs specified in subsection (a)(2).

"(c) RECORDS.—A State educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual program, to account for costs relating to the administration of programs included in the consolidation under subsection (a).

"(d) REVIEW.—To determine the effectiveness of State administration under this section, the Secretary may periodically review the performance of State educational agencies in using consolidated administrative funds under this section and take such steps as the Secretary finds appropriate to ensure the effectiveness of such administration.

"(e) UNUSED ADMINISTRATIVE FUNDS.—If a State educational agency does not use all of the funds available to such agency under this section for administration, such agency may use such funds during the applicable period

of availability as funds available under one or more programs included in the consolidation under subsection (a).

"(f) CONSOLIDATION OF FUNDS FOR STANDARDS AND ASSESSMENT DEVELOPMENT.—In order to develop challenging State standards and assessments, a State educational agency may consolidate the amounts made available to such agency for such purposes under title I of this Act.

"SEC. 5402. SINGLE LOCAL EDUCATIONAL AGENCY STATES.

"A State educational agency that also serves as a local educational agency, in such agency's applications or plans under this Act, shall describe how such agency will eliminate duplication in the conduct of administrative functions.

"SEC. 5403. CONSOLIDATION OF FUNDS FOR LOCAL ADMINISTRATION.

"(a) GENERAL AUTHORITY.—In accordance with regulations of the Secretary, a local educational agency, with the approval of its State educational agency, may consolidate and use for the administration of one or more covered programs for any fiscal year not more than the percentage, established in each covered program, of the total amount available to the local educational agency under such covered programs.

"(b) STATE PROCEDURES.—Within one year from the date of enactment of the Improving America's Schools Act of 1994, a State educational agency shall, in collaboration with local educational agencies in the State, establish procedures for responding to requests from local educational agencies to consolidate administrative funds under subsection (a) and for establishing limitations on the amount of funds under covered programs that may be used for administration on a consolidated basis.

"(c) CONDITIONS.—A local educational agency that consolidates administrative funds under this section for any fiscal year shall not use any other funds under the programs included in the consolidation for administration for that fiscal year.

"(d) USES OF ADMINISTRATIVE FUNDS.—A local educational agency that consolidates administrative funds under this section may use such consolidated funds for the administration of covered programs and for the uses described in section 5401(b)(2).

"(e) RECORDS.—A local educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual covered program, to account for costs relating to the administration of covered programs included in the consolidation.

"SEC. 5404. ADMINISTRATIVE FUNDS STUDIES.

"(a) FEDERAL FUNDS STUDY.—

"(1) IN GENERAL.—The Secretary shall conduct a study of the use of funds under this Act for the administration, by State and local educational agencies, of all covered programs, including the percentage of grant funds used for such purpose in all covered programs.

"(2) STATE DATA.—Beginning in fiscal year 1995 and each succeeding fiscal year thereafter, each State educational agency which receives funds under title I shall submit to the Secretary a report on the use of title I funds for the State administration of activities assisted under title I. Such report shall include the proportion of State administrative funds provided under section 1903 that are expended for—

"(A) basic program operation and compliance monitoring;

"(B) statewide program services such as development of standards and assessments, curriculum development, and program evaluation; and

"(C) technical assistance and other direct support to local educational agencies and schools.

"(3) FEDERAL FUNDS REPORT.—The Secretary shall complete the study conducted under this section not later than July 1, 1997, and shall submit to the President and the appropriate committees of the Congress a report regarding such study within 30 days of the completion of such study.

"(4) RESULTS.—Based on the results of the study described in subsection (a)(1), which may include collection and analysis of the data under paragraph (2) and section 410(b) of the Improving America's Schools Act of 1994, the Secretary shall—

"(A) develop a definition of what types of activities constitute the administration of programs under this Act by State and local educational agencies; and

"(B) within one year of the completion of such study, promulgate final regulations or guidelines regarding the use of funds for administration under all programs, including the use of such funds on a consolidated basis and limitations on the amount of such funds that may be used for administration where such limitation is not otherwise specified in law.

"(b) GENERAL ADMINISTRATIVE FUNDS STUDY AND REPORT.—Upon the date of completion of the pilot model data system described in section 410(b) of the Improving America's Schools Act of 1994, the Secretary shall study the information obtained through the use of such data system and other relevant information, as well as any other data systems which are in use on such date that account for administrative expenses at the school, local educational agency, and State educational agency level, and shall report to the Congress not later than July 1, 1997, regarding—

"(1) the potential for the reduction of administrative expenses at the school, local educational agency, and State educational agency levels;

"(2) the potential usefulness of such data system to reduce such administrative expenses;

"(3) any other methods which may be employed by schools, local educational agencies or State educational agencies to reduce administrative expenses and maximize the use of funds for functions directly affecting student learning; and

"(4) if appropriate, steps which may be taken to assist schools, local educational agencies and State educational agencies to account for and reduce administrative expenses.

"SEC. 5405. CONSOLIDATED SET-ASIDE FOR DEPARTMENT OF THE INTERIOR FUNDS.

"(a) GENERAL AUTHORITY.—

"(1) TRANSFER.—The Secretary shall transfer to the Department of the Interior, as a consolidated amount for covered programs, the Indian education programs under part A of title VII of this Act, and the education for homeless children and youth program under subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act, the amounts allotted to the Department of the Interior under those programs.

"(2) AGREEMENT.—(A) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of the programs specified in paragraph (1), for the distribution and use of those program funds under terms that the Secretary determines best meet the purposes of those programs.

"(B) The agreement shall—

"(i) set forth the plans of the Secretary of the Interior for the use of the amount transferred, and set forth performance measures to assess program effectiveness, including measurable goals and objectives; and

"(ii) be developed in consultation with Indian tribes.

"(b) ADMINISTRATION.—The Department of the Interior may use not more than 1.5 percent of the funds consolidated under this section for such department's costs related to the administration of the funds transferred under this section.

"SEC. 5406. AVAILABILITY OF UNNEEDED PROGRAM FUNDS.

"With the approval of its State educational agency, a local educational agency that determines for any fiscal year that funds under a covered program (other than part A of title I) are not needed for the purpose of that covered program, may use such funds, not to exceed five percent of the total amount of such local educational agency's funds under that covered program, for the purpose of another covered program.

"PART D—COORDINATION OF PROGRAMS; CONSOLIDATED STATE AND LOCAL PLANS AND APPLICATIONS

"SEC. 5501. PURPOSE.

"It is the purpose of this part to improve teaching and learning by encouraging greater cross-program coordination, planning, and service delivery under this Act and enhanced integration of programs under this Act with educational activities carried out with State and local funds.

"SEC. 5502. OPTIONAL CONSOLIDATED STATE PLANS OR APPLICATIONS.

"(a) GENERAL AUTHORITY.—

"(1) SIMPLIFICATION.—In order to simplify application requirements and reduce the burden for State educational agencies under this Act, the Secretary, in accordance with subsection (b), shall establish procedures and criteria under which a State educational agency may submit a consolidated State plan or a consolidated State application meeting the requirements of this section for—

"(A) each of the covered programs in which the State participates; and

"(B) the additional programs described in paragraph (2).

"(2) ADDITIONAL PROGRAMS.—A State educational agency may also include in its consolidated State plan or consolidated State application—

"(A) the Even Start program under part B of title I;

"(B) the Prevention and Intervention Programs for Youth Who Are Neglected, Delinquent, or At-Risk of Dropping Out under part D of title I; and

"(C) such other programs as the Secretary may designate.

"(3) CONSOLIDATED APPLICATIONS AND PLANS.—A State educational agency that submits a consolidated State plan or a consolidated State application under this section shall not be required to submit separate State plans or applications under any of the programs to which the consolidated State plan or consolidated State application under this section applies.

"(b) COLLABORATION.—

"(1) IN GENERAL.—In establishing criteria and procedures under this section, the Secretary shall collaborate with State educational agencies and, as appropriate, with other State agencies, local educational agencies, public and private nonprofit agencies, organizations, and institutions, private schools, and representatives of parents, students, and teachers.

"(2) CONTENTS.—Through the collaborative process described in subsection (b)(1), the Secretary shall establish, for each program under the Act to which this section applies, the descriptions, information, assurances, and other material required to be included in a consolidated State plan or consolidated State application.

"(3) NECESSARY MATERIALS.—The Secretary shall require only descriptions, information, assurances, and other materials that are absolutely necessary for the consideration of the consolidated State plan or consolidated State application.

"SEC. 5503. GENERAL APPLICABILITY OF STATE EDUCATIONAL AGENCY ASSURANCES.

"(a) ASSURANCES.—A State educational agency that submits a consolidated State plan or consolidated State application under this Act, whether separately or under section 5502, shall have on file with the Secretary a single set of assurances, applicable to each program for which such plan or application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency, in a nonprofit private agency, institution, or organization, or in an Indian tribe if the law authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will

administer such funds and property to the extent required by the authorizing law;

''(3) the State will adopt and use proper methods of administering each such program, including—

''(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program;

''(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation; and

''(C) the adoption of written procedures for the receipt and resolution of complaints alleging violations of law in the administration of such programs;

''(4) the State will cooperate in carrying out any evaluation of each such program conducted by or for the Secretary or other Federal officials;

''(5) the State will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each such program;

''(6) the State will—

''(A) make reports to the Secretary as may be necessary to enable the Secretary to perform

the Secretary's duties under each such program; and

"(B) maintain such records, provide such information to the Secretary, and afford access to the records as the Secretary may find necessary to carry out the Secretary's duties; and

"(7) before the plan or application was submitted to the Secretary, the State has afforded a reasonable opportunity for public comment on the plan or application and has considered such comment.

"(b) GEPA PROVISION.—Section 441 of the General Education Provisions Act shall not apply to programs under this Act.

"SEC. 5504. ADDITIONAL COORDINATION.

"(a) ADDITIONAL COORDINATION.—In order to explore ways for State educational agencies to reduce administrative burdens and promote the coordination of the education services of this Act with other health and social service programs administered by such agencies, the Secretary is directed to seek agreements with other Federal agencies (including the Departments of Health and Human Services, Justice, Labor and Agriculture) for the purpose of establishing procedures and criteria under which a State educational agency would submit a consoli-

dated State plan or consolidated State application that meets the requirements of the covered programs.

''(b) REPORT.—The Secretary shall report to the relevant committees 6 months after the date of enactment of the Improving America's Schools Act of 1994.

"SEC. 5505. CONSOLIDATED LOCAL PLANS OR APPLICATIONS.

''(a) GENERAL AUTHORITY.—A local educational agency receiving funds under more than one covered program may submit plans or applications to the State educational agency under such programs on a consolidated basis.

''(b) REQUIRED CONSOLIDATED PLANS OR APPLICATIONS.—A State educational agency that has submitted and had approved a consolidated State plan or application under section 5502 may require local educational agencies in the State receiving funds under more than one program included in the consolidated State plan or consolidated State application to submit consolidated local plans or applications under such programs.

''(c) COLLABORATION.—A State educational agency shall collaborate with local educational agencies in the State in establishing procedures for the submission of the consolidated State plans or consolidated State applications under this section.

"(d) NECESSARY MATERIALS.—The State educational agency shall require only descriptions, information, assurances, and other material that are absolutely necessary for the consideration of the local educational agency plan or application.

"SEC. 5506. OTHER GENERAL ASSURANCES.

"(a) ASSURANCES.—Any applicant other than a State educational agency that submits a plan or application under this Act, whether separately or pursuant to section 5504, shall have on file with the State educational agency a single set of assurances, applicable to each program for which a plan or application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency or in a nonprofit private agency, institution, organization, or Indian tribe, if the law authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will

administer such funds and property to the extent required by the authorizing statutes;

''(3) the applicant will adopt and use proper methods of administering each such program, including—

''(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program; and

''(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation;

''(4) the applicant will cooperate in carrying out any evaluation of each such program conducted by or for the State educational agency, the Secretary or other Federal officials;

''(5) the applicant will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to such applicant under each such program;

''(6) the applicant will—

''(A) make reports to the State educational agency and the Secretary as may be necessary

to enable such agency and the Secretary to perform their duties under each such program; and

"(B) maintain such records, provide such information, and afford access to the records as the State educational agency or the Secretary may find necessary to carry out the State educational agency's or the Secretary's duties; and

"(7) before the application was submitted, the applicant afforded a reasonable opportunity for public comment on the application and has considered such comment.

"(b) GEPA PROVISION.—Section 442 of the General Education Provisions Act does not apply to programs under this Act.

"PART E—ADVANCED PLACEMENT PROGRAMS

"SEC. 5601. SHORT TITLE.

"This part may be cited as the 'Access to High Standards Act'.

"SEC. 5602. FINDINGS AND PURPOSES.

"(a) FINDINGS.—Congress finds that—

"(1) far too many students are not being provided sufficient academic preparation in secondary school, which results in limited employment opportunities, college dropout rates of over 25 percent for

the first year of college, and remediation for almost one-third of incoming college freshmen;

''(2) there is a growing consensus that raising academic standards, establishing high academic expectations, and showing concrete results are at the core of improving public education;

''(3) modeling academic standards on the well-known program of advanced placement courses is an approach that many education leaders and almost half of all States have endorsed;

''(4) advanced placement programs already are providing 30 different college-level courses, serving almost 60 percent of all secondary schools, reaching over 1,000,000 students (of whom 80 percent attend public schools, 55 percent are females, and 30 percent are minorities), and providing test scores that are accepted for college credit at over 3,000 colleges and universities, every university in Germany, France, and Austria, and most institutions in Canada and the United Kingdom;

''(5) 24 States are now funding programs to increase participation in advanced placement programs, including 19 States that provide funds for advanced placement teacher professional development, 3 States that require that all public secondary

schools offer advanced placement courses, 10 States that pay the fees for advanced placement tests for some or all students, and 4 States that require that their public universities grant uniform academic credit for scores of 3 or better on advanced placement tests; and

''(6) the State programs described in paragraph (5) have shown the responsiveness of schools and students to such programs, raised the academic standards both for students participating in such programs and for other children taught by teachers who are involved in advanced placement courses, and have shown tremendous success in increasing enrollment, achievement, and minority participation in advanced placement programs.

''(b) PURPOSES.—The purposes of this part are—

''(1) to encourage more of the 600,000 students who take advanced placement courses but do not take advanced placement exams each year to demonstrate their achievements through taking the exams;

''(2) to build on the many benefits of advanced placement programs for students, which benefits may include the acquisition of skills that are important to many employers, Scholastic Aptitude Tests

(SAT) scores that are 100 points above the national averages, and the achievement of better grades in secondary school and in college than the grades of students who have not participated in the programs;

''(3) to support State and local efforts to raise academic standards through advanced placement programs, and thus further increase the number of students who participate and succeed in advanced placement programs;

''(4) to increase the availability and broaden the range of schools that have advanced placement programs, which programs are still often distributed unevenly among regions, States, and even secondary schools within the same school district, while also increasing and diversifying student participation in the programs;

''(5) to build on the State programs described in subsection (a)(5) and demonstrate that larger and more diverse groups of students can participate and succeed in advanced placement programs;

''(6) to provide greater access to advanced placement courses for low-income and other disadvantaged students;

''(7) to provide access to advanced placement courses for secondary school juniors at schools that

do not offer advanced placement programs, increase the rate of secondary school juniors and seniors who participate in advanced placement courses to 25 percent of the secondary school student population, and increase the numbers of students who receive advanced placement test scores for which college academic credit is awarded; and

''(8) to increase the participation of low-income individuals in taking advanced placement tests through the payment or partial payment of the costs of the advanced placement test fees.

"SEC. 5603. FUNDING DISTRIBUTION RULE.

''From amounts appropriated under section 5608 for a fiscal year, the Secretary shall give first priority to funding activities under section 5606, and shall distribute any remaining funds not so applied according to the following ratio:

''(1) Seventy percent of the remaining funds shall be available to carry out section 5604.

''(2) Thirty percent of the remaining funds shall be available to carry out section 5605.

"SEC. 5604. ADVANCED PLACEMENT PROGRAM GRANTS.

''(a) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—From amounts appropriated under section 5608 and made available

under section 5603(1) for a fiscal year, the Secretary shall award grants, on a competitive basis, to eligible entities to enable the eligible entities to carry out the authorized activities described in subsection (c).

"(2) DURATION AND PAYMENTS.—

"(A) DURATION.—The Secretary shall award a grant under this section for a period of 3 years.

"(B) PAYMENTS.—The Secretary shall make grant payments under this section on an annual basis.

"(3) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means a State educational agency or a local educational agency in the State.

"(b) PRIORITY.—In awarding grants under this section the Secretary shall give priority to eligible entities submitting applications under subsection (d) that demonstrate—

"(1) a pervasive need for access to advanced placement incentive programs;

"(2) the involvement of business and community organizations in the activities to be assisted;

"(3) the availability of matching funds from State or local sources to pay for the cost of activities to be assisted;

"(4) a focus on developing or expanding advanced placement programs and participation in the core academic areas of English, mathematics, and science; and

"(5)(A) in the case of an eligible entity that is a State educational agency, the State educational agency carries out programs in the State that target—

"(i) local educational agencies serving schools with a high concentration of low-income students; or

"(ii) schools with a high concentration of low-income students; or

"(B) in the case of an eligible entity that is a local educational agency, the local educational agency serves schools with a high concentration of low-income students.

"(c) AUTHORIZED ACTIVITIES.—An eligible entity may use grant funds under this section to expand access for low-income individuals to advanced placement incentive programs that involve—

"(1) teacher training;

"(2) preadvanced placement course development;

"(3) curriculum coordination and articulation between grade levels that prepare students for advanced placement courses;

"(4) curriculum development;

"(5) books and supplies; and

"(6) any other activity directly related to expanding access to and participation in advanced placement incentive programs particularly for low-income individuals.

"(d) APPLICATION.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(e) DATA COLLECTION AND REPORTING.—

"(1) DATA COLLECTION.—Each eligible entity receiving a grant under this section shall annually report to the Secretary—

"(A) the number of students taking advanced placement courses who are served by the eligible entity;

"(B) the number of advanced placement tests taken by students served by the eligible entity;

"(C) the scores on the advanced placement tests; and

"(D) demographic information regarding individuals taking the advanced placement courses and tests disaggregated by race, ethnicity, sex, English proficiency status, and socioeconomic status.

"(2) REPORT.—The Secretary shall annually compile the information received from each eligible entity under paragraph (1) and report to Congress regarding the information.

"SEC. 5605. ONLINE ADVANCED PLACEMENT COURSES.

"(a) GRANTS AUTHORIZED.—From amounts appropriated under section 5608 and made available under section 5603(2) for a fiscal year, the Secretary shall award grants to State educational agencies to enable such agencies to award grants to local educational agencies to provide students with online advanced placement courses.

"(b) STATE EDUCATIONAL AGENCY APPLICATIONS.—

"(1) APPLICATION REQUIRED.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(2) AWARD BASIS.—The Secretary shall award grants under this section on a competitive basis.

"(c) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—Each State educational agency receiving a grant under subsection (b) shall award grants to local educational agencies within the State to carry out activities described in subsection (e). In awarding grants under this subsection, the State educational agency shall give priority to local educational agencies that—

"(1) serve high concentrations of low-income students;

"(2) serve rural areas; and

"(3) the State educational agency determines will not have access to online advanced placement courses without assistance provided under this section.

"(d) CONTRACTS.—A local educational agency that receives a grant under this section may enter into a contract with a nonprofit or for-profit organization to provide the online advanced placement courses, including contracting for necessary support services.

"(e) USES.—Grant funds provided under this section may be used to purchase the online curriculum, to train teachers with respect to the use of online curriculum, and to purchase course materials.

"SEC. 5606. ADVANCED PLACEMENT INCENTIVE PROGRAM.

"(a) GRANTS AUTHORIZED.—From amounts appropriated under section 5608 and made available under section 5603 for a fiscal year, the Secretary shall award grants to State educational agencies having applications approved under subsection (c) to enable the State educational agencies to reimburse low-income individuals to cover part or all of the costs of advanced placement test fees, if the low-income individuals—

"(1) are enrolled in an advanced placement class; and

"(2) plan to take an advanced placement test.

"(b) AWARD BASIS.—In determining the amount of the grant awarded to each State educational agency under this section for a fiscal year, the Secretary shall consider the number of children eligible to be counted under section 1124(c) in the State in relation to the number of such children so counted in all the States.

"(c) INFORMATION DISSEMINATION.—A State educational agency shall disseminate information regarding the availability of advanced placement test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.

"(d) APPLICATIONS.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and

accompanied by such information as the Secretary may require. At a minimum, each State educational agency application shall—

"(1) describe the advanced placement test fees the State educational agency will pay on behalf of low-income individuals in the State from grant funds made available under this section;

"(2) provide an assurance that any grant funds received under this section, other than funds used in accordance with subsection (e), shall be used only to pay for advanced placement test fees; and

"(3) contain such information as the Secretary may require to demonstrate that the State will ensure that a student is eligible for payments under this section, including documentation required under chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965.

"(e) ADDITIONAL USES OF FUNDS.—If each eligible low-income individual in a State pays not more than a nominal fee to take an advanced placement test in a core subject, then a State educational agency may use grant funds made available under this section that remain after advanced placement test fees have been paid on behalf of all eligible low-income individuals in the State, for activities directly related to increasing—

"(1) the enrollment of low-income individuals in advanced placement courses;

"(2) the participation of low-income individuals in advanced placement courses; and

"(3) the availability of advanced placement courses in schools serving high-poverty areas.

"(f) SUPPLEMENT, NOT SUPPLANT.—Grant funds provided under this section shall supplement, and not supplant, other non-federal funds that are available to assist low-income individuals in paying for the cost of advanced placement test fees.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out this section.

"(h) REPORT.—Each State educational agency annually shall report to the Secretary information regarding—

"(1) the number of low-income individuals in the State who received assistance under this section; and

"(2) any activities carried out pursuant to subsection (e).

"(i) DEFINITIONS.—In this section:

"(1) ADVANCED PLACEMENT TEST.—The term 'advanced placement test' includes only an advanced placement test approved by the Secretary for the purposes of this section.

"(2) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' has the meaning given the term in section 402A(g)(2) of the Higher Education Act of 1965.

"SEC. 5607. DEFINITIONS.

"In this part:

"(1) ADVANCED PLACEMENT INCENTIVE PROGRAM.—The term 'advanced placement incentive program' means a program that provides advanced placement activities and services to low-income individuals.

"(2) ADVANCED PLACEMENT TEST.—The term 'advanced placement test' means an advanced placement test administered by the College Board or approved by the Secretary.

"(3) HIGH CONCENTRATION OF LOW-INCOME STUDENTS.—The term 'high concentration of low-income students', used with respect to a State educational agency, local educational agency or school, means an agency or school, as the case may be, that serves a student population 40 percent or more of whom are from families with incomes below the poverty level, as determined in the same manner as the determination is made under section 1124(c)(2).

"(4) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means, other than for purposes of section 5606, a low-income individual (as defined in section 402A(g)(2) of the Higher Education Act of 1965) who is academically prepared to take successfully an advanced placement test as determined by a school teacher or advanced placement coordinator taking into consideration factors such as enrollment and performance in an advanced placement course or superior academic ability.

"(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a) of the Higher Education Act of 1965.

"(6) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"SEC. 5608. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $50,000,000 for fiscal year 2002, and such sums

as may be necessary for each of the 6 succeeding fiscal years.''.

TITLE VI—PARENTAL INVOLVEMENT AND ACCOUNTABILITY

SEC. 601. PARENTAL INVOLVEMENT AND ACCOUNTABILITY.

Title VI (20 U.S.C. 7301 et seq.) is amended to read as follows:

"TITLE VI—PARENTAL INVOLVEMENT AND ACCOUNTABILITY

"PART A—PARENTAL ASSISTANCE

"SEC. 6101. PARENTAL INFORMATION AND RESOURCE CENTERS.

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

''(1) to provide leadership, technical assistance, and financial support to nonprofit organizations and local educational agencies to help the organizations and agencies implement successful and effective parental involvement policies, programs, and activities that lead to improvements in student performance;

''(2) to strengthen partnerships among parents (including parents of preschool age children), teachers, principals, administrators, and other school personnel in meeting the educational needs of children;

''(3) to develop and strengthen the relationship between parents and the school;

"(4) to further the developmental progress primarily of children assisted under this part; and

"(5) to coordinate activities funded under this part with parental involvement initiatives funded under section 1118 and other provisions of this Act.

"(b) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award grants in each fiscal year to nonprofit organizations, and nonprofit organizations in consortia with local educational agencies, to establish school-linked or school-based parental information and resource centers that provide training, information, and support to—

"(A) parents of children enrolled in elementary schools and secondary schools;

"(B) individuals who work with the parents described in subparagraph (A); and

"(C) State educational agencies, local educational agencies, schools, organizations that support family-school partnerships (such as parent-teacher associations), and other organizations that carry out parent education and family involvement programs.

"(2) AWARD RULE.—In awarding grants under this part, the Secretary shall ensure that such

grants are distributed in all geographic regions of the United States.

"SEC. 6102. APPLICATIONS.

"(a) GRANTS APPLICATIONS.—

"(1) IN GENERAL.—Each nonprofit organization or nonprofit organization in consortium with a local educational agency that desires a grant under this part shall submit an application to the Secretary at such time and in such manner as the Secretary shall require.

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

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

"(ii) be an organization or consortium that represents the interests of parents;

"(B) establish a special advisory committee the membership of which includes—

"(i) parents described in section 6101(b)(1)(A);

"(ii) representatives of education professionals with expertise in improving services for disadvantaged children; and

"(iii) representatives of local elementary schools and secondary schools who may include students and representatives from local youth organizations;

"(C) use at least ½ of the funds provided under this part in each fiscal year to serve areas with high concentrations of low-income families in order to serve parents who are severely educationally or economically disadvantaged;

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

"(E) serve both urban and rural areas;

"(F) design a center that meets the unique training, information, and support needs of parents described in section 6101(b)(1)(A), particularly such parents who are educationally or economically disadvantaged;

"(G) demonstrate the capacity and expertise to conduct the effective training, information and support activities for which assistance is sought;

"(H) network with—

"(i) local educational agencies and schools;

"(ii) parents of children enrolled in elementary schools and secondary schools;

"(iii) parent training and information centers assisted under section 682 of the Individuals with Disabilities Education Act;

"(iv) clearinghouses; and

"(v) other organizations and agencies;

"(I) focus on serving parents described in section 6101(b)(1)(A) who are parents of low-income, minority, and limited English proficient, children;

"(J) use part of the funds received under this part to establish, expand, or operate Parents as Teachers programs or Home Instruction for Preschool Youngsters programs;

"(K) provide assistance to parents in such areas as understanding State and local standards and measures of student and school performance; and

"(L) work with State and local educational agencies to determine parental needs and delivery of services.

"(b) GRANT RENEWAL.—For each fiscal year after the first fiscal year an organization or consortium receives assistance under this part, the organization or consortium shall demonstrate in the application submitted for such fiscal year after the first fiscal year that a portion of the services provided by the organization or consortium is supported through non-Federal contributions, which contributions may be in cash or in kind.

"SEC. 6103. USES OF FUNDS.

"(a) IN GENERAL.—Grant funds received under this part shall be used—

"(1) to assist parents in participating effectively in their children's education and to help their children meet State and local standards, such as assisting parents—

"(A) to engage in activities that will improve student performance, including understanding the accountability systems in place within their State educational agency and local educational agency and understanding their children's educational performance in comparison to State and local standards;

"(B) to provide followup support for their children's educational achievement;

"(C) to communicate effectively with teachers, principals, counselors, administrators, and other school personnel;

"(D) to become active participants in the development, implementation, and review of school-parent compacts, parent involvement policies, and school planning and improvement;

"(E) to participate in the design and provision of assistance to students who are not making adequate educational progress;

"(F) to participate in State and local decisionmaking; and

"(G) to train other parents;

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

"(3) to help the parents learn and use the technology applied in their children's education;

"(4) to plan, implement, and fund activities for parents that coordinate the education of their children with other Federal programs that serve their children or their families; and

"(5) to provide support for State or local educational personnel if the participation of such per-

sonnel will further the activities assisted under the grant.

"(b) PERMISSIVE ACTIVITIES.—Grant funds received under this part may be used to assist schools with activities such as—

"(1) developing and implementing their plans or activities under sections 1118 and 1119; and

"(2) developing and implementing school improvement plans, including addressing problems that develop in the implementation of sections 1118 and 1119.

"(3) providing information about assessment and individual results to parents in a manner and a language the family can understand;

"(4) coordinating the efforts of Federal, State, and local parent education and family involvement initiatives; and

"(5) providing training, information, and support to—

"(A) State educational agencies;

"(B) local educational agencies and schools, especially those local educational agencies and schools that are low performing; and

"(C) organizations that support family-school partnerships.

"(c) GRANDFATHER CLAUSE.—The Secretary shall use funds made available under this part to continue to make grant or contract payments to each entity that was awarded a multiyear grant or contract under title IV of the Goals 2000: Educate America Act (as such title was in effect on the day before the date of enactment of the Better Education for Students and Teachers Act) for the duration of the grant or contract award.

"SEC. 6104. TECHNICAL ASSISTANCE.

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

"SEC. 6105. REPORTS.

"(a) INFORMATION.—Each organization or consortium receiving assistance under this part shall submit to the Secretary, on an annual basis, information concerning the parental information and resource centers assisted under this part, including—

"(1) the number of parents (including the number of minority and limited English proficient parents) who receive information and training;

"(2) the types and modes of training, information, and support provided under this part;

"(3) the strategies used to reach and serve parents of minority and limited English proficient children, parents with limited literacy skills, and other parents in need of the services provided under this part;

"(4) the parental involvement policies and practices used by the center and an evaluation of whether such policies and practices are effective in improving home-school communication, student achievement, student and school performance, and parental involvement in school planning, review, and improvement; and

"(5) the effectiveness of the activities that local educational agencies and schools are carrying out with regard to parental involvement and other activities assisted under this Act that lead to improved student achievement and improved student and school performance.

"(b) DISSEMINATION.—The Secretary annually shall disseminate, widely to the public and to Congress, the information that each organization or consortium submits under subsection (a) to the Secretary.

"SEC. 6106. GENERAL PROVISIONS.

"Notwithstanding any other provision of this part—

"(1) no person, including a parent who educates a child at home, a public school parent, or a private school parent, shall be required to participate in any program of parent education or developmental screening pursuant to the provisions of this part; and

"(2) no program or center assisted under this part shall take any action that infringes in any manner on the right of a parent to direct the education of their children.

"SEC. 6107. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"PART B—IMPROVING ACADEMIC ACHIEVEMENT

"SEC. 6201. EDUCATION AWARDS.

"(a) ACHIEVEMENT IN EDUCATION AWARDS.—

"(1) IN GENERAL.—The Secretary may make awards, to be known as 'Achievement in Education Awards', using a peer review process, to the States that, beginning with the 2002–2003 school year, make the most progress in improving educational achievement.

"(2) CRITERIA.—

"(A) IN GENERAL.—The Secretary shall make the awards on the basis of criteria consisting of—

"(i) the progress of economically disadvantaged students and of students who are racial and ethnic minorities—

"(I) in meeting the State's student performance standards as measured by the assessments described in section 1111(b)(3); and

"(II) beginning with the 2nd year for which data are available for all States, on State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills;

"(ii) overall improvement in student achievement by the State's students on the assessments required by section 1111, and (beginning with the 2nd year for which data are available for all States) on the assessments described in clause (i)(II);

"(iii) the progress of the State in improving the English proficiency of students

who enter school with limited English proficiency;

"(iv) the progress of the State in increasing the percentage of students who graduate from secondary school; and

"(v) the progress of the State in increasing the percentage of students who take advanced coursework, such as advanced placement and international baccalaureate courses, and who pass advanced placement and international baccalaureate tests.

"(B) WEIGHT.—In applying the criteria described in subparagraph (A), the Secretary shall give the greatest weight to the criterion described in subparagraph (A)(i).

"(b) ASSESSMENT COMPLETION BONUSES.—The Secretary may make 1-time bonus payments to States that complete the development of assessments required by section 1111 in advance of the schedule specified in such section.

"(c) NO CHILD LEFT BEHIND AWARDS.—The Secretary may make awards, to be known as 'No Child Left Behind Awards' to the schools that—

"(1) are nominated by the States in which the schools are located; and

"(2) have made the greatest progress in improving the educational achievement of economically disadvantaged students.

"(d) FUND TO IMPROVE EDUCATION ACHIEVEMENT.—The Secretary may make awards for activities other than the activities described in subsections (a) through (c), such as character education, that are designed to promote the improvement of elementary and secondary education nationally.

"SEC. 6202. LOSS OF ADMINISTRATIVE FUNDS.

"(a) 2 YEARS OF INSUFFICIENT PROGRESS.—

"(1) REDUCTION.—If the Secretary makes the determinations described in paragraph (2) for 2 consecutive years, the Secretary shall reduce, by not more than 30 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

"(2) DETERMINATIONS.—The determinations referred to in paragraph (1) are determinations, made on the basis of data from the State assessment system described in section 1111 and data from

State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills, that—

"(A) the State has failed to make adequate yearly progress as defined under section 1111; and

"(B) students who are racial and ethnic minorities, and economically disadvantaged students, in the State failed to make statistically significant progress in the academic subjects for which the State has developed State content and student performance standards.

"(b) 3 OR MORE YEARS OF INSUFFICIENT PROGRESS.—If the Secretary makes the determinations described in subsection (a)(2) for a third or subsequent consecutive year, the Secretary shall reduce, by not more than 75 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

"SEC. 6203. AUTHORIZATION OF APPROPRIATIONS.

"(a) STATE ASSESSMENT GRANTS.—For the purpose of developing and implementing the standards and assessments required under section 1111, there are authorized to be appropriated $400,000,000 for fiscal year 2002, and

such sums as may be necessary for each of the 6 succeeding fiscal years.

''(b) NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.—For the purpose of administering the State assessments under the National Assessment of Educational Progress, there are authorized to be appropriated $110,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(c) EDUCATION AWARDS.—For the purpose of carrying out section 6201, there are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

TITLE VII—INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

SEC. 701. PROGRAMS.

Title VII (20 U.S.C. 7401 et seq.) is amended to read as follows:

''TITLE VII—INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

''PART A—INDIAN EDUCATION

''SEC. 7101. FINDINGS.

''Congress finds that—

"(1) the Federal Government has a special responsibility to ensure that educational programs for all American Indian and Alaska Native children and adults—

"(A) are based on high-quality, internationally competitive content standards and student performance standards, and build on Indian culture and the Indian community;

"(B) assist local educational agencies, Indian tribes, and other entities and individuals in providing Indian students the opportunity to achieve the standards described in subparagraph (A); and

"(C) meet the unique educational and culturally related academic needs of American Indian and Alaska Native students;

"(2) since the date of enactment of the Indian Education Act in 1972, the level of involvement of Indian parents in the planning, development, and implementation of educational programs that affect such parents and their children has increased significantly, and schools should continue to foster such involvement;

"(3) although the number of Indian teachers, administrators, and university professors has in-

creased since 1972, teacher training programs are not recruiting, training, or retraining a sufficient number of Indian individuals as educators to meet the needs of a growing Indian student population in elementary, secondary, vocational, adult, and higher education;

''(4) the dropout rate for Indian students is unacceptably high: 9 percent of Indian students who were eighth graders in 1988 had already dropped out of school by 1990;

''(5) during the period from 1980 to 1990, the percentage of Indian individuals living at or below the poverty level increased from 24 percent to 31 percent, and the readiness of Indian children to learn is hampered by the high incidence of poverty, unemployment, and health problems among Indian children and their families; and

''(6) research related specifically to the education of Indian children and adults is very limited, and much of the research is of poor quality or is focused on limited local or regional issues.

''SEC. 7102. PURPOSE.

''(a) PURPOSE.—The purpose of this part is to support the efforts of local educational agencies, Indian tribes and organizations, postsecondary institutions, and other

entities to meet the unique educational and culturally related academic needs of American Indian and Alaska Native students, so that such students can meet the same challenging State performance standards as are expected for all students.

''(b) PROGRAMS.—This part carries out the purpose described in subsection (a) by authorizing programs of direct assistance for—

''(1) meeting the unique educational and culturally related academic needs of American Indians and Alaska Natives;

''(2) the education of Indian children and adults;

''(3) the training of Indian persons as educators and counselors, and in other professions serving Indian people; and

''(4) research, evaluation, data collection, and technical assistance.

"Subpart 1—Formula Grants to Local Educational Agencies

"SEC. 7111. PURPOSE.

''The purpose of this subpart is to support local educational agencies in their efforts to reform elementary school and secondary school programs that serve Indian students in order to ensure that such programs—

"(1) are based on challenging State content standards and State student performance standards that are used for all students; and

"(2) are designed to assist Indian students to meet those standards.

"SEC. 7112. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) IN GENERAL.—The Secretary may make grants to local educational agencies and Indian tribes in accordance with this section.

"(b) LOCAL EDUCATIONAL AGENCIES.—

"(1) ENROLLMENT REQUIREMENTS.—A local educational agency shall be eligible for a grant under this subpart for any fiscal year if the number of Indian children who are eligible under section 7117, and who were enrolled in the schools of the agency, and to whom the agency provided free public education, during the preceding fiscal year—

"(A) was at least 10; or

"(B) constituted not less than 25 percent of the total number of individuals enrolled in the schools of such agency.

"(2) EXCLUSION.—The requirement of paragraph (1) shall not apply in Alaska, California, or Oklahoma, or with respect to any local educational agency located on, or in proximity to, a reservation.

"(c) INDIAN TRIBES.—

"(1) IN GENERAL.—If a local educational agency that is otherwise eligible for a grant under this subpart does not establish a parent committee under section 7114(c)(4), an Indian tribe that represents not less than ½ of the eligible Indian children who are served by such local educational agency may apply for such grant by submitting an application in accordance with section 7114.

"(2) SPECIAL RULE.—The Secretary shall treat each Indian tribe applying for a grant pursuant to paragraph (1) as if such Indian tribe were a local educational agency for purposes of this subpart, except that any such tribe shall not be subject to section 7114(c)(4) (relating to a parent committee), section 7118(c) (relating to maintenance of effort), or section 7119 (relating to State review of applications).

"SEC. 7113. AMOUNT OF GRANTS.

"(a) AMOUNT OF GRANT AWARDS.—

"(1) IN GENERAL.—Except as provided in subsections (c) and (d), for purposes of making grants under this subpart the Secretary shall allocate to each local educational agency that has an approved

application under this subpart an amount equal to the product of—

"(A) the number of Indian children who are eligible under section 7117 and served by such agency; and

"(B) the greater of—

"(i) the average per-pupil expenditure of the State in which such agency is located; or

"(ii) 80 percent of the average per-pupil expenditure of all the States.

"(2) REDUCTION.—The Secretary shall reduce the amount of each allocation determined under paragraph (1) or subsection (b) in accordance with subsection (c).

"(b) SCHOOLS OPERATED OR SUPPORTED BY THE BUREAU OF INDIAN AFFAIRS.—

"(1) IN GENERAL.—In addition to the grants awarded under subsection (a), and subject to paragraph (2), for purposes of making grants under this subpart the Secretary shall allocate to the Secretary of the Interior an amount equal to the product of—

"(A) the total number of Indian children enrolled in schools that are operated by—

"(i) the Bureau of Indian Affairs; or

"(ii) an Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, for the children of such tribe under a contract with, or grant from, the Department of the Interior under the Indian Self-Determination Act or the Tribally Controlled Schools Act of 1988; and

"(B) the greater of—

"(i) the average per-pupil expenditure of the State in which the school is located; or

"(ii) 80 percent of the average per-pupil expenditure of all the States.

"(2) SPECIAL RULE.—Any school described in paragraph (1) may apply for an allocation under this subpart by submitting an application in accordance with section 7114. The Secretary shall treat the school as if the school were a local educational agency for purposes of this subpart, except that any such school shall not be subject to section 7114(c)(4), 7118(c), or 7119.

"(c) RATABLE REDUCTIONS.—If the sums appropriated for any fiscal year under section 7162(a) are insufficient to pay in full the amounts determined for local educational agencies under subsection (a) and for the Sec-

retary of the Interior under subsection (b), each of those amounts shall be ratably reduced.

"(d) MINIMUM GRANT.—

"(1) IN GENERAL.—Notwithstanding subsection (c), a local educational agency (including an Indian tribe as authorized under section 7112(b)) that is eligible for a grant under section 7112, and a school that is operated or supported by the Bureau of Indian Affairs that is eligible for a grant under subsection (b), that submits an application that is approved by the Secretary, shall, subject to appropriations, receive a grant under this subpart in an amount that is not less than $3,000.

"(2) CONSORTIA.—Local educational agencies may form a consortium for the purpose of obtaining grants under this subpart.

"(3) INCREASE.—The Secretary may increase the minimum grant under paragraph (1) to not more than $4,000 for all grant recipients if the Secretary determines such increase is necessary to ensure quality programs.

"(e) DEFINITION.—In this section, the term 'average per-pupil expenditure', for a State, means an amount equal to—

"(1) the sum of the aggregate current expenditures of all the local educational agencies in the State, plus any direct current expenditures by the State for the operation of such agencies, without regard to the sources of funds from which such local or State expenditures were made, during the second fiscal year preceding the fiscal year for which the computation is made; divided by

"(2) the aggregate number of children who were included in average daily attendance and for whom such agencies provided free public education during such preceding fiscal year.

"SEC. 7114. APPLICATIONS.

"(a) APPLICATION REQUIRED.—Each local educational agency that desires to receive a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) COMPREHENSIVE PROGRAM REQUIRED.—Each application submitted under subsection (a) shall include a description of a comprehensive program for meeting the needs of Indian children served by the local educational agency, including the language and cultural needs of the children, that—

"(1) describes how the comprehensive program will offer programs and activities to meet the culturally related academic needs of American Indian and Alaska Native students;

"(2)(A) is consistent with the State and local plans submitted under other provisions of this Act; and

"(B) includes academic content and student performance goals for such children, and benchmarks for attaining such goals, that are based on the challenging State standards adopted under title I for all children;

"(3) explains how Federal, State, and local programs, especially programs carried out under title I, will meet the needs of such students;

"(4) demonstrates how funds made available under this subpart will be used for activities described in section 7115;

"(5) describes the professional development opportunities that will be provided, as needed, to ensure that—

"(A) teachers and other school professionals who are new to the Indian community are prepared to work with Indian children; and

"(B) all teachers who will be involved in programs assisted under this subpart have been properly trained to carry out such programs; and

"(6) describes how the local educational agency—

"(A) will periodically assess the progress of all Indian children enrolled in the schools of the local educational agency, including Indian children who do not participate in programs assisted under this subpart, in meeting the goals described in paragraph (2);

"(B) will provide the results of each assessment referred to in subparagraph (A) to—

"(i) the committee of parents described in subsection (c)(4); and

"(ii) the community served by the local educational agency; and

"(C) is responding to findings of any previous assessments that are similar to the assessments described in subparagraph (A).

"(c) ASSURANCES.—Each application submitted under subsection (a) shall include assurances that—

"(1) the local educational agency will use funds received under this subpart only to supplement the

funds that, in the absence of the Federal funds made available under this subpart, such agency would make available for the education of Indian children, and not to supplant such funds;

"(2) the local educational agency will prepare and submit to the Secretary such reports, in such form and containing such information, as the Secretary may require to—

"(A) carry out the functions of the Secretary under this subpart; and

"(B) determine the extent to which activities carried out with funds provided to the local educational agency under this subpart are effective in improving the educational achievement of Indian students served by such agency;

"(3) the program for which assistance is sought—

"(A) is based on a comprehensive local assessment and prioritization of the unique educational and culturally related academic needs of the American Indian and Alaska Native students for whom the local educational agency is providing an education;

"(B) will use the best available talents and resources, including individuals from the Indian community; and

"(C) was developed by such agency in open consultation with parents of Indian children and teachers, and, if appropriate, Indian students from secondary schools, including through public hearings held by such agency to provide to the individuals described in this subparagraph a full opportunity to understand the program and to offer recommendations regarding the program; and

"(4) the local educational agency developed the program with the participation and written approval of a committee—

"(A) that is composed of, and selected by—

"(i) parents of Indian children in the local educational agency's schools and teachers in the schools; and

"(ii) if appropriate, Indian students attending secondary schools of the agency;

"(B) a majority of whose members are parents of Indian children;

"(C) that has set forth such policies and procedures, including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children, and representatives of the area, to be served;

"(D) with respect to an application describing a schoolwide program carried out in accordance with section 7115(c), that has—

"(i) reviewed in a timely fashion the program; and

"(ii) determined that the program will enhance the availability of culturally related activities for American Indian and Alaska Native students; and

"(E) that has adopted reasonable bylaws for the conduct of the activities of the committee and abides by such bylaws.

"SEC. 7115. AUTHORIZED SERVICES AND ACTIVITIES.

"(a) GENERAL REQUIREMENTS.—Each local educational agency that receives a grant under this subpart shall use the grant funds, in a manner consistent with the

purpose specified in section 7111, for services and activities that—

"(1) are designed to carry out the comprehensive program of the local educational agency for Indian students, and described in the application of the local educational agency submitted to the Secretary under section 7114;

"(2) are designed with special regard for the language and cultural needs of the Indian students; and

"(3) supplement and enrich the regular school program of such agency.

"(b) PARTICULAR SERVICES AND ACTIVITIES.—The services and activities referred to in subsection (a) may include—

"(1) culturally related activities that support the program described in the application submitted by the local educational agency;

"(2) early childhood and family programs that emphasize school readiness;

"(3) enrichment programs that focus on problem-solving and cognitive skills development and directly support the attainment of challenging State content standards and State student performance standards;

"(4) integrated educational services in combination with other programs that meet the needs of Indian children and their families;

"(5) career preparation activities to enable Indian students to participate in programs such as the programs supported by Public Law 103–239 and Public Law 88–210, including programs for tech-prep, mentoring, and apprenticeship activities;

"(6) activities to educate individuals concerning substance abuse and to prevent substance abuse;

"(7) the acquisition of equipment, but only if the acquisition of the equipment is essential to meet the purpose described in section 7111;

"(8) activities that promote the incorporation of culturally responsive teaching and learning strategies into the educational program of the local educational agency;

"(9) activities that incorporate American Indian and Alaska Native specific curriculum content, consistent with State standards, into the curriculum used by the local educational agency;

"(10) activities to promote coordination and collaboration between tribal, Federal, and State public schools in areas that will improve American Indian and Alaska Native student achievement; and

"(11) family literacy services.

"(c) SCHOOLWIDE PROGRAMS.—Notwithstanding any other provision of law, a local educational agency may use funds made available to such agency under this subpart to support a schoolwide program under section 1114 if—

"(1) the committee composed of parents established pursuant to section 7114(c)(4) approves the use of the funds for the schoolwide program; and

"(2) the schoolwide program is consistent with the purpose described in section 7111.

"(d) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available to a local educational agency through a grant made under this subpart for a fiscal year may be used to pay for administrative costs.

"SEC. 7116. INTEGRATION OF SERVICES AUTHORIZED.

"(a) PLAN.—An entity receiving funds under this subpart may submit a plan to the Secretary for a demonstration project for the integration of education and related services provided to Indian students.

"(b) CONSOLIDATION OF PROGRAMS.—Upon the receipt of an acceptable plan under subsection (a), the Secretary, in cooperation with each Federal agency providing grants for the provision of education and related services to the applicant, shall authorize the applicant to consoli-

date, in accordance with such plan, the federally funded education and related services programs of the applicant and the agencies, or portions of the programs, serving Indian students in a manner that integrates the program services involved into a single, coordinated, comprehensive program and reduces administrative costs by consolidating administrative functions.

''(c) PROGRAMS AFFECTED.—The funds that may be consolidated in a demonstration project under any such plan referred to in subsection (b) shall include funds for any Federal program exclusively serving Indian children, or the funds reserved exclusively to serve Indian children under any program, for which the applicant is eligible for receipt of funds under a statutory or administrative formula for the purposes of providing education and related services for Indian students.

''(d) PLAN REQUIREMENTS.—For a plan to be acceptable pursuant to subsection (b), the plan shall—

''(1) identify the programs or funding sources to be consolidated;

''(2) be consistent with the objectives of this section authorizing the program services to be integrated in a demonstration project;

''(3) describe a comprehensive strategy that identifies the full range of potential educational op-

portunities and related services to be provided to assist Indian students to achieve the objectives set forth in this subpart;

''(4) describe the way in which the services are to be integrated and delivered and the results expected from the plan;

''(5) identify the projected expenditures under the plan in a single budget;

''(6) identify the State, tribal, or local agencies to be involved in the delivery of the services integrated under the plan;

''(7) identify any statutory provisions, regulations, policies, or procedures that the applicant believes need to be waived in order to implement the plan;

''(8) set forth measures of student achievement and performance goals designed to be met within a specified period of time for activities provided under the plan; and

''(9) be approved by a parent committee formed in accordance with section 7114(c)(4), if such a committee exists, in consultation with the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate.

"(e) PLAN REVIEW.—Upon receipt of the plan from an eligible entity, the Secretary shall consult with the head of each Federal agency providing funds to be used to implement the plan, and with the entity submitting the plan. The parties so consulting shall identify any waivers of statutory requirements or of Federal regulations, policies, or procedures necessary to enable the applicant to implement the plan. Notwithstanding any other provision of law, the Secretary of the affected agency shall have the authority to waive, for the applicant, any regulation, policy, or procedure promulgated by that agency that has been so identified by the applicant or agency, unless the head of the affected agency determines that such a waiver is inconsistent with the objectives of this subpart or the provisions of the statute from which the program involved derives authority that are specifically applicable to Indian students.

"(f) PLAN APPROVAL.—Within 90 days after the receipt of an applicant's plan by the Secretary under subsection (a), the Secretary shall inform the applicant, in writing, of the Secretary's approval or disapproval of the plan. If the plan is disapproved, the applicant shall be informed, in writing, of the reasons for the disapproval and shall be given an opportunity to amend the plan or to petition the Secretary to reconsider such disapproval.

"(g) RESPONSIBILITIES OF DEPARTMENT OF EDUCATION.—Not later than 180 days after the date of enactment of the Better Education for Students and Teachers Act, the Secretary of Education, the Secretary of the Interior, and the head of any other Federal agency identified by the Secretary of Education, shall enter into an interagency memorandum of agreement providing for the implementation of the demonstration projects authorized under this section. The lead agency for a demonstration project authorized under this section shall be—

"(1) the Department of the Interior, in the case of an applicant that is a contract or grant school, as defined in section 1146 of the Education Amendments of 1978; or

"(2) the Department of Education, in the case of any other applicant.

"(h) RESPONSIBILITIES OF LEAD AGENCY.—The responsibilities of the lead agency for a demonstration project shall include—

"(1) the use of a single report format related to the plan for the individual project, which shall be used by an eligible entity to report on the activities undertaken under the project;

"(2) the use of a single report format related to the projected expenditures for the individual

project, which shall be used by an eligible entity to report on all project expenditures;

"(3) the development of a single system of Federal oversight for the project, which shall be implemented by the lead agency; and

"(4) the provision of technical assistance to an eligible entity appropriate to the project, except that an eligible entity shall have the authority to accept or reject the plan for providing such technical assistance and the technical assistance provider.

"(i) REPORT REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary shall develop, consistent with the requirements of this section, a single report format for the reports described in subsection (h).

"(2) REPORT INFORMATION.—Such report format shall require that the reports shall—

"(A) contain such information as will allow a determination that the eligible entity has complied with the requirements incorporated in the entity's approved plan, including the demonstration of student achievement; and

"(B) provide assurances to the Secretary of Education and the Secretary of the Interior that the eligible entity has complied with all di-

rectly applicable statutory requirements and with those directly applicable regulatory requirements that have not been waived.

"(3) RECORD INFORMATION.—The Secretary shall require that records maintained at the local level on the programs consolidated for the project shall contain the information and provide the assurances described in paragraph (2).

"(j) NO REDUCTION IN AMOUNTS.—In no case shall the amount of Federal funds available to an eligible entity involved in any demonstration project be reduced as a result of the enactment of this section.

"(k) INTERAGENCY FUND TRANSFERS AUTHORIZED.—The Secretary is authorized to take such action as may be necessary to provide for an interagency transfer of funds otherwise available to an eligible entity in order to further the objectives of this section.

"(l) ADMINISTRATION OF FUNDS.—

"(1) IN GENERAL.—An eligible entity shall administer the program funds for the consolidated programs in such a manner as to allow for a determination that funds from a specific program are spent on allowable activities authorized under such program, except that the eligible entity shall determine the

proportion of the funds that shall be allocated to such program.

"(2) SEPARATE RECORDS NOT REQUIRED.—Nothing in this section shall be construed as requiring the eligible entity to maintain separate records tracing any services or activities conducted under the approved plan to the individual programs under which funds were authorized for the services or activities, nor shall the eligible entity be required to allocate expenditures among such individual programs.

"(m) OVERAGE.—The eligible entity may commingle all administrative funds from the consolidated programs and shall be entitled to the full amount of such funds (under each program's or agency's regulations). The overage (defined as the difference between the amount of the commingled funds and the actual administrative cost of the programs) shall be considered to be properly spent for Federal audit purposes, if the overage is used for the purposes provided for under this section.

"(n) FISCAL ACCOUNTABILITY.—Nothing in this part shall be construed so as to interfere with the ability of the Secretary or the lead agency to fulfill responsibilities for safeguarding Federal funds pursuant to chapter 75 of title 31, United States Code.

"(o) REPORT ON STATUTORY OBSTACLES TO PROGRAM INTEGRATION.—

"(1) PRELIMINARY REPORT.—Not later than 2 years after the date of enactment of the Better Education for Students and Teachers Act, the Secretary of Education shall submit a preliminary report to the Committee on Education and the Workforce and the Committee on Resources of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Indian Affairs of the Senate on the status of the implementation of the demonstration projects authorized under this section.

"(2) FINAL REPORT.—Not later than 5 years after the date of enactment of the Better Education for Students and Teachers Act, the Secretary of Education shall submit a report to the Committee on Education and the Workforce and the Committee on Resources of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Indian Affairs of the Senate on the results of the implementation of the demonstration projects authorized under this section. Such report shall identify statutory barriers to the ability of participants to integrate more effec-

tively their education and related services to Indian students in a manner consistent with the objectives of this section.

''(p) DEFINITION.—In this section, the term 'Secretary' means—

''(1) the Secretary of the Interior, in the case of an applicant that is a contract or grant school, as defined in section 1146 of the Education Amendments of 1978; or

''(2) the Secretary of Education, in the case of any other applicant.

"SEC. 7117. STUDENT ELIGIBILITY FORMS.

''(a) IN GENERAL.—The Secretary shall require that, as part of an application for a grant under this subpart, each applicant shall maintain a file, with respect to each Indian child for whom the local educational agency provides a free public education, that contains a form that sets forth information establishing the status of the child as an Indian child eligible for assistance under this subpart, and that otherwise meets the requirements of subsection (b).

''(b) FORMS.—

''(1) IN GENERAL.—The form described in subsection (a) shall include—

''(A) either—

"(i)(I) the name of the tribe or band of Indians (as defined in section 7161(3)) with respect to which the child claims membership;

"(II) the enrollment number establishing the membership of the child (if readily available); and

"(III) the name and address of the organization that maintains updated and accurate membership data for such tribe or band of Indians; or

"(ii) if the child is not a member of tribe or band of Indians (as so defined), the name, the enrollment number (if readily available), and the name and address of the organization responsible for maintaining updated and accurate membership rolls, of any parent or grandparent of the child from whom the child claims eligibility under this subpart;

"(B) a statement of whether the tribe or band of Indians (as so defined) with respect to which the child, or parent or grandparent of the child, claims membership is federally recognized;

"(C) the name and address of the parent or legal guardian of the child;

"(D) a signature of the parent or legal guardian of the child that verifies the accuracy of the information supplied; and

"(E) any other information that the Secretary considers necessary to provide an accurate program profile.

"(2) MINIMUM INFORMATION.—In order for a child to be eligible to be counted for the purpose of computing the amount of a grant award made under section 7113, an eligibility form prepared pursuant to this section for a child shall include—

"(A) the name of the child;

"(B) the name of the tribe or band of Indians (as so defined) with respect to which the child claims membership; and

"(C) the dated signature of the parent or guardian of the child.

"(3) FAILURE.—The failure of an applicant to furnish any information described in this subsection other than the information described in paragraph (2) with respect to any child shall have no bearing on the determination of whether the child is an eligi-

ble Indian child for the purposes of computing the amount of a grant award made under section 7113.

"(c) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to affect a definition contained in section 7161.

"(d) FORMS AND STANDARDS OF PROOF.—The forms and the standards of proof (including the standard of good faith compliance) that were in use during the 1985–86 academic year to establish the eligibility of a child for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the forms and standards of proof used—

"(1) to establish eligibility under this subpart; and

"(2) to meet the requirements of subsection (a).

"(e) DOCUMENTATION.—For purposes of determining whether a child is eligible to be counted for the purpose of computing the amount of a grant award under section 7113, the membership of the child, or any parent or grandparent of the child, in a tribe or band of Indians (as so defined) may be established by proof other than an enrollment number, notwithstanding the availability of an enrollment number for a member of such tribe or band. Nothing in subsection (b) shall be construed to require the furnishing of an enrollment number.

"(f) MONITORING AND EVALUATION REVIEW.—

"(1) IN GENERAL.—

"(A) REVIEW.—For each fiscal year, in order to provide such information as is necessary to carry out the responsibility of the Secretary to provide technical assistance under this subpart, the Secretary shall conduct a monitoring and evaluation review of a sampling of the local educational agencies that are recipients of grants under this subpart. The sampling conducted under this paragraph shall take into account the size of such a local educational agency and the geographic location of such agency.

"(B) EXCEPTION.—A local educational agency may not be held liable to the United States or be subject to any penalty by reason of the findings of an audit that relates to the date of completion, or the date of submission, of any forms used to establish, before April 28, 1988, the eligibility of a child for entitlement under the Indian Elementary and Secondary School Assistance Act.

"(2) FALSE INFORMATION.—Any local educational agency that provides false information in an application for a grant under this subpart shall—

"(A) be ineligible to apply for any other grant under this subpart; and

"(B) be liable to the United States for any funds from the grant that have not been expended.

"(3) EXCLUDED CHILDREN.—A student who provides false information for the form required under subsection (a) shall not be counted for the purpose of computing the amount of a grant award under section 7113.

"(g) TRIBAL GRANT AND CONTRACT SCHOOLS.—Notwithstanding any other provision of this section, the Secretary, in computing the amount of a grant award under section 7113 to a tribal school that receives a grant or contract from the Bureau of Indian Affairs, shall use only 1 of the following, as selected by the school:

"(1) A count, certified by the Bureau, of the number of students in the school.

"(2) A count of the number of students for whom the school has eligibility forms that comply with this section.

"(h) TIMING OF CHILD COUNTS.—For purposes of determining the number of children to be counted in computing the amount of a local educational agency's grant award under section 7113 (other than in the case described in subsection (g)(1)), the local educational agency shall—

"(1) establish a date on, or a period not longer than 31 consecutive days during which, the agency counts those children, if that date or period occurs before the deadline established by the Secretary for submitting an application under section 7114; and

"(2) determine that each such child was enrolled, and receiving a free public education, in a school of the agency on that date or during that period, as the case may be.

"SEC. 7118. PAYMENTS.

"(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary shall pay to each local educational agency that submits an application that is approved by the Secretary under this subpart the amount computed under section 7113. The Secretary shall notify the local educational agency of the amount of the payment not later than June 1 of the year for which the Secretary makes the payment.

"(b) PAYMENTS TAKEN INTO ACCOUNT BY THE STATE.—The Secretary may not make a grant under this

subpart to a local educational agency for a fiscal year if, for such fiscal year, the State in which the local educational agency is located takes into consideration payments made under this subpart in determining the eligibility of the local educational agency for State aid, or the amount of the State aid, with respect to the free public education of children during such fiscal year or the preceding fiscal year.

"(c) REDUCTION OF PAYMENT FOR FAILURE TO MAINTAIN FISCAL EFFORT.—

"(1) IN GENERAL.—The Secretary may not pay a local educational agency in a State the full amount of a grant award computed under section 7113 for any fiscal year unless the State educational agency notifies the Secretary, and the Secretary determines, that with respect to the provision of free public education by the local educational agency for the preceding fiscal year, that the combined fiscal effort of the local educational agency and the State, computed on either a per student or aggregate expenditure basis was not less than 90 percent of the amount of the combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

"(2) FAILURE.—If, for any fiscal year, the Secretary determines that a local educational agency

and State failed to maintain the combined fiscal effort at the level specified in paragraph (1), the Secretary shall—

"(A) reduce the amount of the grant that would otherwise be made to such agency under this subpart in the exact proportion of the failure to maintain the fiscal effort at such level; and

"(B) not use the reduced amount of the combined fiscal effort for the year to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) during the fiscal year for which the determination is made.

"(3) WAIVER.—

"(A) IN GENERAL.—The Secretary may waive the requirement of paragraph (1) for a local educational agency, for not more than 1 year at a time, if the Secretary determines that the failure to comply with such requirement is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources.

"(B) FUTURE DETERMINATIONS.—The Secretary shall not use the reduced amount of the combined fiscal effort for the year for which the waiver is granted to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of the waiver during the fiscal year for which the waiver is granted.

"(d) REALLOCATIONS.—The Secretary may reallocate, in a manner that the Secretary determines will best carry out the purpose of this subpart, any amounts that—

"(1) based on estimates made by local educational agencies or other information, the Secretary determines will not be needed by such agencies to carry out approved programs under this subpart; or

"(2) otherwise become available for reallocation under this subpart.

"SEC. 7119. STATE EDUCATIONAL AGENCY REVIEW.

"Before submitting an application to the Secretary under section 7114, a local educational agency shall submit the application to the State educational agency, which may comment on the application. If the State educational agency comments on the application, the agency shall com-

ment on each such application submitted by a local educational agency in the State and shall provide the comment to the appropriate local educational agency, with an opportunity to respond.

"Subpart 2—Special Programs and Projects To Improve Educational Opportunities for Indian Children

"SEC. 7121. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

''(a) PURPOSE.—

''(1) IN GENERAL.—The purpose of this section is to support projects to develop, test, and demonstrate the effectiveness of services and programs to improve educational opportunities and achievement of Indian children.

''(2) COORDINATION.—The Secretary shall take such actions as are necessary to achieve the coordination of activities assisted under this subpart with—

''(A) other programs funded under this Act; and

''(B) other Federal programs operated for the benefit of American Indian and Alaska Native children.

"(b) ELIGIBLE ENTITIES.—In this section, the term 'eligible entity' means a State educational agency, local educational agency, Indian tribe, Indian organization, federally supported elementary school or secondary school for Indian students, Indian institution (including an Indian institution of higher education) or a consortium of such entities.

"(c) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall award grants to eligible entities to enable such entities to carry out activities that meet the purpose specified in subsection (a)(1), including—

"(A) innovative programs related to the educational needs of educationally disadvantaged children;

"(B) educational services that are not available to such children in sufficient quantity or quality, including remedial instruction, to raise the achievement of Indian children in 1 or more of the core academic subjects of English, mathematics, science, foreign languages, art, history, and geography;

"(C) bilingual and bicultural programs and projects;

"(D) special health and nutrition services, and other related activities, that address the special health, social, and psychological problems of Indian children;

"(E) special compensatory and other programs and projects designed to assist and encourage Indian children to enter, remain in, or reenter school, and to increase the rate of secondary school graduation for Indian children;

"(F) comprehensive guidance, counseling, and testing services;

"(G) early childhood and kindergarten programs, including family-based preschool programs that emphasize school readiness and parental skills, and the provision of services to Indian children with disabilities;

"(H) partnership projects between local educational agencies and institutions of higher education that allow secondary school students to enroll in courses at the postsecondary level to aid such students in the transition from secondary school to postsecondary education;

"(I) partnership projects between schools and local businesses for school-to-work transition programs designed to provide Indian youth

with the knowledge and skills the youth need to make an effective transition from school to a first job in a high-skill, high-wage career;

"(J) programs designed to encourage and assist Indian students to work toward, and gain entrance into, an institution of higher education;

"(K) family literacy services; or

"(L) other services that meet the purpose described in subsection (a)(1).

"(2) PRE-SERVICE OR IN-SERVICE TRAINING.—Pre-service or in-service training of professional and paraprofessional personnel may be a part of any program assisted under this section.

"(d) GRANT REQUIREMENTS AND APPLICATIONS.—

"(1) GRANT REQUIREMENTS.—

"(A) IN GENERAL.—The Secretary may make multiyear grants under subsection (c) for the planning, development, pilot operation, or demonstration of any activity described in subsection (c). The Secretary shall make the grants for periods of not more than 5 years.

"(B) PRIORITY.—In making multiyear grants described in this paragraph, the Secretary shall give priority to entities submitting

applications that present a plan for combining 2 or more of the activities described in subsection (c) over a period of more than 1 year.

"(C) PROGRESS.—The Secretary shall make a payment for a grant described in this paragraph to an eligible entity after the initial year of the multiyear grant period only if the Secretary determines that the eligible entity has made substantial progress in carrying out the activities assisted under the grant in accordance with the application submitted under paragraph (3) and any subsequent modifications to such application.

"(2) DISSEMINATION GRANTS.—

"(A) IN GENERAL.—In addition to awarding the multiyear grants described in paragraph (1), the Secretary may award grants under subsection (c) to eligible entities for the dissemination of exemplary materials or programs assisted under this section.

"(B) DETERMINATION.—The Secretary may award a dissemination grant described in this paragraph if, prior to awarding the grant, the Secretary determines that the material or program to be disseminated—

"(i) has been adequately reviewed;

"(ii) has demonstrated educational merit; and

"(iii) can be replicated.

"(3) APPLICATION.—

"(A) IN GENERAL.—Any eligible entity that desires to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(B) CONTENTS.—Each application submitted to the Secretary under subparagraph (A), other than an application for a dissemination grant under paragraph (2), shall contain—

"(i) a description of how parents of Indian children and representatives of Indian tribes have been, and will be, involved in developing and implementing the activities for which assistance is sought;

"(ii) assurances that the applicant will participate, at the request of the Secretary, in any national evaluation of activities assisted under this section;

"(iii) information demonstrating that the proposed program for the activities is

a scientifically based research program, which may include a program that has been modified to be culturally appropriate for students who will be served;

''(iv) a description of how the applicant will incorporate the proposed activities into the ongoing school program involved once the grant period is over; and

''(v) such other assurances and information as the Secretary may reasonably require.

''(e) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds provided to a grant recipient under this subpart for any fiscal year may be used to pay for administrative costs.

''SEC. 7122. PROFESSIONAL DEVELOPMENT.

''(a) PURPOSES.—The purposes of this section are—

''(1) to increase the number of qualified Indian individuals in teaching or other education professions that serve Indian people;

''(2) to provide training to qualified Indian individuals to enable such individuals to become teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

"(3) to improve the skills of qualified Indian individuals who serve in the capacities described in paragraph (2).

"(b) ELIGIBLE ENTITIES.—In this section, the term 'eligible entity' means a consortium of—

"(1) a State or local educational agency; and

"(2) an institution of higher education (including an Indian institution of higher education) or an Indian tribe or organization.

"(c) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to eligible entities with applications approved under subsection (e) to enable such entities to carry out the activities described in subsection (d).

"(d) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Grant funds made available under subsection (c) shall be used for activities to provide support and training for Indian individuals in a manner consistent with the purposes of this section. Such activities may include continuing programs, symposia, workshops, conferences, and direct financial support.

"(2) SPECIAL RULES.—

"(A) TYPE OF TRAINING.—For education personnel, the training received pursuant to a

grant awarded under subsection (c) may be in-service or pre-service training.

"(B) PROGRAM.—For individuals who are being trained to enter any field other than education, the training received pursuant to a grant awarded under subsection (c) shall be in a program that results in a graduate degree.

"(e) APPLICATION.—Each eligible entity desiring a grant under subsection (c) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information, as the Secretary may reasonably require.

"(f) SPECIAL RULE.—In awarding grants under subsection (c), the Secretary—

"(1) shall consider the prior performance of an eligible entity; and

"(2) may not limit eligibility to receive a grant under subsection (c) on the basis of—

"(A) the number of previous grants the Secretary has awarded such entity; or

"(B) the length of any period during which such entity received such grants.

"(g) GRANT PERIOD.—Each grant awarded under subsection (c) shall be awarded for a program of activities of not more than 5 years.

"(h) SERVICE OBLIGATION.—

"(1) IN GENERAL.—The Secretary shall require, by regulation, that an individual who receives pre-service training pursuant to a grant awarded under subsection (c)—

"(A) perform work—

"(i) related to the training received under this section; and

"(ii) that benefits Indian people; or

"(B) repay all or a prorated part of the assistance received for the training.

"(2) REPORTING.—The Secretary shall establish, by regulation, a reporting procedure under which a recipient of the pre-service training shall, not later than 12 months after the date of completion of the training, and periodically thereafter, provide information concerning the compliance of such recipient with the work requirement described in paragraph (1).

"(i) INSERVICE TRAINING FOR TEACHERS OF INDIAN CHILDREN.—

"(1) GRANTS AUTHORIZED.—In addition to the grants authorized by subsection (c), the Secretary may make grants to eligible consortia for the provi-

sion of high quality in-service training. The Secretary may make such a grant to—

"(A) a consortium of a tribal college and an institution of higher education that awards a degree in education; or

"(B) a consortium of—

"(i) a tribal college;

"(ii) an institution of higher education that awards a degree in education; and

"(iii) 1 or more elementary schools or secondary schools operated by the Bureau of Indian Affairs, local educational agencies serving Indian children, or tribal educational agencies.

"(2) USE OF FUNDS.—

"(A) IN-SERVICE TRAINING.—A consortium that receives a grant under paragraph (1) shall use the grant funds only to provide high quality in-service training to teachers, including teachers who are not Indians, in schools of local educational agencies with substantial numbers of Indian children enrolled in their schools, in order to better meet the needs of those children.

"(B) COMPONENTS.—The training described in subparagraph (A) shall include such

activities as preparing teachers to use the best available scientifically based research practices and learning strategies, and to make the most effective use of curricula and materials, to respond to the unique needs of Indian children in their classrooms.

"(3) PREFERENCE FOR INDIAN APPLICANTS.—In applying section 7153 to this subsection, the Secretary shall give a preference to any consortium that includes 1 or more of the entities described in that section.

"SEC. 7123. FELLOWSHIPS FOR INDIAN STUDENTS.

"(a) FELLOWSHIPS.—

"(1) AUTHORITY.—The Secretary is authorized to award fellowships to Indian students to enable such students to study in graduate and professional programs at institutions of higher education.

"(2) REQUIREMENTS.—The fellowships described in paragraph (1) shall be awarded to Indian students to enable such students to pursue a course of study—

"(A) of not more than 4 academic years; and

"(B) that leads—

"(i) toward a postbaccalaureate degree in medicine, clinical psychology, psychology, law, education, or a related field; or

"(ii) to an undergraduate or graduate degree in engineering, business administration, natural resources, or a related field.

"(b) STIPENDS.—The Secretary shall pay to Indian students awarded fellowships under subsection (a) such stipends (including allowances for subsistence of such students and dependents of such students) as the Secretary determines to be consistent with prevailing practices under comparable federally supported programs.

"(c) PAYMENTS TO INSTITUTIONS IN LIEU OF TUITION.—The Secretary shall pay to the institution of higher education at which such a fellowship recipient is pursuing a course of study, in lieu of tuition charged to such recipient, such amounts as the Secretary may determine to be necessary to cover the cost of education provided to such recipient.

"(d) SPECIAL RULES.—

"(1) IN GENERAL.—If a fellowship awarded under subsection (a) is vacated prior to the end of the period for which the fellowship is awarded, the Secretary may award an additional fellowship for the

unexpired portion of the period of the first fellowship.

"(2) WRITTEN NOTICE.—Not later than 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of—

"(A) the amount of the funding for the fellowship; and

"(B) any stipends or other payments that will be made under this section to, or for the benefit of, the individual for the academic term.

"(3) PRIORITY.—Not more than 10 percent of the fellowships awarded under subsection (a) shall be awarded, on a priority basis, to persons receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

"(e) SERVICE OBLIGATION.—

"(1) IN GENERAL.—The Secretary shall require, by regulation, that an individual who receives financial assistance under this section—

"(A) perform work—

"(i) related to the training for which the individual receives the assistance under this section; and

"(ii) that benefits Indian people; or

"(B) repay all or a prorated portion of such assistance.

"(2) REPORTING.—The Secretary shall establish, by regulation, a reporting procedure under which a recipient of assistance under this section shall, not later than 12 months after the date of completion of the training, and periodically thereafter, provide information concerning the compliance of such recipient with the work requirement described in paragraph (1).

"(f) ADMINISTRATION OF FELLOWSHIPS.—The Secretary may administer the fellowships authorized under this section through a grant to, or contract or cooperative agreement with, an Indian organization with demonstrated qualifications to administer all facets of the program assisted under this section.

"SEC. 7124. GIFTED AND TALENTED INDIAN STUDENTS.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to—

"(1) establish 2 centers for gifted and talented Indian students at tribally controlled community colleges in accordance with this section; and

"(2) support demonstration projects described in subsection (c).

"(b) ELIGIBLE ENTITIES.—The Secretary shall make grants, or enter into contracts, for the activities described in subsection (a), to or with—

"(1) 2 tribally controlled community colleges that—

"(A) are eligible for funding under the Tribally Controlled College or University Assistance Act of 1978; and

"(B) are fully accredited; or

"(2) if the Secretary does not receive applications that the Secretary determines to be approvable from 2 colleges that meet the requirements of paragraph (1), the American Indian Higher Education Consortium.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Funds made available through the grants made, or contracts entered into, by the Secretary under subsection (b) shall be used for—

"(A) the establishment of centers described in subsection (a); and

"(B) carrying out demonstration projects designed to—

"(i) address the special needs of Indian students in elementary schools and secondary schools who are gifted and talented; and

"(ii) provide such support services to the families of the students described in clause (i) as are needed to enable such students to benefit from the projects.

"(2) SUBCONTRACTS.—Each recipient of a grant or contract under subsection (b) to carry out a demonstration project under subsection (a) may enter into a contract with any other entity, including the Children's Television Workshop, to carry out the demonstration project.

"(3) DEMONSTRATION PROJECTS.—Demonstration projects assisted under subsection (b) may include—

"(A) the identification of the special needs of gifted and talented Indian students, particularly at the elementary school level, giving attention to—

"(i) identifying the emotional and psychosocial needs of such students; and

"(ii) providing such support services to the families of such students as are needed to enable such students to benefit from the project;

"(B) the conduct of educational, psychosocial, and developmental activities that the Secretary determines hold a reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including—

"(i) demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions; and

"(ii) carrying out mentoring and apprenticeship programs;

"(C) the provision of technical assistance and the coordination of activities at schools that receive grants under subsection (d) with respect to the activities assisted under such grants, the evaluation of programs assisted under such grants, or the dissemination of such evaluations;

"(D) the use of public television in meeting the special educational needs of such gifted and talented children;

"(E) leadership programs designed to replicate programs for such children throughout the United States, including disseminating information derived from the demonstration projects conducted under subsection (a); and

"(F) appropriate research, evaluation, and related activities pertaining to the needs of such children and to the provision of such support services to the families of such children as are needed to enable such children to benefit from the project.

"(4) APPLICATION.—Each entity desiring a grant or contract under subsection (b) shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(d) ADDITIONAL GRANTS.—

"(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior, shall award 5 grants to schools funded by the Bureau of Indian Affairs (referred to individually in this section as a 'Bureau school') for program research and develop-

ment and the development and dissemination of curriculum and teacher training material, regarding—

"(A) gifted and talented students;

"(B) college preparatory studies (including programs for Indian students with an interest in pursuing teaching careers);

"(C) students with special culturally related academic needs, including students with social, lingual, and cultural needs; or

"(D) mathematics and science education.

"(2) APPLICATIONS.—Each Bureau school desiring a grant to conduct 1 or more of the activities described in paragraph (1) shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(3) SPECIAL RULE.—Each application described in paragraph (2) shall be developed, and each grant under this subsection shall be administered, jointly by the supervisor of the Bureau school and the local educational agency serving such school.

"(4) REQUIREMENTS.—In awarding grants under paragraph (1), the Secretary shall achieve a mixture of the programs described in paragraph (1) that ensures that Indian students at all grade levels and in all geographic areas of the United States are

able to participate in a program assisted under this subsection.

"(5) GRANT PERIOD.—Subject to the availability of appropriations, a grant awarded under paragraph (1) shall be awarded for a 3-year period and may be renewed by the Secretary for additional 3-year periods if the Secretary determines that the performance of the grant recipient has been satisfactory.

"(6) DISSEMINATION.—

"(A) COOPERATIVE EFFORTS.—The dissemination of any materials developed from activities assisted under paragraph (1) shall be carried out in cooperation with entities that receive funds pursuant to subsection (b).

"(B) REPORT.—The Secretary shall prepare and submit to the Secretary of the Interior and to Congress a report concerning any results from activities described in this subsection.

"(7) EVALUATION COSTS.—

"(A) DIVISION.—The costs of evaluating any activities assisted under paragraph (1) shall be divided between the Bureau schools conducting such activities and the recipients of grants or contracts under subsection (b) who

conduct demonstration projects under subsection (a).

"(B) GRANTS AND CONTRACTS.—If no funds are provided under subsection (b) for—

"(i) the evaluation of activities assisted under paragraph (1);

"(ii) technical assistance and coordination with respect to such activities; or

"(iii) the dissemination of the evaluations referred to in clause (i),

the Secretary shall make such grants, or enter into such contracts, as are necessary to provide for the evaluations, technical assistance, and coordination of such activities, and the dissemination of the evaluations.

"(e) INFORMATION NETWORK.—The Secretary shall encourage each recipient of a grant or contract under this section to work cooperatively as part of a national network to ensure that the information developed by the grant or contract recipient is readily available to the entire educational community.

"SEC. 7125. GRANTS TO TRIBES FOR EDUCATION ADMINISTRATIVE PLANNING AND DEVELOPMENT.

"(a) IN GENERAL.—The Secretary may make grants to Indian tribes, and tribal organizations approved by In-

dian tribes, to plan and develop a centralized tribal administrative entity to—

"(1) coordinate all education programs operated by the tribe or within the territorial jurisdiction of the tribe;

"(2) develop education codes for schools within the territorial jurisdiction of the tribe;

"(3) provide support services and technical assistance to schools serving children of the tribe; and

"(4) perform child-find screening services for the preschool-aged children of the tribe to—

"(A) ensure placement in appropriate educational facilities; and

"(B) coordinate the provision of any needed special services for conditions such as disabilities and English language skill deficiencies.

"(b) PERIOD OF GRANT.—Each grant awarded under this section may be awarded for a period of not more than 3 years. Such grant may be renewed upon the termination of the initial period of the grant if the grant recipient demonstrates to the satisfaction of the Secretary that renewing the grant for an additional 3-year period is necessary to carry out the objectives of the grant described in subsection (c)(2)(A).

"(c) APPLICATION FOR GRANT.—

"(1) IN GENERAL.—Each Indian tribe and tribal organization desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, containing such information, and consistent with such criteria, as the Secretary may prescribe in regulations.

"(2) CONTENTS.—Each application described in paragraph (1) shall contain—

"(A) a statement describing the activities to be conducted, and the objectives to be achieved, under the grant; and

"(B) a description of the method to be used for evaluating the effectiveness of the activities for which assistance is sought and for determining whether such objectives are achieved.

"(3) APPROVAL.—The Secretary may approve an application submitted by a tribe or tribal organization pursuant to this section only if the Secretary is satisfied that such application, including any documentation submitted with the application—

"(A) demonstrates that the applicant has consulted with other education entities, if any, within the territorial jurisdiction of the appli-

cant who will be affected by the activities to be conducted under the grant;

"(B) provides for consultation with such other education entities in the operation and evaluation of the activities conducted under the grant; and

"(C) demonstrates that there will be adequate resources provided under this section or from other sources to complete the activities for which assistance is sought, except that the availability of such other resources shall not be a basis for disapproval of such application.

"(d) RESTRICTION.—A tribe may not receive funds under this section if such tribe receives funds under section 1144 of the Education Amendments of 1978.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Education to carry out this section $3,000,000 for each of fiscal years 2002 through 2008.

"Subpart 3—Special Programs Relating to Adult Education for Indians

"SEC. 7131. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

''(a) IN GENERAL.—The Secretary shall make grants to State and local educational agencies and to Indian tribes, institutions, and organizations—

''(1) to support planning, pilot, and demonstration projects that are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

''(2) to assist in the establishment and operation of programs that are designed to stimulate—

''(A) the provision of basic literacy opportunities for all nonliterate Indian adults; and

''(B) the provision of opportunities to all Indian adults to qualify for a secondary school diploma, or its recognized equivalent, in the shortest period of time feasible;

''(3) to support a major research and development program to develop more innovative and effective techniques for achieving literacy and secondary school equivalency for Indians;

''(4) to provide for basic surveys and evaluations to define accurately the extent of the problems

of illiteracy and lack of secondary school completion among Indians; and

"(5) to encourage the dissemination of information and materials relating to, and the evaluation of, the effectiveness of education programs that may offer educational opportunities to Indian adults.

"(b) EDUCATIONAL SERVICES.—The Secretary may make grants to Indian tribes, institutions, and organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

"(c) INFORMATION AND EVALUATION.—The Secretary may make grants to, and enter into contracts with, public agencies and institutions and Indian tribes, institutions, and organizations, for—

"(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations of the programs, services, and resources; and

"(2) the evaluation of federally assisted programs in which Indian adults may participate to determine the effectiveness of the programs in achieving the purposes of the programs with respect to Indian adults.

"(d) APPLICATIONS.—

"(1) IN GENERAL.—Each entity desiring a grant or contract under this section shall submit to the Secretary an application at such time, in such manner, containing such information, and consistent with such criteria, as the Secretary may prescribe in regulations.

"(2) CONTENTS.—Each application described in paragraph (1) shall contain—

"(A) a statement describing the activities to be conducted and the objectives to be achieved under the grant or contract; and

"(B) a description of the method to be used for evaluating the effectiveness of the activities for which assistance is sought and determining whether the objectives of the grant or contract are achieved.

"(3) APPROVAL.—The Secretary shall not approve an application described in paragraph (1) unless the Secretary determines that such application, including any documentation submitted with the application, indicates that—

"(A) there has been adequate participation, by the individuals to be served and the appropriate tribal communities, in the planning

and development of the activities to be assisted; and

"(B) the individuals and tribal communities referred to in subparagraph (A) will participate in the operation and evaluation of the activities to be assisted.

"(4) PRIORITY.—In approving applications under paragraph (1), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

"(e) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available to an entity through a grant or contract made or entered into under this section for a fiscal year may be used to pay for administrative costs.

"Subpart 4—National Research Activities

"SEC. 7141. NATIONAL ACTIVITIES.

"(a) AUTHORIZED ACTIVITIES.—The Secretary may use funds made available under section 7162(b) for each fiscal year to—

"(1) conduct research related to effective approaches for the education of Indian children and adults;

"(2) evaluate federally assisted education programs from which Indian children and adults may benefit;

"(3) collect and analyze data on the educational status and needs of Indians; and

"(4) carry out other activities that are consistent with the purpose of this part.

"(b) ELIGIBILITY.—The Secretary may carry out any of the activities described in subsection (a) directly or through grants to, or contracts or cooperative agreements with, Indian tribes, Indian organizations, State educational agencies, local educational agencies, institutions of higher education, including Indian institutions of higher education, and other public and private agencies and institutions.

"(c) COORDINATION.—Research activities supported under this section—

"(1) shall be carried out in consultation with the Office of Educational Research and Improvement to assure that such activities are coordinated with and enhance the research and development activities supported by the Office of Educational Research and Improvement; and

"(2) may include collaborative research activities that are jointly funded and carried out by the

Office of Indian Education and the Office of Educational Research and Improvement.

''(d) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available to an entity through a grant, contract, or agreement made or entered into under this subpart for a fiscal year may be used to pay for administrative costs.

"Subpart 5—Federal Administration

"SEC. 7151. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

''(a) MEMBERSHIP.—There is established a National Advisory Council on Indian Education (referred to in this section as the 'Council'), which shall—

''(1) consist of 15 Indian members, who shall be appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and Indian organizations; and

''(2) represent different geographic areas of the United States.

''(b) DUTIES.—The Council shall—

''(1) advise the Secretary concerning the funding and administration (including the development of regulations and administrative policies and practices) of any program, including any program established under this part—

"(A) with respect to which the Secretary has jurisdiction; and

"(B)(i) that includes Indian children or adults as participants; or

"(ii) that may benefit Indian children or adults;

"(2) make recommendations to the Secretary for filling the position of Director of Indian Education whenever a vacancy occurs; and

"(3) prepare and submit to Congress, not later than June 30 of each year, a report on the activities of the Council, including—

"(A) any recommendations that the Council considers to be appropriate for the improvement of Federal education programs that include Indian children or adults as participants, or that may benefit Indian children or adults; and

"(B) recommendations concerning the funding of any program described in subparagraph (A).

"SEC. 7152. PEER REVIEW.

"The Secretary may use a peer review process to review applications submitted to the Secretary under subpart 2, 3, or 4.

"SEC. 7153. PREFERENCE FOR INDIAN APPLICANTS.

''In making grants and entering into contracts or cooperative agreements under subpart 2, 3, or 4, the Secretary shall give a preference to Indian tribes, organizations, and institutions of higher education under any program with respect to which Indian tribes, organizations, and institutions are eligible to apply for grants, contracts, or cooperative agreements.

"SEC. 7154. MINIMUM GRANT CRITERIA.

''The Secretary may not approve an application for a grant, contract, or cooperative agreement under subpart 2 or 3 unless the application is for a grant, contract, or cooperative agreement that is—

''(1) of sufficient size, scope, and quality to achieve the purpose or objectives of such grant, contract, or cooperative agreement; and

''(2) based on relevant research findings.

"Subpart 6—Definitions; Authorizations of Appropriations

"SEC. 7161. DEFINITIONS.

''In this part:

''(1) ADULT.—The term 'adult' means an individual who—

''(A) has attained age 16; or

"(B) has attained an age that is greater than the age of compulsory school attendance under an applicable State law.

"(2) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is—

"(A) provided at public expense, under public supervision and direction, and without tuition charge; and

"(B) provided as elementary or secondary education in the applicable State or to preschool children.

"(3) INDIAN.—The term 'Indian' means an individual who is—

"(A) a member of an Indian tribe or band, as membership is defined by the tribe or band, including—

"(i) any tribe or band terminated since 1940; and

"(ii) any tribe or band recognized by the State in which the tribe or band resides;

"(B) a descendant, in the first or second degree, of an individual described in subparagraph (A);

"(C) an individual who is considered by the Secretary of the Interior to be an Indian for any purpose;

"(D) an Eskimo, Aleut, or other Alaska Native (as defined in section 7306); or

"(E) a member of an organized Indian group that received a grant under the Indian Education Act of 1988 as in effect the day preceding the date of enactment of the 'Improving America's Schools Act of 1994' (108 Stat. 3518).

"SEC. 7162. AUTHORIZATIONS OF APPROPRIATIONS.

"(a) SUBPART 1.—There are authorized to be appropriated to the Secretary of Education to carry out subpart 1 $93,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"(b) SUBPARTS 2 THROUGH 4.—There are authorized to be appropriated to the Secretary of Education to carry out subparts 2, 3, and 4 $20,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"PART B—NATIVE HAWAIIAN EDUCATION

"SEC. 7201. SHORT TITLE.

"This part may be cited as the 'Native Hawaiian Education Act'.

"SEC. 7202. FINDINGS.

''Congress finds the following:

''(1) Native Hawaiians are a distinct and unique indigenous people with a historical continuity to the original inhabitants of the Hawaiian archipelago, whose society was organized as a nation and internationally recognized as a nation by the United States, Britain, France, and Japan, as evidenced by treaties governing friendship, commerce, and navigation.

''(2) At the time of the arrival of the first non-indigenous people in Hawai'i in 1778, the Native Hawaiian people lived in a highly organized, self-sufficient subsistence social system based on a communal land tenure system with a sophisticated language, culture, and religion.

''(3) A unified monarchal government of the Hawaiian Islands was established in 1810 under Kamehameha I, the first King of Hawai'i.

''(4) From 1826 until 1893, the United States recognized the sovereignty and independence of the Kingdom of Hawai'i, which was established in 1810 under Kamehameha I, extended full and complete diplomatic recognition to the Kingdom of Hawai'i, and entered into treaties and conventions with the Kingdom of Hawai'i to govern friendship, commerce

and navigation in 1826, 1842, 1849, 1875, and 1887.

"(5) In 1893, the sovereign, independent, internationally recognized, and indigenous government of Hawai'i, the Kingdom of Hawai'i, was overthrown by a small group of non-Hawaiians, including United States citizens, who were assisted in their efforts by the United States Minister, a United States naval representative, and armed naval forces of the United States. Because of the participation of United States agents and citizens in the overthrow of the Kingdom of Hawai'i, in 1993 the United States apologized to Native Hawaiians for the overthrow and the deprivation of the rights of Native Hawaiians to self-determination through Public Law 103–150 (107 Stat. 1510).

"(6) In 1898, the joint resolution entitled 'Joint Resolution to provide for annexing the Hawaiian Islands to the United States', approved July 7, 1898 (30 Stat. 750), ceded absolute title of all lands held by the Republic of Hawai'i, including the government and crown lands of the former Kingdom of Hawai'i, to the United States, but mandated that revenue generated from the lands be used 'solely for

the benefit of the inhabitants of the Hawaiian Islands for educational and other public purposes'.

''(7) By 1919, the Native Hawaiian population had declined from an estimated 1,000,000 in 1778 to an alarming 22,600, and in recognition of this severe decline, Congress enacted the Hawaiian Homes Commission Act, 1920 (42 Stat. 108), which designated approximately 200,000 acres of ceded public lands for homesteading by Native Hawaiians.

''(8) Through the enactment of the Hawaiian Homes Commission Act, 1920, Congress affirmed the special relationship between the United States and the Native Hawaiians, which was described by then Secretary of the Interior Franklin K. Lane, who said: 'One thing that impressed me . . . was the fact that the natives of the island who are our wards, I should say, and for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty.'.

''(9) In 1938, Congress again acknowledged the unique status of the Hawaiian people by including in the Act of June 20, 1938 (52 Stat. 781, chapter 530; 16 U.S.C. 391b, 391b–1, 392b, 392c, 396, 396a), a provision to lease lands within the National Parks extension to Native Hawaiians and to permit

fishing in the area 'only by native Hawaiian residents of said area or of adjacent villages and by visitors under their guidance.'.

''(10) Under the Act entitled 'An Act to provide for the admission of the State of Hawai'i into the Union', approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for the administration of the Hawaiian Home Lands to the State of Hawai'i but reaffirmed the trust relationship between the United States and the Hawaiian people by retaining the exclusive power to enforce the trust, including the power to approve land exchanges and amendments to such Act affecting the rights of beneficiaries under such Act.

''(11) In 1959, under the Act entitled 'An Act to provide for the admission of the State of Hawai'i into the Union', the United States also ceded to the State of Hawai'i title to the public lands formerly held by the United States, but mandated that such lands be held by the State 'in public trust' and reaffirmed the special relationship that existed between the United States and the Hawaiian people by retaining the legal responsibility to enforce the public trust responsibility of the State of Hawai'i for the betterment of the conditions of Native Hawaiians, as

defined in section 201(a) of the Hawaiian Homes Commission Act, 1920.

"(12) The United States has recognized and reaffirmed that—

"(A) Native Hawaiians have a cultural, historic, and land-based link to the indigenous people who exercised sovereignty over the Hawaiian Islands, and that group has never relinquished its claims to sovereignty or its sovereign lands;

"(B) Congress does not extend services to Native Hawaiians because of their race, but because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship;

"(C) Congress has also delegated broad authority to administer a portion of the Federal trust responsibility to the State of Hawai'i;

"(D) the political status of Native Hawaiians is comparable to that of American Indians and Alaska Natives; and

"(E) the aboriginal, indigenous people of the United States have—

"(i) a continuing right to autonomy in their internal affairs; and

"(ii) an ongoing right of self-determination and self-governance that has never been extinguished.

"(13) The political relationship between the United States and the Native Hawaiian people has been recognized and reaffirmed by the United States, as evidenced by the inclusion of Native Hawaiians in—

"(A) the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.);

"(B) the American Indian Religious Freedom Act (42 U.S.C. 1996);

"(C) the National Museum of the American Indian Act (20 U.S.C. 80q et seq.);

"(D) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

"(E) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

"(F) the Native American Languages Act (25 U.S.C. 2901 et seq.);

"(G) the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4401 et seq.);

"(H) the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); and

"(I) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.).

"(14) In 1981, Congress instructed the Office of Education to submit to Congress a comprehensive report on Native Hawaiian education. The report, entitled the 'Native Hawaiian Educational Assessment Project', was released in 1983 and documented that Native Hawaiians scored below parity with regard to national norms on standardized achievement tests, were disproportionately represented in many negative social and physical statistics indicative of special educational needs, and had educational needs that were related to their unique cultural situation, such as different learning styles and low self-image.

"(15) In recognition of the educational needs of Native Hawaiians, in 1988, Congress enacted title IV of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (102 Stat. 130) to authorize

and develop supplemental educational programs to address the unique conditions of Native Hawaiians.

"(16) In 1993, the Kamehameha Schools Bishop Estate released a 10-year update of findings of the Native Hawaiian Educational Assessment Project, which found that despite the successes of the programs established under title IV of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, many of the same educational needs still existed for Native Hawaiians. Subsequent reports by the Kamehameha Schools Bishop Estate and other organizations have generally confirmed those findings. For example—

"(A) educational risk factors continue to start even before birth for many Native Hawaiian children, including—

"(i) late or no prenatal care;

"(ii) high rates of births by Native Hawaiian women who are unmarried; and

"(iii) high rates of births to teenage parents;

"(B) Native Hawaiian students continue to begin their school experience lagging behind

other students in terms of readiness factors such as vocabulary test scores;

"(C) Native Hawaiian students continue to score below national norms on standardized education achievement tests at all grade levels;

"(D) both public and private schools continue to show a pattern of lower percentages of Native Hawaiian students in the uppermost achievement levels and in gifted and talented programs;

"(E) Native Hawaiian students continue to be overrepresented among students qualifying for special education programs provided to students with learning disabilities, mild mental retardation, emotional impairment, and other such disabilities;

"(F) Native Hawaiians continue to be underrepresented in institutions of higher education and among adults who have completed 4 or more years of college;

"(G) Native Hawaiians continue to be disproportionately represented in many negative social and physical statistics indicative of special educational needs, as demonstrated by the fact that—

"(i) Native Hawaiian students are more likely to be retained in grade level and to be excessively absent in secondary school;

"(ii) Native Hawaiian students have the highest rates of drug and alcohol use in the State of Hawai'i; and

"(iii) Native Hawaiian children continue to be disproportionately victimized by child abuse and neglect; and

"(H) Native Hawaiians now comprise over 23 percent of the students served by the State of Hawai'i Department of Education, and there are and will continue to be geographically rural, isolated areas with a high Native Hawaiian population density.

"(17) In the 1998 National Assessment of Educational Progress, Hawaiian fourth-graders ranked 39th among groups of students from 39 States in reading. Given that Hawaiian students rank among the lowest groups of students nationally in reading, and that Native Hawaiian students rank the lowest among Hawaiian students in reading, it is imperative that greater focus be placed on beginning reading and early education and literacy in Hawai'i.

"(18) The findings described in paragraphs (16) and (17) are inconsistent with the high rates of literacy and integration of traditional culture and Western education historically achieved by Native Hawaiians through a Hawaiian language-based public school system established in 1840 by Kamehameha III.

"(19) Following the overthrow of the Kingdom of Hawai'i in 1893, Hawaiian medium schools were banned. After annexation, throughout the territorial and statehood period of Hawai'i, and until 1986, use of the Hawaiian language as an instructional medium in education in public schools was declared unlawful. The declaration caused incalculable harm to a culture that placed a very high value on the power of language, as exemplified in the traditional saying: 'I ka 'ōlelo nō ke ola; I ka 'ōlelo nō ka make. In the language rests life; In the language rests death.'.

"(20) Despite the consequences of over 100 years of nonindigenous influence, the Native Hawaiian people are determined to preserve, develop, and transmit to future generations their ancestral territory and their cultural identity in accordance with their own spiritual and traditional beliefs, customs, practices, language, and social institutions.

"(21) The State of Hawai'i, in the constitution and statutes of the State of Hawai'i—

"(A) reaffirms and protects the unique right of the Native Hawaiian people to practice and perpetuate their culture and religious customs, beliefs, practices, and language;

"(B) recognizes the traditional language of the Native Hawaiian people as an official language of the State of Hawai'i, which may be used as the language of instruction for all subjects and grades in the public school system; and

"(C) promotes the study of the Hawaiian culture, language, and history by providing a Hawaiian education program and using community expertise as a suitable and essential means to further the program.

"SEC. 7203. PURPOSES.

"The purposes of this part are to—

"(1) authorize and develop innovative educational programs to assist Native Hawaiians;

"(2) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including resources made available under

this part, on Native Hawaiian education, and to provide periodic assessment and data collection;

''(3) supplement and expand programs and authorities in the area of education to further the purposes of this title; and

''(4) encourage the maximum participation of Native Hawaiians in planning and management of Native Hawaiian education programs.

"SEC. 7204. NATIVE HAWAIIAN EDUCATION COUNCIL AND ISLAND COUNCILS.

''(a) ESTABLISHMENT OF NATIVE HAWAIIAN EDUCATION COUNCIL.—In order to better effectuate the purposes of this part through the coordination of educational and related services and programs available to Native Hawaiians, including those programs receiving funding under this part, the Secretary is authorized to establish a Native Hawaiian Education Council (referred to in this part as the 'Education Council').

''(b) COMPOSITION OF EDUCATION COUNCIL.—The Education Council shall consist of not more than 21 members, unless otherwise determined by a majority of the council.

''(c) CONDITIONS AND TERMS.—

''(1) CONDITIONS.—At least 10 members of the Education Council shall be Native Hawaiian edu-

cation service providers and 10 members of the Education Council shall be Native Hawaiians or Native Hawaiian education consumers. In addition, a representative of the State of Hawai'i Office of Hawaiian Affairs shall serve as a member of the Education Council.

"(2) APPOINTMENTS.—The members of the Education Council shall be appointed by the Secretary based on recommendations received from the Native Hawaiian community.

"(3) TERMS.—Members of the Education Council shall serve for staggered terms of 3 years, except as provided in paragraph (4).

"(4) COUNCIL DETERMINATIONS.—Additional conditions and terms relating to membership on the Education Council, including term lengths and term renewals, shall be determined by a majority of the Education Council.

"(d) NATIVE HAWAIIAN EDUCATION COUNCIL GRANT.—The Secretary shall make a direct grant to the Education Council in order to enable the Education Council to—

"(1) coordinate the educational and related services and programs available to Native Hawai-

ians, including the programs assisted under this part;

"(2) assess the extent to which such services and programs meet the needs of Native Hawaiians, and collect data on the status of Native Hawaiian education;

"(3) provide direction and guidance, through the issuance of reports and recommendations, to appropriate Federal, State, and local agencies in order to focus and improve the use of resources, including resources made available under this part, relating to Native Hawaiian education, and serve, where appropriate, in an advisory capacity; and

"(4) make direct grants, if such grants enable the Education Council to carry out the duties of the Education Council, as described in paragraphs (1) through (3).

"(e) ADDITIONAL DUTIES OF THE EDUCATION COUNCIL.—

"(1) IN GENERAL.—The Education Council shall provide copies of any reports and recommendations issued by the Education Council, including any information that the Education Council provides to the Secretary pursuant to subsection (i), to the Secretary, the Committee on Education and the Work-

force of the House of Representatives, and the Committee on Indian Affairs of the Senate.

"(2) ANNUAL REPORT.—The Education Council shall prepare and submit to the Secretary an annual report on the Education Council's activities.

"(3) ISLAND COUNCIL SUPPORT AND ASSISTANCE.—The Education Council shall provide such administrative support and financial assistance to the island councils established pursuant to subsection (f) as the Secretary determines to be appropriate, in a manner that supports the distinct needs of each island council.

"(f) ESTABLISHMENT OF ISLAND COUNCILS.—

"(1) IN GENERAL.—In order to better effectuate the purposes of this part and to ensure the adequate representation of island and community interests within the Education Council, the Secretary is authorized to facilitate the establishment of Native Hawaiian education island councils (referred to individually in this part as an 'island council') for the following islands:

"(A) Hawai'i.

"(B) Maui.

"(C) Moloka'i.

"(D) Lana'i.

"(E) O'ahu.

"(F) Kaua'i.

"(G) Ni'ihau.

"(2) COMPOSITION OF ISLAND COUNCILS.—Each island council shall consist of parents, students, and other community members who have an interest in the education of Native Hawaiians, and shall be representative of individuals concerned with the educational needs of all age groups, from children in preschool through adults. At least ¾ of the members of each island council shall be Native Hawaiians.

"(g) ADMINISTRATIVE PROVISIONS RELATING TO EDUCATION COUNCIL AND ISLAND COUNCILS.—The Education Council and each island council shall meet at the call of the chairperson of the appropriate council, or upon the request of the majority of the members of the appropriate council, but in any event not less often than 4 times during each calendar year. The provisions of the Federal Advisory Committee Act shall not apply to the Education Council and each island council.

"(h) COMPENSATION.—Members of the Education Council and each island council shall not receive any compensation for service on the Education Council and each island council, respectively.

"(i) REPORT.—Not later than 4 years after the date of enactment of the Better Education for Students and Teachers Act, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Indian Affairs of the Senate a report that summarizes the annual reports of the Education Council, describes the allocation and use of funds under this part, and contains recommendations for changes in Federal, State, and local policy to advance the purposes of this part.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $300,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years. Funds appropriated under this subsection shall remain available until expended.

"SEC. 7205. PROGRAM AUTHORIZED.

"(a) GENERAL AUTHORITY.—

"(1) GRANTS AND CONTRACTS.—The Secretary is authorized to make direct grants to, or enter into contracts with—

"(A) Native Hawaiian educational organizations;

"(B) Native Hawaiian community-based organizations;

"(C) public and private nonprofit organizations, agencies, and institutions with experience in developing or operating Native Hawaiian programs or programs of instruction in the Native Hawaiian language; and

"(D) consortia of the organizations, agencies, and institutions described in subparagraphs (A) through (C),

to carry out programs that meet the purposes of this part.

"(2) PRIORITIES.—In awarding grants or contracts to carry out activities described in paragraph (3), the Secretary shall give priority to entities proposing projects that are designed to address—

"(A) beginning reading and literacy among students in kindergarten through third grade;

"(B) the needs of at-risk children and youth;

"(C) needs in fields or disciplines in which Native Hawaiians are underemployed; and

"(D) the use of the Hawaiian language in instruction.

"(3) AUTHORIZED ACTIVITIES.—Activities provided through programs carried out under this part may include—

"(A) the development and maintenance of a statewide Native Hawaiian early education and care system to provide a continuum of services for Native Hawaiian children from the prenatal period of the children through age 5;

"(B) the operation of family-based education centers that provide such services as—

"(i) programs for Native Hawaiian parents and their infants from the prenatal period of the infants through age 3;

"(ii) preschool programs for Native Hawaiians; and

"(iii) research on, and development and assessment of, family-based, early childhood, and preschool programs for Native Hawaiians;

"(C) activities that enhance beginning reading and literacy in either the Hawaiian or the English language among Native Hawaiian students in kindergarten through third grade and assistance in addressing the distinct features of combined English and Hawaiian literacy for Hawaiian speakers in fifth and sixth grade;

"(D) activities to meet the special needs of Native Hawaiian students with disabilities, including—

"(i) the identification of such students and their needs;

"(ii) the provision of support services to the families of those students; and

"(iii) other activities consistent with the requirements of the Individuals with Disabilities Education Act;

"(E) activities that address the special needs of Native Hawaiian students who are gifted and talented, including—

"(i) educational, psychological, and developmental activities designed to assist in the educational progress of those students; and

"(ii) activities that involve the parents of those students in a manner designed to assist in the students' educational progress;

"(F) the development of academic and vocational curricula to address the needs of Native Hawaiian children and adults, including curriculum materials in the Hawaiian language

and mathematics and science curricula that incorporate Native Hawaiian tradition and culture;

"(G) professional development activities for educators, including—

"(i) the development of programs to prepare prospective teachers to address the unique needs of Native Hawaiian students within the context of Native Hawaiian culture, language, and traditions;

"(ii) in-service programs to improve the ability of teachers who teach in schools with concentrations of Native Hawaiian students to meet those students' unique needs; and

"(iii) the recruitment and preparation of Native Hawaiians, and other individuals who live in communities with a high concentration of Native Hawaiians, to become teachers;

"(H) the operation of community-based learning centers that address the needs of Native Hawaiian families and communities through the coordination of public and private programs and services, including—

"(i) preschool programs;

"(ii) after-school programs; and

"(iii) vocational and adult education programs;

"(I) activities to enable Native Hawaiians to enter and complete programs of postsecondary education, including—

"(i) provision of full or partial scholarships for undergraduate or graduate study that are awarded to students based on their academic promise and financial need, with a priority, at the graduate level, given to students entering professions in which Native Hawaiians are underrepresented;

"(ii) family literacy services;

"(iii) counseling and support services for students receiving scholarship assistance;

"(iv) counseling and guidance for Native Hawaiian secondary students who have the potential to receive scholarships; and

"(v) faculty development activities designed to promote the matriculation of Native Hawaiian students;

"(J) research and data collection activities to determine the educational status and needs of Native Hawaiian children and adults;

"(K) other research and evaluation activities related to programs carried out under this part; and

"(L) other activities, consistent with the purposes of this part, to meet the educational needs of Native Hawaiian children and adults.

"(4) SPECIAL RULE AND CONDITIONS.—

"(A) INSTITUTIONS OUTSIDE HAWAII.—The Secretary shall not establish a policy under this section that prevents a Native Hawaiian student enrolled at a 2- or 4-year degree granting institution of higher education outside of the State of Hawai'i from receiving a scholarship pursuant to paragraph (3)(I).

"(B) SCHOLARSHIP CONDITIONS.—The Secretary shall establish conditions for receipt of a scholarship awarded under paragraph (3)(I). The conditions shall require that an individual seeking such a scholarship enter into a contract to provide professional services, either during the scholarship period or upon comple-

tion of a program of postsecondary education, to the Native Hawaiian community.

''(b) ADMINISTRATIVE COSTS.—Not more than 5 percent of funds provided to a grant recipient under this section for any fiscal year may be used for administrative purposes.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $28,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years. Funds appropriated under this subsection shall remain available until expended.

''SEC. 7206. ADMINISTRATIVE PROVISIONS.

''(a) APPLICATION REQUIRED.—No grant may be made under this part, and no contract may be entered into under this part, unless the entity seeking the grant or contract submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may determine to be necessary to carry out the provisions of this part.

''(b) SPECIAL RULE.—Each applicant for a grant or contract under this part shall submit the application for comment to the local educational agency serving students who will participate in the program to be carried out under

the grant or contract, and include those comments, if any, with the application to the Secretary.

"SEC. 7207. DEFINITIONS.

"In this part:

"(1) NATIVE HAWAIIAN.—The term 'Native Hawaiian' means any individual who is—

"(A) a citizen of the United States; and

"(B) a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawai'i, as evidenced by—

"(i) genealogical records;

"(ii) Kupuna (elders) or Kama'aina (long-term community residents) verification; or

"(iii) certified birth records.

"(2) NATIVE HAWAIIAN COMMUNITY-BASED ORGANIZATION.—The term 'Native Hawaiian community-based organization' means any organization that is composed primarily of Native Hawaiians from a specific community and that assists in the social, cultural, and educational development of Native Hawaiians in that community.

"(3) NATIVE HAWAIIAN EDUCATIONAL ORGANIZATION.—The term 'Native Hawaiian educational

organization' means a private nonprofit organization that—

"(A) serves the interests of Native Hawaiians;

"(B) has Native Hawaiians in substantive and policymaking positions within the organization;

"(C) incorporates Native Hawaiian perspective, values, language, culture, and traditions into the core function of the organization;

"(D) has demonstrated expertise in the education of Native Hawaiian youth; and

"(E) has demonstrated expertise in research and program development.

"(4) NATIVE HAWAIIAN LANGUAGE.—The term 'Native Hawaiian language' means the single Native American language indigenous to the original inhabitants of the State of Hawai'i.

"(5) NATIVE HAWAIIAN ORGANIZATION.—The term 'Native Hawaiian organization' means a private nonprofit organization that—

"(A) serves the interests of Native Hawaiians;

"(B) has Native Hawaiians in substantive and policymaking positions within the organizations; and

"(C) is recognized by the Governor of Hawai'i for the purpose of planning, conducting, or administering programs (or portions of programs) for the benefit of Native Hawaiians.

"(6) OFFICE OF HAWAIIAN AFFAIRS.—The term 'Office of Hawaiian Affairs' means the office of Hawaiian Affairs established by the Constitution of the State of Hawai'i.

"PART C—ALASKA NATIVE EDUCATION

"SEC. 7301. SHORT TITLE.

"This part may be cited as the 'Alaska Native Educational Equity, Support, and Assistance Act'.

"SEC. 7302. FINDINGS.

"Congress finds the following:

"(1) The attainment of educational success is critical to the betterment of the conditions, long-term well-being, and preservation of the culture of Alaska Natives.

"(2) It is the policy of the Federal Government to encourage the maximum participation by Alaska

Natives in the planning and the management of Alaska Native education programs.

''(3) Alaska Native children enter and exit school with serious educational handicaps.

''(4) The educational achievement of Alaska Native children is far below national norms. Native performance on standardized tests is low, Native student dropout rates are high, and Natives are significantly underrepresented among holders of baccalaureate degrees in the State of Alaska. As a result, Native students are being denied their opportunity to become full participants in society by grade school and high school educations that are condemning an entire generation to an underclass status and a life of limited choices.

''(5) The programs authorized in this title, combined with expanded Head Start, infant learning and early childhood education programs, and parent education programs are essential if educational handicaps are to be overcome.

''(6) The sheer magnitude of the geographic barriers to be overcome in delivering educational services in rural Alaska and Alaska villages should be addressed through the development and imple-

mentation of innovative, model programs in a variety of areas.

''(7) Congress finds that Native children should be afforded the opportunity to begin their formal education on a par with their non-Native peers. The Federal Government should lend support to efforts developed by and undertaken within the Alaska Native community to improve educational opportunity for all students.

''SEC. 7303. PURPOSES.

''The purposes of this part are to—

''(1) recognize the unique educational needs of Alaska Natives;

''(2) authorize the development of supplemental educational programs to benefit Alaska Natives;

''(3) supplement programs and authorities in the area of education to further the objectives of this part; and

''(4) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including resources made available under this part, on meeting the educational needs of Alaska Natives.

''SEC. 7304. PROGRAM AUTHORIZED.

''(a) GENERAL AUTHORITY.—

"(1) GRANTS AND CONTRACTS.—The Secretary is authorized to make grants to, or enter into contracts with, Alaska Native organizations, educational entities with experience in developing or operating Alaska Native programs or programs of instruction conducted in Alaska Native languages, and consortia of such organizations and entities to carry out programs that meet the purposes of this part.

"(2) PERMISSIBLE ACTIVITIES.—Activities provided through programs carried out under this part may include—

"(A) the development and implementation of plans, methods, and strategies to improve the education of Alaska Natives;

"(B) the development of curricula and educational programs that address the educational needs of Alaska Native students, including—

"(i) curriculum materials that reflect the cultural diversity or the contributions of Alaska Natives;

"(ii) instructional programs that make use of Native Alaskan languages; and

"(iii) networks that introduce successful programs, materials, and techniques to urban and rural schools;

"(C) professional development activities for educators, including—

"(i) programs to prepare teachers to address the cultural diversity and unique needs of Alaska Native students;

"(ii) in-service programs to improve the ability of teachers to meet the unique needs of Alaska Native students; and

"(iii) recruitment and preparation of teachers who are Alaska Native, reside in communities with high concentrations of Alaska Native students, or are likely to succeed as teachers in isolated, rural communities and engage in cross-cultural instruction in Alaska;

"(D) the development and operation of home instruction programs for Alaska Native preschool children, the purpose of which is to ensure the active involvement of parents in their children's education from the earliest ages;

"(E) family literacy services;

"(F) the development and operation of student enrichment programs in science and mathematics that—

"(i) are designed to prepare Alaska Native students from rural areas, who are preparing to enter secondary school, to excel in science and math; and

"(ii) provide appropriate support services to the families of such students that are needed to enable such students to benefit from the programs;

"(G) research and data collection activities to determine the educational status and needs of Alaska Native children and adults;

"(H) other research and evaluation activities related to programs carried out under this part; and

"(I) other activities, consistent with the purposes of this part, to meet the educational needs of Alaska Native children and adults.

"(3) HOME INSTRUCTION PROGRAMS.—Home instruction programs for Alaska Native preschool children carried out under paragraph (2)(D) may include—

"(A) programs for parents and their infants, from the prenatal period of the infant through age 3;

"(B) preschool programs; and

"(C) training, education, and support for parents in such areas as reading readiness, observation, story telling, and critical thinking.

"(b) ADMINISTRATIVE COSTS.—Not more than 5 percent of funds provided to a grant recipient under this section for any fiscal year may be used for administrative purposes.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $17,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"SEC. 7305. ADMINISTRATIVE PROVISIONS.

"(a) APPLICATION REQUIRED.—No grant may be made under this part, and no contract may be entered into under this part, unless the entity seeking the grant or contract submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may determine to be necessary to carry out the provisions of this part.

"(b) APPLICATIONS.—A State educational agency or local educational agency may apply for a grant or contract under this part only as part of a consortium involving an Alaska Native organization. The consortium may include other eligible applicants.

"(c) CONSULTATION REQUIRED.—Each applicant for a grant or contract under this part shall provide for ongoing advice from and consultation with representatives of the Alaska Native community.

"(d) LOCAL EDUCATIONAL AGENCY COORDINATION.—Each applicant for a grant or contract under this part shall inform each local educational agency serving students who will participate in the program to be carried out under the grant or contract about the application.

"SEC. 7306. DEFINITIONS.

"In this part:

"(1) ALASKA NATIVE.—The term 'Alaska Native' has the meaning given the term 'Native' in section 3(b) of the Alaska Native Claims Settlement Act.

"(2) ALASKA NATIVE ORGANIZATION.—The term 'Alaska Native organization' means a federally recognized tribe, consortium of tribes, regional nonprofit Native association, or another organization that—

"(A) has or commits to acquire expertise in the education of Alaska Natives; and

"(B) has Alaska Natives in substantive and policymaking positions within the organization.".

SEC. 702. CONFORMING AMENDMENTS.

(a) HIGHER EDUCATION ACT OF 1965.—Section 317(b) of the Higher Education Act of 1965 (20 U.S.C. 1059d(b)) is amended—

(1) in paragraph (1), by striking ''section 9308'' and inserting ''section 7306''; and

(2) in paragraph (3), by striking ''section 9212'' and inserting ''section 7207''.

(b) PUBLIC LAW 88–210.—Section 116 of Public Law 88–210 (as added by section 1 of Public Law 105–332 (112 Stat. 3076)) is amended by striking ''section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912)'' and inserting ''section 7207 of the Native Hawaiian Education Act''.

(c) CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT OF 1998.—Section 116(a)(5) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2326(a)(5)) is amended by striking ''section 9212'' and all that follows and inserting ''section 7207 of the Native Hawaiian Education Act''.

(d) MUSEUM AND LIBRARY SERVICES ACT.—Section 261 of the Museum and Library Services Act (20 U.S.C. 9161) is amended by striking ''section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912)'' and inserting ''section 7207 of the Native Hawaiian Education Act''.

(e) ACT OF APRIL 16, 1934.—Section 5 of the Act of April 16, 1934 (commonly known as the ''Johnson-O'Malley Act'') (88 Stat. 2213; 25 U.S.C. 456) is amended by striking ''section 9104(c)(4)'' and inserting ''section 7114(c)(4)''.

(f) NATIVE AMERICAN LANGUAGES ACT.—Section 103 of the Native American Languages Act (25 U.S.C. 2902) is amended—

(1) in paragraph (2), by striking ''section 9161(4) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7881(4))'' and inserting ''section 7161(3) of the Elementary and Secondary Education Act of 1965''; and

(2) in paragraph (3), by striking ''section 9212(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7912(1))'' and inserting ''section 7207 of the Elementary and Secondary Education Act of 1965''.

(g) WORKFORCE INVESTMENT ACT OF 1998.—Section 166(b)(3) of the Workforce Investment Act of 1998 (29 U.S.C. 2911(b)(3)) is amended by striking ''paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912)'' and inserting ''section 7207 of the Native Hawaiian Education Act''.

(h) ASSETS FOR INDEPENDENCE ACT.—Section 404(11) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912)'' and inserting ''section 7207 of the Native Hawaiian Education Act''.

TITLE VIII—REPEALS

SEC. 801. REPEALS.

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Titles IX through XIV (20 U.S.C. 7801 et seq., 8801 et seq.) are repealed.

(b) GOALS 2000: EDUCATE AMERICA ACT.—The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is repealed.

TITLE IX—MISCELLANEOUS PROVISIONS

SEC. 901. INDEPENDENT EVALUATION.

The Act (20 U.S.C. 6301 et seq.) (as amended by section 801(a)) is amended further by adding at the end the following:

"TITLE IX—MISCELLANEOUS PROVISIONS

"PART A—INDEPENDENT EVALUATION

"SEC. 9101. IN GENERAL.

''The Secretary is authorized to award a grant to the Board on Testing and Assessment of the National Research Council of the National Academy of Sciences to enable the Board to conduct, in consultation with the Department (and others that the Board determines appropriate), an ongoing evaluation, not to exceed 4 years in duration, of a representative sample of State and local educational agencies regarding high stakes assessments used by the State and local educational agencies. The evaluation shall be based on a research design determined by the Board, in consultation with others, that includes existing data, and the development of new data as feasible and advisable. The evaluation shall address, at a minimum, the 3 components described in section 9102.

"SEC. 9102. COMPONENTS EVALUATED.

''The 3 components of the evaluation described in section 9101 are as follows:

''(1) STUDENTS, TEACHERS, PARENTS, FAMILIES, SCHOOLS, AND SCHOOL DISTRICTS.—The intended and unintended consequences of the assess-

ments on individual students, teachers, parents, families, schools, and school districts, including—

"(A) overall improvement or decline in what students are learning based on independent measures;

"(B) changes in course offerings, teaching practices, course content, and instructional material;

"(C) measures of teacher satisfaction with the assessments;

"(D) changes in rates of teacher and administrator turnover;

"(E) changes in dropout, grade retention, and graduation rates for students;

"(F) the relationship of student performance on the assessments to school resources, teacher and instructional quality, or such factors as language barriers or construct-irrelevant disabilities;

"(G) changes in the frequency of referrals for enrichment opportunities, remedial measures, and other consequences;

"(H) changes in student post-graduation outcomes, including admission to, and signs of success (such as reduced need for remediation

services) at, colleges, community colleges, or technical school training programs;

''(I) cost of preparing for, conducting, and grading the assessments in terms of dollars expended by the school district and time expended by students and teachers;

''(J) changes in funding levels and distribution of instructional and staffing resources for schools based on the results of the assessments;

''(K) purposes for which the assessments or components of the assessments are used beyond what is required under part A of title I, and the consequences for students and teachers because of those uses;

''(L) differences in the areas studied under this section between high poverty and high concentration minority schools and school districts, and schools and school districts with lower rates of poverty and minority students; and

''(M) the level of involvement of parents and families in the development and implementation of the assessments and the extent to which the parents and families are informed of assessment results and consequences.

"(2) STUDENTS WITH DISABILITIES.—The intended and unintended consequences of the assessments for students with disabilities, including—

"(A) the overall improvement or decline in academic achievement for students with disabilities;

"(B) the numbers and characteristics of students with disabilities who are excluded from the assessments, and the number and type of modifications and accommodations extended;

"(C) changes in the rate of referral of students to special education;

"(D) changes in attendance patterns and dropout, retention, and graduation rates for students with disabilities;

"(E) changes in rates at which students with disabilities are retained in grade level;

"(F) changes in rates of transfers of students with disabilities to other schools or institutions; and

"(G) the level of involvement of parents and families of students with disabilities in the development and implementation of the assessments and the extent to which the parents and

families are informed of assessment results and consequences.

"(3) LOW SOCIO-ECONOMIC STUDENTS, LIMITED ENGLISH PROFICIENT STUDENTS, AND MINORITY STUDENTS.—The intended and unintended consequences of the assessments for low socio-economic status students, limited English proficient students, and racial and ethnic minority students, independently and as compared to middle or high socio-economic status students, nonlimited English proficient students, and white students, including—

"(A) the overall improvement or decline in academic achievement for such students;

"(B) the numbers and characteristics of such students excused from taking the assessments, and the number and type of modifications and accommodations extended to such students;

"(C) changes in the rate of referral of such students to special education;

"(D) changes in attendance patterns and dropout and graduation rates for such students;

"(E) changes in rates at which such students are retained in grade level;

"(F) changes in rates of transfer of such students to other schools or institutions; and

"(G) the level of involvement of parents and families of low socio-economic students, limited English proficient students, and racial and ethnic minority students in the development and implementation of the assessments and the extent to which the parents and families are informed of assessment results and consequences.

"SEC. 9103. REPORTING.

"The Secretary shall make public annually the results of the evaluation carried out under this part and shall report the findings of the evaluation to Congress and to the States not later than 2 months after the completion of the evaluation.

"SEC. 9104. DEFINITIONS.

"In this part:

"(1) HIGH STAKES ASSESSMENT.—The term 'high stakes assessment' means a standardized test that is one of the mandated determining factors in making decisions concerning a student's promotion, graduation, or tracking.

"(2) STANDARDIZED TEST.—The term 'standardized test' means a test that is administered and

scored under conditions uniform to all students so that the test scores are comparable across individuals.

"SEC. 9105. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $4,000,000 for fiscal year 2002. Such funds shall remain available until expended.''.

Calendar No. 23

107TH CONGRESS
1ST SESSION

S. 1

[Report No. 107–7]

A BILL

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

MARCH 28, 2001

Read twice and placed on the calendar