

104TH CONGRESS
1ST SESSION

S. 618

To provide a low-income school choice demonstration program.

IN THE SENATE OF THE UNITED STATES

MARCH 24 (legislative day, MARCH 23), 1995

Mr. COATS (for himself and Mr. LIEBERMAN) introduced the following bill;
which was read twice and referred to the Committee on Labor and
Human Resources

A BILL

To provide a low-income school choice demonstration
program.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Low-Income School
5 Choice Demonstration Act of 1995”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to determine the effects
8 on students and schools of providing financial assistance
9 to low-income parents to enable such parents to select the
10 public or private schools their children will attend.

1 **SEC. 3. DEFINITIONS.**

2 As used in this Act—

3 (1) the term “choice school” means any public
4 or private school, including a private sectarian
5 school or a public charter school, that is involved in
6 a demonstration project assisted under this Act;

7 (2) the term “eligible child” means a child in
8 grades 1 through 12 who is eligible for free or re-
9 duced price lunches under the National School
10 Lunch Act;

11 (3) the term “eligible entity” means a public
12 agency, institution, or organization, such as a State,
13 a State or local educational agency, a consortium of
14 public agencies, or a consortium of public and pri-
15 vate nonprofit organizations, that can demonstrate,
16 to the satisfaction of the Secretary, its ability to—

17 (A) receive, disburse, and account for Fed-
18 eral funds; and

19 (B) carry out the activities described in its
20 application under this Act;

21 (4) the term “evaluating agency” means any
22 academic institution, consortium of professionals, or
23 private or nonprofit organization, with demonstrated
24 experience in conducting evaluations, that is not an
25 agency or instrumentality of the Federal Govern-
26 ment;

1 (5) the term “local educational agency” has the
2 same meaning given such term in section 14101 of
3 the Elementary and Secondary Education Act of
4 1965;

5 (6) the term “parent” includes a legal guardian
6 or other individual acting in loco parentis;

7 (7) the term “school” means a school that pro-
8 vides elementary education or secondary education
9 (through grade 12), as determined under State law;
10 and

11 (8) the term “Secretary” means the Secretary
12 of Education.

13 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

14 There are authorized to be appropriated \$30,000,000
15 for fiscal year 1996, and such sums as may be necessary
16 for each of the fiscal years 1997 and 1998, to carry out
17 this Act.

18 **SEC. 5. PROGRAM AUTHORIZED.**

19 (a) RESERVATION.—From the amount appropriated
20 pursuant to the authority of section 4 in any fiscal year,
21 the Secretary shall reserve and make available to the
22 Comptroller General of the United States 5 percent for
23 evaluation of programs assisted under this Act in accord-
24 ance with section 11.

25 (b) GRANTS.—

1 (1) IN GENERAL.—From the amount appro-
2 priated pursuant to the authority of section 4 and
3 not reserved under subsection (a) for any fiscal year,
4 the Secretary shall award grants to eligible entities
5 to enable such entities to carry out at least 10, but
6 not more than 20, demonstration projects under
7 which low-income parents receive education certifi-
8 cates for the costs of enrolling their eligible children
9 in a choice school.

10 (2) AMOUNT.—The Secretary shall award
11 grants under paragraph (1) for fiscal year 1996 so
12 that—

13 (A) not more than 2 grants are awarded in
14 amounts of \$5,000,000 or less; and

15 (B) grants not described in subparagraph
16 (A) are awarded in amounts of \$3,000,000 or
17 less.

18 (3) CONTINUING ELIGIBILITY.—The Secretary
19 shall continue a demonstration project under this
20 Act by awarding a grant under paragraph (1) to an
21 eligible entity that received such a grant for a fiscal
22 year preceding the fiscal year for which the deter-
23 mination is made, if the Secretary determines that
24 such eligible entity was in compliance with this Act
25 for such preceding fiscal year.

1 (c) USE OF GRANTS.—Grants awarded under sub-
2 section (b) shall be used to pay the costs of—

3 (1) providing education certificates to low-in-
4 come parents to enable such parents to pay the tui-
5 tion, the fees, the allowable costs of transportation,
6 if any, and the costs of complying with section
7 9(a)(1), if any, for their eligible children to attend
8 a choice school; and

9 (2) administration of the demonstration project,
10 which shall not exceed 15 percent of the amount re-
11 ceived in the first fiscal year for which the eligible
12 entity provides education certificates under this Act
13 or 10 percent in any subsequent year, including—

14 (A) seeking the involvement of choice
15 schools in the demonstration project;

16 (B) providing information about the dem-
17 onstration project, and the schools involved in
18 the demonstration project, to parents of eligible
19 children;

20 (C) making determinations of eligibility for
21 participation in the demonstration project for
22 eligible children;

23 (D) selecting students to participate in the
24 demonstration project;

1 (E) determining the amount of, and issu-
2 ing, education certificates;

3 (F) compiling and maintaining such finan-
4 cial and programmatic records as the Secretary
5 may prescribe; and

6 (G) collecting such information about the
7 effects of the demonstration project as the eval-
8 uating agency may need to conduct the evalua-
9 tion described in section 11.

10 (d) SPECIAL RULE.—Any school participating in the
11 demonstration program under this Act shall comply with
12 title VI of the Civil Rights Act of 1964 and not discrimi-
13 nate on the basis of race, color, or national origin.

14 **SEC. 6. AUTHORIZED PROJECTS; PRIORITY.**

15 (a) AUTHORIZED PROJECTS.—The Secretary may
16 award a grant under this Act only for a demonstration
17 project that—

18 (1) involves at least one local educational agen-
19 cy that—

20 (A) receives funds under section 1124A of
21 the Elementary and Secondary Education Act
22 of 1965; and

23 (B) is among the 20 percent of local edu-
24 cational agencies receiving funds under section
25 1124A of such Act in the State and having the

1 highest number of children described in section
2 1124(c) of such Act; and

3 (2) includes the involvement of a sufficient
4 number of public and private choice schools, in the
5 judgment of the Secretary, to allow for a valid dem-
6 onstration project.

7 (b) PRIORITY.—In awarding grants under this Act,
8 the Secretary shall give priority to demonstration
9 projects—

10 (1) in which choice schools offer an enrollment
11 opportunity to the broadest range of eligible chil-
12 dren;

13 (2) that involve diverse types of choice schools;
14 and

15 (3) that will contribute to the geographic diver-
16 sity of demonstration projects assisted under this
17 Act, including awarding grants for demonstration
18 projects in States that are primarily rural and
19 awarding grants for demonstration projects in States
20 that are primarily urban.

21 **SEC. 7. APPLICATIONS.**

22 (a) IN GENERAL.—Any eligible entity that wishes to
23 receive a grant under this Act shall submit an application
24 to the Secretary at such time and in such manner as the
25 Secretary may prescribe.

1 (b) CONTENTS.—Each application described in sub-
2 section (a) shall contain—

3 (1) information demonstrating the eligibility for
4 participation in the demonstration program of the
5 eligible entity;

6 (2) with respect to choice schools—

7 (A) a description of the standards used by
8 the eligible entity to determine which public and
9 private schools are within a reasonable commut-
10 ing distance of eligible children and present a
11 reasonable commuting cost for such eligible
12 children;

13 (B) a description of the types of potential
14 choice schools that will be involved in the dem-
15 onstration project;

16 (C)(i) a description of the procedures used
17 to encourage public and private schools to be
18 involved in the demonstration project; and

19 (ii) a description of how the eligible entity
20 will annually determine the number of spaces
21 available for eligible children in each choice
22 school;

23 (D) an assurance that each choice school
24 will not impose higher standards for admission
25 or participation in its programs and activities

1 for eligible children provided education certifi-
2 cates under this Act than the choice school does
3 for other children;

4 (E) an assurance that each choice school
5 operated, for at least 1 year prior to accepting
6 education certificates under this Act, an edu-
7 cational program similar to the educational pro-
8 gram for which such choice school will accept
9 such education certificates;

10 (F) an assurance that the eligible entity
11 will terminate the involvement of any choice
12 school that fails to comply with the conditions
13 of its involvement in the demonstration project;
14 and

15 (G) a description of the extent to which
16 choice schools will accept education certificates
17 under this Act as full or partial payment for
18 tuition and fees;

19 (3) with respect to the participation in the dem-
20 onstration project of eligible children—

21 (A) a description of the procedures to be
22 used to make a determination of eligibility for
23 participation in the demonstration project for
24 an eligible child, which shall include—

1 (i) the procedures used to determine
2 eligibility for free or reduced price lunches
3 under the National School Lunch Act; or

4 (ii) any other procedure, subject to
5 the Secretary's approval, that accurately
6 establishes the eligibility for such partici-
7 pation for an eligible child;

8 (B) a description of the procedures to be
9 used to ensure that, in selecting eligible chil-
10 dren to participate in the demonstration
11 project, the eligible entity will—

12 (i) apply the same criteria to both
13 public and private school eligible children;
14 and

15 (ii) give priority to eligible children
16 from the lowest income families;

17 (C) a description of the procedures to be
18 used to ensure maximum choice of schools for
19 participating eligible children, including proce-
20 dures to be used when—

21 (i) the number of parents provided
22 education certificates under this Act who
23 desire to enroll their eligible children in a
24 particular choice school exceeds the num-

1 ber of eligible children that the choice
2 school will accept; and

3 (ii) grant funds and funds from local
4 sources are insufficient to support the total
5 cost of choices made by parents with edu-
6 cation certificates under this Act; and

7 (D) a description of the procedures to be
8 used to ensure compliance with section 9(a)(1),
9 which may include—

10 (i) the direct provision of services by
11 a local educational agency; and

12 (ii) arrangements made by a local
13 educational agency with other service pro-
14 viders;

15 (4) with respect to the operation of the dem-
16 onstration project—

17 (A) a description of the geographic area to
18 be served;

19 (B) a timetable for carrying out the dem-
20 onstration project;

21 (C) a description of the procedures to be
22 used for the issuance and redemption of edu-
23 cation certificates under this Act;

24 (D) a description of the procedures by
25 which a choice school will make a pro rata re-

1 fund of the education certificate under this Act
2 for any participating eligible child who with-
3 draws from the school for any reason, before
4 completing 75 percent of the school attendance
5 period for which the education certificate was
6 issued;

7 (E) a description of the procedures to be
8 used to provide the parental notification de-
9 scribed in section 10;

10 (F) an assurance that the eligible entity
11 will place all funds received under this Act into
12 a separate account, and that no other funds will
13 be placed in such account;

14 (G) an assurance that the eligible entity
15 will provide the Secretary periodic reports on
16 the status of such funds;

17 (H) an assurance that the eligible entity
18 will cooperate with the Comptroller General of
19 the United States and the evaluating agency in
20 carrying out the evaluations described in section
21 11; and

22 (I) an assurance that the eligible entity
23 will—

24 (i) maintain such records as the Sec-
25 retary may require; and

- 1 (ii) comply with reasonable requests
2 from the Secretary for information; and
3 (5) such other assurances and information as
4 the Secretary may require.

5 **SEC. 8. EDUCATION CERTIFICATES.**

6 (a) EDUCATION CERTIFICATES.—

7 (1) AMOUNT.—The amount of an eligible
8 child's education certificate under this Act shall be
9 determined by the eligible entity, but shall be an
10 amount that provides to the recipient of the edu-
11 cation certificate the maximum degree of choice in
12 selecting the choice school the eligible child will at-
13 tend.

14 (2) CONSIDERATIONS.—

15 (A) IN GENERAL.—Subject to such regula-
16 tions as the Secretary shall prescribe, in deter-
17 mining the amount of an education certificate
18 under this Act an eligible entity shall con-
19 sider—

20 (i) the additional reasonable costs of
21 transportation directly attributable to the
22 eligible child's participation in the dem-
23 onstration project; and

24 (ii) the cost of complying with section
25 9(a)(1).

1 (B) SCHOOLS CHARGING TUITION.—If an
2 eligible child participating in a demonstration
3 project under this Act was attending a public or
4 private school that charged tuition for the year
5 preceding the first year of such participation,
6 then in determining the amount of an education
7 certificate for such eligible child under this Act
8 the eligible entity shall consider—

9 (i) the tuition charged by such school
10 for such eligible child in such preceding
11 year; and

12 (ii) the amount of the education cer-
13 tificates under this Act that are provided
14 to other eligible children.

15 (3) SPECIAL RULE.—An eligible entity may pro-
16 vide an education certificate under this Act to the
17 parent of an eligible child who chooses to attend a
18 school that does not charge tuition or fees, to pay
19 the additional reasonable costs of transportation di-
20 rectly attributable to the eligible child's participation
21 in the demonstration project or the cost of comply-
22 ing with section 9(a)(1).

23 (b) ADJUSTMENT.—The amount of the education cer-
24 tificate for a fiscal year may be adjusted in the second
25 and third years of an eligible child's participation in a

1 demonstration project under this Act to reflect any in-
2 crease or decrease in the tuition, fees, or transportation
3 costs directly attributable to that eligible child's continued
4 attendance at a choice school, but shall not be increased
5 for this purpose by more than 10 percent of the amount
6 of the education certificate for the fiscal year preceding
7 the fiscal year for which the determination is made. The
8 amount of the education certificate may also be adjusted
9 in any fiscal year to comply with section 9(a)(1).

10 (c) MAXIMUM AMOUNT.—Notwithstanding any other
11 provision of this section, the amount of an eligible child's
12 education certificate shall not exceed the per pupil expend-
13 iture for elementary or secondary education, as appro-
14 priate, by the local educational agency in which the public
15 school to which the eligible child would normally be as-
16 signed is located for the fiscal year preceding the fiscal
17 year for which the determination is made.

18 (d) INCOME.—An education certificate under this
19 Act, and funds provided under the education certificate,
20 shall not be treated as income of the parents for purposes
21 of Federal tax laws or for determining eligibility for any
22 other Federal program.

23 **SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL**
24 **LUNCH DATA.**

25 (a) EFFECT ON OTHER PROGRAMS.—

1 (1) IN GENERAL.—An eligible child participat-
2 ing in a demonstration project under this Act, who,
3 in the absence of such a demonstration project,
4 would have received services under part A of title I
5 of the Elementary and Secondary Education Act of
6 1965 shall be provided such services.

7 (2) PART B OF THE INDIVIDUALS WITH DIS-
8 ABILITIES EDUCATION ACT.—Nothing in this Act
9 shall be construed to affect the requirements of part
10 B of the Individuals with Disabilities Education Act.

11 (b) COUNTING OF ELIGIBLE CHILDREN.—Notwith-
12 standing any other provision of law, any local educational
13 agency participating in a demonstration project under this
14 Act may count eligible children who, in the absence of such
15 a demonstration project, would attend the schools of such
16 agency, for purposes of receiving funds under any program
17 administered by the Secretary.

18 (c) SPECIAL RULE.—Notwithstanding section 9 of
19 the National School Lunch Act, an eligible entity receiving
20 a grant under this Act may use information collected for
21 the purpose of determining eligibility for free or reduced
22 price lunches to determine an eligible child's eligibility to
23 participate in a demonstration project under this Act and,
24 if needed, to rank families by income, in accordance with
25 section 7(b)(3)(B)(ii). All such information shall otherwise

1 remain confidential, and information pertaining to income
2 may be disclosed only to persons who need that informa-
3 tion for the purposes of a demonstration project under this
4 Act.

5 (d) CONSTRUCTION.—

6 (1) SECTARIAN INSTITUTIONS.—Nothing in this
7 Act shall be construed to supersede or modify any
8 provision of a State constitution or State law that
9 prohibits the expenditure of public funds in or by
10 sectarian institutions, except that no provision of a
11 State constitution or State law shall be construed to
12 prohibit the expenditure in or by sectarian institu-
13 tions of any Federal funds provided under this Act.

14 (2) DESEGREGATION PLANS.—Nothing in this
15 Act shall be construed to interfere with any desegre-
16 gation plans that involve school attendance areas af-
17 fected by this Act.

18 **SEC. 10. PARENTAL NOTIFICATION.**

19 Each eligible entity receiving a grant under this Act
20 shall provide timely notice of the demonstration project
21 to parents of eligible children residing in the area to be
22 served by the demonstration project. At a minimum, such
23 notice shall—

24 (1) describe the demonstration project;

1 (2) describe the eligibility requirements for par-
2 ticipation in the demonstration project;

3 (3) describe the information needed to make a
4 determination of eligibility for participation in the
5 demonstration project for an eligible child;

6 (4) describe the selection procedures to be used
7 if the number of eligible children seeking to partici-
8 pate in the demonstration project exceeds the num-
9 ber that can be accommodated in the demonstration
10 project;

11 (5) provide information about each choice
12 school, including information about any admission
13 requirements or criteria for each choice school par-
14 ticipating in the demonstration project; and

15 (6) include the schedule for parents to apply for
16 their eligible children to participate in the dem-
17 onstration project.

18 **SEC. 11. EVALUATION.**

19 (a) ANNUAL EVALUATION.—

20 (1) CONTRACT.—The Comptroller General of
21 the United States shall enter into a contract, with
22 an evaluating agency that has demonstrated experi-
23 ence in conducting evaluations, for the conduct of an
24 ongoing rigorous evaluation of the demonstration
25 program under this Act.

1 (2) ANNUAL EVALUATION REQUIREMENT.—The
2 contract described in paragraph (1) shall require the
3 evaluating agency entering into such contract to an-
4 nually evaluate each demonstration project under
5 this Act in accordance with the evaluation criteria
6 described in subsection (b).

7 (3) TRANSMISSION.—The contract described in
8 paragraph (1) shall require the evaluating agency
9 entering into such contract to transmit to the Comp-
10 troller General of the United States—

11 (A) the findings of each annual evaluation
12 under paragraph (1); and

13 (B) a copy of each report received pursu-
14 ant to section 12(a) for the applicable year.

15 (b) EVALUATION CRITERIA.—The Comptroller Gen-
16 eral of the United States, in consultation with the Sec-
17 retary, shall establish minimum criteria for evaluating the
18 demonstration program under this Act. Such criteria shall
19 provide for—

20 (1) a description of the implementation of each
21 demonstration project under this Act and the dem-
22 onstration project's effects on all participants,
23 schools, and communities in the demonstration
24 project area, with particular attention given to the
25 effect of parent participation in the life of the school

1 and the level of parental satisfaction with the dem-
2 onstration program; and

3 (2) a comparison of the educational achieve-
4 ment of all students in the demonstration project
5 area, including a comparison of—

6 (A) students receiving education certifi-
7 cates under this Act; and

8 (B) students not receiving education cer-
9 tificates under this Act.

10 **SEC. 12. REPORTS.**

11 (a) **REPORT BY GRANT RECIPIENT.**—Each eligible
12 entity receiving a grant under this Act shall submit to the
13 evaluating agency entering into the contract under section
14 11(a)(1) an annual report regarding the demonstration
15 project under this Act. Each such report shall be submit-
16 ted at such time, in such manner, and accompanied by
17 such information, as such evaluating agency may require.

18 (b) **REPORTS BY COMPTROLLER GENERAL.**—

19 (1) **ANNUAL REPORTS.**—The Comptroller Gen-
20 eral of the United States shall report annually to the
21 Congress on the findings of the annual evaluation
22 under section 11(a)(2) of each demonstration project
23 under this Act. Each such report shall contain a
24 copy of—

1 (A) the annual evaluation under section
2 11(a)(2) of each demonstration project under
3 this Act; and

4 (B) each report received under subsection
5 (a) for the applicable year.

6 (2) FINAL REPORT.—The Comptroller General
7 shall submit a final report to the Congress within 9
8 months after the conclusion of the demonstration
9 program under this Act that summarizes the find-
10 ings of the annual evaluations conducted pursuant to
11 section 11(a)(2).

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