

107TH CONGRESS  
1ST SESSION

# H. R. 1234

To require States to equalize funding for education throughout the State.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2001

Mr. FATTAH (for himself, Mr. PAYNE, Mr. OWENS, Mr. BRADY of Pennsylvania, Mr. BORSKI, Ms. CARSON of Indiana, Mrs. CLAYTON, Mr. DAVIS of Illinois, Mr. JACKSON of Illinois, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. KILPATRICK, Ms. MCKINNEY, Ms. NORTON, Mr. RODRIGUEZ, Mr. STARK, Ms. VELÁZQUEZ, Ms. WATERS, Ms. BROWN of Florida, Mr. CUMMINGS, Mr. FILNER, Mr. GUTIERREZ, Mr. HINOJOSA, Mr. JEFFERSON, Mrs. JONES of Ohio, Ms. LEE, Mrs. MALONEY of New York, Mr. McDERMOTT, Mr. RUSH, Mr. SCOTT, Mr. THOMPSON of Mississippi, Mr. CONYERS, Ms. JACKSON-LEE of Texas, Mr. GEORGE MILLER of California, Mr. CLAY, Mrs. MEEK of Florida, Mr. HASTINGS of Florida, Mr. MEEKS of New York, and Ms. MILLENDER-McDONALD) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To require States to equalize funding for education  
throughout the State.

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 “Equal Protection  
5 School Finance Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) There are systems of public school finance  
4 within States which subject American children to  
5 educations of radically varying and grossly unequal  
6 quality solely on the basis of where they live.

7 (2) In its unanimous decision in the case of  
8 *Brown v. Board of Education*, 347 U.S. 483, 493  
9 (1954), the Supreme Court stated: “In these days,  
10 it is doubtful that any child may reasonably be ex-  
11 pected to succeed in life if he is denied the oppor-  
12 tunity of an education. Such an opportunity, where  
13 the state has undertaken to provide it, is a right  
14 which must be made available to all on equal  
15 terms.”

16 (3) Education is a fundamental right under the  
17 equal protection clause of the United States Con-  
18 stitution.

19 (4) The provision of education to all children  
20 within a State on an equal basis, including equality  
21 of financial resources, is fundamental to the equal  
22 protection of laws.

23 **SEC. 3. EQUALIZATION SYSTEM.**

24 (a) IN GENERAL.—Subject to subsection (c), begin-  
25 ning 5 years after the date of enactment of this Act, a  
26 State shall be ineligible to receive Federal funds as speci-

1 fied in section 4(c) if such State does not maintain a coef-  
2 ficient of variation of at least 10 percent for per-pupil ex-  
3 penditures in local educational agencies statewide, for ele-  
4 mentary and secondary education in such State.

5 (b) COEFFICIENT OF VARIATION DEFINED.—In this  
6 section, the term “coefficient of variation” means the  
7 standard deviation of local educational agency expendi-  
8 tures divided by the mean per-student expenditure,  
9 calculated—

10 (1) based on intrastate expenditures for current  
11 operations, as determined by the State, without re-  
12 gard to Federal contributions; and

13 (2) excluding—

14 (A) local educational agencies with fewer  
15 than 250 students;

16 (B) capital expenditures; and

17 (C) funds targeted to address a specific  
18 need (such as educationally disadvantaged,  
19 handicapped, gifted, or language-deficient stu-  
20 dents), without regard to the source of such  
21 funds, but nothing in this Act shall preclude a  
22 State or the Federal Government from pro-  
23 viding additional resources to local educational  
24 agencies to address any such specific need.

1           (c) WAIVER.—The Secretary may provide a single  
2 waiver of subsection (a) and provide continued funding for  
3 elementary and secondary education to a State which has  
4 not complied with the requirements of such subsection, if  
5 such State submits to the Secretary a plan for compliance  
6 which the Secretary determines will bring the State into  
7 compliance within 5 years. A waiver under this subsection  
8 may not be granted for a duration of more than five years  
9 after the date the Secretary approves such a plan for com-  
10 pliance.

11 **SEC. 4. REPORT, CERTIFICATION, AND CHALLENGE.**

12           (a) ANNUAL REPORT.—Not later than January 1 of  
13 each year, a State shall submit to the Secretary a report  
14 describing—

15                 (1) the manner in which the State has complied  
16 with section 3(a) or whether such State has received  
17 a waiver under section 3(c); and

18                 (2) such additional information as the Secretary  
19 may require.

20           (b) ANNUAL CERTIFICATION.—The report required  
21 by subsection (a) shall include a certification that the  
22 State has complied with the provisions of section 3(a) or  
23 has been granted a waiver under section 3(c). Such certifi-  
24 cation shall be prima facie evidence that the State has

1 complied with section 3 unless such certification is chal-  
2 lenged under subsection (c).

3 (c) CERTIFICATION CHALLENGE.—Not later than 90  
4 days after the date on which a State certification is due  
5 under subsection (b), a local educational agency in a State  
6 may file a complaint with the Secretary challenging such  
7 certification.

8 **SEC. 5. CONSEQUENCES OF NONCOMPLIANCE.**

9 (a) INELIGIBILITY FOR FEDERAL EDUCATION  
10 FUNDS.—If the Secretary determines, after notice and op-  
11 portunity for a hearing, that a State fails to comply with  
12 section 3(a) and has not obtained a waiver under section  
13 3(c), such State shall be ineligible to receive Federal funds  
14 administered by the Secretary to support elementary and  
15 secondary education, beginning on the first day of the first  
16 fiscal year after such finding.

17 (b) RESTORATION OF ELIGIBILITY.—Eligibility for  
18 funds identified under subsections (a) shall be restored at  
19 the beginning of the next fiscal year after the Secretary  
20 determines that the State has complied with section 3(a)  
21 or grants a waiver under section 3(c), whichever occurs  
22 first.

23 (c) REDISTRIBUTION OF FUNDS.—Funds for elemen-  
24 tary and secondary education made ineligible for a State

1 under subsection (a) shall be reallocated by the Secretary  
2 among States that—

3 (1) are in compliance with the requirements of  
4 section 3(a); or

5 (2) are implementing compliance plans pursu-  
6 ant to section 3(e).

7 **SEC. 6. RULEMAKING.**

8 The Secretary may make rules to carry out this Act.

9 **SEC. 7. DEFINITIONS.**

10 In this Act:

11 (1) The term “local educational agency” has  
12 the meaning given such term in section 14101(18)  
13 of the Elementary and Secondary Education Act of  
14 1965 (20 U.S.C. 8801(18)).

15 (2) The term “Secretary” means the Secretary  
16 of Education.

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