AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

I

107TH CONGRESS
1ST SESSION

H. R. 1614

To amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2001

Mr. HOEFFEL (for himself and Mr. MALONEY of Connecticut) introduced the following bill; which was referred to the Committee on Education and the Workforce

---

A BILL

To amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes.

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 ''Education Reform Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. References.
Sec. 3. Declaration of priorities.

TITLE I—STUDENT PERFORMANCE

Sec. 101. Heading.
Sec. 103. Authorization of appropriations.
Sec. 104. Reservation for school improvement.

PART A—IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

Sec. 105. State plans.
Sec. 106. Local educational agency plans.
Sec. 107. Schoolwide programs.
Sec. 108. School choice.
Sec. 109. Assessment and local educational agency and school improvement.
Sec. 110. State assistance for school support and improvement.
Sec. 111. Parental involvement changes.
Sec. 112. Qualifications for teachers and paraprofessionals.
Sec. 113. Professional development.
Sec. 114. Fiscal requirements.
Sec. 115. Coordination requirements.
Sec. 116. Grants for the outlying areas and the Secretary of the Interior.
Sec. 117. Amounts for grants.
Sec. 118. Basic grants to local educational agencies.
Sec. 119. Concentration grants.
Sec. 120. Targeted grants.
Sec. 121. Special allocation procedures.

PART B—EVEN START FAMILY LITERACY PROGRAMS

Sec. 131. Program authorized.
Sec. 132. Applications.
Sec. 133. Research.

PART C—EDUCATION OF MIGRATORY CHILDREN

Sec. 141. Comprehensive needs assessment and service-delivery plan; authorized activities.

PART D—PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT

Sec. 151. State plan and State agency applications.
Sec. 152. Use of funds.

PART E—FEDERAL EVALUATIONS, DEMONSTRATIONS, AND TRANSITION PROJECTS

Sec. 161. Evaluations.
Sec. 162. Demonstrations of innovative practices.

PART F—RURAL EDUCATION DEVELOPMENT INITIATIVE

Sec. 171. Rural education development initiative.

PART G—GENERAL PROVISIONS

Sec. 181. Federal regulations.
Sec. 182. State administration.

TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

Sec. 201. Teacher and principal quality, professional development, and class size.

TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

Sec. 301. Language minority students.
Sec. 302. Emergency immigrant education program.
Sec. 303. Indian, Native Hawaiian, and Alaska Native education.

TITLE IV—PUBLIC SCHOOL CHOICE

Sec. 401. Public school choice.
Sec. 402. Development of public school choice programs; report cards.

TITLE V—IMPACT AID

Sec. 501. Impact aid.

TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

Sec. 601. High performance and quality education initiatives.

TITLE VII—ACCOUNTABILITY

Sec. 701. Accountability.

TITLE VIII—GENERAL PROVISIONS AND REPEALS

Sec. 801. Repeals, transfers, and redesignations regarding titles VIII and XIV.
Sec. 802. Other repeals.

TITLE IX—TECHNOLOGY FOR EDUCATION

Sec. 901. Technology for education.

TITLE X—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

Sec. 1001. Safe and drug-free schools and communities.

TITLE XI—PROGRAMS OF NATIONAL SIGNIFICANCE

Sec. 1101. Programs of national significance.

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 provision, 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. DECLARATION OF PRIORITIES.

Congress declares that our national educational priorities are to—

(1) introduce real accountability by making public elementary school and secondary school education funding performance-based rather than a guaranteed source of revenue for States and local educational agencies;

(2) require State educational agencies and local educational agencies to establish high student performance objectives, and to provide the State educational agencies and local educational agencies with flexibility in using Federal resources to ensure that the performance objectives are met;

(3) provide Federal support to vital national priorities, including compensatory education for disadvantaged children and youth, teacher quality and professional development, programs for limited English proficient students, student safety, and the incorporation of educational technology;

(4) concentrate Federal education funding on impoverished areas where elementary schools and secondary schools are most likely to be in distress;

(5) sanction State educational agencies and local educational agencies that consistently fail to meet established benchmarks; and

(6) reward State educational agencies, local educational agencies, and elementary schools and secondary schools that demonstrate high performance.

TITLE I—STUDENT PERFORMANCE

SEC. 101. HEADING.

The heading for title I (20 U.S.C. 6301 et seq.) is amended to read as follows:

"TITLE I—STUDENT PERFORMANCE

"SEC. 102. FINDINGS, POLICY, AND PURPOSE.

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

"SEC. 1001. FINDINGS, POLICY AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1) Despite more than 3 decades of Federal assistance, a sizable achievement gap remains between low-income and middle-class students.

''(2) The 1994 reauthorization of the Elementary and Secondary Education Act of 1965 was an

important step in focusing our Nation's priorities on closing the achievement gap between poor and affluent students in the United States. The Federal Government must continue to build on these improvements made in 1994 by holding States and local educational agencies accountable for student achievement.

''(3) States can help close this achievement gap by developing challenging curriculum content and student performance standards so that all elementary school and secondary school students perform at an advanced level. States should implement vigorous and comprehensive student performance assessments, such as the National Assessment of Educational Progress (NAEP) so as to measure fully the progress of our Nation's students.

''(4) In order to ensure that no child is left behind in the new economy, the Federal Government must better target Federal resources on those children who are most at-risk for falling behind academically.

''(5)(A) Title I funds have been targeted on high-poverty areas, but not to the degree they should be as demonstrated by the following:

"(B) Although 95 percent of schools with poverty levels of 75 percent to 100 percent receive title I funding, 20 percent of schools with poverty levels of 50 to 74 percent do not receive any title I funding.

"(C) Only 64 percent of schools with poverty levels in the 35 percent to 49 percent range receive title I funding.

"(6) Title I funding should be significantly increased and more effectively targeted to ensure that all low-income students have an opportunity to excel academically.

"(7) The Federal Government should provide greater decisionmaking authority and flexibility to schools and teachers in exchange for greater responsibility for student performance. Federal, State, and local efforts should be focused on raising the academic achievement of all students. Our Nation's children deserve nothing less than holding accountable those responsible for shaping our childrens' future and our country's future.

"(b) POLICY.—Congress declares that it is the policy of the United States to ensure that all students receive a high-quality education by holding States, local educational agencies, and elementary schools and secondary

schools accountable for increased student academic performance results, and by facilitating improved classroom instruction.

"(c) PURPOSES.—The purposes of this title are as follows:

"(1) To eliminate the existing 2-tiered educational system, which set lower academic expectations for impoverished students than for affluent students.

"(2) To require all States to have challenging content and student performance standards and assessment measures in place.

"(3) To require all States to ensure adequate yearly progress for all students by establishing annual, numerical performance objectives.

"(4) To ensure that all title I students receive educational instruction from a fully qualified teacher.

"(5) To support State and local educational agencies in identifying, assisting, and correcting low-performing schools.

"(6) To increase Federal funding for part A programs for disadvantaged students in return for increased academic performance of all students.

"(7) To target Federal funding to local educational agencies serving the highest percentages of low-income students.".

SEC. 103. 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 $12,000,000,000 for fiscal year 2001 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) EVEN START.—For the purpose of carrying out part B, there are authorized to be appropriated such sums as may be necessary for fiscal year 2001 and each of the 4 succeeding fiscal years.

"(c) EDUCATION OF MIGRATORY CHILDREN.—For the purpose of carrying out part C, there are authorized to be appropriated such sums as may be necessary for fiscal year 2001 and each of the 4 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 such

sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.

"(e) CAPITAL EXPENSES.—For the purpose of carrying out section 1120(e), there are authorized to be appropriated $12,000,000 for fiscal year 2002 and $5,000,000 for fiscal year 2003.

"(f) FEDERAL ACTIVITIES.—For the purpose of carrying out sections 1501 and 1502, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.".

SEC. 104. RESERVATION FOR SCHOOL IMPROVEMENT.

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

"SEC. 1003. RESERVATION FOR SCHOOL IMPROVEMENT.

"(a) STATE RESERVATIONS.—

"(1) IN GENERAL.—Each State educational agency shall reserve 2.5 percent of the amount the State educational agency receives under part A for fiscal years 2002 and 2003, and 3.5 percent of that amount for fiscal years 2004 through 2006, to carry out paragraph (2) and to carry out the State educational agency's responsibilities under sections 1116 and 1117, including the State educational agency's statewide system of technical assistance and support for local educational agencies.

"(2) USES.—Of the amount reserved under paragraph (1) for any fiscal year, the State educational agency shall make available at least 80 percent of such amount directly to local educational agencies.

PART A—IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

SEC. 105. 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 educational agency desiring a grant under this part shall submit to the Secretary a plan, developed in consultation with local educational agencies, teachers, pupil services personnel, administrators (including administrators of programs described in other parts of this title), local school boards, other staff, and parents, that satisfies the requirements of this section and that is coordinated with other programs under this Act, the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, and the Head Start Act.

"(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

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

"(1) CHALLENGING STANDARDS.—

"(A) IN GENERAL.—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, and the local educational agencies, and elementary schools and secondary schools, within the State to carry out this part.

"(B) UNIFORMITY.—The standards required by subparagraph (A) shall be the same standards that the State applies to all elementary schools and secondary schools within the State and all children attending such schools.

"(C) SUBJECTS.—The State shall have such standards for elementary school and secondary school children served under this part in subjects determined by the State, but including at least mathematics, science, and English language arts, and which shall include the same

knowledge, skills, and levels of performance expected of all children.

"(D) STANDARDS.—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 levels of performance, that determine how well children are mastering the material in the State content standards; and

"(III) describe a third level of performance, a basic level of performance, to provide complete information

about the progress of the lower performing children toward achieving to the proficient and advanced levels of performance.

"(E) ADDITIONAL SUBJECTS.—For the subjects in which students will be served under this part, but for which a State is not required under subparagraphs (A), (B), and (C) to develop, and has not otherwise developed, challenging content and student performance 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.

"(F) SPECIAL RULE.—In the case of a State that allows local educational agencies to adopt more rigorous standards than those set by the State, local educational agencies shall be allowed to implement such standards.

"(2) ADEQUATE YEARLY PROGRESS.—

"(A) IN GENERAL.—Each State plan shall demonstrate, based on assessments described under paragraph (4), what constitutes adequate yearly progress of—

"(i) any school served under this part toward enabling all children to meet the State's challenging student performance standards;

"(ii) any local educational agency that receives funds under this part toward enabling all children in schools served by the local educational agency and receiving assistance under this part to meet the State's challenging student performance standards; and

"(iii) the State in enabling all children in schools receiving assistance under this part to meet the State's challenging student performance standards.

"(B) DEFINITION.—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) takes into account the progress of all students in the State and in each local educational agency and school served under section 1114 or 1115;

"(iii) uses the State challenging content and challenging student performance standards and assessments described in paragraphs (1) and (4);

"(iv) compares separately, within each State, local educational agency, and school, the performance and progress of students, by each major ethnic and racial group, by gender, by English proficiency status, and by economically disadvantaged students as compared to students who are not economically disadvantaged (except that 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);

"(v) compares the proportions of students at the basic, proficient, and advanced levels of performance with the proportions of students at each of the 4 performance levels in the same grade in the previous school year;

"(vi) endeavors to include other academic measures such as promotion, attendance, drop-out rates, completion of college preparatory courses, college admission tests taken, and secondary school completion, except that failure to meet another academic measure, other than student performance on State assessments aligned with State standards, shall not provide the sole basis for designating a district or school as in need of improvement;

"(vii) includes annual numerical objectives for improving the performance of all groups described in clause (iv) and narrowing gaps in performance between these groups in, at least, the areas of mathematics and English language arts; and

"(viii) includes a timeline for ensuring that each group of students described in clause (iv) meets or exceeds the State's proficient level of performance on each State assessment used for the purposes of this section and section 1116 not later than 10 years after the date of enactment of the Education Reform Act.

"(C) ACCOUNTABILITY.—Each State plan shall demonstrate that the State has developed and is implementing a statewide accountability system that has been or will be effective in ensuring that all local educational agencies, elementary schools, and secondary schools are making adequate yearly progress as defined in section 1111(b)(2)(B). Each State accountability system shall—

"(i) be based on the standards and assessments adopted under paragraphs (1) and (4) and take into account the performance of all students required by law to be included in such assessments;

"(ii) be the same accountability system the State uses for all schools or all local educational agencies, if the State has an accountability system for all schools or all local educational agencies;

"(iii) provide for the identification of schools or local educational agencies receiving funds under this part that for 2 consecutive years have exceeded such schools' or agencies' adequate yearly progress goals so that information about the practices

and strategies of such schools or agencies can be disseminated to other schools in the local educational agency and in the State and such schools can be considered for rewards provided under title VII of this Act;

''(iv) provide for the identification of schools and local educational agencies in need of improvement, as required by section 1116, and for the provision of technical assistance, professional development, and other capacity-building as needed, including those measures specified in sections 1116(d)(9) and 1117, to ensure that schools and local educational agencies so identified have the resources, skills, and knowledge needed to carry out their obligations under sections 1114 and 1115 and to meet the requirements for annual improvement described in paragraph (2); and

''(v) provide for the identification of schools and local educational agencies for corrective action or actions as required by section 1116, and for the implementation of corrective actions against school and

school districts when such actions are required under such section.

"(D) ANNUAL IMPROVEMENT FOR STATES.—For a State to make adequate yearly progress under subparagraph (A)(iii), not less than 80 percent of the local educational agencies within the State shall meet the State's criteria for adequate yearly progress.

"(E) ANNUAL IMPROVEMENT FOR LOCAL EDUCATIONAL AGENCIES.—For a local educational agency to make adequate yearly progress under subparagraph (A)(ii), not less than 80 percent of the schools served by the local educational agency shall meet the State's criteria for adequate yearly progress, except that this subparagraph shall not apply to a local educational agency that serves 5 or fewer schools.

"(F) ANNUAL IMPROVEMENT FOR SCHOOLS.—For an elementary school or a secondary school to make adequate yearly progress under subparagraph (A)(i), not less than 80 percent of each group of students described in subparagraph (B)(iv) who are enrolled in such school shall take the assessments described in

paragraph (4)(D) and in section 612(a)(17)(A) of the Individuals with Disabilities Education Act.

"(G) PUBLIC NOTICE AND COMMENT.—

"(i) IN GENERAL.—Each State shall submit information in the State plan demonstrating that in developing such plan—

"(I) the State diligently sought public comment from a range of institutions and individuals in the State with an interest in improved student achievement; and

"(II) the State made and will continue to make a substantial effort to ensure that information regarding content standards, performance standards, assessments, and the State accountability system is widely known and understood by the public, parents, teachers, and school administrators throughout the State.

"(ii) EFFORTS.—The efforts described in clause (i), at a minimum, shall include annual publication of such information and explanatory text to the public through such

means as the Internet, the media, and public agencies. Non-English language shall be used to communicate with parents where appropriate.

"(H) REVIEW.—The Secretary shall review information from each State on the adequate yearly progress of schools and local educational agencies within the State required under subparagraphs (A) and (B) for the purpose of determining State and local compliance with section 1116.

"(3) STATE AUTHORITY.—If a State educational agency provides evidence that 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, that will be applicable to all students enrolled in the State's public schools, then the State educational agency may meet the requirements of this subsection by—

"(A) adopting curriculum content and student performance standards and assessments that meet the requirements of this subsection,

on a statewide basis, and limiting the applicability of such standards and assessments to students served under this part; or

"(B) adopting and implementing policies that ensure that each local educational agency within a State receiving a grant under this part will adopt curriculum content and student performance standards and assessments—

"(i) that are aligned with the standards described in subparagraph (A); and

"(ii) that meet the criteria in this subsection and any regulations regarding such standards and assessments that the Secretary may publish and that are applicable to all students served by each such local educational agency.

"(4) ASSESSMENTS.—Each State plan shall demonstrate that the State has implemented a set of high quality, yearly student assessments that include, at a minimum, assessments in mathematics, science, and English language arts, that will be used, starting not later than the 2001–2002 school year as the primary means of determining the yearly performance of each local educational agency and school served by the State under this title in ena-

bling all children to meet the State's challenging content and student performance standards. Such assessments shall—

"(A) be the same assessments used to measure the performance of all children, if the State measures 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 only 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 performance of students against the challenging State content and student performance standards, and be administered not less than once during—

"(i) grades 3 through 5;

"(ii) grades 6 through 9; and

"(iii) grades 10 through 12;

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

that assess higher order thinking skills and understanding;

"(F) provide for—

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

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

"(iii) in the case of a student with limited English proficiency, the assessment of such student in the student's native language if such a native language assessment is more likely than an English language assessment to yield accurate and reliable information on what that student knows and is able to do; and

"(iv) notwithstanding clause (iii), the assessment (using tests written in English) of English language arts of any student who has attended school in the United States (not including the Commonwealth of

Puerto Rico) for 3 or more consecutive school years, except 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 students know and can do, the local educational agency may assess such students in the appropriate language other than English for 1 additional consecutive year beyond the third consecutive year; and

''(G) 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;

''(H) provide individual student reports to be submitted to parents, including assessment scores or other information on the attainment of student performance standards; and

"(I) enable results to be disaggregated within each State, local educational agency, and school by gender, by each major racial and ethnic group, by English proficiency status, and by economically disadvantaged students as compared to students who are not economically disadvantaged.

"(5) RIGOROUS CRITERIA.—States are encouraged to use rigorous criteria assessment measures.

"(6) FIRST GRADE LITERACY ASSESSMENT.—In addition to those assessments described in paragraph (4), each State receiving funds under this part shall describe in its State plan what reasonable steps it is taking to assist and encourage local educational agencies—

"(A) to measure literacy skills of first graders in schools receiving funds under this part by providing assessments of first graders that are—

"(i) developmentally appropriate;

"(ii) aligned with State content and student performance standards; and

"(iii) scientifically research-based; and

"(B) to assist and encourage local educational agencies receiving funds under this

part in identifying and taking developmentally appropriate and effective interventions in any school served under this part in which a substantial number of first graders have not demonstrated grade-level literacy proficiency by the end of the school year.

"(7) LANGUAGE ASSESSMENTS.—Each State plan shall identify the languages other than English and Spanish that are present in the participating student populations in the State, and indicate the languages for which yearly student assessments are not available and are needed. The State 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.

"(8) ASSESSMENT DEVELOPMENT.—A State shall develop and implement the State assessments, including, at a minimum, mathematics and English language arts, by the 2001–2002 school year.

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

"(A) how the State educational agency will assist each local educational agency and school affected by the State plan to develop the capacity to comply with each of the requirements of sections 1114(b), 1115(c), and 1116 that are applicable to such agency or school;

"(B) how the State educational agency will—

"(i) hold each local educational agency affected by the State plan accountable for improved student performance, including a procedure for—

"(I) identifying local educational agencies and schools in need of improvement; and

"(II) assisting local educational agencies and schools identified under subclause (I) to address achievement problems, including thorough descriptions of the amounts and types of professional development to be provided instructional staff, the amount of any financial assistance to be provided by the State under section 1003, and the amount of any funds to be provided

by other sources and the activities to be provided by those sources; and

"(ii) implementing corrective action if assistance is not effective;

"(C) how the State educational agency is providing low-performing students additional academic instruction, such as before- and after-school programs and summer academic programs;

"(D) such other factors the State considers appropriate to provide students an opportunity to achieve the knowledge and skills described in the State's challenging content standards;

"(E) the specific steps the State educational agency will take or the specific strategies the State educational agency will use to ensure that—

"(i) all teachers in both schoolwide programs and targeted assistance programs are fully qualified not later than December 31, 2006; and

"(ii) low-income students and minority students are not taught at higher rates than other students by unexperienced, uncertified, or out-of-field teachers; and

"(F) the measures the State educational agency will use to evaluate and publicly report the State's progress in improving the quality of instruction in the schools served by the State educational agency and local educational agencies receiving funding under this Act.

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

"(1) 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 elementary schools and secondary schools to carry out the State educational agency's responsibilities under this part, including technical assistance in providing professional development under section 1119(A) and technical assistance under section 1117; and

"(2)(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 pro-

viding professional development and technical assistance through other cooperative agreements, such as through a consortium of local educational agencies;

"(3) the State educational agency will use the disaggregated results of the student assessments required under subsection (b)(4), and other measures or indicators available to the State, to review annually the progress of each local educational agency and school served under this part to determine whether each such agency and school is making the annual progress necessary to ensure that all students will meet the proficient level of performance on the assessments described in subsection (b)(4) within 10 years of the date of enactment of the Education Reform Act;

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

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

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

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

"(8) the State educational agency has involved the committee of practitioners established under section 1703(b) (as redesignated by section 161(2)) in developing and monitoring the implementation of the State plan; and

"(9) the State educational agency will inform local educational agencies of the local educational agency's authority to obtain waivers under title VIII and, if the State is an Ed-Flex Partnership State, waivers under the Education Flexibility Partnership Act of 1999.

"(d) PEER REVIEW AND SECRETARIAL APPROVAL.—The Secretary shall—

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

"(2) only approve a State plan meeting each of the requirements of this section;

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

"(4) not disapprove a State plan before—

"(A) notifying the State educational agency in writing of the specific deficiencies of the State plan;

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

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

"(D) providing a hearing;

"(5) have the authority to disapprove a State plan for not meeting the requirements of this section, 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 challenging State content

standards or to use specific assessment instruments or items; and

"(6) require a State to submit a revised State plan that meets the requirements of this section to the Secretary for approval not later than 1 year after the date of enactment of the Education Reform Act.

"(e) 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 State plan, such as the adoption of new challenging State content standards and State student performance standards, new assessments, or a new definition of adequate yearly progress, the State shall submit such information to the Secretary.

"(f) 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's, local educational agency's, or elementary school's or secondary school's specific challenging content or student performance standards, assessments, curricula, or program of instruction, as a condition of eligibility to receive funds under this part.

"(g) PENALTIES.—

"(1) IN GENERAL.—If a State fails to meet the statutory deadlines for demonstrating that the State has in place challenging content standards and student performance standards, assessments, a system for measuring and monitoring adequate yearly progress, and a statewide system for holding schools and local educational agencies accountable for making adequate yearly progress with each group of students specified in subsection (b)(2)(B)(iv), the State shall be ineligible to receive any administrative funds under section 1703(c) that exceed the amount received by the State for such purposes in the previous year.

"(2) ADDITIONAL FUNDS.—Based on the extent to which challenging content standards and student performance standards, assessments, systems for measuring and monitoring adequate yearly progress, and a statewide system for holding schools and local educational agencies accountable for making ade-

quate yearly progress with each group of students specified in subsection (b)(2)(B)(iv), are not in place, the Secretary shall withhold additional administrative funds in such amount as the Secretary determines appropriate, except that for each additional year that the State fails to comply with such requirements, the Secretary shall withhold not less than ⅕ of the amount the State receives for administrative expenses under section 1703(c).

"(3) WAIVER.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), notwithstanding part D of title VIII, the Education Flexibility Partnership Act of 1999, or any other provision of law, a waiver of this section shall not be granted, except that a State may request a 1-time, 1-year waiver to meet the requirements of this section.

"(B) EXCEPTION.—A waiver granted pursuant to subparagraph (A) shall not apply to the requirements described under subsection (h).

"(h) SPECIAL RULE ON SCIENCE STANDARDS AND ASSESSMENTS.—Notwithstanding subsection (b) and part D of title IV, no State shall be required to meet the requirements under this title relating to science standards

or assessments until the beginning of the 2005–2006 school year.''.

SEC. 106. LOCAL EDUCATIONAL AGENCY PLANS.

(a) SUBGRANTS.—Section 1112(a)(1) (20 U.S.C. 6312(a)(1)) is amended by striking ``'' and all that follows 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.''.

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

(1) by striking ``Each'' and inserting ``In order to help low-achieving children achieve high standards, each'';

(2) in paragraph (1)—

(A) by striking ``part'' each place it appears and inserting ``title''; and

(B) in subparagraph (B), by inserting ``low-achieving'' before ``children'';

(3) in paragraph (4)—

(A) in subparagraph (A)—

(i) by striking ``program,'' and inserting ``programs and''; and

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

(B) in subparagraph (B), by striking ''under part C'' and all that follows through ''dropping out'' and inserting ''under part C, neglected or delinquent youth,'';

(4) in paragraph (7), by striking ''eligible'';

(5) in paragraph (9), by striking the period and inserting a semicolon; and

(6) by adding at the end the following new paragraphs:

''(10) a description of the actions the local educational agency will take to assist the low-performing schools served by the local educational agency, including schools identified under section 1116 as in need of improvement; and

''(11) a description of how the local educational agency will promote the use of alternative instructional methods, and extended learning time, such as an extended school year, before- and after-school programs, and summer programs.''.

(c) ASSURANCES.—Section 1112(c) (20 U.S.C. 6312(c)) is amended to read as follows:

''(c) ASSURANCES.—

''(1) IN GENERAL.—Each local educational agency plan shall provide assurances that the local educational agency will—

"(A) specify the steps the local educational agency will take to ensure that all teachers in both schoolwide programs and targeted assistance are fully qualified not later than December 31, 2005 and the strategies the local educational agency will use to ensure that low-income students and minority students are not taught at higher rates than other children by inexperienced, uncertified, or out-of-field teachers, and the measures the agency will use to evaluate and publicly report progress in improving the quality of instruction in schools served by the local educational agency and receiving funding under this Act;

"(B) reserve not less than 10 percent of the funds the agency receives under this part for high quality professional development, as defined in section 1119, for professional instruction staff;

"(C) provide eligible schools and parents with information regarding schoolwide project authority and the ability of such schools to consolidate funds from Federal, State, and local sources;

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

"(E) work in consultation with schools as the schools develop a school plan pursuant to section 1114(b)(2), and assist schools in implementing such plans or undertaking activities pursuant to section 1115(c), so that each school can make adequate yearly progress toward meeting the challenging State student performance standards;

"(F) use the disaggregated results of the student assessments required under section 1111(b)(4), 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 schools are making the annual progress necessary to ensure that all students will meet the proficient level of performance on the assessments described in section 1111(b)(4) within 10 years of the date of enactment of the Education Reform Act;

"(G) set and hold schools served by the local educational agency accountable for meeting annual numerical goals for improving the

performance of all groups of students based on the performance standards set by the State under section 1111(b)(1)(D)(ii);

"(H) fulfill the local educational agency's school improvement responsibilities under section 1116, including taking corrective actions under section 1116(c)(9);

"(I) provide the State educational agency with—

"(i) an annual, up-to-date, and accurate list of all schools served by the local educational agency that are eligible for school improvement and corrective action;

"(ii) the reasons why each school described in clause (i) was identified for school improvement or corrective action; and

"(iii) the specific plans for improving student performance in each of the schools described in clause (i), including the specific numerical achievement goals for the succeeding 2 school years, for each group of students specified in section 1111(b)(2)(B)(iv) enrolled in each such school;

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

"(K) take into account the experience of model programs for the educationally disadvantaged and the findings of relevant scientifically based research when developing technical assistance plans for, and delivering technical assistance to, schools served by the local educational agency that are receiving funds under this part and are in school improvement or corrective action;

"(L) in the case of a local educational agency that chooses to use funds under this part to provide early childhood development services to low-income children below the age of compulsory school attendance, ensure that such services comply with the performance standards established under section 641A(a) of the Head Start Act;

"(M) comply with the requirements of section 1119 regarding the qualifications of teachers and paraprofessionals;

"(N) inform eligible schools served by the local educational agency of the agency's authority to obtain waivers on such school's behalf under title VIII, and if the State is an Ed-Flex Partnership State, under the Education Flexibility Partnership Act of 1999; and

"(O) 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 their families.

"(2) MODEL PROGRAMS; SCIENTIFICALLY BASED RESEARCH.—In carrying out paragraph (1)(K)—

"(A) the Secretary shall consult with the Secretary of Health and Human Services on the implementation of such subparagraph, and shall establish procedures (taking into consideration existing State and local laws and local teacher contracts) to assist local educational agencies to comply with such subparagraph;

"(B) the Secretary shall disseminate to local educational agencies the Head Start performance standards under section 641A(a) of the Head Start Act upon such standard's publication; and

"(C) local educational agencies affected by such subparagraph shall plan for the implementation of such subparagraph (taking into consideration existing State and local laws, and local teacher contracts), including pursuing the availability of other Federal, State, and local funding sources to assist in compliance with such subparagraph.

"(3) INAPPLICABILITY.—The provisions of this subsection shall not apply to preschool programs using the Even Start model or to Even Start programs.".

(d) PLAN DEVELOPMENT AND DURATION.—Section 1112(d) (20 U.S.C. 6312(d)) is amended to read as follows:

"(d) PLAN DEVELOPMENT AND DURATION.—

"(1) CONSULTATION.—Each local educational agency plan shall be developed in consultation with teachers, principals, local school boards, administrators (including administrators of programs described

in other parts of this title), other appropriate school personnel, and parents of children in elementary schools and secondary schools served under this part.

"(2) DURATION.—Each plan described in paragraph (1) shall remain in effect for the duration of the local educational agency's participation under this part.

"(3) REVIEW.—Each local educational agency shall periodically review, and as necessary, revise its plan.".

(e) STATE APPROVAL.—Section 1112(e) (20 U.S.C. 6312(e)) is amended to read as follows:

"(e) PEER REVIEW AND STATE APPROVAL.—

"(1) IN GENERAL.—Each local educational agency plan shall be filed according to a schedule established by the State educational agency.

"(2) APPROVAL.—The State educational agency shall establish a peer review process to assist in the review of local educational agency plans. The State educational agency shall approve a local educational agency plan only if the State educational agency determines that the local educational agency plan—

"(A) will enable elementary schools and secondary schools served by the local edu-

cational agency and under this part to help all groups of students specified in section 1111(b)(1) meet or exceed the proficient level of performance on the assessments required under section 1111(b)(4) within 10 years of the date of enactment of the Education Reform Act; and

"(B) meets each of the requirements of this section.

"(3) STATE REVIEW.—Each State educational agency shall at least annually review each local agency plan approved under this subsection against the results of the disaggregated assessments required under section 1111(b)(4) for each local educational agency to ensure that the progress of all students in schools served by each local educational agency under this part is adequate to ensure that all students in the State will meet or exceed the proficient standard level of performance on assessments within 10 years of the date of enactment of the Education Reform Act.

"(4) PUBLIC REVIEW.—Each State educational agency will make publicly available each local educational agency plan.".

SEC. 107. SCHOOLWIDE PROGRAMS.

(a) USE OF FUNDS FOR SCHOOLWIDE PROGRAMS.—Section 1114(a) (20 U.S.C. 6314(a)) is amended—

(1) in paragraph (1), by striking ''school described in subparagraph (A)'' and all that follows through ''such families.'' the second place it appears and inserting ''school that serves an eligible school attendance area in which—

''(A) not less than 40 percent of the children are from low-income families; or

''(B) not less than 40 percent of the children enrolled in the school are from such families.''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''subsections (c)(1) and (e) of''; and

(B) in subparagraph (B), by striking ''subsections (c)(1) and (e) of''.

(b) COMPONENTS OF A SCHOOLWIDE PROGRAM.—Section 1114(b) (20 U.S.C. 6314(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''section 1111(b)(1)'' and inserting ''section 1111(b)'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''section 1111(b)(1)(D)'' and inserting ''1111(b)'';

(ii) in clause (iii)(II), by inserting ''and'' after the semicolon;

(iii) in clause (iv)(II), by striking ''; and'' and inserting a period; and

(iv) by striking clause (vii); and

(C) in subparagraph (G), by striking ''section 1112(b)(1)'' and inserting ''section 1112''; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act'';

(ii) by striking ''subsections (c)(1) and (e) of''; and

(iii) in clause (iv), by striking ''section 1111(b)(3)'' and inserting ''section 1111(b)(4)'';

(B) in subparagraph (B), by striking ''paragraphs (1) and (3) of section 1111(b)'' and inserting ''paragraphs (1) and (4) of section 1111(b)''; and

(C) in subparagraph (C)(i)—

(i) in subclause (I), by striking ''subsections (c) and (e) of''; and

(ii) in subclause (II), by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act''.

SEC. 108. SCHOOL CHOICE.

Section 1115A (20 U.S.C. 6316) is amended to read as follows:

''SEC. 1115A. SCHOOL CHOICE.

''(a) CHOICE PROGRAMS.—A local educational agency may use funds under this part, in combination with State, local, and private funds, to develop and implement public school choice programs, for children eligible for assistance under this part, that permit parents to select the public school that their child will attend and are consistent with State and local law, policy, and practice related to public school choice and local pupil transfer.

''(b) CHOICE PLAN.—A local educational agency that chooses to implement a public school choice program under this section shall first develop a plan that—

''(1) contains an assurance that all eligible students across grade levels served under this part will have equal access to the program;

"(2) contains an assurance that the program does not include elementary schools or secondary schools that follow a racially discriminatory policy;

"(3) describes how elementary schools or secondary schools will use resources under this part, and from other sources, to implement the plan;

"(4) contains an assurance that the plan will be developed with the involvement of parents and others in the community to be served, and individuals who will carry out the plan, including administrators, teachers, principals, and other staff;

"(5) contains an assurance that parents of eligible students served by the local educational agency will be given prompt notice of the existence of the public school choice program, the program's availability to such parents, and a clear explanation of how the program will operate;

"(6) contains an assurance that the public school choice program—

"(A) shall include charter schools and any other public elementary school and secondary school; and

"(B) shall not include as a 'receiving school' an elementary school or a secondary school that—

"(i) is or has been identified as a school in, or eligible for, school improvement or corrective action;

"(ii) has been in school improvement or corrective action within the last 2 consecutive academic years; or

"(iii) is at risk of being eligible for school improvement within the next school year;

"(7) contains an assurance that transportation services or the costs of transportation to and from the public school choice program—

"(A) may be provided by the local educational agency with funds under this part and from other sources; and

"(B) shall not be provided from funds made available under this part to the local educational agency that exceed 10 percent of such funds; and

"(8) contains an assurance that such local educational agency will comply with the other requirements of this part.".

SEC. 109. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY AND SCHOOL IMPROVEMENT.

(a) LOCAL REVIEW.—Section 1116(a) (20 U.S.C. 6317(a)) is amended—

(1) in paragraph (2), by striking ''1111(b)(2)(A)(i)'' and inserting ''1111(b)(2)(B)'';

(2) in paragraph (3)—

(A) by striking ''individual school performance profiles'' and inserting ''school report cards'';

(B) by striking ''1111(b)(3)(I)'' and inserting ''1111(b)(4)(I)''; and

(C) by striking ''and'' after the semicolon;

(3) in paragraph (4), by striking the period and inserting ''; and''; and

(4) by adding at the end the following:

''(5) review the effectiveness of the actions and activities the schools are carrying out under this part with respect to parental involvement assisted under this Act.''.

(b) SCHOOL IMPROVEMENT.—Section 1116(c) (20 U.S.C. 6317(c)) is amended to read as follows:

''(c) SCHOOL IMPROVEMENT.—

''(1) IN GENERAL.—A local educational agency shall identify for school improvement any elementary

school or secondary school served under this part that—

"(A) for 2 consecutive years failed to make adequate yearly progress as defined in the State's plan under section 1111(b)(2); or

"(B) was in, or was eligible for, school improvement status under this section on the day preceding the date of the enactment of the Education Reform Act.

"(2) TRANSITION.—The 2-year period described in paragraph (1)(A) shall include any continuous period of time immediately preceding the date of the enactment of the Education Reform Act during which an elementary school or a secondary school did not make adequate yearly progress as defined in the State's plan, as such plan was in effect on the day preceding the date of enactment of the Education Reform Act.

"(3) TARGETED ASSISTANCE SCHOOLS.—To determine if an elementary school or a secondary school that is conducting a targeted assistance program under section 1115 should be identified as in need of improvement under this subsection, a local educational agency may choose to review the progress of only those students in such school who

are served, or are eligible for services, under this part.

"(4) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—(A) Before identifying an elementary school or a secondary school for school improvement under paragraph (1), the local educational agency shall provide the school with an opportunity to review the school level data, including assessment data, on which the proposed identification is based.

"(B) If the principal of a school proposed for identification as in need of school improvement 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 the agency shall consider before making a final determination.

"(5) TIME LIMITS.—Not later than 30 days after a local educational agency makes its initial determination that a school served by the agency and receiving assistance under this part is eligible for school improvement, the local educational agency shall make public a final determination on the status of the school.

"(6) NOTIFICATION TO PARENTS.—A local educational agency shall, in an easily understandable

format, and in the 3 languages, other than English, spoken by the greatest number of individuals in the area served by the local educational agency, provide in writing to parents 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 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;

"(B) the reasons for such identification;

"(C) the data on which such identification was based;

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

"(E) an explanation of what the local educational agency or State educational agency is doing to help the school address its achievement problems, including the amounts and types of professional development being provided to the instructional staff in such school, the amount of

any financial assistance being provided by the State educational agency under section 1003, and the activities that are being provided with such financial assistance;

"(F) an explanation of how parents described in this paragraph can become involved in addressing the academic issues that caused the school to be identified as in need of improvement; and

"(G) an explanation of the right of parents, pursuant to paragraph (7), to transfer their child to a higher performing public school, including a public charter school or magnet school, that is not in school improvement, and how such transfer shall operate.

"(7) PUBLIC SCHOOL CHOICE OPTION.—

"(A) SCHOOLS IN CORRECTIVE ACTION.—

"(i) SCHOOLS IN CORRECTIVE ACTION ON OR BEFORE DATE OF ENACTMENT.—In the case of a school identified for corrective action on or before the date of enactment of the Education Reform Act, a local educational agency shall not later than 18 months after such date of enactment provide all students enrolled in the school an

option to transfer (consistent with State and local law, policy, and practices related to public school choice and local pupil transfer) to any other higher performing public school, including a public charter or magnet school, that—

"(I) has not been identified for school improvement or corrective action;

"(II) is not at risk of being identified for school improvement or corrective action within the succeeding academic year; and

"(III) has not been in corrective action at any time during the 2 preceding academic years.

"(ii) SCHOOLS IDENTIFIED AFTER DATE OF ENACTMENT.—In the case of a school identified for corrective action after the date of enactment of the Education Reform Act, a local educational agency shall not later than 12 months after the date on which a local educational agency identifies the school for corrective action provide all students enrolled in the school

with the transfer option described in clause (i).

"(B) COOPERATIVE AGREEMENT.—If all public schools served by the local educational agency to which a child may transfer under clause (i) are identified for corrective action, the local educational agency shall, to the extent practicable, establish a cooperative agreement with other local educational agencies that serve geographic areas in proximity to the geographic area served by the local educational agency, to enable a child to transfer (consistent with State and local law, policy, and practices related to public school choice and local pupil transfer) to a school served by such other local educational agencies that meets the requirements described in subparagraph (A)(i).

"(C) TRANSPORTATION.—A local educational agency that serves a school that has been identified for corrective action shall provide transportation services or the costs of such services for children of parents who choose to transfer their children pursuant to this paragraph to a different school. Not more than 10 percent of the funds allocated to a local edu-

cational agency under this part may be used to provide such transportation services or costs of such services.

"(D) CONTINUATION OPTION.—Once a school is no longer identified for or in corrective action, the local educational agency shall continue to provide public school choice as an option to students in such schools for a period of not less than 2 years.

"(8) SCHOOL PLAN.—(A) Each school identified under paragraph (1) for school improvement shall, 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—

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

"(ii) adopt policies and practices in the school's core academic program that have the greatest likelihood of ensuring that all groups

of students specified in section 1111(b)(2)(B)(iv) enrolled in the school will meet or exceed the State's proficient level of performance on the assessment required in section 1111(b)(4) within 10 years of the date of enactment of the Education Reform Act;

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

"(I) directly addresses the academic achievement 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, numerical progress goals for each group of students speci-

fied in section 1111(b)(2)(B)(iv) enrolled in the school that will ensure that all such groups of students meet or exceed the State's proficient standard level of performance within 10 years of the date of enactment of the Education Reform Act;

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

"(vii) specify the responsibilities of the school, the local educational agency, and the State educational agency serving such school under the plan.

"(B) The local educational agency described in subparagraph (A)(vi) may conditionally approve of a school plan on inclusion of 1 or more of the corrective actions specified in paragraph (10)(C).

"(C) A school shall implement the school plan or revised plan expeditiously, but not later than the beginning of the school year following the school year in which the school was identified for improvement.

"(D) The local educational agency described in subparagraph (A)(vi) shall establish a peer review process to assist with review of a school improvement plan prepared by the school served by the local educational agency, promptly review the school plan, work with the school as necessary, and approve the school plan if the school plan meets the requirements of this paragraph.

"(9) 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 its school plan.

"(B) Such technical assistance—

"(i) shall include assistance in analyzing data from the assessments required under section 1111(b)(4), and other samples of student work, to identify and address instructional problems and solutions;

"(ii) shall include assistance in identifying and implementing scientifically based instructional strategies and methods 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 such that the school resources are more effectively focused on those activities most likely to increase student achievement and to remove the school from school improvement status;

"(iv) may be provided directly by the local educational agency, through mechanisms authorized under section 1117, or with the local educational agency's approval, 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, the recipient of a Federal contract or cooperative agreement as described under section 7005, or other entity with experience in helping schools improve achievement.

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

"(10) CORRECTIVE ACTION.—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 the following:

"(A) After providing technical assistance under paragraph (9) and subject to subparagraph (F), the local educational agency—

"(i) may take corrective action at any time with respect to a school served by the local educational agency that has been identified under paragraph (1);

"(ii) shall take corrective action with respect to any school served by the local educational agency that fails to make adequate yearly progress, as defined by the State under section 1111(b)(2)(B), after the end of the second year following the school year in which the school was identified under paragraph (1); and

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

"(B) As used in this paragraph, 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, curricula, or other problem in the school; and

"(ii) is designed to increase substantially the likelihood that students enrolled in the school subject to corrective action will perform at the proficient and advanced performance levels.

"(C) In the case of a school described in subparagraph (A)(ii), the local educational agency shall take not less than 1 of the following corrective actions:

"(i) Withhold funds from the school.

"(ii) Make alternative governance arrangements, including reopening the school as a public charter school.

"(iii) Reconstitute the relevant school staff.

"(iv)(I) Authorize students to transfer to other higher performing public schools served by the local educational agency, including public charter and magnet schools.

"(II) Provide such students transportation services, or the costs of transportation, to such schools (except that such funds used to provide transportation services or costs of transportation shall not exceed 10 percent of the amount authorized under section 1122(a)(2)).

"(III) Take not less than 1 additional action described under this subparagraph.

"(v) Institute and fully implement a new curriculum, including appropriate professional development for all relevant staff, that is based upon scientifically based research and offers substantial promise of improving educational achievement for low-performing students.

"(D) A local educational agency may delay, for a period not to exceed 1 year, implementation of corrective action only if the failure to make adequate yearly progress was justified due to exceptional or uncontrollable cir-

cumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency or school.

"(E) The local educational agency shall publish and disseminate to the public and to the parents of each student enrolled in a school subject to corrective action, in a format and, to the extent practicable, in a language that the parents can understand, information regarding any corrective action the local educational agency takes under this paragraph through such means as the Internet, the media, and public agencies.

"(F)(i) Before taking corrective action with respect to any school under this paragraph, a local educational agency shall provide the school an opportunity to review the school level data, including assessment data, on which the proposed determination is made.

"(ii) If the school believes that the proposed determination is in error for statistical or other substantive reasons, the school principal may provide supporting evidence to the local

educational agency, which shall consider such evidence before making a final determination.

"(G) TIME LIMITS.—Not later than 30 days after the local educational agency makes its initial determination that a school served by the local educational agency and receiving assistance under this part is eligible for corrective action, the local educational agency shall make a final and public determination on the status of the school.

"(11) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—If a State educational agency determines that a local educational agency failed to carry out its responsibilities under this section, or determines that, after 1 year of implementation of the corrective action, such action has not resulted in sufficient progress in increased student performance, the State educational agency shall take such action as the agency finds necessary, including designating a course of corrective action described in paragraph (10)(C), consistent with this section, to improve the affected schools and to ensure that the local educational agency carries out the local educational agency's responsibilities under this section.

"(12) SPECIAL RULES.—Schools that, for at least 2 of the 3 years following identification under paragraph (1), make adequate yearly progress toward meeting the State's proficient and advanced levels of performance shall no longer be identified for school improvement.".

(c) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—Section 1116(d) (20 U.S.C. 6317(d)) is amended to read as follows:

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

"(1) IN GENERAL.—A State educational agency shall annually review the progress of each local educational agency within the State receiving funds under this part to determine whether schools served by such agencies and receiving assistance under this part are making adequate yearly progress, as defined in section 1111(b)(2), toward meeting the State's student performance standards and to determine whether each local educational agency is carrying out its responsibilities under sections 1116 and 1117.

"(2) IDENTIFICATION OF LOCAL EDUCATIONAL AGENCY FOR IMPROVEMENT.—A State educational

agency shall identify for improvement any local educational agency that—

"(A) for 2 consecutive years fails to make adequate yearly progress as defined in the State's plan under section 1111(b)(2); or

"(B) had been identified for, or was eligible for, improvement under this section as this section was in effect on the day preceding the date of enactment of the Education Reform Act.

"(3) TRANSITION.—The 2-year period described in paragraph (2)(A) shall include any continuous period of time immediately preceding the date of the enactment of the Education Reform Act during which a local educational agency did not make adequate yearly progress as defined in the State's plan, as such plan was in effect on the day preceding the date of the enactment of the Education Reform Act.

"(4) TARGETED ASSISTANCE SCHOOLS.—For purposes of targeted assistance schools within a local educational agency, a State educational agency may choose to review the progress of only the students in such schools who are served under this part.

"(5) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—(A) Before identifying a local edu-

cational agency for improvement under paragraph (2), a State educational agency shall provide the local educational agency with an opportunity to review the local educational agency data, including assessment data, on which the proposed identification is based.

"(B) If the local educational agency believes that the proposed identification is in error for statistical or other substantive reasons, the local educational agency may provide supporting evidence to the State educational agency, which the State educational agency shall consider before making a final determination.

"(6) TIME LIMITS.—Not later than 45 days after the State educational agency makes its initial determination that a local educational agency within the State and receiving assistance under this part is eligible for improvement, the State educational agency shall make public a final determination on the status of the local educational agency.

"(7) NOTIFICATION TO PARENTS.—The State educational agency shall promptly notify parents of each student enrolled in a school served by a local educational agency identified for improvement, in a format, and to the extent practicable, in a language

the parents can understand, of the reasons for such agency's identification and how parents can participate in upgrading the quality of the local educational agency.

"(8) LOCAL EDUCATIONAL AGENCY REVISIONS.—

"(A) IN GENERAL.—Each local educational agency identified under paragraph (2) shall, after being so identified, develop or revise a local educational agency plan, in consultation with the local school board, parents, teachers, school staff, and others, for approval by the State educational agency. Such plan shall—

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

"(ii) identify specific annual numerical academic achievement objectives in at least the areas of mathematics and English language arts that the local educational agency will meet, with such objectives being calculated in a manner such that their achievement will ensure that each group of students enrolled in each school served by

the local educational agency will meet or exceed the proficient standard level of performance in assessments required under section 1111(b)(4) within 10 years of the date of enactment of the Education Reform Act; and

"(iii) assure that the local educational agency will—

"(I) reserve not less than 10 percent of the funds made available to the local educational agency under this part for each fiscal year that the agency is in improvement for the purpose of providing high quality professional development to teachers and principals at schools served by the agency and receiving funds under this part that directly address the academic achievement problem that caused the local educational agency to be identified for improvement and shall be in keeping with the definition of professional development provided in section 1119; and

"(II) the improvement plan shall specify how these funds will be used to remove the local educational agency from improvement status;

"(iv) identify how the local educational agency will provide written notification to parents described in paragraph (7) in a format, and to the extent practicable in a language, that the parents can understand, pursuant to paragraph (7);

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

"(vi) include a review of the local educational agency budget to ensure that resources are focused on those activities that are most likely to improve student achievement and to remove the agency from improvement status.

"(B) PEER REVIEW.—The State educational agency shall establish a peer review process to assist with the review of the local educational agency improvement plan, promptly review the plan, work with the local educational agency as necessary, and approve the plan if

the plan meets the requirements of this paragraph.

"(C) DEADLINE FOR IMPLEMENTATION.—The local educational agency shall implement the local educational agency plan or revised plan expeditiously, but not later than the beginning of the school year following the school year in which the agency was identified for improvement.

"(D) RESOURCES REALLOCATION.—If the local educational agency budget fails to allocate resources, consistent with, subparagraph (A)(iv), the State educational agency may direct the local educational agency to reallocate resources to more effective activities.

"(9) STATE EDUCATIONAL AGENCY RESPONSIBILITY.—For each local educational agency identified under paragraph (2), the State educational agency shall provide technical or other assistance, if requested, as authorized under section 1117, to better enable the local educational agency—

"(A) to develop and implement the local educational agency plan or revised plan as approved by the State educational agency con-

sistent with the requirements of this section; and

"(B) to work with schools served by the local educational agency that are identified for improvement.

"(10) TECHNICAL ASSISTANCE.—Technical assistance provided by the State educational agency—

"(A) shall include assistance in analyzing data from the assessments required under section 1111(b)(4) to identify and address instructional problems and solutions;

"(B) shall include assistance in identifying and implementing scientifically based instructional strategies and methods that have proven effective in addressing the specific instructional issues that caused the local educational agency to be identified for improvement;

"(C) shall include assistance in analyzing and revising the local educational agency's budget such that the agency's resources are more effectively focused on those activities most likely to increase student achievement and to remove the agency from improvement status; and

"(D) may be provided by—

"(i) the State educational agency; or

"(ii) with the local educational agency's approval, by 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 or for-profit organization, an educational service agency, the recipient of a Federal contract or cooperative agreement as described under section 7005, or any other entity with experience in helping schools improve achievement.

"(11) RESOURCES REALLOCATION.—The State educational agency may, as a condition of providing the local educational agency with technical assistance and financial support in developing and carrying out an improvement plan, require that the local educational agency reallocate resources away from ineffective or inefficient activities to activities that, through scientific research, have proven to have the greatest impact on increasing student achievement and closing the achievement gap between groups of students.

"(12) CORRECTIVE ACTION.—In order to help students served under this part meet challenging

State standards, each State educational agency shall implement a system of corrective action in accordance with the following:

"(A) After providing technical assistance under paragraph (10), and subject to subparagraph (D), the State educational agency—

"(i) shall take corrective action with respect to any local educational agency that fails to make adequate yearly progress, as defined by the State, after the end of the second year following its identification under paragraph (2); and

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

"(B) As used in this paragraph, the term 'corrective action' means action, consistent with State law, that—

"(i) substantially and directly responds to—

"(I) the consistent academic failure of schools served by a local educational agency that caused the State educational agency to take such action

with respect to the local educational agency; and

"(II) any underlying staffing, curricular, or other problem in the schools served by the local educational agency; and

"(ii) is designed to meet the goal of having all students served under this part perform at the proficient and advanced performance levels.

"(C) In the case of a local educational agency described in subparagraph (A)(ii), the State educational agency shall take not less than 1 of the following corrective actions:

"(i) Withhold funds from the local educational agency.

"(ii) Reconstitute the relevant local educational agency personnel.

"(iii) Remove particular schools from the area served by the local educational agency, and establish alternative arrangements for public governance and supervision of such schools.

"(iv) Appoint, through the State educational agency, a receiver or trustee to ad-

minister the affairs of the local educational agency in place of the local educational agency's superintendent and school board.

"(v) Abolish or restructure the local educational agency.

"(vi)(I) Authorize students to transfer from a school operated by the local educational agency to a higher performing public school, including a public charter or magnet school, operated by another local educational agency.

"(II) Provide students described in subclause (I) transportation services, or the costs of transportation, not to exceed 10 percent of the funds allocated to a local educational agency under this part, to such higher performing schools or public charter schools.

"(III) Take not less than 1 additional action described under this subparagraph.

"(D) Prior to implementing any corrective action, the State educational agency shall provide notice and an opportunity for a hearing to the affected local educational agency, if State law provides for such notice and opportunity.

"(E) Not later than 45 days after the State educational agency makes its initial determination that a local educational agency in the State and receiving assistance under this part is eligible for improvement, the State educational agency shall make public a final determination on the status of the local educational agency.

"(F) The State educational agency shall publish and disseminate to parents described in paragraph (7) and the public information regarding any corrective action the State educational agency takes under this paragraph through such means as the Internet, the media, and public agencies.

"(G) The State educational agency may delay, for a period not to exceed 1 year, implementation of corrective action if the local educational agency'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 decline in the financial resources of the local educational agency or schools served by the local educational agency.".

SEC. 110. STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

Section 1117 (20 U.S.C. 6318) is amended to read as follows:

"SEC. 1117. STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

"(a) SYSTEM FOR SUPPORT.—Using funds allocated under section 1003(a)(1), each State educational agency shall establish a statewide system of intensive and sustained support and improvement for local educational agencies, elementary schools, and secondary schools receiving funds under this part, in order to ensure that all groups of students specified in section 1111 and attending such schools meet or exceed the proficient standard level performance on the assessments required by section 1111(b)(4) within 10 years of the date of enactment of the Education Reform Act.

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

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

"(2) second, provide support and assistance to local educational agencies subject to corrective action under section 1116, and assist elementary schools and secondary schools, in accordance with section

1116(c)(11), for which a local educational agency has failed to carry out its responsibilities under section 1116(c) (9) and (10); and

"(3) third, provide support and assistance to local educational agencies and schools that are at risk of being identified as being in need of improvement within the next academic year, participating under this part.

"(c) APPROACHES.—In order to achieve the purpose described in subsection (a), each statewide system shall provide technical assistance and support through approaches such as—

"(1) school support teams, composed of individuals who are knowledgeable about scientifically based research, teaching and learning practices, and particularly about strategies for improving educational results for low-achieving children; and

"(2) designating and using Distinguished Educators, who are chosen from schools served under this part that have been especially successful in improving academic achievement.

"(d) FUNDS.—Each State educational agency—

"(1) shall use funds reserved under section 1003(a)(1), but not used under section 1003(a)(2), to carry out this section; and

"(2) may use State administrative funds authorized under section 1703(c) to carry out this section.

"(e) ALTERNATIVES.—The State educational agency may—

"(1) devise additional approaches to providing the technical assistance and support described in subsection (c), such as providing assistance through institutions of higher education, educational service agencies, or other local consortia; and

"(2) seek approval from the Secretary to use funds under section 1003(a)(2) for such approaches as part of the State plan.".

SEC. 111. PARENTAL INVOLVEMENT CHANGES.

(a) LOCAL EDUCATIONAL AGENCY POLICY.—Section 1118(a) (20 U.S.C. 6319(a)) is amended—

(1) in paragraph (1), by striking "programs, activities, and procedures" and inserting "activities and procedures";

(2) in paragraph (2), by striking subparagraphs (E) and (F) and inserting the following:

"(E) conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of the parental involvement policy

in improving the academic quality of the schools served under this part;

"(F) involve parents in the activities of the schools served under this part; and

"(G) promote consumer friendly environments within the local educational agency and schools served under this part.";

(3) in paragraph (3), by adding at the end the following new subparagraph:

"(C) Not less than 90 percent of the funds reserved under subparagraph (A) shall be distributed to schools served under this part.".

(b) NOTICE.—Section 1118(b)(1) (20 U.S.C. 6319(b)(1)) is amended by inserting after the first sentence "Parents shall be notified of the policy in a format, and to the extent practicable in a language, that the parents can understand.".

(c) PARENTAL INVOLVEMENT.—Section 1118(c)(4) (20 U.S.C. 6319(c)(4)) is amended—

(1) in subparagraph (B), by striking "school performance profiles required under section 1116(a)(3)" and inserting "school reports described under section 4401";

(2) by redesignating subparagraphs (D) and (E) as subparagraphs (F) and (G), respectively;

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

"(D) notice of the school's designation as a school in need of improvement under section 1116(b), if applicable, and a clear explanation of what such designation means;

"(E) notice of corrective action taken against the school under section 1116(c)(9) and 1116(d)(12), if applicable, and a clear explanation of what such action means;"; and

(4) in subparagraph (G) (as redesignated by paragraph (2)), by striking "subparagraph (D)" and inserting "subparagraph (F)".

(d) BUILDING CAPACITY FOR INVOLVEMENT.—Section 1118(e) (20 U.S.C 6319(e)) is amended—

(1) in paragraph (1), by striking "National Educational Goals,";

(2) by redesignating paragraphs (14) and (15) as paragraphs (16) and (17), respectively;

(3) by inserting after paragraph (13) the following:

"(14) may establish a district wide parent advisory council to advise on all matters related to parental involvement in programs supported under this part;"; and

(4) by redesignating paragraph (5) as paragraph (15) and transferring such paragraph to follow paragraph 14 (as redesignated by paragraph (3));

(5) by inserting after paragraph (4) the following:

''(5) shall expand the use of electronic communications among teachers, students, and parents, such as through the use of websites and e-mail communications;'';

(6) in paragraph (8), by inserting '', to the extent practicable, in a language and format the parent can understand'' before the semicolon; and

(7) in paragraph (15) (as redesignated by paragraph (4)), by striking ''shall'' and inserting ''may''.

(e) ACCESSIBILITY.—Section 1118(f) (20 U.S.C. 6319(f)) is amended by striking '', including'' and all that follows through the period and inserting ''and of parents of migratory children, including providing information and school reports required under section 1111 and described in section 4401 in a language and form such parents understand.''.

SEC. 112. QUALIFICATIONS FOR TEACHERS AND PARAPROFESSIONALS.

Title I of the Act (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating section 1119 (20 U.S.C. 6320) as section 1119A; and

(2) by inserting after section 1118 the following:

"SEC. 1119. QUALIFICATIONS FOR TEACHERS AND PARAPROFESSIONALS.

"(a) IN GENERAL.—

"(1) PLAN.—Each State educational agency receiving assistance under this part shall develop and submit to the Secretary a plan to ensure that all teachers teaching within the State are fully qualified, as defined in section 2001(1), not later than December 31, 2006. Such plan shall include an assurance that the State educational agency will require each local educational agency and school receiving funds under this part publicly to report the annual progress with respect to the local educational agency's and school's performance in increasing the percentage of classes in core academic areas taught by fully qualified teachers.

"(2) SPECIAL RULE.—Notwithstanding any other provision of law, the provisions of this section

governing teacher qualifications shall not supersede State laws governing public charter schools.

"(b) NEW PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that each paraprofessional hired after December 31, 2004, and working in a program assisted under this part—

"(1) has completed at least the number of courses at an institution of higher education in the area of elementary education, or in the related subject area in which the paraprofessional is working, for a minor degree at such institution;

"(2) has obtained an associate's (or higher) degree; or

"(3) has met a rigorous standard of quality that demonstrates, through formal State or local certification (as established in subsection (h)),—

"(A) knowledge of, and the ability to provide tutorial assistance in, reading, writing, and mathematics; or

"(B) knowledge of, and the ability to provide tutorial assistance in, reading readiness, writing readiness, and mathematics readiness, as appropriate.

"(c) EXISTING PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that each paraprofessional working in a program assisted under this part shall, within 6 years after the date of enactment of the Education Reform Act, satisfy the requirements of subsection (b).

"(d) EXCEPTIONS FOR TRANSLATION AND PARENTAL INVOLVEMENT ACTIVITIES.—Subsections (b) and (c) shall not apply to a paraprofessional—

"(1) who is proficient in English and a language other than English, and who provides services primarily to enhance the participation of children in programs under this part by acting as a translator; or

"(2) whose duties consist solely of conducting parental involvement activities consistent with section 1118 or other school readiness activities that are noninstructional.

"(e) GENERAL REQUIREMENT FOR ALL PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that each paraprofessional working in a program assisted under this part, regardless of the paraprofessional's hiring date, possesses a secondary school diploma or its recognized equivalent.

"(f) DUTIES OF PARAPROFESSIONALS.—

"(1) IN GENERAL.—Each local educational agency receiving assistance under this part shall ensure that a paraprofessional working in a program assisted under this part is not assigned a duty inconsistent with this subsection.

"(2) AUTHORIZED RESPONSIBILITIES.—A paraprofessional described in paragraph (1) may be assigned—

"(A) to provide 1-on-1 tutoring for eligible students under this part, if the tutoring is scheduled at a time when the student would not otherwise receive instruction from a teacher;

"(B) to assist with classroom management, such as organizing instructional and other materials;

"(C) to provide assistance in a computer laboratory;

"(D) to conduct parental involvement activities or school readiness activities that are noninstructional;

"(E) to provide support in a library or media center;

"(F) to act as a translator;

"(G) to provide assistance with extra curricular activities which are noninstructional; or

"(H) assist with instructional services to students.

"(3) LIMITATIONS.—A paraprofessional described in paragraph (1)—

"(A) shall not perform the duties of a certified teacher or a substitute; and

"(B) shall not perform any duty assigned under paragraph (2) unless under the direct supervision of a fully qualified teacher or other appropriate professional.

"(g) USES OF FUNDS.—

"(1) PROFESSIONAL DEVELOPMENT.—Notwithstanding subsection (h)(2), a local educational agency receiving funds under this part shall use such funds to support ongoing training and professional development to assist teachers and paraprofessionals in satisfying the requirements of this section.

"(2) TRAINING.—Such training and professional development for paraprofessionals shall—

"(1) include training that is related directly to skills and knowledge required to meet responsibilities that a paraprofessional may be assigned;

"(2) provide paraprofessionals the opportunity to undertake a minimum of 15 hours of ongoing job related training per year; and

"(3) integrate training provided paraprofessionals with professional development activities for teachers.

"(h) STATE CERTIFICATION.—Each State educational agency receiving assistance under this part shall—

"(1) ensure that the State educational agency has in place State criteria for the certification of paraprofessionals by December 31, 2003; and

"(2) ensure that paraprofessionals hired before December 31, 2003, are in high-quality professional development activities that ensure that the paraprofessional has the ability to provide tutorial assistance in—

"(A) reading, writing, and mathematics: or

"(B) reading readiness, writing readiness, and mathematics readiness, as appropriate.

"(i) VERIFICATION OF COMPLIANCE.—

"(1) IN GENERAL.—In verifying compliance with this section, each local educational agency, at a minimum, shall require that the principal of each elementary school and secondary school operating a

program under section 1114 or 1115 annually attest in writing as to whether each such school is in compliance with the requirements of this section.

"(2) AVAILABILITY OF INFORMATION.—Copies of the annual certification described in paragraph (1)—

"(A) shall be maintained at each elementary school and secondary school operating a program under section 1114 or 1115 and at the main office of the local educational agency; and

"(B) shall be available to any member of the general public upon request.".

SEC. 113. PROFESSIONAL DEVELOPMENT.

Section 1119A (as redesignated by section 112(a)) is amended—

(1) by amending subsection (a) to read as follows:

"(a) PURPOSE.—The purpose of this section is to assist each local educational agency receiving assistance under this part in increasing the academic achievement of eligible children (as identified under section 1115(b)(1)(B)) (in this section referred to as eligible children) through improved teacher quality.";

(2) in subsection (b)—

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

"(1) REQUIRED ACTIVITIES.—Each local educational agency receiving assistance under this part shall provide professional development activities under this section that shall—

"(A) give teachers, principals, paraprofessionals, and administrators the knowledge and skills to provide eligible children with the opportunity to meet challenging State or local content standards and student performance standards;

"(B) support the recruiting, hiring, and training of fully qualified teachers, including teachers fully qualified through State and local alternative routes;

"(C) advance teacher understanding of effective instructional strategies, based on scientifically based research, for improving eligible children achievement, at a minimum, in mathematics, science, and English language arts;

"(D) be directly related to the curricula and content areas in which the teacher provides instruction;

"(E) be designed to enhance the ability of a teacher to understand and use the State's standards for the subject area in which the teacher provides instruction;

"(F) be tied to scientifically based research that demonstrates the effectiveness of such professional development activities or programs in increasing eligible children achievement or substantially increasing the knowledge and teaching skills of teachers;

"(G) 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 one component of a long-term comprehensive professional development plan established by the teacher and the teacher's supervisor based upon an assessment of their needs, their eligible children's needs, and the needs of the local educational agency;

"(H) be developed with extensive participation of teachers, principals, parents, administra-

tors of schools, and local school boards of schools to be served under this part;

''(I) to the extent appropriate, provide training for teachers in the use of technology so that technology and its applications are effectively used in the classroom to improve teaching and learning in the curricula and academic content areas in which the teachers provide instruction;

''(J) as a whole, be regularly evaluated for such activities' impact on increased teacher effectiveness and improved student achievement, with the findings of such evaluations used to improve the quality of professional development; and

''(K) include strategies for identifying and eliminating gender and racial bias in instructional materials, methods, and practices.'';

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting ''and data to inform and instruct classroom practice'' before the semicolon;

(ii) by striking subparagraphs (D) and (G);

(iii) by redesignating subparagraphs (E), (F), (H), and (I), as subparagraphs (D), (E), (F) and (G), respectively; and

(iv) by inserting after subparagraph (G) (as redesignated by clause (iii)) the following new subparagraph:

''(H) instruction in the ways that teachers, principals, and guidance counselors can work with parents and students from groups, such as females and minorities, that are underrepresented in careers in mathematics, science, engineering, and technology, to encourage and maintain the interest of such students in those careers.'';

(3) by striking subsections (f) through (i); and

(4) by adding after subsection (e) the following:

''(f) CONSOLIDATION OF FUNDS.—Funds provided under this part that are used for professional development purposes may be consolidated with funds provided under title II of this Act and other sources.

''(g) DEFINITION.—The term 'fully qualified' has the same meaning given such term in section 2001(1).

''(h) SPECIAL RULE.—

''(1) IN GENERAL.—No State educational agency shall require a local educational agency or ele-

mentary school or secondary school to expend a specific amount of funds for professional development activities under this part.

"(2) EXCEPTION.—Paragraph (1) shall not apply with respect to requirements under section 1116(d)(9).".

SEC. 114. FISCAL REQUIREMENTS.

Section 1120A(a) (20 U.S.C. 6322(a)) is amended by striking "section 14501" and inserting "section 8501".

SEC. 115. COORDINATION REQUIREMENTS.

Section 1120B (20 U.S.C. 6323) is amended—

(1) in subsection (a), by striking "to the extent feasible" and all that follows through the period and inserting "in coordination with local Head Start agencies, and if feasible, other early childhood development programs.";

(2) in subsection (b)—

(A) in paragraph (3) by striking "and" after the semicolon;

(B) in paragraph (4) by striking the period and inserting "; and"; and

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

"(5) linking the educational services provided in such local educational agency with the services provided in local Head Start agencies.".

SEC. 116. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

Section 1121 (20 U.S.C. 6331) is amended to read as follows:

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

"(a) RESERVATION OF FUNDS.—From the amount appropriated for payments to States 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 in the amount determined in accordance with subsection (b); and

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

"(b) ASSISTANCE TO OUTLYING AREAS.—

"(1) GRANTS AUTHORIZED.—From the amount made available for a fiscal year under subsection (a), the Secretary shall award grants to the outlying areas and freely associated States to carry out the purposes of this part.

"(2) COMPETITIVE GRANTS.—For each of fiscal years 2001 and 2002, the Secretary shall ensure that grants are awarded under this subsection on a competitive basis in accordance with paragraph (3).

"(3) REQUIREMENTS AND LIMITATION FOR COMPETITIVE GRANTS.—

"(A) RECOMMENDATIONS.—The Secretary shall award grants under this subsection on the basis of the recommendations of the Pacific Region Educational Laboratory in Honolulu, Hawaii.

"(B) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the freely associated States shall not be eligible to receive funds under this part after September 30, 2001.

"(C) ADMINISTRATIVE COSTS.—The Secretary may provide that not more than 5 percent of the amount reserved for grants under this subsection will be used to pay the administrative costs of the Pacific Region Educational Laboratory for services provided under subparagraph (A).

"(4) SPECIAL RULE.—The provisions of Public Law 95–134 (91 Stat. 1159) that permit the consolidation of grants by the outlying areas shall not apply to funds provided to the freely associated States under this subsection.

"(5) FUNDING.—The amount reserved by the Secretary to award grants under this subsection shall not exceed the amount reserved under this section (as this section existed on the day prior to the date of enactment of the Education Reform Act) for the freely associated States for fiscal year 1999.

"(6) DEFINITIONS.—In this subsection and subsection (a):

"(A) 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.

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

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

"(1) IN GENERAL.—The amount allotted 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 and secondary schools for Indian children operated or supported by the Department of the Interior; and

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

"(2) PAYMENTS.—From the amount allotted 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). 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. 117. AMOUNTS FOR GRANTS.

Section 1122 (20 U.S.C. 6332) is amended to read as follows:

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

"(a) ALLOCATION FORMULA.—

"(1) ALLOCATION TO STATES.—Of the amount appropriated to carry out this part for each of fiscal years 2002 through 2006 (each such year, as appropriate, shall be referred to in this subsection as the 'current fiscal year'), the amount to be allocated to States for a fiscal year based on population data for local educational agencies in such States, shall be equal to the sum of—

"(A) an amount equal to the sum of—

"(i) the amount made available to carry out section 1124 (as such section existed on the day prior to the date of enactment of the Education Reform Act) for fiscal year 1999; and

"(ii) 21.25 percent of the amount, if any, by which the amount appropriated under section 1002(a) for the current fiscal year exceeds the amount appropriated under such section (as such section existed on the day prior to the date of enactment of the Education Reform Act) for fiscal year 2000, to be allocated in accordance with section 1124;

"(B) an amount equal to the sum of—

"(i) the amount made available to carry out section 1124A (as such section existed on the day prior to the date of enactment of the Education Reform Act) for fiscal year 2000; and

"(ii) 3.75 percent of the amount, if any, by which the amount appropriated under section 1002(a) for the current fiscal year exceeds the amount appropriated under such section (as such section existed on the day prior to the date of enactment of the Education Reform Act) for fiscal year 2000, to be allocated in accordance with section 1124A; and

"(C) an amount equal to 75 percent of the amount, if any, by which the amount appropriated under section 1002(a) for the current fiscal year exceeds the amount appropriated under such section (as such section existed on the day prior to the date of enactment of the Education Reform Act) for fiscal year 2000, to be allocated in accordance with section 1125.

"(2) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—Of the total amounts allocated to a

State under this part for each of fiscal years 2002 and 2003, 96.5 percent shall be allocated by the State educational agency to local educational agencies, and for each of fiscal years 2004 through 2006, 95.5 percent shall be allocated to local educational agencies, of which—

"(A) 75 percent shall be allocated in accordance with section 1125;

"(B) 21.25 percent shall be allocated in accordance with section 1124; and

"(C) 3.75 percent shall be allocated in accordance with section 1124A.

"(b) ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.—

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

"(c) HOLD-HARMLESS AMOUNTS.—

"(1) GRANTS TO STATES.—The total amount allocated to each State under this part in each fiscal year shall not be less than the amount allocated to each State in the preceding fiscal year.

"(2) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—The total amount allocated to each local educational agency under this part in each fiscal year shall not be less than the amount allocated to each local educational agency in the preceding fiscal year.

"(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.

"(e) DEFINITION.—For the purpose of this section and sections 1124, 1124A, and 1125, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

SEC. 118. BASIC GRANTS TO LOCAL EDUCATIONAL AGENCIES.

Section 1124 (20 U.S.C. 6333) is amended to read as follows:

"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 (3) and in section 1126, the amount of a grant that a local educational agency is eligible to receive under this section for a fiscal year shall be 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 involved, except that the amount determined under this subparagraph shall not be less than 32 percent or 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 the amount of grants under this section on the basis of the number of children counted under subsection (c) for local educational agencies. For purposes of this subparagraph, the Secretary and the Secretary of Commerce shall publicly disclose the reasoning for their determinations under subsection (c) in detail.

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

"(i) APPLICATION OF PROVISION.—The Secretary shall determine the amount of grant awards under this section for each large or small local educational agency.

"(ii) LARGE AGENCIES.—The amount of a grant awarded under this section for each large local educational agency shall be the amount determined by the Secretary under clause (i).

"(iii) SMALL AGENCIES.—With respect to the amount of a grant awarded under this section to a small local edu-

cational agency, the State educational agency may—

"(I) provide such grant in an amount determined by the Secretary under clause (i); or

"(II) 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 the number of small local educational agencies.

"(iv) ALTERNATIVE METHOD.—An alternative method approved under clause (iii)(II) shall be based on population data that the State educational agency determines best reflects the current distribution of children in poor families among the State's small local educational agencies that meet the eligibility criteria of subsection (b).

"(v) APPEALS.—A small local educational agency that is dissatisfied with the determination of its grant amount by the State educational agency under clause (iii)(II), may appeal that determination to

the Secretary, who shall respond not later than 45 days after receipt of such appeal.

"(vi) DEFINITION.—In this subparagraph:

"(I) LARGE LOCAL EDUCATIONAL AGENCY.—The term 'large local educational agency' means a local educational agency serving an area with a total population of 20,000 or more.

"(II) SMALL LOCAL EDUCATIONAL AGENCY.—The term 'small local educational agency' means a local educational agency serving an area with a total population of less than 20,000.

"(3) PUERTO RICO.—

"(A) IN GENERAL.—For each fiscal year, the amount of the grant that the Commonwealth of Puerto Rico shall be eligible to receive under this section shall be determined by multiplying the number of children counted under subsection (c) for the Commonwealth of Puerto Rico by the product of—

"(i) the percentage which the average per pupil expenditure in the Common-

wealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States; and

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

"(B) MINIMUM PERCENTAGE.—The percentage in subparagraph (A)(i) shall not be less than—

"(i) for fiscal year 2001, 75.0 percent;

"(ii) for fiscal year 2002, 77.5 percent;

"(iii) for fiscal year 2003, 80.0 percent;

"(iv) for fiscal year 2004, 82.5 percent; and

"(v) for fiscal year 2005, and succeeding fiscal years, 85.0 percent.

"(C) LIMITATION.—If the application of subparagraph (B) would result in any of the 50 States or the District of Columbia receiving less under this part than the State or District received under this part for the preceding fiscal year, the percentage shall be the greater of the percentage described in subparagraph (A)(i) or

the percentage used for the preceding fiscal year.

"(4) DEFINITION.—In this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant under this section for any fiscal year only if—

"(1) there are 10 or more children counted under subsection (c) with respect to that agency; and

"(2) such children make up more than 2 percent of the total school-age population in the agency's jurisdiction.

"(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 ages 5 to 17, inclusive, in the school district of the local educational agency involved from families below the poverty level as determined under paragraph (2); and

"(B) the number of children (determined under paragraph (4) for either the preceding

year as described in that paragraph, or for the second preceding year, as the Secretary finds appropriate) ages 5 to 17, inclusive, in the school district of the local educational agency involved in institutions for neglected and delinquent children (other than such institutions operated by the United States), but not counted pursuant to 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.—

"(A) NUMBER OF CHILDREN BELOW THE POVERTY LEVEL.—For purposes of this subsection, the Secretary shall determine the number of children ages 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data, described in paragraph (3), that is available from the Department of Commerce.

"(B) SPECIAL RULES.—

"(i) DISTRICT OF COLUMBIA AND PUERTO RICO.—The District of Columbia and the Commonwealth of Puerto Rico shall be treated as individual local edu-

cational agencies for purposes of this paragraph.

"(ii) MULTIPLE COUNTIES.—If a local educational agency contains 2 or more counties in their entirety, then each county will 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 local educational agency and the local educational agency shall distribute to schools in each county within such agency a share of the local educational agency's total grant in an amount that is not less than the county's share of the population counts used to calculate the local educational agency's grant.

"(3) POPULATION UPDATES.—

"(A) IN GENERAL.—In fiscal year 2002, and every 2 years thereafter, the Secretary shall use updated data on the number of children, ages 5 to 17, inclusive, from families below the poverty level for local educational agencies or counties, as published by the Department of Commerce, unless the Secretary and the Sec-

retary of Commerce determine that the use of the updated population data would be inappropriate or unreliable.

"(B) CRITERIA OF POVERTY.—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.

"(C) INAPPROPRIATE OR UNRELIABLE DATA.—If the Secretary and the Secretary of Commerce determine that some or all of the data referred to in subparagraph (A) are inappropriate or unreliable, the Secretaries shall publicly disclose the reasons for such determination.

"(4) OTHER CHILDREN TO BE COUNTED.—

"(A) IN GENERAL.—For the purposes of this section, the Secretary shall—

"(i) determine the number of children ages 5 to 17, inclusive, from families above the poverty line on the basis of the number

of such children from families receiving an annual income in excess of the annual income current criteria of poverty for payments under a State program funded under part A of title IV of the Social Security Act; and

"(ii) in making a determination under clause (i), 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.

"(B) CASELOAD DATA.—The Secretary shall determine the number of children described in subparagraph (A) and the number of children ages 5 to 17, inclusive, 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 year preceding the fiscal year for which the determination is being made (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. 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.

"(C) COLLECTION AND TRANSMISSION OF DATA.—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.

"(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 in each school district, and the Secretary may 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 total amount of grants awarded under this section; or

"(2) the average of—

"(A) one-quarter of 1 percent of the total amount available for such fiscal year under this section; 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 year.".

SEC. 119. CONCENTRATION GRANTS.

Section 1124A (20 U.S.C. 6334) is amended to read as follows:

"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 other than Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, that is eligible for a grant under section 1124 for any fiscal year shall be eligible for an additional grant under this section for that fiscal year if the number of children counted under section 1124(c) with respect to the agency exceeds—

"(i) 6,500; or

"(ii) 15 percent of the total number of children ages 5 through 17, inclusive, in the agency.

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

"(i) 0.25 percent of the total amount of grants awarded under this section; or

"(ii) the average of—

"(I) one-quarter of 1 percent of the amounts made 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 year.

"(2) SPECIAL RULE.—For each 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 quotient resulting from the division of the amount determined for those agencies under section 1124(a)(1) for the fiscal year for which the determination is being made divided by the total number of children counted

under section 1124(c) for that agency for that fiscal year.

"(3) AMOUNT.—The amount of an additional grant for which an eligible local educational agency 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 product for all local educational agencies in the United States for that fiscal year.

"(4) LOCAL ALLOCATIONS.—Grant amounts under this section shall be determined in accordance with section 1124(a)(2) and (3).

"(b) STATES RECEIVING MINIMUM GRANTS.—With respect to a State that receives a grant for the minimum amount under subsection (a)(1)(B), the State educational agency shall allocate such amount among the local educational agencies in each State either—

"(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. 120. TARGETED GRANTS.

Section 1125 (20 U.S.C 6335) is amended to read as follows:

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

''(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGENCIES.—A local educational agency in a State shall be eligible to receive a targeted grant under this section for any fiscal year if the number of children in the local educational agency counted under subsection 1124(c), before the application of the weighting factor described in subsection (c), is at least 10, and if the number of children counted for grants under section 1124 is at least 5 percent of the total population age 5 to 17 years, inclusive, in the local educational agency.

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

''(1) IN GENERAL.—The amount of a grant that a local educational agency in a State or that the District of Columbia is eligible to receive under this

section for any fiscal year shall be equal to 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 for which 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 Puerto Rico, multiplied by the amount determined under section 1124(a)(4).

"(c) WEIGHTED CHILD COUNT.—

"(1) IN GENERAL.—For each fiscal year, the weighted child count used to determine a local educational agency's grant under this section shall be equal to the sum of—

"(A) the number of children determined under section 1124(c) for that local educational agency constituting up to 14.265 percent, inclusive, of the agency's total population ages 5 to 17, inclusive, multiplied by 1.0;

"(B) the number of such children constituting more than 14.265 percent, but not more

than 21.553 percent, of such population, multiplied by 1.75;

"(C) the number of such children constituting more than 21.553 percent, but not more than 29.223 percent, of such population, multiplied by 2.5;

"(D) the number of such children constituting more than 29.223 percent, but not more than 36.538 percent, of such population, multiplied by 3.25; and

"(E) the number of such children constituting more than 36.538 percent of such population, multiplied by 4.0.

"(2) PUERTO RICO.—Notwithstanding subparagraph (A), the weighted child count for 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.—Grants under this section shall be calculated in accordance with section 1124(a)(2) and (3).

"(e) STATE MINIMUM.—Notwithstanding any other provision of this section or section 1122, from the total amount made available for any fiscal year to carry out

this section, each State shall be allotted at least the lesser of—

"(1) 0.25 percent of the total amount of grants awarded under this section; or

"(2) the average of—

"(A) one-quarter of 1 percent of the total amount available for such fiscal year to carry out this section; and

"(B) 150 percent of the national average grant under this section per child described in section 1124(c), without application of a weighting factor, multiplied by the State's total number of children described in section 1124(c), without application of a weighting factor.".

SEC. 121. SPECIAL ALLOCATION PROCEDURES.

Section 1126 (20 U.S.C. 6337) is amended to read as follows:

"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 children as described in

subparagraph (B) of section 1124(c)(1), 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 the responsibility described in paragraph (1), 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 that a local educational agency would receive under sections 1124, 1124A, and 1125 is more than such local 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.".

PART B—EVEN START FAMILY LITERACY PROGRAMS

SEC. 131. PROGRAM AUTHORIZED.

Section 1202(c) (20 U.S.C. 6362(c)) is amended—

(1) in paragraph (1), by striking "section 2260(b)(3)" and inserting "section 7005(c)";

(2) by striking paragraph (2)(C); and

(3) in paragraph (3)—

(A) by striking "is defined" and inserting "was defined"; and

(B) by inserting "as such section was in effect on the day preceding the date of enactment of the Education Reform Act" after "2252".

SEC. 132. APPLICATIONS.

Section 1207(c)(1)(F) (20 U.S.C. 6367(c)(1)(F)) is amended by striking ''the Goals 2000'' and all that follows through the period and inserting ''or other Acts, as appropriate, consistent with section 8305.''.

SEC. 133. RESEARCH.

Section 1211(b) (20 U.S.C. 6396b(b)) is amended to read as follows:

''(b) DISSEMINATION.—The Secretary shall disseminate, or designate another entity to disseminate, the results of the research described in subsection (a) to States and recipients of subgrants under this part.''.

PART C—EDUCATION OF MIGRATORY CHILDREN

SEC. 141. COMPREHENSIVE NEEDS ASSESSMENT AND SERVICE-DELIVERY PLAN; AUTHORIZED ACTIVITIES.

Section 1306(a)(1) (20 U.S.C. 6369(a)(1)) is amended—

(1) in subparagraph (A), by striking ''the Goals 2000'' and all that follows through the period and inserting ''or other Acts, as appropriate, consistent with section 8305;'';

(2) in subparagraph (B), by striking ''section 14302'' and inserting ''section 8302''; and

(3) in subparagraph (F), by striking ''bilingual education'' and all that follows and inserting ''language instruction programs under title III; and''.

PART D—PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT

SEC. 151. STATE PLAN AND STATE AGENCY APPLICATIONS.

Section 1414 (20 U.S.C. 6434) is amended—

(1) in subsection (a)(1), by striking ''the Goals 2000'' and all that follows through the period and inserting ''or other Acts, as appropriate, consistent with section 8305.''; and

(2) in subsection (c)—

(A) in paragraph (6), by striking ''section 14701'' and inserting ''section 8701''; and

(B) in paragraph (7), by striking ''section 14501'' and inserting ''section 8501''.

SEC. 152. USE OF FUNDS.

Section 1415(a)(2)(D) (20 U.S.C. 6435(a)(2)(D)) is amended by striking ''section 14701'' and inserting ''section 8701''.

PART E—FEDERAL EVALUATIONS, DEMONSTRATIONS, AND TRANSITION PROJECTS

SEC. 161. EVALUATIONS.

Section 1501 (20 U.S.C. 6491) is amended—

(1) in subsection (a)(4)—

(A) by striking ''January 1, 1996'' and inserting ''January 1, 2002''; and

(B) by striking ''January 1, 1999'' and inserting ''January 1, 2005'';

(2) in subsection (b)(1), by striking ''December 31, 1997'' and inserting ''December 31, 2003''; and

(3) in subsection (e)(2), by striking ''December 31, 1996'' and inserting ''December 31, 2002''.

SEC. 162. DEMONSTRATIONS OF INNOVATIVE PRACTICES.

Section 1502 (20 U.S.C. 6492) is amended to read as follows:

''SEC. 1502. COMPREHENSIVE SCHOOL REFORM.

''(a) FINDINGS AND PURPOSE.—

''(1) FINDINGS.—Congress finds the following:

''(A) A number of schools across the country have shown impressive gains in student performance through the use of comprehensive models for schoolwide change that incorporate virtually all aspects of school operations.

''(B) No single comprehensive school reform model may be suitable for every school,

however, schools should be encouraged to examine successful, externally developed comprehensive school reform approaches as they undertake comprehensive school reform.

"(C) Comprehensive school reform is an important means by which children are assisted in meeting challenging State student performance standards.

"(2) PURPOSE.—The purpose of this section is to provide financial incentives for schools to develop comprehensive school reforms, based upon scientifically based research and effective practices that include an emphasis on basic academics and parental involvement so that all children can meet challenging State content and performance standards.

"(b) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to provide grants to State educational agencies to provide subgrants to local educational agencies to carry out the purpose described in subsection (a)(2).

"(2) ALLOCATION.—

"(A) RESERVATION.—Of the amount appropriated under this section, the Secretary may reserve—

"(i) not more than 1 percent for 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; and

"(ii) not more than 1 percent to conduct national evaluation activities described under subsection (e).

"(B) IN GENERAL.—Of the amount of funds remaining after the reservation under subparagraph (A), the Secretary shall allocate to each State for a fiscal year, an amount that bears the same ratio to the amount appropriated 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 allocated under section 1124 to all States for that year.

"(C) REALLOCATION.—If a State does not apply for funds under this section, the Secretary shall reallocate such funds to other States that do apply in proportion to the amount allocated to such States under subparagraph (B).

"(c) STATE AWARDS.—

"(1) STATE APPLICATION.—

"(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 other information as the Secretary may reasonably require.

"(B) CONTENTS.—Each State application shall also describe—

"(i) 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;

"(ii) how the agency will ensure that only comprehensive school reforms that are based on scientifically based research receive funds under this section;

"(iii) how the agency will disseminate materials regarding information on comprehensive school reforms that are based on scientifically based research;

"(iv) how the agency will evaluate the implementation of such reforms and meas-

ure the extent to which the reforms resulted in increased student academic performance; and

"(v) how the agency will provide, upon request, technical assistance to the local educational agency in evaluating, developing, and implementing comprehensive school reform.

"(2) USES OF FUNDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (E), a State educational agency that receives an award under this section shall use such funds to provide competitive grants to local educational agencies receiving funds under part A.

"(B) GRANT REQUIREMENTS.—A grant to a local educational agency shall be—

"(i) 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;

"(ii) in an amount not less than $50,000 to each participating school; and

"(iii) renewable for two additional 1-year periods after the initial 1-year grant is made if schools are making substantial progress in the implementation of their reforms.

"(C) PRIORITY.—The State, in awarding grants under this paragraph, shall give priority to local educational agencies that—

"(i) plan to use the funds in schools identified as being in need of improvement or corrective action under section 1116(c); and

"(ii) 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 making subgrant awards under this part, the State educational agency shall take into account the equitable distribution of awards to different geographic regions within the State, including urban and rural areas, and to schools serving elementary and secondary students.

"(E) ADMINISTRATIVE COSTS.—A State educational agency that receives a grant award under this section may reserve not more than 5 percent of such award for administrative, evaluation, and technical assistance expenses.

"(F) SUPPLEMENT.—Funds made available under this section shall be used to supplement, not supplant, any other Federal, State, or local funds that would otherwise be available to carry out this section.

"(3) REPORTING.—Each State educational agency that receives an award under this section shall provide to the Secretary such information as the Secretary may require, including the names of local educational agencies and schools selected to receive subgrant awards under this section, the amount of such award, and a description of the comprehensive school reform model selected and in use.

"(d) LOCAL AWARDS.—

"(1) IN GENERAL.—Each local educational agency that applies for a subgrant under this section shall—

"(A) identify which schools eligible for funds under part A plan to implement a com-

prehensive school reform program, including the projected costs of such a program;

"(B) describe the scientifically based comprehensive school reforms that such schools will implement;

"(C) describe how the agency will provide technical assistance and support for the effective implementation of the scientifically based school reforms selected by such schools; and

"(D) describe how the agency will evaluate the implementation of such reforms and measure the results achieved in improving student academic performance.

"(2) COMPONENTS OF THE PROGRAM.—A local educational agency that receives a subgrant award under this section shall provide such funds to schools that implement a comprehensive school reform program that—

"(A) employs innovative strategies and proven methods for student learning, teaching, and school management that are based on scientifically based research and effective practices and have been replicated successfully in schools with diverse characteristics;

"(B) integrates 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, professional development into a comprehensive reform plan for schoolwide change designed to enable all students to meet challenging State content and challenging student performance standards and addresses needs identified through a school needs assessment;

"(C) provides high-quality and continuous teacher and staff professional development;

"(D) includes measurable goals for student performance and benchmarks for meeting such goals;

"(E) is supported by teachers, principals, administrators, and other professional staff;

"(F) provides for the meaningful involvement of parents and the local community in planning and implementing school improvement activities;

"(G) uses high quality external technical support and assistance from an entity, which

may be an institution of higher education, with experience and expertise in schoolwide reform and improvement;

"(H) includes a plan for the evaluation of the implementation of school reforms and the student results achieved; and

"(I) identifies how other resources, including Federal, State, local, and private resources, available to the school will be used to coordinate services to support and sustain the school reform effort.

"(3) 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 Department of Education, but may develop its own comprehensive school reform programs for schoolwide change that comply with paragraph (2).

"(e) EVALUATION AND REPORT.—

"(1) IN GENERAL.—The Secretary shall develop a plan for a national evaluation of the programs developed pursuant to this section.

"(2) EVALUATION.—This national evaluation shall evaluate the implementation and results achieved by schools after 3 years of implementing

comprehensive school reforms, and assess the effectiveness of comprehensive school reforms in schools with diverse characteristics.

"(3) REPORTS.—Prior to the completion of a national evaluation, the Secretary shall submit an interim report outlining first year implementation activities to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.

"(f) DEFINITION.—The term 'scientifically based research'—

"(1) means the application of rigorous, systematic, and objective procedures in the development of comprehensive school reform models; and

"(2) shall include research that—

"(A) employs systematic, empirical methods that draw on observation or experiment;

"(B) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

"(C) relies on measurements or observational methods that provide valid data across

evaluators and observers and across multiple measurements and observations; and

"(D) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.

"(g) AUTHORIZATION OF APPROPRIATIONS.—Funds appropriated for any fiscal year under section 1002(f) shall be used for carrying out the activities under this section.".

PART F—RURAL EDUCATION DEVELOPMENT INITIATIVE

SEC. 171. RURAL EDUCATION DEVELOPMENT INITIATIVE.

Title I (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating part F (20 U.S.C. 6511 et seq.) as part G;

(2) by redesignating sections 1601 through 1604 (20 U.S.C. 6511, 6514) as sections 1701 through 1704, respectively, and by redesignating accordingly the references to such sections in part G (as so redesignated); and

(3) by inserting after part E (20 U.S.C. 6491 et seq.) the following:

"PART F—RURAL EDUCATION DEVELOPMENT INITIATIVE

"SEC. 1601. FINDINGS.

''Congress makes the following findings:

''(1) The National Center for Educational Statistics reports that 46 percent of our Nation's public elementary schools and secondary schools serve rural areas.

''(2) While there are rural education initiatives identified at the State and local level, no Federal education policy focuses on the specific and unique needs of rural school districts and schools, especially those that serve poor students.

''(3) A critical problem for rural school districts involves the hiring and retention of qualified administrators and certified teachers, especially in science and mathematics. Consequently, teachers in rural schools are almost twice as likely to provide instruction in 3 or more subject areas than teachers in urban schools. Rural schools also face other tough challenges, such as shrinking local tax bases, high transportation costs, aging buildings, limited course offerings, and limited resources.

''(4) Data from the National Assessment of Educational Progress (NAEP) consistently shows large gaps between the achievement of students in

high poverty schools and those in other schools. High-poverty schools will face special challenges in preparing their students to reach high standards of performance on State and national assessments.

"SEC. 1602. DEFINITIONS.

''In this part:

''(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'eligible local educational agency' means a local educational agency that serves—

''(A) a school-age population, not less than 15 percent of which consists of students from families with incomes below the poverty line; and

''(B)(i) a rural locality; or

''(ii) a school-age population of not more than 800 students.

''(2) METROPOLITAN AREA.—The term 'metropolitan area' means an area defined as such by the Secretary of Commerce.

''(3) 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.

"(4) RURAL LOCALITY.—The term 'rural locality' means a locality that is not within a metropolitan area.

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

"(6) SCHOOL AGE POPULATION.—The term 'school age population' means the number of students aged 5 through 17.

"SEC. 1603. PROGRAM AUTHORIZED.

"(a) GRANTS AUTHORIZED.—The Secretary shall award grants, from allotments under subsection (b)(2), to each State having an application approved under section 1604 to enable the State educational agency to award grants to eligible local educational agencies to carry out local authorized activities described in section 1605(b).

"(b) RESERVATION AND ALLOTMENTS.—

"(1) RESERVATION.—From amounts appropriated under section 1608 for each fiscal year, the Secretary shall reserve ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary, consistent with this subpart, in elementary schools and secondary schools operated or supported by the Bu-

reau of Indian Affairs, on the basis of their respective needs for assistance under this part.

"(2) ALLOTMENTS.—

"(A) IN GENERAL.—From the amounts appropriated under section 1608 for each fiscal year that remain after making the reservation under paragraph (1), the Secretary shall allot to each State having an application approved under section 1604 an amount that bears the same relationship to the remainder as the school age population served by eligible local educational agencies in the State bears to the school age population served by eligible local educational agencies in all States.

"(B) DATA.—In determining the school age population under subparagraph (A), the Secretary shall use the most recent data available from the Bureau of the Census.

"(c) DIRECT AWARDS TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—

"(1) NONPARTICIPATING STATE.—If a State educational agency for a fiscal year elects not to participate in a program under this section, or does not have an application approved under section 1604, an eligible local educational agency in such State desir-

ing a grant under this part for the fiscal year shall apply directly to the Secretary to receive a grant under this subsection.

"(2) DIRECT AWARDS.—The Secretary may award, on a competitive basis, the amount the State educational agency is eligible to receive under subsection (b)(2) directly to eligible local educational agencies in the State desiring a grant under paragraph (1).

"(3) ADMINISTRATIVE FUNDS.—An eligible local educational agency that receives a direct grant under this subsection may use not more than 1 percent of the grant funds for the administrative costs of carrying out this part in the first year the agency receives a grant under this subsection and 0.5 percent for such costs in the second and each succeeding such year.

"(d) RELATION TO OTHER FEDERAL FUNDING.—Funds received under this part by a State educational agency or an eligible local educational agency shall not be taken into consideration in determining the eligibility for, or amount of, any other Federal funding awarded to such agencies.

"SEC. 1604. APPLICATIONS.

"(a) IN GENERAL.—Each State educational agency desiring a grant under section 1603 and eligible local educational agency desiring a grant under section 1603(c) 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 application submitted under subsection (a) shall—

"(1) specify annual, measurable performance goals and objectives, at a minimum, with respect to—

"(A) increased student academic achievement;

"(B) decreased gaps in achievement between minority and non-minority students, and between economically disadvantaged and non-economically disadvantaged students; and

"(C) other factors that the State educational agency or eligible local educational agency may choose to measure;

"(2) describe how the State educational agency or eligible local educational agency will hold local educational agencies and elementary schools or secondary schools receiving funds under this part ac-

countable for meeting the annual, measurable goals and objectives;

"(3) describe how the State educational agency or eligible local educational agency will provide technical assistance for a local educational agency, an elementary school, or a secondary school that does not meet the annual, measurable goals and objectives; and

"(4) describe how the State educational agency or eligible local educational agency will take action against a local educational agency, an elementary school, or a secondary school, if the local educational agency or school fails, over 2 consecutive years, to meet the annual, measurable goals and objectives.

"SEC. 1605. WITHIN-STATE ALLOCATIONS.

"(a) ALLOCATIONS.—A State educational agency shall award grants under this part to eligible local educational agencies within the State according to a formula developed by the State educational agency and approved by the Secretary.

"(b) USES OF FUNDS.—Grant funds awarded to eligible local educational agencies or made available to elementary schools and secondary schools under this section shall be used for—

"(1) educational technology, including software and hardware;

"(2) professional development;

"(3) technical assistance;

"(4) recruitment and retention of fully qualified teachers, as defined in title II, and highly qualified principals;

"(5) parental involvement activities; or

"(6) academic enrichment or other education programs.

"(c) RESERVATION OF ADMINISTRATIVE FUNDS.—

"(1) FIRST YEAR.—For the first year that a State educational agency receives a grant under this part, the agency—

"(A) shall use not less than 99 percent of the grant funds to award grants to eligible local educational agencies in the State; and

"(B) may use not more than 1 percent for State activities and the administrative costs of carrying out this part.

"(2) SUCCEEDING YEARS.—For the second and each succeeding year that a State educational agency receives a grant under this part, the agency—

"(A) shall use not less than 99.5 percent of the grant funds to award grants to eligible local educational agencies in the State; and

"(B) may use not more than 0.5 percent of the grant funds for State activities and the administrative costs of carrying out this part.

"SEC. 1606. ACCOUNTABILITY.

The Secretary, at the end of the third year that a State educational agency or an eligible local educational agency receiving a direct award under section 1603(c) participates in the program under this part, shall permit only those State educational agencies and eligible local educational agencies that meet their annual, measurable goals and objectives for 2 consecutive years to receive grant funds for the fourth or fifth fiscal years of the program under this part.

"SEC. 1607. REPORTS.

"(a) STATE REPORTS.—Each State educational agency that receives a grant under this part shall provide an annual report to the Secretary. The report shall describe—

"(1) the method the State educational agency used to award grants to eligible local educational agencies and to provide assistance to elementary schools and secondary schools under this part;

"(2) how eligible local educational agencies and elementary schools and secondary schools within the State used the grant funds provided under this part; and

"(3) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the State application.

"(b) REPORTS FROM ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—Each eligible local educational agency receiving a grant under section 1603(c) shall provide an annual report to the Secretary. Such report shall describe—

"(1) how such agency used the grant funds provided under this part;

"(2) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the eligible local educational agency's application; and

"(3) how the local educational agency coordinated funds received under this part with other Federal, State, and local funds.

"(c) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress an annual report setting forth the information provided to the Secretary pursuant to subsections (a) and (b).

"(d) STUDY.—The Comptroller General of the United States shall conduct a study regarding the impact of assistance provided under this part on student achievement, and shall submit such study to Congress.

"SEC. 1608. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

PART G—GENERAL PROVISIONS

SEC. 181. FEDERAL REGULATIONS.

Section 1701(b)(4) (20 U.S.C. 6511(b)(4)) (as redesignated by section 161(2)) is amended by striking "July 1, 1995" and inserting "May 1, 2000".

SEC. 182. STATE ADMINISTRATION.

Section 1703 (20 U.S.C. 6513) (as redesignated by section 161(2)) is amended by striking subsection (c).

TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

SEC. 201. TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE.

Title II (20 U.S.C. 6601 et seq.) is amended to read as follows:

"TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

"SEC. 2001. PURPOSE.

''The purpose of this title is to provide grants to State educational agencies and local educational agencies in order to assist their efforts to increase student academic achievement through such strategies as improving teacher and principal quality, increasing professional development, and decreasing class size.

"SEC. 2002. DEFINITIONS.

''In this title:

''(1) FULLY QUALIFIED.—The term 'fully qualified' means—

''(A) in the case of an elementary school teacher (other than a teacher teaching in a public charter school), a teacher who, at a minimum—

''(i) has obtained State certification (which may include certification obtained through alternative means), or a State license, to teach in the State in which the teacher teaches;

"(ii) holds a bachelor's degree from an institution of higher education; and

"(iii) demonstrates subject matter knowledge, teaching knowledge, and the teaching skills required to teach effectively reading, writing, mathematics, science, social studies, and other elements of a liberal arts education; and

"(B) in the case of a secondary school teacher (other than a teacher teaching in a public charter school), a teacher who, at a minimum—

"(i) has obtained State certification (which may include certification obtained through alternative means), or a State license, to teach in the State in which the teacher teaches;

"(ii) holds a bachelor's degree from an institution of higher education; and

"(iii) demonstrates a high level of competence in all subject areas in which the teacher teaches through—

"(I) completion of an academic major (or courses totaling an equivalent number of credit hours) in each

of the subject areas in which the teacher provides instruction;

"(II) achievement of a high level of performance in other professional employment experience in subject areas relevant to the subject areas in which the teacher provides instruction; or

"(III) achievement of a high level of performance on rigorous academic subject area tests administered by the State in which the teacher teaches.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965, that—

"(A) has not been identified as low performing under section 208 of the Higher Education Act of 1965; and

"(B) is in full compliance with the public reporting requirements described in section 207 of the Higher Education Act of 1965.

"(3) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands,

Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(4) 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, for the most recent year.

"(5) SCHOOL-AGE POPULATION.—The term 'school-age population' means the population aged 5 through 17, as determined on the basis of the most recent satisfactory data.

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

"PART A—TEACHER AND PRINCIPAL QUALITY AND PROFESSIONAL DEVELOPMENT

"SEC. 2011. PROGRAM AUTHORIZED.

"(a) GRANTS AUTHORIZED.—The Secretary shall award a grant, from allotments made under subsection (b), to each State having a State plan approved under section 2013, to enable the State to raise the quality of, and provide professional development opportunities for, public elementary school and secondary school teachers, principals, and administrators.

"(b) RESERVATIONS AND ALLOTMENTS.—

"(1) RESERVATIONS.—From the amount appropriated under section 2023 to carry out this part for each fiscal year, the Secretary shall reserve—

"(A) ½ of 1 percent of such amount for payments to the Bureau of Indian Affairs for activities, approved by the Secretary, consistent with this part;

"(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs as determined by the Secretary, for activities, approved by the Secretary, consistent with this part; and

"(C) such sums as may be necessary to continue to support any multiyear partnership program award made under parts A, C, and D (as such parts were in effect on the day preceding the date of enactment of the Education Reform Act) until the termination of the multiyear award.

"(2) STATE ALLOTMENTS.—From the amount appropriated under section 2023 for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot

to each State having a State plan approved under section 2013 the sum of—

"(A) an amount that bears the same relationship to 50 percent of the remainder as the school-age population from families with incomes below the poverty line in the State bears to the school-age population from families with incomes below the poverty line in all States; and

"(B) an amount that bears the same relationship to 50 percent of the remainder as the school-age population in the State bears to the school-age population in all States.

"(c) STATE MINIMUM.—For any fiscal year, no State shall be allotted under this section an amount that is less than ½ of 1 percent of the total amount allotted to all States under subsection (b)(2).

"(d) HOLD-HARMLESS AMOUNTS.—For fiscal year 2002, notwithstanding subsection (b)(2), the amount allotted to each State under this section shall be not less than 100 percent of the total amount the State was allotted under part B (as such part was in effect on the day preceding the date of enactment of the Education Reform Act) for the preceding fiscal year.

"(e) RATABLE REDUCTIONS.—If the sums made available under subsection (b)(2) for any fiscal year are

insufficient to pay the full amounts that all States are eligible to receive under subsection (d) for such year, the Secretary shall ratably reduce such amounts for such year.

"SEC. 2012. WITHIN STATE ALLOCATION.

"(a) IN GENERAL.—Each State educational agency for a State receiving a grant under section 2011(a) shall—

"(1) set aside 10 percent of the grant funds to award educator partnership grants under section 2021;

"(2) set aside not more than 5 percent of the grant funds to carry out activities described the State plan submitted under section 2013; and

"(3) using the remaining 85 percent of the grant funds, make subgrants by allocating to each local educational agency in the State the sum of—

"(A) an amount that bears the same relationship to 60 percent of the remainder as the school-age population from families with incomes below the poverty line in the area served by the local educational agency bears to the school-age population from families with incomes below the poverty line in the area served by all local educational agencies in the State; and

"(B) an amount that bears the same relationship to 40 percent of the remainder as the school-age population in the area served by the local educational agency bears to the school-age population in the area served by all local educational agencies in the State.

"(b) HOLD-HARMLESS AMOUNTS.—

"(1) FISCAL YEAR 2002.—For fiscal year 2002, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less than 100 percent of the total amount the local educational agency was allocated under this title (as in effect on the day preceding the date of enactment of the Education Reform Act) for fiscal year 2001.

"(2) FISCAL YEAR 2003.—For fiscal year 2003, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less than 85 percent of the amount allocated to the local educational agency under this section for fiscal year 2002.

"(3) FISCAL YEARS 2004–2006.—For each of fiscal years 2004 through 2006, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less

than 70 percent of the amount allocated to the local educational agency under this section for the previous fiscal year.

"(c) RATABLE REDUCTIONS.—If the sums made available under subsection (a)(3) for any fiscal year are insufficient to pay the full amounts that all local educational agencies are eligible to receive under subsection (b) for such year, the State educational agency shall ratably reduce such amounts for such year.

"SEC. 2013. STATE PLANS.

"(a) PLAN REQUIRED.—

"(1) COMPREHENSIVE STATE PLAN.—The entity or agency responsible for teacher certification or licensing under the laws of the State desiring a grant under this part shall submit a State plan to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. If the State educational agency is not the entity or agency designated under the laws of the State as responsible for teacher certification or licensing in the State, then the plan shall be developed in consultation with the State educational agency. The entity or agency shall provide annual evidence of such consultation to the Secretary.

"(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

"(b) CONTENTS.—Each plan submitted under subsection (a) shall—

"(1) describe how the State is taking reasonable steps to—

"(A) reform teacher certification, recertification, or licensure requirements to ensure that—

"(i) teachers have the necessary teaching skills and academic content knowledge in the academic subjects in which the teachers are assigned to teach;

"(ii) such requirements are aligned with the challenging State content standards;

"(iii) teachers have the knowledge and skills necessary to help students meet the challenging State student performance standards;

"(iv) such requirements take into account the need, as determined by the State, for greater access to, and participation in, the teaching profession by individ-

uals from historically underrepresented groups; and

"(v) teachers have the necessary technological skills to integrate more effectively technology in the teaching of content required by State and local standards in all academic subjects in which the teachers provide instruction;

"(B) develop and implement rigorous testing procedures for teachers, as required in section 2002(1)(A), to ensure that new teachers have teaching skills and academic content knowledge necessary to teach effectively the content called for by State and local standards in all academic subjects in which the teachers provide instruction;

"(C) establish, expand, or improve alternative routes to State certification of teachers, especially in the areas of mathematics and science, for highly qualified individuals with a baccalaureate degree, including mid-career professionals form other occupations, paraprofessionals, former military personnel, and recent college or university graduates who have records of academic distinction and who dem-

onstrate the potential to become highly effective teachers;

"(D) reduce emergency teacher certification;

"(E) develop and implement effective programs, and provide financial assistance, to assist local educational agencies, elementary schools, and secondary schools in effectively recruiting and retaining fully qualified teachers and principals, particularly in schools that have the lowest proportion of fully qualified teachers or the highest proportion of low-performing students;

"(F) provide professional development programs that meet the requirements described in section 2019;

"(G) provide programs that are designed to assist new teachers during their first 3 years of teaching, such as mentoring programs that—

"(i) provide mentoring to new teachers from veteran teachers with expertise in the same subject matter as the new teachers are teaching;

"(ii) provide mentors time for activities such as coaching, observing, and as-

sisting teachers who are being mentored; and

"(iii) use standards or assessments that are consistent with the State's student performance standards and the requirements for professional development activities described in section 2019 in order to guide the new teachers;

"(H) provide technical assistance to local educational agencies in developing and implementing activities described in section 2018; and

"(I) ensure that programs in core academic subjects, particularly in mathematics and science, will take into account the need for greater access to, and participation in, such core academic subjects by students from historically underrepresented groups, including females, minorities, individuals with limited English proficiency, the economically disadvantaged, and individuals with disabilities, by incorporating pedagogical strategies and techniques that meet such students' educational needs;

"(2) describe the activities for which assistance is sought under the grant, and how such activities will improve students' academic achievement and close academic achievement gaps of low-income, minority, and limited English proficient students;

"(3) describe how the State will establish annual numerical performance objectives under section 2014 for improving the qualifications of teachers and the professional development of teachers, principals, and administrators;

"(4) contain an assurance that the State consulted with local educational agencies, education-related community groups, nonprofit organizations, parents, teachers, school administrators, local school boards, institutions of higher education in the State, and content specialists in establishing the performance objectives described in section 2014;

"(5) describe how the State will hold local educational agencies, elementary schools, and secondary schools accountable for meeting the performance objectives described in section 2014 and for reporting annually on the local educational agencies' and schools' progress in meeting the performance objectives;

"(6) describe how the State will ensure that a local educational agency receiving a subgrant under section 2012 will comply with the requirements of this part;

"(7) provide an assurance that the State will require each local educational agency, elementary school, or secondary school receiving funds under this part to report publicly the local educational agency's or school's annual progress with respect to the performance objectives described in section 2014; and

"(8) describe how the State will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including programs authorized under titles I and III and, where appropriate, the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act of 1998.

"(c) SECRETARY APPROVAL.—The Secretary shall, using a peer review process, approve a State plan if the plan meets the requirements of this section.

"(d) 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 to the State's strategies and programs carried out under this part.

"(2) ADDITIONAL INFORMATION.—If a State receiving a grant under this part makes significant changes to the State plan, such as the adoption of new performance objectives, the State shall submit information regarding the significant changes to the Secretary.

"SEC. 2014. PERFORMANCE OBJECTIVES.

"(a) IN GENERAL.—Each State receiving a grant under this part shall establish annual numerical performance objectives with respect to progress in improving the qualifications of teachers and the professional development of teachers, principals, and administrators. For each annual numerical performance objective established, the State shall specify an incremental percentage increase for the objective to be attained for each of the fiscal years for which the State receives a grant under this part, relative to the preceding fiscal year.

"(b) REQUIRED OBJECTIVES.—At a minimum, the annual numerical performance objectives described in sub-

section (a) shall include an incremental increase in the percentage of—

"(1) classes in core academic subjects that are being taught by fully qualified teachers;

"(2) new teachers and principals receiving professional development support, including mentoring for teachers, during the teachers' first 3 years of teaching;

"(3) teachers, principals, and administrators participating in high quality professional development programs that are consistent with section 2019; and

"(4) fully qualified teachers teaching in the State, to ensure that all teachers teaching in such State are fully qualified by December 31, 2006.

"(c) REQUIREMENT FOR FULLY QUALIFIED TEACHERS.—Each State receiving a grant under this part shall ensure that all public elementary school and secondary school teachers in the State are fully qualified not later than December 31, 2005.

"(d) ACCOUNTABILITY.—

"(1) IN GENERAL.—Each State receiving a grant under this part shall be held accountable for—

"(A) meeting the State's annual numerical performance objectives; and

"(B) meeting the reporting requirements described in section 4401.

"(2) SANCTIONS.—Any State that fails to meet the requirement described in paragraph (1)(A) shall be subject to sanctions under section 7001.

"(e) COORDINATION.—Each State that receives a grant under this part and a grant under section 202 of the Higher Education Act of 1965 shall coordinate the activities the State carries out under such section 202 with the activities the State carries out under this section.

"SEC. 2015. OPTIONAL ACTIVITIES.

"Each State receiving a grant under section 2011(a) may use the grant funds—

"(1) to develop and implement a system to measure the effectiveness of specific professional development programs and strategies;

"(2) to increase the portability of teacher pensions and reciprocity of teaching certification or licensure among States, except that no reciprocity agreement developed under this section may lead to the weakening of any State teacher certification or licensing requirement;

"(3) to develop or assist local educational agencies in the development and utilization of proven, innovative strategies to deliver intensive professional

development programs that are cost effective and easily accessible, such as programs offered through the use of technology and distance learning;

''(4) to provide assistance to local educational agencies for the development and implementation of innovative professional development programs that train teachers to use technology to improve teaching and learning and that are consistent with the requirements of section 2019;

''(5) to provide professional development to enable teachers to ensure that female students, minority students, limited English proficient students, students with disabilities, and economically disadvantaged students have the full opportunity to achieve challenging State content and performance standards in the core academic subjects;

''(6) to increase the number of women, minorities, and individuals with disabilities who teach in the State and who are fully qualified and provide instruction in core academic subjects in which such individuals are underrepresented; and

''(7) to increase the number of highly qualified women, minorities, and individuals from other underrepresented groups who are involved in the ad-

ministration of elementary schools and secondary schools within the State.

"SEC. 2016. STATE ADMINISTRATIVE EXPENSES.

"Each State receiving a grant under section 2011(a) may use not more than 5 percent of the amount set aside in section 2012(a)(2) for the cost of—

"(1) planning and administering the activities described in section 2013(b); and

"(2) making subgrants to local educational agencies under section 2012.

"SEC. 2017. LOCAL PLANS.

"(a) IN GENERAL.—Each local educational agency desiring a grant from the State under section 2012(a)(3) shall submit a local plan to the State educational agency—

"(1) at such time, in such manner, and accompanied by such information as the State educational agency may require; and

"(2) that describes how the local educational agency will coordinate the activities for which assistance is sought under this part with other programs carried out under this Act, or other Acts, as appropriate.

"(b) LOCAL PLAN CONTENTS.—The local plan described in subsection (a) shall, at a minimum—

"(1) describe how the local educational agency will use the grant funds to meet the State performance objectives for teacher qualifications and professional development described in section 2014;

"(2) describe how the local educational agency will hold elementary schools and secondary schools accountable for meeting the requirements described in this part;

"(3) contain an assurance that the local educational agency will target funds to elementary schools and secondary schools served by the local educational agency that—

"(A) have the lowest proportion of fully qualified teachers; and

"(B) are identified for school improvement under section 1116;

"(4) describe how the local educational agency will coordinate professional development activities authorized under section 2018(a) with professional development activities provided through other Federal, State, and local programs, including those authorized under titles I and III and, where applicable, the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act of 1998; and

"(5) describe how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the local plan.

"SEC. 2018. LOCAL ACTIVITIES.

"(a) IN GENERAL.—Each local educational agency receiving a grant under section 2012(a)(3) shall use the grant funds to—

"(1) support professional development activities, consistent with section 2019, for—

"(A) teachers, in at least the areas of reading, mathematics, and science; and

"(B) teachers, principals, and administrators in order to provide such individuals with the knowledge and skills to provide all students, including female students, minority students, limited English proficient students, students with disabilities, and economically disadvantaged students, with the opportunity to meet challenging State content and student performance standards;

"(2) provide professional development to teachers, principals, and administrators to enhance the use of technology within elementary schools and sec-

ondary schools in order to deliver more effective curricula instruction;

"(3) recruit and retain fully qualified teachers and highly qualified principals, particularly for elementary schools and secondary schools located in areas with high percentages of low-performing students and students from families below the poverty line;

"(4) recruit and retain fully qualified teachers and high quality principals to serve in the elementary schools and secondary schools with the highest proportion of low-performing students, such as through—

"(A) mentoring programs for newly hired teachers, including programs provided by master teachers, and for newly hired principals; and

"(B) programs that provide other incentives, including financial incentives, to retain—

"(i) teachers who have a record of success in helping low-performing students improve those students' academic success; and

"(ii) principals who have a record of improving the performance of all students, or significantly narrowing the gaps be-

tween minority students and nonminority students, and economically disadvantaged students and noneconomically disadvantaged students, within the elementary schools or secondary schools served by the principals; and

"(5) provide professional development that incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse groups of students, including female students, minority students, students with disabilities, limited English proficient students, and economically disadvantaged students.

"(b) OPTIONAL ACTIVITIES.—Each local educational agency receiving a grant under section 2012(a)(3) may use the subgrant funds—

"(1) to provide a signing bonus or other financial incentive, such as differential pay for—

"(A) a teacher to teach in an academic subject for which there exists a shortage of fully qualified teachers within the elementary school or secondary school in which the teacher teaches or within the elementary schools and secondary schools served by the local educational agency; or

"(B) a highly qualified principal in a school in which there is a large percentage of children—

"(i) from low-income families; or

"(ii) with high percentages of low-performance scores on State assessments;

"(2) to establish programs that—

"(A) recruit professionals into teaching from other fields and provide such professionals with alternative routes to teacher certification, especially in the areas of mathematics, science, and English language arts; and

"(B) provide increased teaching and administration opportunities for fully qualified females, minorities, individuals with disabilities, and other individuals underrepresented in the teaching or school administration professions;

"(3) to establish programs and activities that are designed to improve the quality of the teacher and principal force, such as innovative professional development programs (which may be provided through partnerships, including partnerships with institutions of higher education), and including programs that—

"(A) train teachers and principals to utilize technology to improve teaching and learning; and

"(B) are consistent with the requirements of section 2019;

"(4) to provide collaboratively designed performance pay systems for teachers and principals that encourage teachers and principals to work together to raise student performance;

"(5) to establish professional development programs that provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented);

"(6) to establish professional development programs that provide instruction in how best to discipline children in the classroom, and to identify early and appropriate interventions to help children described in paragraph (5) learn;

"(7) to provide professional development programs that provide instruction in how to teach character education in a manner that—

"(A) reflects the values of parents, teachers, and local communities; and

"(B) incorporates elements of good character, including honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness;

"(8) to provide scholarships or other incentives to assist teachers in attaining national board certification;

"(9) to support activities designed to provide effective professional development for teachers of limited English proficient students; and

"(10) to establish other activities designed—

"(A) to improve professional development for teachers, principals, and administrators that are consistent with section 2019; and

"(B) to recruit and retain fully qualified teachers and highly qualified principals.

"(c) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a grant under section 2012(a)(3) may use not more than 1.5 percent of the grant funds for any fiscal year for the cost of administering activities under this part.

"SEC. 2019. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

"(a) LIMITATION RELATING TO CURRICULUM AND CONTENT AREAS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a local educational agency may not use grant funds allocated under section 2012(a)(3) to support a professional development activity for a teacher that is not—

"(A) directly related to the curriculum for which and content areas in which the teacher provides instruction; or

"(B) designed to enhance the ability of the teacher to understand and use the State's challenging content standards for the academic subject in which the teacher provides instruction.

"(2) EXCEPTION.—Paragraph (1) shall not apply to professional development activities that provide instruction in methods of disciplining children.

"(b) PROFESSIONAL DEVELOPMENT ACTIVITY.—A professional development activity carried out under this part shall—

"(1) be measured, in terms of progress described in section 2014(a), using the specific performance indicators established by the State in accordance with section 2014;

"(2) be tied to challenging State or local content standards and student performance standards;

"(3) be tied to scientifically based research demonstrating the effectiveness of such activities in increasing student achievement or substantially increasing the knowledge and teaching skills of teachers;

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

"(5) be developed with extensive participation of teachers, principals, parents, administrators, and local school boards of elementary schools and secondary schools to be served under this part, and institutions of higher education in the State, and, with respect to any professional development program described in paragraph (6) or (7) of section 2018(b), shall, if applicable, be developed with extensive coordination with, and participation of, professionals

with expertise in such type of professional development;

''(6) to the extent appropriate, provide training for teachers regarding using technology and applying technology effectively in the classroom to improve teaching and learning concerning the curriculum and academic content areas, in which those teachers provide instruction; and

''(7) be directly related to the content areas in which the teachers provide instruction and the State content standards.

''(c) ACCOUNTABILITY.—

''(1) IN GENERAL.—A State shall notify a local educational agency that the agency may be subject to the action described in paragraph (3) if, after any fiscal year, the State determines that the programs or activities funded by the agency under this part fail to meet the requirements of subsections (a) and (b).

''(2) TECHNICAL ASSISTANCE.—A local educational agency that has received notification pursuant to paragraph (1) may request technical assistance from the State and an opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

"(3) STATE EDUCATIONAL AGENCY ACTION.—If a State educational agency determines that a local educational agency failed to carry out the local educational agency's responsibilities under this section, the State educational agency shall take such action as the agency determines to be necessary, consistent with this section, to provide, or direct the local educational agency to provide, high-quality professional development for teachers, principals, and administrators.

"SEC. 2020. PARENTS' RIGHT TO KNOW.

"Each local educational agency receiving a grant under section 2012(a)(3) shall meet the reporting requirements with respect to teacher qualifications described in section 4401(h).

"SEC. 2021. STATE REPORTS AND GAO STUDY.

"(a) STATE REPORTS.—Each State educational agency receiving a grant under this part shall annually provide a report to the Secretary describing—

"(1) the progress the State is making in increasing the percentages of fully qualified teachers in the State to ensure that all teachers are fully qualified not later than December 31, 2006, including information regarding—

"(A) the percentage increase over the previous fiscal year in the number of fully qualified teachers teaching in elementary schools and secondary schools served by local educational agencies receiving funds under title I; and

"(B) the percentage increase over the previous fiscal year in the number of core classes being taught by fully qualified teachers in elementary schools and secondary schools being served under title I;

"(2) the activities undertaken by the State educational agency and local educational agencies in the State to attract and retain fully qualified teachers, especially in geographic areas and content subject areas in which a shortage of such teachers exist; and

"(3) the approximate percentage of Federal, State, local, and nongovernmental resources being expended to carry out activities described in paragraph (2).

"(b) GAO STUDY.—Not later than September 30, 2005, the Comptroller General of the United States shall prepare and 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 study setting forth information regarding the

progress of States' compliance in increasing the percentage of fully qualified teachers, as defined in section 2002(1), for fiscal years 2001 through 2004.

"SEC. 2021. EDUCATOR PARTNERSHIP GRANTS.

"(a) SUBGRANTS.—

"(1) IN GENERAL.—A State receiving a grant under section 2011(a) shall award subgrants, on a competitive basis, from amounts made available under section 2012(a)(1), to local educational agencies, elementary schools, or secondary schools that have formed educator partnerships, for the design and implementation of programs that will enhance professional development opportunities for teachers, principals, and administrators, and will increase the number of fully qualified teachers.

"(2) ALLOCATIONS.—A State awarding subgrants under this subsection shall allocate the subgrant funds on a competitive basis and in a manner that results in an equitable distribution of the subgrant funds by geographic areas within the State.

"(3) ADMINISTRATIVE EXPENSES.—Each educator partnership receiving a subgrant under this subsection may use not more than 5 percent of the subgrant funds for any fiscal year for the cost of

planning and administering programs under this section.

"(b) EDUCATOR PARTNERSHIPS.—An educator partnership described in subsection (a) includes a cooperative arrangement between—

"(1) a public elementary school or secondary school (including a charter school), or a local educational agency; and

"(2) 1 or more of the following:

"(A) An institution of higher education.

"(B) An educational service agency.

"(C) A public or private not-for-profit education organization.

"(D) A for-profit education organization.

"(E) An entity from outside the traditional education arena, including a corporation or consulting firm.

"(c) USE OF FUNDS.—An educator partnership receiving a subgrant under this section shall use the subgrant funds for—

"(1) developing and enhancing of professional development activities for teachers in core academic subjects to ensure that the teachers have content knowledge in the academic subjects in which the teachers provide instruction;

"(2) developing and providing assistance to local educational agencies and elementary schools and secondary schools for sustained, high-quality professional development activities for teachers, principals, and administrators, that—

"(A) ensure that teachers, principals, and administrators are able to use State content standards, performance standards, and assessments to improve instructional practices and student achievement; and

"(B) may include intensive programs designed to prepare a teacher who participates in such a program to provide professional development instruction to other teachers within the participating teacher's school;

"(3) increasing the number of fully qualified teachers available to provide high-quality education to limited English proficient students by—

"(A) working with institutions of higher education that offer degree programs, to attract more people into such programs, and to prepare better new, English language teachers to provide effective language instruction to limited English proficient students; and

"(B) supporting development and implementation of professional development programs for language instruction teachers to improve the language proficiency of limited English proficient students;

"(4) developing and implementing professional development activities for principals and administrators to enable the principals and administrators to be effective school leaders and to improve student achievement on challenging State content and student performance standards, including professional development relating to—

"(A) leadership skills;

"(B) recruitment, assignment, retention, and evaluation of teachers and other staff;

"(C) effective instructional practices, including the use of technology; and

"(D) parental and community involvement; and

"(5) providing activities that enhance professional development opportunities for teachers, principals, and administrators or will increase the number of fully qualified teachers.

"(d) APPLICATION REQUIRED.—Each educator partnership desiring a subgrant under this section shall submit

an application to the appropriate State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require.

''(e) COORDINATION.—Each educator partnership that receives a subgrant under this section and a grant under section 203 of the Higher Education Act of 1965 shall coordinate the activities carried out under such section 203 with any related activities carried out under this section.

"SEC. 2023. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $1,700,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART B—CLASS SIZE REDUCTION

"SEC. 2031. FINDINGS.

''Congress makes the following findings:

''(1) Rigorous research has shown that students attending small classes in the early grades make more rapid educational gains than students in larger classes, and that those gains persist through at least the eighth grade.

''(2) The benefits of smaller classes are greatest for lower-achieving, minority, poor, and inner-city

children, as demonstrated by a study that found that urban fourth graders in smaller-than-average classes were ¾ of a school year ahead of their counterparts in larger-than-average classes.

''(3) Teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on other tasks, and cover more material effectively, and are better able to work with parents to further their children's education, than teachers in large classes.

''(4) Smaller classes allow teachers to identify and work with students who have learning disabilities sooner than is possible with larger classes, potentially reducing those students' needs for special education services in the later grades.

''(5) The National Research Council report, 'Preventing Reading Difficulties in Young Children', recommends reducing class sizes, accompanied by providing high-quality professional development for teachers, as a strategy for improving student achievement in reading.

''(6) Efforts to improve educational outcomes by reducing class sizes in the early grades are likely to be successful only if well-qualified teachers are hired to fill additional classroom positions, and if

teachers receive intensive, ongoing professional development.

''(7) Several States and school districts have begun serious efforts to reduce class sizes in the early elementary school grades, but those efforts may be impeded by financial limitations or difficulties in hiring highly qualified teachers.

''(8) The Federal Government can assist in those efforts by providing funding for class size reductions in grades 1 through 3, and by helping to ensure that both new and current teachers who are moving into smaller classrooms are well prepared.

''SEC. 2032. PURPOSE.

''The purpose of this part is to help States and local educational agencies recruit, train, and hire 100,000 additional teachers in order to—

''(1) reduce nationally class size in grades 1 through 3 to an average of 18 students per regular classroom; and

''(2) improve teaching in the early elementary school grades so that all students can learn to read independently and well by the end of the third grade.

"SEC. 2033. ALLOTMENTS TO STATES.

''(a) RESERVATIONS FOR THE OUTLYING AREAS AND THE BUREAU OF INDIAN AFFAIRS.—From the amount appropriated under section 2042 for any fiscal year, the Secretary shall reserve a total of not more than 1 percent to make payments to—

''(1) outlying areas, on the basis of their respective needs, for activities, approved by the Secretary, consistent with this part; and

''(2) the Secretary of the Interior for activities approved by the Secretary of Education, consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs.

''(b) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—From the amount appropriated under section 2042 for a fiscal year and remaining after the Secretary makes reservations under subsection (a), the Secretary shall make grants by allotting to each State having a State application approved under section 2034(c) an amount that bears the same relationship to the remainder as the greater of the amounts that the State received in the preceding fiscal year under sections 1122 and 2202(b) (as such sections were in effect on the day preceding the date of enactment of the Education

Reform Act) bears to the total of the greater amounts that all States received under such sections for the preceding fiscal year.

"(2) RATABLE REDUCTION.—If the sums made available under paragraph (1) for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under paragraph (1) for such year, the Secretary shall ratably reduce such amounts for such year.

"(3) REALLOTMENT.—If any State chooses not to participate in the program carried out under this part, or fails to submit an approvable application under this part, the Secretary shall reallot the amount that such State would have received under paragraphs (1) and (2) to States having applications approved under section 2034(c), in accordance with paragraphs (1) and (2).

"SEC. 2034. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—The State educational agency for each State desiring a grant under this part shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

"(b) CONTENTS.—The application shall include—

"(1) a description of the State's goals for using funds under this part to reduce average class sizes in regular classrooms in grades 1 through 3, including a description of class sizes in those classrooms, for each local educational agency in the State (as of the date of submission of the application);

"(2) a description of how the State educational agency will allocate program funds made available through the grant within the State;

"(3) a description of how the State will use other funds, including other Federal funds, to reduce class sizes and to improve teacher quality and reading achievement within the State; and

"(4) an assurance that the State educational agency will submit to the Secretary such reports and information as the Secretary may reasonably require.

"(c) APPROVAL OF APPLICATIONS.—The Secretary shall approve a State application submitted under this section if the application meets the requirements of this section and holds reasonable promise of achieving the purpose of this part.

"SEC. 2035. WITHIN-STATE ALLOCATIONS.

"(a) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—Each State receiving a grant under this part for

any fiscal year may reserve not more than 1 percent of the grant funds for the cost of administering this part and, using the remaining funds, shall make subgrants by allocating to each local educational agency in the State the sum of—

"(1) an amount that bears the same relationship to 80 percent of the remainder as the school-age population from families with incomes below the poverty line in the area served by the local educational agency bears to the school-age population from families with incomes below the poverty line in the area served by all local educational agencies in the State; and

"(2) an amount that bears the same relationship to 20 percent of the remainder as the enrollment of the school-age population in public and private nonprofit elementary schools and secondary schools in the area served by the local educational agency bears to the enrollment of the school-age population in public and private nonprofit elementary schools and secondary schools in the area served by all local educational agencies in the State.

"(b) REALLOCATION.—If any local educational agency chooses not to participate in the program carried out under this part, or fails to submit an approvable applica-

tion under this part, the State educational agency shall reallocate the amount such local educational agency would have received under subsection (a) to local educational agencies having applications approved under section 2036(b), in accordance with subsection (a).

"SEC. 2036. LOCAL APPLICATIONS.

"(a) IN GENERAL.—Each local educational agency desiring a subgrant under section 2035(a) shall submit an application to the appropriate State educational agency at such time, in such form, and containing such information as the State educational agency may require, including a description of the local educational agency's program to reduce class sizes by hiring additional highly qualified teachers.

"(b) APPROVAL OF APPLICATIONS.—The State educational agency shall approve a local agency application submitted under subsection (a) if the application meets the requirements of subsection (a) and holds reasonable promise of achieving the purpose of this part.

"SEC. 2037. USES OF FUNDS.

"(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a subgrant under section 2035(a) may use not more than 3 percent of the subgrant funds for any fiscal year for the cost of administering this part.

"(b) RECRUITMENT, TEACHER TESTING, AND PROFESSIONAL DEVELOPMENT.—

"(1) IN GENERAL.—Each local educational agency receiving subgrant funds under this section shall use such subgrant funds to carry out effective approaches to reducing class size with fully qualified teachers who are certified within the State (including teachers certified through State or local alternative routes) and who demonstrate competency in the areas in which the teachers provide instruction, to improve educational achievement for both regular and special needs children, with particular consideration given to reducing class size in the early elementary grades.

"(2) LOCAL ACTIVITIES.—

"(A) IN GENERAL.—Each local educational agency receiving subgrant funds under this section may use such subgrant funds for—

"(i) recruiting (including through the use of signing bonuses, and other financial incentives), hiring, and training fully qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both

children with disabilities and non-disabled children) and teachers of special-needs children, who are certified within the State, including teachers who are certified through State or local alternative routes, have a bachelor's degree, and demonstrate the general knowledge, teaching skills, and subject matter knowledge required to teach in the content areas in which the teachers provide instruction;

''(ii) testing new teachers for academic content knowledge and satisfaction of State certification requirements consistent with title II of the Higher Education Act of 1965; and

''(iii) providing professional development (which may include such activities as promoting retention and mentoring) to teachers, including special education teachers and teachers of special-needs children, in order to meet the goal of ensuring that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively in the content area or areas in which

they provide instruction, consistent with title II of the Higher Education Act of 1965.

"(B) LIMITATIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), a local educational agency may use not more than a total of 25 percent of the award received under this section for activities described in subparagraph (A)(ii) and (iii).

"(ii) ED-FLEX.—

"(I) WAIVER.—A local educational agency located in a State designated as an Ed-Flex Partnership State under section 4(a)(1)(B) of the Education Flexibility Partnership Act of 1999, and in which 10 percent or more of teachers in elementary schools, as defined by section 8101(14), have not met applicable State and local certification requirements (including certification through State or local alternative routes), or if such requirements have been waived, may apply to the State educational

agency for a waiver that would permit the agency to use more than 25 percent of the funds it receives under this section for activities described in subparagraph (A)(iii) for the purpose of helping teachers to become certified.

"(II) APPROVAL.—If the State educational agency approves the local educational agency's application for a waiver under subclause (I), the local educational agency may use the funds subject to the waiver for activities described in subparagraph (A)(iii) that are needed to ensure that at least 90 percent of the teachers in elementary schools within the State are certified.

"(C) ADDITIONAL USES.—

"(i) IN GENERAL.—A local educational agency that has already reduced class size in the early grades to 18 or less children (or has already reduced class size to a State or local class size reduction goal that was in effect on the day before the enactment of the Department of Education Appropriations Act, 2000, if that State or

local educational agency goal is 20 or fewer children) may use funds received under this section—

"(I) to make further class size reductions in grades kindergarten through 3;

"(II) to reduce class size in other grades; or

"(III) to carry out activities to improve teacher quality, including professional development.

"(ii) PROFESSIONAL DEVELOPMENT.—If a local educational agency has already reduced class size in the early grades to 18 or fewer children and intends to use funds provided under this Part to carry out professional development activities, including activities to improve teacher quality, then the State shall make the award under section 2035 to the local educational agency.

"(c) SPECIAL RULE.—Notwithstanding subsection (b), if the award to a local educational agency under section 2035 is less than the starting salary for a new fully qualified teacher teaching in a school served by that agen-

cy, and such teacher is certified within the State (which may include certification through State or local alternative routes), has a bachelor's degree, and demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in the content areas the teacher is assigned to provide instruction, then the agency may use grant funds under this part to—

"(1) help pay the salary of a full- or part-time teacher hired to reduce class size, which may be in combination with other Federal, State, or local funds; or

"(2) pay for activities described in subsection (b), which may be related to teaching in smaller classes.

"SEC. 2038. PRIVATE SCHOOLS.

"If a local educational agency uses funds made available under this Part for professional development activities, the local educational agency shall ensure the equitable participation of private nonprofit elementary schools and secondary schools in such activities.

"SEC. 2039. TEACHER SALARIES AND BENEFITS.

"A local educational agency may use grant funds provided under this part—

"(1) except as provided in paragraph (2), to increase the salaries of, or provide benefits (other than

participation in professional development and enrichment programs) to, teachers only if such teachers were hired under this part; and

''(2) to pay the salaries of teachers hired under section 307 of the Department of Education Appropriations Act of 1999 who, not later than the beginning of the 2001–2002 school year, are fully qualified, as defined in section 2002(1).

"SEC. 2040. STATE REPORT REQUIREMENTS.

''(a) REPORT ON ACTIVITIES.—A State educational agency receiving funds under this part shall submit a report to the Secretary providing information about the activities in the State assisted under this part.

''(b) REPORT TO PARENTS.—Each State educational agency and local educational agency receiving funds under this part shall publicly issue a report to parents of children who attend schools assisted under this part describing—

''(1) the agency's progress in reducing class size;

''(2) the agency's progress in increasing the percentage of classes in core academic areas that are taught by fully qualified teachers who are certified within the State and demonstrate competency in the content areas in which the teachers provide instruction; and

"(3) the impact, if any, that hiring additional highly qualified teachers and reducing class size has had on increasing student academic achievement in schools served by the agency.

"(c) PROFESSIONAL QUALIFICATIONS REPORT.—Upon the request of a parent of a child attending a school receiving assistance under this part, such school shall provide the parent with information regarding the professional qualifications of their child's teacher.

"SEC. 2041. SUPPLEMENT NOT SUPPLANT.

"Each local educational agency receiving grant funds under this part shall use such funds only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this part.

"SEC. 2042. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $1,400,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

SEC. 301. LANGUAGE MINORITY STUDENTS.

Title III (20 U.S.C. 6801 et seq.) is amended—

(1) by amending the heading for title III to read as follows:

"TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION";

(2) by repealing section 3101 (20 U.S.C. 6801) and part A (20 U.S.C. 6811 et seq.); and

(3) by inserting after the heading for title III (as amended by paragraph (1)) the following:

"Subtitle A—Language Minority Students

"SEC. 3101. FINDINGS, POLICY, AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1)(A) Educating limited English proficient students is an urgent goal for many local educational agencies, but that goal is not being achieved.

"(B) Each year, 640,000 limited English proficient students are not served by any sort of program targeted to the students' unique needs.

"(C) In 1998, only 15 percent of local educational agencies that applied for funding under enhancement grants and comprehensive school grants received such funding.

"(2)(A) The school dropout rate for Hispanic students, the largest group of limited English proficient students, is approximately 25 percent, and is approximately 46 percent for Hispanic students born outside of the United States.

"(B) A United States Department of Education report regarding school dropout rates states that language difficulty 'may be a barrier to participation in United States schools'.

"(C) Reading ability is a key predictor of graduation and academic success.

"(3) Through fiscal year 1999, bilingual education capacity and demonstration grants—

"(A) have spread funding too broadly to make an impact on language instruction educational programs implemented by State educational agencies and local educational agencies; and

"(B) have lacked concrete performance measures.

"(4)(A) Since 1979, the number of limited English proficient children in schools in the United States has doubled, and demographic trends indicate the population of limited English proficient children will continue to increase.

"(B) Language-minority Americans speak virtually all world languages plus many that are indigenous to the United States.

"(C) The rich linguistic diversity language-minority students bring to America's classrooms enhances the learning environment for all students and should be valued for the significant, positive impact such diversity has on the entire school environment.

"(D) Parent and community participation in educational language programs for limited English proficient students contributes to program effectiveness.

"(E) The Federal Government, as reflected in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 204(f) of the Equal Education Opportunities Act of 1974 (20 U.S.C. 1703), has a special and continuing obligation to ensure that States and local educational agencies take ap-

propriate action to provide equal educational opportunities to limited English proficient children and youth.

"(F) The Federal Government also, as exemplified by programs authorized under this title, has a special and continuing obligation to assist States and local educational agencies to develop the capacity to provide programs of instruction that offer limited English proficient children and youth equal educational opportunities.

"(5) Limited English proficient children and youth face a number of challenges in receiving an education that will enable them to participate fully in American society, including—

"(A) disproportionate attendance in high-poverty schools, as demonstrated by the fact that, in 1994, 75 percent of limited English proficient students attended schools in which at least half of all students were eligible for free or reduced-price meals;

"(B) the limited ability of parents of such children and youth to participate fully in the education of their children because of the parents' own limited English proficiency;

"(C) a shortage of teachers and other staff who are professionally trained and qualified to serve such children and youth; and

"(D) lack of appropriate performance and assessment standards that distinguish between language and academic achievement so that there is equal accountability on the part of State educational agencies and local educational agencies for the achievement of limited English proficient students in academic content while acquiring English language skills.

"(b) POLICY.—Congress declares it to be the policy of the United States that in order to ensure equal educational opportunity for all children and youth, and to promote educational excellence, the Federal Government should—

"(1) assist State educational agencies, local educational agencies, and community-based organizations to build their capacity to establish, implement, and sustain programs of instruction and English language development for children and youth of limited English proficiency;

"(2) hold State educational agencies and local educational agencies accountable for increases in

English proficiency and core content knowledge among limited English proficient students; and

''(3) promote parental and community participation in limited English proficiency programs.

''(c) PURPOSE.—The purpose of this subtitle is to assist all limited English proficient students so that those students can meet or exceed the State proficient standard level for academic performance in core subject areas expected of all elementary school and secondary school students, and succeed in our Nation's society, by—

''(1) streamlining existing language instruction programs into a performance-based grant for State and local educational agencies to help limited English proficient students become proficient in English;

''(2) increasing significantly the amount of Federal assistance to local educational agencies serving such students while requiring that State educational agencies and local educational agencies demonstrate annual improvements in the English proficiency of such students from the preceding fiscal year; and

''(3) providing State educational agencies and local educational agencies with the flexibility to implement instructional programs based on scientific

research that the agencies believe to be the most effective for teaching English.

"SEC. 3102. DEFINITIONS.

"Except as otherwise provided, for purposes of this subtitle:

"(1) LIMITED ENGLISH PROFICIENT STUDENT.—The term 'limited English proficient student' means an individual aged 5 through 17 enrolled in an elementary school or secondary school—

"(A) who—

"(i) was not born in the United States or whose native language is a language other than English; or

"(ii) is a Native American or Alaska Native, or who is a native resident of the outlying areas and comes from an environment where a language other than English has had a significant impact on such individual's level of English language proficiency; or

"(iii) is migratory and whose native language is 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 our society.

"(2) LANGUAGE INSTRUCTION EDUCATIONAL PROGRAM.—The term 'language instruction educational program' means an instructional course in which a limited English proficient student is placed for the purpose of becoming proficient in the English language.

"(3) SPECIALLY QUALIFIED AGENCY.—The term 'specially qualified agency' means a local educational agency in a State that does not participate in a program under this subtitle for a fiscal year.

"(4) 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. 3103. PROGRAM AUTHORIZED.

"(a) GRANTS AUTHORIZED.—The Secretary shall award grants, from allotments under subsection (b), to each State having a State plan approved under section 3105(c), to enable the State to help limited English proficient students become proficient in English.

"(b) RESERVATIONS AND ALLOTMENTS.—

"(1) RESERVATIONS.—From the amount appropriated under section 3110 to carry out this subtitle for each fiscal year, the Secretary shall reserve—

"(A) ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary, consistent with this subtitle, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs for assistance under this subtitle; and

"(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs as determined by the Secretary, for activities, approved by the Secretary, consistent with this subtitle.

"(2) STATE ALLOTMENTS.—From the amount appropriated under section 3110 for any of the fiscal years 2001 through 2005 that remains after making reservations under paragraph (1), the Secretary shall allot to each State having a State plan approved under section 3105(c) an amount that bears the same relationship to the remainder as the number of limited English proficient students in the

State bears to the number of limited English proficient students in all States.

"(3) DATA.—For the purpose of determining the number of limited English proficient students in a State and in all States for each fiscal year, the Secretary shall use data that will yield the most accurate, up-to-date, numbers of such students, including—

"(A) data available from the Bureau of the Census; or

"(B) data submitted to the Secretary by the States to determine the number of limited English proficient students in a State and in all States.

"(4) HOLD-HARMLESS AMOUNTS.—For fiscal year 2001, and for each of the 4 succeeding fiscal years, notwithstanding paragraph (2), the total amount allotted to each State under this subsection shall be not less than 100 percent of the total amount the State was allotted under parts A and B of title VII (as such title was in effect on the day preceding the date of enactment of the Education Reform Act).

"(c) DIRECT AWARDS TO SPECIALLY QUALIFIED AGENCIES.—

"(1) NONPARTICIPATING STATE.—If a State educational agency for a fiscal year elects not to participate in a program under this subtitle, or does not have an application approved under section 3105(c), a specially qualified agency in such State desiring a grant under this subtitle for the fiscal year shall apply directly to the Secretary to receive a grant under this subsection.

"(2) DIRECT AWARDS.—The Secretary may award, on a competitive basis, the amount the State educational agency is eligible to receive under subsection (b)(2) directly to specially qualified agencies in the State desiring a grant under paragraph (1) and having an application approved under section 3105(c).

"(3) ADMINISTRATIVE FUNDS.—A specially qualified agency that receives a direct grant under this subsection may use not more than 1 percent of the grant funds for the administrative costs of carrying out this subtitle in the first year the agency receives a grant under this subsection and 0.5 percent for such costs in the second and each succeeding such year.

"SEC. 3104. WITHIN-STATE ALLOCATIONS.

"(a) GRANT AWARDS.—Each State educational agency receiving a grant under section 3103(a) shall use 95 percent of the grant funds to award subgrants, from allotments under subsection (b), to local educational agencies in the State to carry out the activities described in section 3107.

"(b) ALLOTMENT FORMULA.—Each State educational agency receiving a grant under this subtitle shall award a grant to each local educational agency in the State having a plan approved under section 3106 in an amount that bears the same relationship to the amount of funds appropriated under section 3110 as the school-age population of limited English proficient students in schools served by the local educational agency bears to the school-age population of limited English proficient students in schools served by all local educational agencies in the State.

"(c) RESERVATIONS.—

"(1) STATE ACTIVITIES.—Each State educational agency receiving a grant under this subtitle may reserve not more than 5 percent of the grant funds to carry out activities described in the State plan submitted under section 3105.

"(2) ADMINISTRATIVE EXPENSES.—From the amount reserved under paragraph (1), a State edu-

cational agency may use not more than 2 percent for the planning costs and administrative costs of carrying out the activities described in the State plan and providing grants to local educational agencies.

"SEC. 3105. STATE AND SPECIALLY QUALIFIED AGENCY PLAN.

"(a) PLAN REQUIRED.—Each State educational agency and specially qualified agency desiring a grant under this subtitle shall submit a plan to the Secretary at such time, in such manner and accompanied by such information as the Secretary may require.

"(b) CONTENTS.—Each State plan submitted under subsection (a) shall—

"(1) describe how the State or specially qualified agency will—

"(A) establish standards and benchmarks for English language development that are aligned with the State content and student performance standards described in section 1111;

"(B) develop high-quality, annual assessments to measure English language proficiency, including proficiency in the 4 recognized domains of speaking, listening, reading, and writing; and

"(C) develop annual performance objectives, based on the English language development standards described in subparagraph (A), to raise the level of English proficiency of each limited English proficient student;

"(2) contain an assurance that the State educational agency or specially qualified agency consulted with local educational agencies, education-related community groups and nonprofit organizations, parents, teachers, school administrators, and English language instruction specialists, in the setting of the performance objectives;

"(3) describe how—

"(A) in the case of a State educational agency, the State educational agency will hold local educational agencies and elementary schools and secondary schools accountable for—

"(i) meeting the English proficiency performance objectives described in section 3109; and

"(ii) making adequate yearly progress with limited English proficient students in the subject areas of core content knowledge as described in section 1111; and

"(B) in the case of a specially qualified agency, the agency will hold elementary schools and secondary schools accountable for meeting the English proficiency performance objectives described in section 3109, and making adequate yearly progress, including annual numerical goals for improving the performance of limited English proficient students on performance standards described in section 1111(b)(1)(D)(ii);

"(4) describe the activities for which assistance is sought, and how the activities will increase the speed and effectiveness with which students learn English;

"(5) in the case of a State educational agency, describe how local educational agencies in the State will be given the flexibility to teach English—

"(A) using language instruction curriculum that is scientifically research based; and

"(B) in the manner the local educational agencies determine to be the most effective; and

"(6) describe how—

"(A) in the case of a State educational agency, the State educational agency will provide technical assistance to local educational

agencies and elementary schools and secondary schools for the purposes of identifying and implementing English language instruction educational programs and curricula that are scientifically research based; and

"(B) in the case of a specially qualified agency, the specially qualified agency will provide technical assistance to elementary schools and secondary schools served by the specially qualified agency for the purposes of identifying and implementing English language instruction educational programs and curricula that are scientifically research based.

"(c) APPROVAL.—The Secretary, using a peer review process, shall approve a State plan or a specially qualified agency plan if the plan meets the requirements of this section, and holds reasonable promise of achieving the purpose described in section 3101(c).

"(d) DURATION OF THE PLAN.—

"(1) IN GENERAL.—Each State plan or specially qualified agency plan shall—

"(A) remain in effect for the duration of the State's or specially qualified agency's participation under this subtitle; and

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

"(2) ADDITIONAL INFORMATION.—If the State educational agency or specially qualified agency makes significant changes in its plan, such as the adoption of new performance objectives or assessment measures, the State educational agency or specially qualified agency shall submit such information to the Secretary.

"(e) CONSOLIDATED PLAN.—A State plan submitted under subsection (a) may be submitted as part of a consolidated plan under section 8302.

"(f) SECRETARY ASSISTANCE.—Pursuant to section 7004(a)(3), the Secretary shall provide assistance, if required, in the development of English language development standards and English language proficiency assessments.

"SEC. 3106. LOCAL PLANS.

"(a) PLAN REQUIRED.—Each local educational agency desiring a grant from the State educational agency under section 3104(a) shall submit a plan to the State educational agency at such time, in such manner, and ac-

1 companied by such information as the State educational
2 agency may require.

3 ''(b) CONTENTS.—Each local educational agency plan
4 submitted under subsection (a) shall—

5 ''(1) describe how the local educational agency
6 shall use the grant funds to meet the English pro-
7 ficiency performance objective described in section
8 3109;

9 ''(2) describe how the local educational agency
10 will hold elementary schools and secondary schools
11 accountable for meeting the performance objectives;

12 ''(3) contain an assurance that the local edu-
13 cational agency consulted with elementary schools
14 and secondary schools, education-related community
15 groups and nonprofit organizations, institutions of
16 higher education, parents, language instruction
17 teachers, school administrators, and English lan-
18 guage instruction specialists, in developing the local
19 educational agency plan; and

20 ''(4) contain an assurance that the local edu-
21 cational agency will use the disaggregated results of
22 the student assessments required under section
23 1111(b)(4), and other measures or indicators avail-
24 able to the agency, to review annually the progress
25 of each school served by the agency under this part

and under title I to determine whether the schools are making the annual progress necessary to ensure that limited English proficient students attending the schools will meet the proficient State content and student performance standard within 10 years of enactment of the Education Reform Act.

"SEC. 3107. USES OF FUNDS.

''(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a grant under section 3104 may use not more than 1 percent of the grant funds for any fiscal year for the cost of administering this subtitle.

''(b) ACTIVITIES.—Each local educational agency receiving grant funds under section 3104 shall use the grant funds that are not used under subsection (a)—

''(1) to increase limited English proficient students' proficiency in English by providing high-quality English language instruction programs, such as bilingual education programs and transitional education or English immersion education programs, that are—

''(A) tied to scientifically based research demonstrating the effectiveness of the programs in increasing English proficiency; and

''(B) approved by the State educational agency;

"(2) to provide high-quality professional development activities for teachers of limited English proficient students that are—

"(A) designed to enhance the ability of such teachers to understand and use curricula, assessment measures, and instructional strategies for limited English proficient students;

"(B) tied to scientifically based research demonstrating the effectiveness of such programs in increasing students' English proficiency or substantially increasing the knowledge and teaching skills of such teachers; and

"(C) of sufficient intensity and duration (such as 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 paragraph shall not apply to an activity that is 1 component of a long-term, comprehensive professional development plan established by a teacher and the teacher's supervisor based upon an assessment of the teacher's and supervisor's needs, the student's needs, and the needs of the local educational agency;

"(3) to identify, acquire, and upgrade curricula, instructional materials, educational software, and assessment procedures; and

"(4) to provide parent and community participation programs to improve English language instruction programs for limited English proficient students.

"SEC. 3108. PROGRAM REQUIREMENTS.

"(a) PROHIBITION.—In carrying out this subtitle the Secretary shall neither mandate nor preclude a particular curricular or pedagogical approach to educating limited English proficient students.

"(b) TEACHER ENGLISH FLUENCY.—Each local educational agency receiving grant funds under section 3104 shall certify to the State educational agency that all teachers in any language instruction program for limited English proficient students funded under this subtitle are fluent in English.

"SEC. 3109. PERFORMANCE OBJECTIVES.

"(a) IN GENERAL.—Each State educational agency or specifically qualified agency receiving a grant under this subtitle shall develop annual numerical performance objectives with respect to helping limited English proficient students become proficient in English. The objectives shall include incremental percentage increases for each fiscal

year a State receives a grant under this subtitle, including increases in the number of limited English proficient students demonstrating an increase in performance on annual assessments in reading, writing, speaking, and listening comprehension, from the preceding fiscal year.

''(b) ACCOUNTABILITY.—Each State educational agency or specially qualified agency receiving a grant under this subtitle shall be held accountable for meeting the annual numerical performance objectives under this subtitle and the adequate yearly progress levels for limited English proficient students under section 1111(b)(2)(B)(iv) and (vii). Any State educational agency or specially qualified agency that fails to meet the annual performance objectives shall be subject to sanctions under section 7001.

''SEC. 3110. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subtitle $620,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''SEC. 3111. REGULATIONS AND NOTIFICATION.

''(a) REGULATION RULE.—In developing regulations under this subtitle, the Secretary shall consult with State educational agencies, local educational agencies, organizations representing limited English proficient individuals, and organizations representing teachers and other per-

sonnel involved in the education of limited English proficient students.

"(b) PARENTAL NOTIFICATION.—

"(1) IN GENERAL.—Each local educational agency shall notify parents of a student participating in a language instruction educational program under this subtitle of—

"(A) the student's level of English proficiency, how such level was assessed, the status of the student's academic achievement, and the implications of the 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 such programs differ in content and instructional goals from other language instruction educational programs and, in the case of a student with a disability, how such program meets the objectives of the individualized education program of such a student; and

"(C) the instructional goals of the language instruction educational program, and how the program will specifically help the lim-

ited English proficient student learn English and meet age-appropriate standards for grade promotion and graduation, including—

"(i) the characteristics, benefits, and past academic results of the language instruction educational program and of instructional alternatives; and

"(ii) the reasons the student was identified as being in need of a language instruction educational program.

"(2) OPTION TO DECLINE.—

"(A) IN GENERAL.—Each parent described in paragraph (1) shall also be informed that the parent has the option of declining the enrollment of their children or youth in a language instruction educational program, and shall be given an opportunity to decline such enrollment if the parent so chooses.

"(B) OBLIGATIONS.—A local educational agency shall not be relieved of any of the agency's obligations under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) if a parent chooses not to enroll their child in a language instruction educational program.

"(3) RECEIPT OF INFORMATION.—A parent described in paragraph (1) shall receive, in a manner and form understandable to the parent including, if necessary and to the extent feasible, in the native language of the parent, the information required by this subsection. At a minimum, the parent shall receive—

"(A) timely information about projects funded under this subtitle; and

"(B) if the parent of a participating child so desires, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from parents of children assisted under this subtitle.

"(4) SPECIAL RULE.—A student shall not be admitted to, or excluded from, any Federally assisted language instruction educational program solely on the basis of a surname or language-minority status.

"(5) LIMITATIONS ON CONDITIONS.—Nothing in this subtitle shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State's, local educational agency's, elementary school's, or secondary school's specific challenging English language devel-

opment standards or assessments, curricula, or program of instruction, as a condition of eligibility to receive grant funds under this subtitle.''.

SEC. 302. EMERGENCY IMMIGRANT EDUCATION PROGRAM.

(a) REPEALS, TRANSFERS, AND REDESIGNATIONS.—Title III (20 U.S.C. 6801 et seq.) is further amended—

(1) by repealing part B (20 U.S.C. 6891 et seq.), part C (20 U.S.C. 6921 et seq.), part D (20 U.S.C. 6951 et seq.), and part E (20 U.S.C. 6971 et seq.);

(2) by transferring part C of title VII (20 U.S.C. 7541 et seq.) to title III and inserting such part after subtitle A (as inserted by section 301(3));

(3) by redesignating the heading for part C of title VII (as transferred by paragraph (2)) as the heading for subtitle B, and redesignating accordingly the references to such part as the references to such subtitle; and

(4) by redesignating section 7301 through 7309 (20 U.S.C. 7541, 7549) (as transferred by paragraph (2)) as sections 3201 through 3209, respectively, and redesignating accordingly the references to such sections.

(b) AMENDMENTS.—Subtitle B of title III (as so transferred and redesignated) is amended—

(1) in section 3205(a)(2) (as redesignated by subsection (a)(4)), by striking ''the Goals 2000: Educate America Act,''; and

(2) in section 3209 (as redesignated by subsection (a)(4)), by striking ''$100,000,000'' and all that follows through ''necessary for'' and inserting ''such sums as may be necessary for fiscal year 2002 and''.

SEC. 303. INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION.

(a) REPEALS, TRANSFERS, AND REDESIGNATIONS.—Title III (20 U.S.C 6801 et seq.) is further amended—

(1) by transferring title IX (20 U.S.C. 7801 et seq.) to title III and inserting such title after subtitle B (as inserted by section 302(a)(2));

(2) by redesignating the heading for title IX (as transferred by paragraph (1)) as the heading for subtitle C, and redesignating accordingly the references to such title as the references to such subtitle;

(3) by redesignating sections 9101 and 9102 (20 U.S.C. 7801, 7802) (as transferred by paragraph (1)) as sections 3301 and 3302, respectively, and redesignating accordingly the references to such sections;

(4) by redesignating sections 9111 through 9118 (20 U.S.C. 7811, 7818) (as transferred by paragraph (1)) as sections 3311 through 3318, respectively, and redesignating accordingly the references to such sections;

(5) by redesignating sections 9121 through 9125 (20 U.S.C. 7831, 7835) (as transferred by paragraph (1)) as sections 3321 through 3325, and redesignating accordingly the references to such section;

(6) by redesignating sections 9131 and 9141 (20 U.S.C. 7851, 7861) (as transferred by paragraph (1)) as sections 3331 and 3341, respectively, and redesignating accordingly the references to such sections;

(7) by redesignating sections 9151 through 9154 (20 U.S.C. 7871, 7874) (as transferred by paragraph (1)) as sections 3351 through 3354, respectively, and redesignating accordingly the references to such sections;

(8) by redesignating sections 9161 and 9162 (20 U.S.C. 7881, 7882) (as transferred by paragraph (1)) as sections 3361 and 3362, respectively, and redesignating accordingly the references to such sections;

(9) by redesignating sections 9201 through 9212 (20 U.S.C. 7901, 7912) (as transferred by paragraph (1)) as sections 3401 through 3412, respectively, and redesignating accordingly the references to such sections; and

(10) by redesignating sections 9301 through 9308 (20 U.S.C. 7931, 7938) (as transferred by paragraph (1)) as sections 3501 through 3508, and redesignating accordingly the references to such sections.

(b) AMENDMENTS.—Subtitle C of title III (as so transferred and redesignated) is amended—

(1) by amending section 3314(b)(2)(A) (as redesignated by subsection (a)(4)) to read as follows:

''(2)(A) is consistent with, and promotes the goals in, the State and local improvement plans under sections 1111 and 1112'';

(2) by amending section 3325(e) (as redesignated by subsection (a)(5)) to read as follows:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subpart for fiscal year 2001 and each of the 4 succeeding years.'';

(3) in section 3361(4)(E) (as redesignated by subsection (a)(8)), by striking ''the Act entitled the

'Improving America's Schools Act of 1994'" and inserting "the Education Reform Act";

(4) by amending section 3362 (as redesignated by subsection (a)(8)) to read as follows:

"SEC. 3262. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out subparts 1 through 5 of this part, there are authorized to be appropriated to the Department of Education such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding years.";

(5) in section 3404 (as redesignated by subsection (a)(9))—

(A) in subsection (i), by striking "Improving America's Schools Act of 1994" and inserting "Education Reform Act"; and

(B) in subsection (j), by striking "$500,000 for fiscal year 1995, and such sums as may be necessary" and inserting "such sums as may be necessary for fiscal year 2002, and";

(6) in section 3405(c) (as redesignated by subsection (a)(9)), by striking "$6,000,000 for fiscal year 1995, and such sums as may be necessary" and inserting "such sums as may be necessary for fiscal year 2002, and";

(7) in section 3406(e) (as redesignated by subsection (a)(9)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(8) in section 3407(e) (as redesignated by subsection (a)(9)), by striking ''$1,500,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(9) in section 3408(c) (as redesignated by subsection (a)(9)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(10) in section 3409(d) (as redesignated by subsection (a)(9)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(11) in section 3410(d) (as redesignated by subsection (a)(9)), by striking ''$1,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(12) in section 3504(c) (as redesignated by subsection (a)(10)), by striking ''$5,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(13) in section 3505(e) (as redesignated by subsection (a)(10)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and''; and

(14) in section 3506(d) (as redesignated by subsection (a)(10)), by striking ''$1,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and''.

TITLE IV—PUBLIC SCHOOL CHOICE

SEC. 401. PUBLIC SCHOOL CHOICE.

(a) MAGNET SCHOOLS AMENDMENTS.—Section 5113(a) (20 U.S.C. 7213(a)) is amended—

(1) by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) by striking ''1995'' and inserting ''2002''.

(b) CHARTER SCHOOLS AMENDMENTS.—

(1) PARALLEL ACCOUNTABILITY.—Section 10302 (20 U.S.C. 8062) is amended by adding at the end the following:

"(g) PARALLEL ACCOUNTABILITY.—Each State educational agency receiving a grant under this part shall hold charter schools assisted under this part accountable for adequate yearly progress for improving student performance under title I and as established in the school's charter, including the use of the same standards and assessments as established under title I.".

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 10311 (20 U.S.C. 8067) is amended.—

(A) by striking "$100,000,000" and inserting "$200,000,000"; and

(B) by striking "1999" and inserting "2001".

(c) REPEALS, TRANSFERS AND REDESIGNATIONS.—The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by amending the heading for title IV (20 U.S.C. 7101 et seq.) to read as follows:

"TITLE IV—PUBLIC SCHOOL CHOICE";

(2) by amending section 4001 to read as follows:

"SEC. 4001. FINDINGS, POLICY, AND PURPOSE.

"(a) FINDINGS.—Congress makes the following findings:

"(1)(A) Charter schools and magnet schools are an integral part of the educational system in the United States.

"(1)(B) Thirty-four States and the District of Columbia have established charter schools.

"(1)(C) Magnet schools have been established throughout the United States.

"(1)(D) A Department of Education evaluation of charter schools shows that 59 percent of charter schools reported that lack of start-up funds posed a difficult or very difficult challenge for the school.

"(2) State educational agencies and local educational agencies should hold all schools accountable for the improved performance of all students, including students attending charter schools and magnet schools, under State standards and student assessment measures.

"(3) School report cards constitute the key informational component used by parents for effective public school choice.

"(b) POLICY.—Congress declares it to be the policy of the United States—

"(1) to support and stimulate improved public school performance through increased public elementary school and secondary school competition and increased Federal financial assistance; and

"(2) to provide parents with more choices among public school options.

"(c) PURPOSES.—The purposes of this title are as follows:

"(1) To consolidate public school choice programs into 1 title.

"(2) To increase Federal assistance for magnet schools and charter schools.

"(3) To help parents make better and more informed choices by—

"(A) providing continued support and financial assistance for magnet schools;

"(B) providing continued support and expansion of charter schools and charter school districts; and

"(C) providing financial assistance to States and local educational agencies for the development of local educational agency and school report cards.";

(3) by repealing sections 4002 through 4004 (20 U.S.C. 7102, 7104), and part A (20 U.S.C. 7111 et seq.), of title IV;

(4) by transferring part A of title V (20 U.S.C. 7201 et seq.) (as amended by subsection (a)) to title IV and inserting such part A after section 4001;

(5) by redesignating sections 5101 through 5113 (20 U.S.C. 7201, 7213) (as transferred by paragraph (4)) as sections 4101 through 4113, respectively, and by redesignating accordingly the references to such sections in part A of title IV (as so transferred);

(6) by transferring part C of title X (20 U.S.C. 8061 et seq.) (as amended by subsection (b)) to title IV and inserting such part C after part A of title IV (as transferred by paragraph (4));

(7) by redesignating part C of title IV (as transferred by paragraph (6)) as part B of title IV; and

(8) by redesignating sections 10301 through 10311 (20 U.S.C. 8061, 8067) (as transferred by paragraph (6)) as sections 4201 through 4211, respectively, and by redesignating accordingly the references to such sections in such part B of title IV (as so transferred and redesignated).

SEC. 402. DEVELOPMENT OF PUBLIC SCHOOL CHOICE PROGRAMS; REPORT CARDS.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART C—DEVELOPMENT OF PUBLIC SCHOOL CHOICE PROGRAMS

"SEC. 4301. GRANTS AUTHORIZED.

''(a) IN GENERAL.—From amounts made available to carry out this part for a fiscal year under section 4305, and not reserved under subsection (b), the Secretary is authorized to award grants, on a competitive basis, to local educational agencies to enable the local educational agencies to develop local public school choice programs.

''(b) RESERVATION FOR EVALUATION, TECHNICAL ASSISTANCE, AND DISSEMINATION.—From the amount appropriated under section 4305 for any fiscal year, the Secretary may reserve not more than 5 percent to carry out evaluations under subsection (c), to provide technical assistance, and to disseminate information.

''(c) EVALUATIONS.—The Secretary may use funds reserved under subsection (b) to carry out 1 or more evaluations of programs assisted under this part, which shall, at a minimum, address—

''(1) how, and the extent to which, the programs supported with funds under this part promote educational equity and excellence; and

"(2) the extent to which public schools of choice supported with funds under this part are—

"(A) held accountable to the public;

"(B) effective in improving public education; and

"(C) open and accessible to all students.

"(b) DURATION.—Grants under this part may be awarded for a period not to exceed 3 years.

"SEC. 4302. DEFINITION OF HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.

"In this part, the term 'high-poverty local educational agency' means a local educational agency in which the percentage of children, ages 5 to 17, from families with incomes below 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 for the most recent fiscal year for which satisfactory data are available is 20 percent or greater.

"SEC. 4303. USES OF FUNDS.

"(a) IN GENERAL.—

"(1) PUBLIC SCHOOL CHOICE.—Funds under this part may be used to demonstrate, develop, implement, evaluate, and disseminate information on innovative approaches to promote public school

choice, including the design and development of new public school choice options, the development of new strategies for overcoming barriers to effective public school choice, and the design and development of public school choice systems that promote high standards for all students and the continuous improvement of all public schools.

"(2) INNOVATIVE APPROACHES.—Such approaches at the school, local educational agency, and State levels may include—

"(A) inter-district approaches to public school choice, including approaches that increase equal access to high-quality educational programs and diversity in schools;

"(B) public elementary and secondary programs that involve partnerships with institutions of higher education and that are located on the campuses of those institutions;

"(C) programs that allow students in public secondary schools to enroll in postsecondary courses and to receive both secondary and postsecondary academic credit;

"(D) worksite satellite schools, in which State or local educational agencies form partnerships with public or private employers, to

create public schools at parents' places of employment; and

"(E) approaches to school desegregation that provide students and parents choice through strategies other than magnet schools.

"(b) LIMITATIONS.—Funds under this part—

"(1) shall supplement, and not supplant, non-Federal funds expended for existing public school choice programs; and

"(2) may be used for providing transportation services or costs, except that not more than 10 percent of the funds received under this part shall be used by the local educational agency to provide such services or costs.

"SEC. 4304. GRANT APPLICATION; PRIORITIES.

"(a) APPLICATION REQUIRED.—A State or local educational agency desiring to receive a grant under this part shall submit an application to the Secretary.

"(b) APPLICATION CONTENTS.—Each application shall include—

"(1) a description of the program for which funds are sought and the goals for such program;

"(2) a description of how the program funded under this part will be coordinated with, and will

complement and enhance, programs under other related Federal and non-Federal projects;

"(3) if the program includes partners, the name of each partner and a description of the partner's responsibilities;

"(4) a description of the policies and procedures the applicant will use to ensure—

"(A) its accountability for results, including its goals and performance indicators; and

"(B) that the program is open and accessible to, and will promote high academic standards for, all students; and

"(5) such other information as the Secretary may require.

"(c) PRIORITIES.—

"(1) HIGH-POVERTY AGENCIES.—The Secretary shall give a priority to applications for projects that would serve high-poverty local educational agencies.

"(2) PARTNERSHIPS.—The Secretary may give a priority to applications demonstrating that the applicant will carry out the applicant's project in partnership with 1 or more public and private agencies, organizations, and institutions, including institutions of higher education and public and private employers.

"SEC. 4305. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART D—REPORT CARDS

"SEC. 4401. REPORT CARDS.

''(a) GRANTS AUTHORIZED.—The Secretary shall award a grant, from allotments under subsection (b), to each State having a State report card meeting the requirements described in subsection (g), to enable the State annually to publish report cards for each elementary school and secondary school that receives funding under this Act and is served by the State.

''(b) RESERVATIONS AND ALLOTMENTS.—

''(1) RESERVATIONS.—From the amount appropriated under subsection (e) to carry out this part for each fiscal year, the Secretary shall reserve—

''(A) ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary, consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs for assistance under this part; and

"(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this part, as determined by the Secretary, for activities, approved by the Secretary, consistent with this part.

"(2) STATE ALLOTMENTS.—From the amount appropriated under subsection (e) for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot to each State having a State report card meeting the requirements described in subsection (g) an amount that bears the same relationship to the remainder as the number of public school students enrolled in elementary schools and secondary schools in the State bears to the number of such students so enrolled in all States.

"(c) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving a grant under subsection (a) shall allocate the grant funds that remain after making the reservation described in subsection (d) to each local educational agency in the State in an amount that bears the same relationship to the remainder as the number of public school students enrolled in elementary schools and secondary schools served by the local educational agency

bears to the number of such students so enrolled in all local educational agencies within the State.

"(d) STATE RESERVATION OF FUNDS.—Each State educational agency receiving a grant under subsection (a) may reserve—

"(1) not more than 10 percent of the grant funds to carry out activities described under subsections (f) and (g), and (i)(1) for fiscal year 2002; and

"(2) not more than 5 percent of the grant funds to carry out activities described under subsections (f) and (g), and (i)(1) for fiscal year 2002 and each of the 3 succeeding fiscal years.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $5,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(f) ANNUAL STATE REPORT.—

"(1) REPORTS REQUIRED.—

"(A) IN GENERAL.—Except as provided in paragraph (3), 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 report on all elementary schools and secondary schools within the

State that receive funds under part A of title I or part A of title II.

"(B) STATE REPORT CARDS ON EDUCATION.—In the case of a State that publishes State report cards on education, the State shall include in such report cards the information described in subsection (g).

"(C) REPORT CARDS ON ALL PUBLIC SCHOOLS.—In the case of a State that publishes a report card on all public elementary schools and secondary schools in the State, the State shall include, at a minimum, the information described in subsection (g) for all schools that receive funds under part A of title I or part A of title II.

"(2) IMPLEMENTATION; REQUIREMENTS.—

"(A) IMPLEMENTATION.—The State shall ensure implementation at all levels of the report cards described in paragraph (1).

"(B) REQUIREMENTS.—Annual report cards under this part shall be—

"(i) concise; and

"(ii) presented in a format and manner that parents can understand including,

to the extent practicable, in a language the parents can understand.

"(3) PUBLICATION THROUGH OTHER MEANS.—In the event that the State provides no such report card, the State shall, not later than the beginning of the 2001–2002 school year, publicly report the information described in subsection (g) for all schools that receive funds under part A of title I or part A of title II through other public means.

"(g) CONTENT OF ANNUAL STATE REPORTS.—

"(1) REQUIRED INFORMATION.—Each State described in subsection (f)(1)(A), at a minimum, shall include in the annual State report information on each local educational agency and school that receives funds under part A of title I or part A of title II within the State, including information regarding—

"(A) student performance on statewide assessments for the year for which the annual State report is made, and the preceding year, in at least English language arts and mathematics, including—

"(i) a comparison of the proportions of students who performed at the basic, proficient, and advanced levels in each sub-

ject area, for each grade level at which assessments are required under title I, with proportions in each of the same 4 levels at the same grade levels in the previous school year;

''(ii) a statement on the 3-year trend in the percentage of students performing at the basic, proficient, and advanced levels in each subject area, for each grade level for which assessments are required under title I; and

''(iii) a statement of the percentage of students not tested and a listing of categories of the reasons why such students were not tested;

''(B) student retention rates in grades, the number of students completing advanced placement courses, and 4-year graduation rates;

''(C) the professional qualifications of teachers in the aggregate, including the percentage of teachers teaching with emergency or provisional credentials, the percentage of class sections not taught by fully qualified teachers, and the percentage of teachers who are fully qualified; and

"(D) the professional qualifications of paraprofessionals in the aggregate, the number of paraprofessionals in the aggregate, and the ratio of paraprofessionals to teachers in the classroom.

"(2) STUDENT DATA.—Student data in each report shall contain disaggregated results for the following categories:

"(A) Racial and ethnic groups.

"(B) Gender.

"(C) Economically disadvantaged students, as compared to students who are not economically disadvantaged.

"(D) Students with limited English proficiency, as compared to students who are proficient in English.

"(3) OPTIONAL INFORMATION.—A State may include in the State annual report any other information the State determines appropriate to reflect school quality and school achievement, including by grade level information on average class size and information on school safety, such as the incidence of school violence and drug and alcohol abuse, and the incidence of student suspensions and expulsions.

"(4) WAIVER.—The Secretary may grant a waiver to a State seeking a waiver of the requirements of this subsection if the State demonstrates to the Secretary that—

"(A) the content of existing State report cards meets the goals of this part; and

"(B) the State is taking identifiable steps to meet the requirements of this subsection.

"(h) LOCAL EDUCATIONAL AGENCY AND SCHOOL REPORT CARDS.—

"(1) REPORT REQUIRED.—

"(A) IN GENERAL.—The State shall ensure that each local educational agency, elementary school, or secondary school receiving funds under part A of title I or part A of title II in the State, collects appropriate data and publishes an annual report card consistent with this subsection.

"(B) REQUIRED INFORMATION.—Each local educational agency, elementary school, and secondary school described in subparagraph (A), at a minimum, shall include in its annual report card—

"(i) the information described in subsections (g)(1) and (2) for each local educational agency and school;

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

"(I) information regarding the number and percentage of schools identified for school improvement, including schools identified under section 1116 of this Act, served by the local educational agency;

"(II) information on the 3-year trend in the number and percentage of elementary schools and secondary schools identified for school improvement; and

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

"(iii) in the case of an elementary school or a secondary school—

"(I) information regarding 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 schools served by the same local educational agency and to all students in the State; and

"(iii) other appropriate information, whether or not the information is included in the annual State report.

"(2) SPECIAL RULE.—A local educational agency that issues report cards for all public elementary schools and secondary schools served by the agency shall include, at a minimum, the information described in subsection (g) for all schools that receive funds under part A of title I or part A of title II.

"(i) DISSEMINATION AND ACCESSIBILITY OF REPORTS AND REPORT CARDS.—

"(1) STATE REPORTS.—State annual reports under subsection (g) shall be disseminated to all elementary schools, secondary schools, and local educational agencies in the State, and made broadly available to the public through means such as post-

ing on the Internet and distribution to the media, and through public agencies.

"(2) LOCAL REPORT CARDS.—Local educational agency report cards under subsection (h) shall be disseminated to all elementary schools and secondary schools served by the local educational agency and to all parents of students attending such schools, and made broadly available to the public through means such as posting on the Internet and distribution to the media, and through public agencies.

"(3) SCHOOL REPORT CARDS.—Elementary school and secondary school report cards under subsection (h) shall be disseminated to all parents of students attending that school, and made broadly available to the public, through means such as posting on the Internet and distribution to the media, and through public agencies.

"(j) PARENTS RIGHT-TO-KNOW.—

"(1) QUALIFICATIONS.—A local educational agency that receives funds under part A of title I or part A of title II shall provide, upon request, in an understandable and uniform format, to any parent of a student attending any school receiving funds under part A of title I or part A of title II, information regarding the professional qualifications of the

student's classroom teachers, including, at a minimum—

"(A) whether the teacher has met State certification or licensing criteria for the grade levels and subject areas in which the teacher provides instruction;

"(B) whether the teacher is teaching under emergency or other provisional status through which State certification or licensing criteria are waived;

"(C) the baccalaureate degree major of the teacher, any other graduate certification or degree held by the teacher, and the field of discipline of each such certification or degree; and

"(D) whether the student is provided services by paraprofessionals, and the qualifications of any such paraprofessional.

"(2) ADDITIONAL INFORMATION.—In addition to the information that parents may request under paragraph (1), and the information provided in report cards under this part, a school that receives funds under part A of title I or part A of title II shall provide, to the extent practicable, to each individual parent or guardian—

"(A) information on the level of performance of the individual student, for whom they are the parent or guardian, in each of the State assessments as required under part A of title I; and

"(B) timely notice that the student, for whom they are the parent or guardian, was assigned or taught for 2 or more consecutive weeks by a substitute teacher or by a teacher not fully qualified.

"(k) COORDINATION OF STATE PLAN CONTENT.—A State shall include in its plan under part A of title I or part A of title II, an assurance that the State has in effect a policy that meets the requirements of this section.

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

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

TITLE V—IMPACT AID

SEC. 501. IMPACT AID.

(a) Section 8014 (20 U.S.C. 7714) is amended—

(1) in subsection (a)—

(A) by striking ''$16,750,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for'';

(2) in subsection (b)—

(A) by striking ''$775,000,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for'';

(3) in subsection (c)—

(A) by striking ''$45,000,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for'';

(4) in subsection (d)—

(A) by striking ''$2,000,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for'';

(5) in subsection (e)—

(A) by striking ''$25,000,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for'';

(6) in subsection (f)—

(A) by striking ''$2,000,000 for fiscal year 1995 and''; and

(B) by inserting ''fiscal year 2002 and'' after ''necessary for''; and

(7) in subsection (g), by striking ''1998'' and inserting ''2002''.

(b) REPEALS, TRANSFERS, AND REDESIGNATIONS.—The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by repealing title V (20 U.S.C. 7201 et seq.);

(2) by redesignating title VIII (20 U.S.C. 7701 et seq.) (as amended by subsection (a)) as title V, and transferring the title to follow title IV (as amended by section 402);

(3) by redesignating references to title VIII as references to title V (as redesignated and transferred by paragraph (2)); and

(4) by redesignating sections 8001 through 8014 (20 U.S.C. 7701, 7714) (as transferred by paragraph (2)) as sections 5001 through 5014, respectively, and redesignating accordingly the references to such sections.

TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

SEC. 601. HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES.

Title VI (20 U.S.C. 7301 et seq.) is amended to read as follows:

"TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

"SEC. 6001. DEFINITIONS OF STATE.

''In this title:

''(1) AUTHENTIC TASK.—The term 'authentic task' means a real world task that—

''(A) is challenging, meaningful, multidisciplinary, and interactive;

''(B) involves reasoning, problem solving, and composition; and

''(C) is not a discrete component skill that has no obvious connection with students' activities outside of school.

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

"SEC. 6002. PROGRAMS AUTHORIZED.

"(a) GRANTS AUTHORIZED.—From the amount appropriated under section 6009 for a fiscal year, the Secretary shall award a grant to each State educational agency having a State plan approved under section 6005(a)(4) to enable the State educational agency to award grants to local educational agencies in the State.

"(b) RESERVATIONS AND ALLOTMENTS.—

"(1) RESERVATIONS.—From the amount appropriated under section 6009 for a fiscal year, the Secretary shall reserve—

"(A) not more than ½ of 1 percent of such amount for payments to the Bureau of Indian Affairs for activities, approved by the Secretary, consistent with this title;

"(B) not more than ½ of 1 percent of such amounts for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this title as determined by the Secretary, for activities, approved by the Secretary, consistent with this title; and

"(C) such sums as may be necessary to continue to support any multiyear award made under titles III, IV, V (part B), or X (as such titles were in effect on the day preceding the

date of enactment of the Education Reform Act) until the completion of the multiyear award.

"(2) STATE ALLOTMENTS.—

"(A) IN GENERAL.—From the amount appropriated under section 6009 for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot to each State having a State plan approved under section 6005(a)(4) the sum of—

"(i) an amount that bears the same relationship to 50 percent of the remainder as the amount the State received under part A of title I bears to the amount all States received under such part; and

"(ii) an amount that bears the same relationship to 50 percent of the remainder as the school-age population in the State bears to the school-age population in all States.

"(B) DATA.—For the purposes of determining the school-age population in a State and in all States, the Secretary shall use the latest available Bureau of the Census data.

"(c) STATE MINIMUM.—For any fiscal year, no State shall be allotted under this section an amount that is less than 0.4 percent of the total amount allotted to all States under subsection (b)(2).

"(d) HOLD-HARMLESS AMOUNTS.—For fiscal year 2001, notwithstanding subsection (e), the amount allotted to each State under this section shall be not less than 100 percent of the total amount the State was allotted in formula grants under titles III, IV, and VI (as such titles were in effect on the day preceding the date of enactment of the Education Reform Act) for the preceding fiscal year.

"(e) RATABLE REDUCTIONS.—If the sums made available under subsection (b)(2)(A) for any fiscal year are insufficient to pay the full amounts that all State educational agencies are eligible to receive under that subsection for such year, the Secretary shall ratably reduce such amounts for such year.

"SEC. 6003. WITHIN STATE ALLOCATION.

"(a) SHORT TITLE.—Each State educational agency for a State receiving a grant award under section 6003(b)(2) shall—

"(1) set aside not more than 1 percent of the grant funds for the cost of administering the activities under this title;

"(2) set aside not more than 4 percent of the grant funds to—

"(A) provide for the establishment of high-quality, internationally competitive content and student performance standards and strategies that all students will be expected to meet;

"(B) provide for the establishment of high-quality, rigorous assessments that include multiple measures and demonstrate comprehensive knowledge;

"(C) encourage and enable all State educational agencies and local educational agencies to develop, implement, and strengthen comprehensive education improvement plans that address student achievement, teacher quality, parent involvement, and reliable measurement and evaluation methods; and

"(D) encourage and enable all States to develop and implement value-added assessments, including model value-added assessments identified by the Secretary under section 7004(a)(6); and

"(3) using the remaining 95 percent of the grant funds, make grants by allocating to each local educational agency in the State having a local edu-

cational agency plan approved under section 6005(b)(3) the sum of—

"(A) an amount that bears the same relationship to 50 percent of such remainder as the amount the local educational agency received under part A of title I bears to the amount all local educational agencies in the State received under such part; and

"(B) an amount that bears the same relationship to 50 percent of such remainder as the school-age population in the area served by the local educational agency bears to the school-age population in the area served by all local educational agencies in the State.

"(b) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—Each eligible local educational agency receiving a grant under subsection (a) shall contribute resources with respect to the local authorized activities to be assisted under this title in case or in-kind from non-Federal sources in an amount equal to 25 percent of the Federal funds awarded under the grant.

"(2) WAIVER.—A local educational agency may apply to the State educational agency may grant a

waiver of the requirements of paragraph (1) to a local educational agency that—

"(A) applies for such a waiver; and

"(B) demonstrates extreme circumstances for being unable to meet such requirements.

"SEC. 6004. PLANS.

"(a) STATE PLANS.—

"(1) IN GENERAL.—The State educational agency for each State desiring a grant under this title shall submit a State plan to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

"(3) CONTENTS.—Each plan submitted under paragraph (1) shall—

"(A) describe how the State educational agency will assist each local educational agency and school served under this title to comply with the requirements described in section 6006 that are applicable to the local educational agency or school;

"(B) certify that the State has in place the standards and assessments required under section 1111;

"(C) certify that the State educational agency has a system, as required under section 1111, for—

"(i) holding each local educational agency and school accountable for adequate yearly progress (as defined in section 1111(b)(2)(B));

"(ii) identifying local educational agencies and schools that are in need of improvement and corrective action (as required in sections 1116 and 1117);

"(iii) assisting local educational agencies and schools that are identified for improvement with the development of improvement plans; and

"(iv) providing technical assistance, professional development, and other capacity building as needed to get such agencies and schools out of improvement status;

"(D) certify that the State educational agency shall use the disaggregated results of student assessments required under section

1111(b)(4), and other measures or indicators available, to review annually the progress of each local educational agency and school served under this title to determine whether or not each such agency and school is making adequate yearly progress as required under section 1111;

"(E) certify that the State educational agency will take action against a local educational agency that is in corrective action and receiving funds under this title as described in section 6006(d)(1);

"(F) describe what, if any, State and other resources will be provided to local educational agencies and schools served under this title to carry out activities consistent with this title; and

"(G) certify that the State educational agency has a system to hold local educational agencies accountable for meeting the annual performance objectives required under subsection (b)(2)(C).

"(4) APPROVAL.—The Secretary, using a peer review process, shall approve a State plan if the

State plan meets the requirements of this subsection.

"(5) DURATION OF THE PLAN.—Each State plan shall remain in effect for the duration of the State's participation under this title.

"(6) REQUIREMENT.—A State shall not be eligible to receive funds under this title unless the State has established the standards and assessments required under section 1111.

"(b) LOCAL PLANS.—

"(1) IN GENERAL.—Each local educational agency shall annually submit a local educational agency plan 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 local educational agency shall—

"(A) describe the programs for which funds allocated under section 6004(3) will be used and the reasons for the selection of such programs;

"(B) describe the methods the local educational agency will use to measure the annual impact of programs described under subpara-

graph (A) and the extent to which such programs will increase student academic performance;

"(C) describe the annual, quantifiable, and measurable performance goals and objectives for each program described under subparagraph (A) and the extent to which such goals and objectives are aligned with State content and student performance standards;

"(D) describe how the local educational agency will hold schools accountable for meeting the intended performance objectives for each program described under subparagraph (C);

"(E) provide an assurance that the local educational agency has met the local plan requirements described in section 1112 for—

"(i) holding schools accountable for adequate yearly progress, including meeting annual numerical goals for improving the performance of all groups of students based on the student performance standards set by the State under section 1111(b)(1)(D)(ii);

"(ii) identifying schools for school improvement or corrective action;

"(iii) fulfilling the local educational agency's school improvement responsibilities described in section 1116, including taking corrective actions under section 1116(c)(10); and

"(iv) providing technical assistance, professional development, or other capacity building to schools served by the agency;

"(F) certify that the local educational agency will take action against a school that is in corrective action and receiving funds under this title as described under section 6006(d)(2);

"(G) describe what State and local resources will be contributed to carrying out programs described under subparagraph (A);

"(H) provide assurances that the local educational agency consulted, at a minimum, with parents, school board members, teachers, administrators, business partners, education organizations, and community groups to develop the local educational plan and select the programs to be assisted under this title; and

"(I) provide assurances that the local educational agency will continue such consultation

on a regular basis and will provide the State with annual evidence of such consultation.

"(3) APPROVAL.—The State, using a peer review process, shall approve a local educational agency plan if the plan meets the requirements of this subsection.

"(4) DURATION OF THE PLAN.—Each local educational agency plan shall remain in effect for the duration of the local educational agency's participation under this title.

"(5) PUBLIC REVIEW.—Each State educational agency will make publicly available each local educational agency plan approved under paragraph (3).

"SEC. 6005. LOCAL USES OF FUNDS AND ACCOUNTABILITY.

"(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a grant award under section 6004(3) may use not more than 1 percent of the grant funds for any fiscal year for the cost of administering this title.

"(b) REQUIRED ACTIVITIES.—Each local educational agency that receives a grant award under this title shall use grant funds remaining after the reservation under paragraph (a) in accordance with its local plan submitted under section 6004(b).

"(c) LIMITATIONS FOR SCHOOLS AND LOCAL EDUCATIONAL AGENCIES IN CORRECTIVE ACTION.—

"(1) LOCAL EDUCATIONAL AGENCIES IN CORRECTIVE ACTION.—If a local educational agency is identified for corrective action under section 1116(d), the State educational agency shall—

"(A) notwithstanding any other provision of law, specify how the local educational agency shall spend the grant funds in order to focus the local educational agency on activities that will be the most effective in raising student performance levels; and

"(B) implement corrective action in accordance with the provisions for corrective action described in section 1116(d).

"(2) SCHOOLS IN CORRECTIVE ACTION.—If a school is identified for corrective action under section 1116(c), the local educational agency shall—

"(A) specify how the school shall spend grant funds received under this section in order to focus on activities that will be the most effective in raising student performance levels; and

"(B) implement corrective action in accordance with the provisions for corrective action described in section 1116(c)(10).

"(3) DURATION.—Limitations imposed on schools and local educational agencies in corrective action under paragraphs (1) and (2) shall remain in effect until such time as the school or local educational agency has made sufficient improvement, as determined by the State educational agency, and is no longer in corrective action.

"SEC. 6006. STATE AND LOCAL RESPONSIBILITIES.

"(a) DATA REVIEW.—

"(1) STATE AND LOCAL REVIEW.—A State educational agency shall jointly review with a local educational agency described in section 6006(d)(1) the local educational agency's data gathered from student assessments and other measures required under section 1111(b)(4), in order to determine how the local educational agency shall spend the grant funds pursuant to section 6006(d)(1)(A) in order to substantially increase student performance levels.

"(1) SCHOOL AND LOCAL REVIEW.—A local educational agency shall jointly review with a school described in section 6006(d)(2) the school's data gathered from student assessments and other measures required under section 1111(b)(4), in order to determine how the school shall spend grant funds

pursuant to section 6006(d)(2) in order to substantially increase student performance levels.

"(b) TECHNICAL ASSISTANCE.—

"(1) STATE ASSISTANCE.—

"(A) A State educational agency shall provide, upon request by a local educational agency receiving grant funds under this title, technical assistance to the local educational agency and schools served by the local educational agency, including assistance in analyzing student performance and the impact of programs assisted under this title and identifying the best instructional strategies and methods for carrying out such programs.

"(B) State assistance may be provided by—

"(i) the State educational agency; or

"(ii) with the local educational agency's approval, by an institution of higher education, a private not-for-profit or for-profit organization, an educational service agency, the recipient of a Federal contract or cooperative agreement as described in section 7005, a nontraditional entity such as a corporation or consulting firm, or any

other entity with experience in the program area for which the assistance is being sought.

"(2) LOCAL ASSISTANCE.—

"(A) A local educational agency shall provide, upon request by an elementary school or secondary school served by the agency, technical assistance to such school, including assistance in analyzing student performance and the impact of programs assisted under this title, and identifying the best instructional strategies and methods for carrying out such programs.

"(B) Local assistance may be provided by—

"(i) the State educational agency or local educational agency; or

"(ii) with the school's approval, by an institution of higher education, a private not-for-profit or for-profit organization, an educational service agency, the recipient of a Federal contract or cooperative agreement as described in section 7005, a non-traditional entity such as a corporation or consulting firm, or any other entity with

experience in the program area for which the assistance is being sought.

"SEC. 6007. LOCAL REPORTS.

''Each local educational agency receiving funds under this title shall annually publish and disseminate to the public in a format and, to the extent practicable, in a language that parents can understand, a report on—

''(1) information describing the use of funds in the 4 category areas described in section 6006(b);

''(2) the impact of such programs and an assessment of such programs' effectiveness; and

''(3) the local educational agency's progress toward attaining the goals and objectives described under section 6005(b), and the extent to which programs assisted under this title have increased student achievement.

"SEC. 6008. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $1,000,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

TITLE VII—ACCOUNTABILITY

SEC. 701. ACCOUNTABILITY.

Title VII of the Act (20 U.S.C. 7401 et seq.) is amended to read as follows:

"TITLE VII—ACCOUNTABILITY

"SEC. 7001. SANCTIONS.

''(a) THIRD FISCAL YEAR.—If performance objectives established under a covered provision have not been met by a State receiving grant funds under such provision by the end of the third fiscal year for which the State receives such grant funds, the Secretary shall reduce by 50 percent the amount the State is entitled to receive for administrative expenses under such provision.

''(b) FOURTH FISCAL YEAR.—If the State fails to meet the performance objectives established under a covered provision by the end of the fourth fiscal year for which the State receives grant funds under the covered provision, the Secretary shall reduce the total amount the State receives under title VI by 30 percent.

''(c) DURATION.—If the Secretary determines, under subsection (a) or (b), that a State failed to meet the performance objectives established under a covered provision for a fiscal year, the Secretary shall reduce grant funds in accordance with subsection (a) or (b) for the State for each subsequent fiscal year until the State demonstrates that the State met the performance objectives for the fiscal year preceding the demonstration.

"(d) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance, if sought, to a State subjected to sanctions under subsection (a) or (b).

"(e) LOCAL SANCTIONS.—

"(1) IN GENERAL.—Each State receiving assistance under title I, II, III, or VI shall develop a system to hold local educational agencies accountable for meeting—

"(A) the performance objectives established under part A of title II, part A of title III, and title VI; and

"(B) the adequate yearly progress requirements established under part A of title I, and required under part A of title III and title VI.

"(2) SANCTIONS.—A system developed under paragraph (c) shall include a mechanism for sanctioning local educational agencies for low performance with regard to failure to meet such performance objectives and adequate yearly progress levels.

"(f) DEFINITIONS.—In this section:

"(1) COVERED PROVISION.—The term 'covered provision' means part A of title I, part A of title II, part A of title III, and section 6005(b)(2)(C).

"(2) PERFORMANCE OBJECTIVES.—The term 'performance objectives' means in the case of—

"(A) part A of title I, the adequate yearly progress levels established under subsections (b)(2)(A)(iii) and (b)(2)(B) of section 1111;

"(B) part A of title II, the set of performance objectives established in section 2014;

"(C) part A of title III, the set of performance objectives established in section 3109; and

"(D) title VI, the set of performance objectives set by each local educational agency in section 6005(b)(2)(C).

"SEC. 7002. REWARDING HIGH PERFORMANCE.

"(a) STATE REWARDS.—

"(1) IN GENERAL.—From amounts appropriated under subsection (d), and from amounts made available as a result of reductions under section 7001, the Secretary shall make awards to States that—

"(A) for 3 consecutive years have—

"(i) exceeded the States' performance objectives established for any title under this Act;

"(ii) exceeded their adequate yearly progress levels established in section 1111(b);

"(iii) significantly narrowed the gaps between minority and non-minority students, and between economically disadvantaged and non-economically disadvantaged students;

"(iv) raised all students to the proficient standard level prior to 10 years from the date of enactment of the Education Reform Act; or

"(v) significantly increased the percentage of core classes being taught by fully qualified teachers teaching in schools receiving funds under part A of title I; or

"(B) by not later than fiscal year 2003, ensure that all teachers teaching in the States' public elementary schools and secondary schools are fully qualified.

"(2) STATE USE OF FUNDS.—

"(A) DEMONSTRATION SITES.—Each State receiving an award under paragraph (1) shall use a portion of the award that is not distributed under subsection (b) to establish demonstration sites with respect to high-performing schools (based on achievement or performance

levels) objectives and adequate yearly progress in order to help low-performing schools.

"(B) IMPROVEMENT OF PERFORMANCE.—Each State receiving an award under paragraph (1) shall use the portion of the award that is not used pursuant to subparagraph (A) or (C) and is not distributed under subsection (b) for the purpose of improving the level of performance of all elementary and secondary school students in the State, based on State content and performance standards.

"(C) RESERVATION FOR ADMINISTRATIVE EXPENSES.—Each State receiving an award under paragraph (1) may set aside not more than ½ of 1 percent of the award for the planning and administrative costs of carrying out this section, including the costs of distributing awards to local educational agencies.

"(b) LOCAL EDUCATIONAL AGENCY AWARDS.—

"(1) IN GENERAL.—Each State receiving an award under subsection (a)(1) shall distribute 80 percent of the award funds to local educational agencies in the State that—

"(A) for 3 consecutive years have—

"(i) exceeded the State-established local educational agency performance objectives established for any title under this Act;

"(ii) exceeded the adequate yearly progress level established under section 1111(b)(2);

"(iii) significantly narrowed the gaps between minority and nonminority students, and between economically disadvantaged and noneconomically disadvantaged students;

"(iv) raised all students enrolled in schools within the local educational agency to the proficient standard level prior to 10 years from the date of enactment of the Education Reform Act; or

"(v) significantly increased the percentage of core classes being taught by fully qualified teachers teaching in schools receiving funds under part A of title I; or

"(B) not later than December 31, 2003, ensured that all teachers teaching in the elementary schools and secondary schools served

by the local educational agencies are fully qualified; or

"(C) have attained consistently high achievement in another area that the State deems appropriate to reward.

"(2) SCHOOL-BASED PERFORMANCE AWARDS.—A local educational agency may use funds made available under paragraph (1) for activities such as school-based performance awards.

"(3) RESERVATION FOR ADMINISTRATIVE EXPENSES.—Each local educational agency receiving an award under paragraph (1) may set aside not more than ½ of 1 percent of the award for the planning and administrative costs of carrying out this section, including the costs of distributing awards to eligible elementary schools and secondary schools, teachers, and principals.

"(c) SCHOOL REWARDS.—Each local educational agency receiving an award under subsection (b) shall consult with teachers and principals to develop a reward system, and shall use the award funds—

"(1) to reward individual schools that demonstrate high performance with respect to—

"(A) increasing the academic achievement of all students;

"(B) narrowing the academic achievement gap described in section 1111(b)(2)(B)(vii);

"(C) improving teacher quality;

"(D) increasing high-quality professional development for teachers, principals, and administrators; or

"(E) improving the English proficiency of limited English proficient students;

"(2) to reward collaborative teams of teachers, or teams of teachers and principals, that—

"(A) significantly increase the annual performance of low-performing students; or

"(B) significantly improve in a fiscal year the English proficiency of limited English proficient students;

"(3) to reward principals who successfully raise the performance of a substantial number of low-performing students to high academic levels;

"(4) to develop or implement school district-wide programs or policies to increase the level of student performance on State assessments that are aligned with State content standards; and

"(5) to reward schools for consistently high achievement in another area that the local educational agency deems appropriate to reward.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2001, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(e) DEFINITION.—The term 'low-performing student' means students who are below the basic State standard level.

"SEC. 7003. SUPPLEMENT NOT SUPPLANT.

"A State educational agency and local educational agency shall use funds under this title to supplement, and, not supplant, Federal, State, and local funds that, in the absence of funds under this title, would otherwise be spent for activities of the type described in section 7002.

"SEC. 7004. SECRETARY'S ACTIVITIES.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, from amounts appropriated under subsection (b) and not reserved under subsection (c), the Secretary may—

"(1) support activities of the National Board for Professional Teaching Standards;

"(2) study and disseminate information regarding model programs assisted under this Act;

"(3) provide training and technical assistance to States, local educational agencies, elementary schools and secondary schools, Indian tribes, and

other recipients of grant funds under this Act that are carrying out activities assisted under this Act, including entering into contracts or cooperative agreements with public or private nonprofit entities or consortia of such entities, in order to provide comprehensive training and technical assistance related to the administration and implementation of activities assisted under this Act;

''(4) support activities that will promote systemic education reform at the State and local levels;

''(5) award grants or contracts to public or private nonprofit entities to enable the entities—

''(A) to develop and disseminate exemplary reading, mathematics, science, and technology educational practices, and instructional materials to States, local educational agencies, and elementary schools and secondary schools; and

''(B) to provide technical assistance for the implementation of teaching methods and assessment tools for use by elementary schools and secondary school students, teachers, and administrators;

''(6) disseminate information on models of value-added assessments;

"(7) award a grant or contract to a public or private nonprofit entity or consortium of such entities for the development and dissemination of exemplary programs and curricula for accelerated and advanced learning for all students, including gifted and talented students;

"(8) award a grant or contract with Reading Is Fundamental, Inc. and other public or private nonprofit entities to support and promote programs which include the distribution of inexpensive books to students and literacy activities that motivate children to read; and

"(9) provide assistance to States—

"(A) by assisting in the development of English language development standards and high-quality assessments, if requested by a State participating in activities under subtitle A of title III; and

"(B) by developing native language tests for limited English proficient students that a State may administer to such students to assess student achievement in at least reading, science, and mathematics, consistent with section 1111.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section

$150,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(c) RESERVATION.—From the amounts appropriated under subsection (b) the Secretary shall reserve $10,000,000 for the purposes of carrying out activities under section 1202(c).".

TITLE VIII—GENERAL PROVISIONS AND REPEALS

SEC. 801. REPEALS, TRANSFERS, AND REDESIGNATIONS REGARDING TITLES VIII AND XIV.

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

(1) by inserting after title VII the following:

"TITLE VIII—GENERAL PROVISIONS";

(2) by repealing sections 14514 and 14603 (20 U.S.C. 8904, 8923);

(3)(A) by transferring title XIV (20 U.S.C. 8801 et seq.) to title VIII and inserting such title after the title heading for title VIII; and

(B) by striking the title heading for title XIV;

(4)(A) by redesignating part H of title VIII (as redesignated by paragraph (3)) as part I of title VIII; and

(B) by redesignating the references to part H of title VIII as references to part I of title VIII;

(5) by inserting after part G of title VIII the following:

"PART H—SUPPLEMENT, NOT SUPPLANT

"SEC. 8801. SUPPLEMENT, NOT SUPPLANT.

''A State educational agency or local educational agency shall use funds received under the Act to supplement, and not supplant, State and local funds that, in the absence of funds under this Act, would otherwise be spent for activities under this Act.'';

(6) by redesignating the references to title XIV as references to title VIII;

(7)(A) by redesignating sections 14101 through 14103 (20 U.S.C. 8801, 8803) (as transferred by paragraph (3)) as sections 8101 through 8103, respectively; and

(B) by redesignating the references to such sections 14101 through 14103 as references to sections 8101 through 8103, respectively;

(8)(A) by redesignating sections 14201 through 14206 (20 U.S.C. 8821, 8826) (as transferred by paragraph (3)) as sections 8201 through 8206, respectively; and

(B) by redesignating the references to such sections 14201 through 14206 as references to sections 8201 through 8206, respectively;

(9)(A) by redesignating sections 14301 through 14307 (20 U.S.C. 8851, 8857) (as transferred by paragraph (3)) as sections 8301 through 8307, respectively; and

(B) by redesignating the references to such sections 14301 through 14307 as references to sections 8301 through 8307, respectively;

(10)(A) by redesignating section 14401 (20 U.S.C. 8881) (as transferred by paragraph (3)) as section 8401; and

(B) by redesignating the references to such section 14401 as references to section 8401;

(11)(A) by redesignating sections 14501 through 14513 (20 U.S.C. 8891, 8903) (as transferred by paragraph (3)) as sections 8501 through 8513, respectively; and

(B) by redesignating the references to such sections 14501 through 14513 as references to sections 8501 through 8513, respectively;

(12)(A) by redesignating sections 14601 and 14602 (20 U.S.C. 8921, 8922) (as transferred by

paragraph (3)) as sections 8601 and 8602, respectively; and

(B) by redesignating the references to such sections 14601 and 14602 as references to sections 8601 and 8602, respectively;

(13)(A) by redesignating section 14701 (20 U.S.C. 8941) (as transferred by paragraph (3)) as section 8701; and

(B) by redesignating the references to such section 14701 as references to section 8701; and

(14)(A) by redesignating sections 14801 and 14802 (20 U.S.C. 8961, 8962) (as transferred by paragraph (3)) as sections 8901 and 8902, respectively; and

(B) by redesignating the references to such sections 14801 and 14802 as references to sections 8901 and 8902, respectively.

(b) AMENDMENTS.—Title VIII (as so transferred and redesignated) is amended—

(1) in section 8101(10) (as redesignated by subsection (a)(7))—

(A) by striking subparagraphs (C) through (F); and

(B) by adding after subparagraph (B) the following:

"(C) part A of title II;

"(D) part A of title III; and

"(E) title IV.";

(2) in section 8102 (as redesignated by subsection (a)(7)), by striking "VIII" and inserting "V";

(3) in section 8201 (as redesignated by subsection (a)(8))—

(A) in subsection (a)(2), by striking ", and administrative funds under section 308(c) of the Goals 2000: Educate America Act"; and

(B) by striking subsection (f);

(4) in section 8203(b) (as redesignated by subsection (a)(8)), by striking "Improving America's Schools Act of 1994" and inserting "Education Reform Act";

(5) in section 8204 (as redesignated by subsection (a)(8))—

(A) by striking subsection (b); and

(B) in subsection (a)—

(i) in paragraph (2)—

(I) in the matter preceding subparagraph (A), by striking "1995" and inserting "2001";

(II) in subparagraph (B), by inserting ''professional development,'' after ''curriculum development,''; and

(ii) in paragraph (4)—

(I) by striking ''and section 410(b) of the Improving America's Schools Act of 1994''; and

(II) by striking ''paragraph (2)'' and inserting ''subsection (a)(2)'';

(III) by striking the following:

''(4) RESULTS.—'' and inserting the following: ''(b) RESULTS.—'';

(IV) by striking the following:

''(A) develop'' and inserting the following: ''(1) develop''; and

(V) by striking the following:

''(B) within'' and inserting the following: ''(2) within'';

(6) in section 8205(a)(1) (as redesignated by subsection (a)(8)), by striking ''part A of title IX'' and inserting ''part B of title III'';

(7) in section 8206 (as redesignated by subsection (a)(8))—

(A) by striking ''(a) UNNEEDED PROGRAM FUNDS.—''; and

(B) by striking subsection (b);

(8) in section 8302(a)(2) (as redesignated by subsection (a)(9))—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively;

(9) in section 8304(b) (as redesignated by subsection (a)(9)), by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act'';

(10) in section 8401 (as redesignated by subsection (a)(10))—

(A) in subsection (a), by striking ''Except as provided in subsection (c),'' and inserting ''Notwithstanding any other provision regarding waivers in this Act and except as provided in subsection (c),''; and

(B) in subsection (c)(8), by striking ''part C of title X'' and inserting ''part B of title IV'';

(11) in section 8502 (as redesignated by subsection (a)(11)), by striking ''VIII'' and inserting ''V'';

(12) in section 8503(b)(1) (as redesignated by subsection (a)(11))—

(A) by striking subparagraphs (B) through (E);

(B) by redesignating subparagraph (A) as subparagraph (B);

(C) by inserting before subparagraph (B) the following:

''(A) part A of title I;''; and

(D) by adding at the end the following:

''(C) title II;

''(D) title III;

''(E) title VI.''; and

(13) in section 8506(d) (as redesignated by subsection (a)(11)), by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act'';

(14) in section 8513 (as redesignated by subsection (a)(11)), by striking ''Improving America's Schools Act of 1994'' each place it appears and inserting ''Education Reform Act'';

(15) in section 8601 (as redesignated by subsection (a)(12))—

(A) in subsection (b)(3)—

(i) in subparagraph (A), by striking ''Improving America's Schools Act of

1994'' and inserting ''Education Reform Act''; and

(ii) in subparagraph (B), by striking ''Improving America's Schools Act'' and inserting ''Education Reform Act''; and

(B) in subsection (f), by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act''; and

(16) in section 8701(b) (as redesignated by subsection (a)(13))—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking ''Improving America's Schools Act of 1994'' and inserting ''Education Reform Act'';

(II) in clause (ii), by striking ''such as the initiatives under the Goals 2000: Educate America Act, and'' and inserting ''under''; and

(III) in clause (v), by striking '', the Advisory Council on Education Statistics, and the National Education Goals Panel'' and inserting ''and the

Advisory Council on Education Statistics''; and

(ii) in subparagraph (C)(ii), by striking ''the School-to-Work Opportunities Act of 1994, and the Goals 2000: Educate America Act'' and inserting ''and the School-to-Work Opportunities Act of 1994''; and

(B) in paragraph (3), by striking ''1998'' and inserting ''2004''.

SEC. 802. OTHER REPEALS.

Titles V and XIII (20 U.S.C. 7201 et seq., and 8601 et seq.) and the Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) are repealed.

TITLE IX—TECHNOLOGY FOR EDUCATION

SEC. 901. TECHNOLOGY FOR EDUCATION.

Title X (20 U.S.C. 8001 et seq.) is amended to read as follows:

''SEC. 10101. SHORT TITLE.

''This title may be cited as the 'Technology for Education Act of 2000'.

"PART A—TECHNOLOGY FOR EDUCATION OF ALL STUDENTS

"SEC. 10111. FINDINGS.

''The Congress finds that—

''(1) technology can produce far greater opportunities for all students to learn to high standards, promote efficiency and effectiveness in education, and help propel our Nation's school systems into very immediate and dramatic reform, without which our Nation will not meet the National Education Goals by the target year 2000;

''(2) the use of technology as a tool in the teaching and learning process is essential to the development and maintenance of a technologically literate citizenry and an internationally competitive workforce;

''(3) the acquisition and use of technology in education throughout the United States has been inhibited by—

''(A) the absence of Federal leadership;

''(B) the inability of many State and local educational agencies to invest in and support needed technologies;

''(C) the limited exposure of students and teachers to the power of technology as a cost-

effective tool to improve student learning and achievement;

"(D) the lack of appropriate electrical and telephone connections in the classroom; and

"(E) the limited availability of appropriate technology-enhanced curriculum, instruction, professional development, and administrative support resources and services in the educational marketplace;

"(4) policies at the Federal, State, and local levels concerning technology in education must address disparities in the availability of technology to different groups of students, give priority to serving students in greatest need, and recognize that educational telecommunications and technology can address educational equalization concerns and school restructuring needs by providing universal access to high-quality teaching and programs, particularly in urban and rural areas;

"(5) the increasing use of new technologies and telecommunications systems in business has increased the gap between schooling and work force preparation, and underscores the need for technology policies at the Federal, State, tribal, and

local levels that address preparation for school-to-work transitions;

''(6) technology can enhance the ongoing professional development of teachers and administrators by providing constant access to updated research in teaching and learning by means of telecommunications, and, through exposure to technology advancements, keep teachers and administrators excited and knowledgeable about unfolding opportunities for the classroom;

''(7) planned and creative uses of technology, combined with teachers adequately trained in the use of technology, can reshape our Nation's traditional method of providing education and empower teachers to create an environment in which students are challenged through rigorous, rich classroom instruction provided at a pace suited to each student's learning style, and in which students have increased opportunities to develop higher order thinking and technical skills;

''(8) schools need new ways of financing the acquisition and maintenance of educational technology;

''(9) the needs for educational technology differ from State to State;

"(10) technology can provide students, parents, teachers, other education professionals, communities, and industry with increased opportunities for partnerships and with increased access to information, instruction, and educational services in schools and other settings, including homes, libraries, preschool and child-care facilities, adult and family education programs, and postsecondary institutions;

"(11) the Department, consistent with the overall national technology policy established by the President, must assume a vital leadership and coordinating role in developing the national vision and strategy to infuse advanced technology throughout all educational programs;

"(12) Federal support can ease the burden at the State and local levels by enabling the acquisition of advanced technology and initiating the development of teacher training and support as well as new educational products;

"(13) leadership at the Federal level should consider guidelines to ensure that educational technology is accessible to all users with maximum interoperability nationwide;

"(14) the rapidly changing nature of technology requires coordination and flexibility in Federal leadership; and

"(15) technology has the potential to assist and support the improvement of teaching and learning in schools and other settings.

"SEC. 10112. STATEMENT OF PURPOSE.

"The purpose of this part is to support a comprehensive system for the acquisition and use by elementary and secondary schools in the United States of technology and technology-enhanced curricula, instruction, and administrative support resources and services to improve the delivery of educational services. Such system shall include—

"(1) national leadership with respect to the need for, and the provision of, appropriate technology-enhanced curriculum, instruction, and administrative programs to improve learning in the United States, and to promote equal access for all students to educational opportunities in order to achieve the National Education Goals by the year 2000;

"(2) funding mechanisms which will support the development, interconnection, implementation, improvement, and maintenance of an effective educational technology infrastructure, including activities undertaken by State and local educational agen-

cies to promote and provide equipment, training for teachers and school library and media personnel, and technical support;

''(3) support for technical assistance, professional development, information and resource dissemination, in order to help States, local educational agencies, teachers, school library and media personnel, and administrators successfully integrate technology into kindergarten through 12th grade classrooms and library media centers;

''(4) support for the development of educational and instructional programming in core subject areas, which shall address the National Education Goals;

''(5) strengthening and building upon, but not duplicating, existing telecommunications infrastructures dedicated to educational purposes;

''(6) development and evaluation of new and emerging educational technologies, telecommunications networks, and state-of-the-art educational technology products that promote the use of advanced technologies in the classroom and school library media center;

''(7) assessment data regarding state-of-the-art uses of technologies in United States education upon which commercial and noncommercial telecommuni-

cations entities, and governments can rely for decisionmaking about the need for, and provision of, appropriate technologies for education in the United States;

''(8) ensuring that uses of educational technology are consistent with the overall national technology policy established by the President, and ensuring that Federal technology-related policies and programs will facilitate the use of technology in education;

''(9) ensuring that activities supported under this part will form the basis for sound State and local decisions about investing in, sustaining, and expanding uses of technology in education;

''(10) establishing working guidelines to ensure maximum interoperability nationwide and ease of access for the emerging technologies so that no school system will be excluded from the technological revolution;

''(11) ensuring that, as technological advances are made, the educational uses of these advances are considered and their applications are developed; and

''(12) encouragement of collaborative relationships among the State agency for higher education, the State library administrative agency, the State

telecommunications agency, and the State educational agency, in the area of technology support to strengthen the system of education.

"SEC. 10113. DEFINITIONS.

''For purposes of this title—

''(1) the term 'adult education' has the same meaning given such term by section 203 of the Adult Education and Family Literacy Act;

''(2) 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, students who have dropped out of school, and academically talented students;

''(3) the term 'information infrastructure' means a network of communication systems designed to exchange information among all citizens and residents of the United States;

''(4) the term 'instructional programming' means the full range of audio and video data, text, graphics, or additional state-of-the-art communications, including multimedia based resources distributed through interactive, command and control, or

passive methods for the purpose of education and instruction;

"(5) the terms 'interoperable' and 'interoperability' mean the ability to exchange easily data with, and connect to, other hardware and software in order to provide the greatest accessibility for all students and other users;

"(6) the term 'Office' means the Office of Educational Technology;

"(7) the term 'public telecommunications entity' has the same meaning given to such term by section 397(12) of the Communications Act of 1934;

"(8) the term 'regional educational laboratory' means a regional educational laboratory supported under section 941(h) of the Educational, Research, Development, Dissemination, and Improvement Act of 1994;

"(9) 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;

"(10) the term 'State library administrative agency' has the same meaning given to such term in section 3 of the Library Services and Construction Act; and

"(11) 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, and video and audio tapes.

"SEC. 10114. AUTHORIZATION OF APPROPRIATIONS; FUNDING RULE.

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) SUBPARTS 1, 2, AND 3.—There are authorized to be appropriated $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years to carry out subparts 1, 2, and 3, of which—

"(A)(i) $3,000,000 shall be available to carry out subpart 1 (National Programs for Technology in Education) for any such year for which the amount appropriated under this subsection is less than $75,000,000; and

"(ii) $5,000,000 shall be available to carry out subpart 1 for any such year for which the amount appropriated under this subsection is equal to or greater than $75,000,000;

"(B) $10,000,000 shall be available to carry out subpart 3 (Regional Technical Support and Professional Development) for each such year; and

"(C) the remainder shall be available to carry out subpart 2 (State and Local Programs for School Technology Resources) for each such year.

"(2) SUBPART 4.—For the purpose of carrying out subpart 4, there are authorized to be appropriated $50,000,000 for fiscal year 2001 and such sums as may be necessary for each of the four succeeding fiscal years.

"(b) FUNDING RULE.—

"(1) APPROPRIATIONS OF LESS THAN $75,000,000.—For any fiscal year for which the amount appropriated under subsection (a)(1) is less than $75,000,000, from the remainder of funds made available under subsection (a)(1)(C) the Secretary shall award grants for the National Challenge Grants in accordance with section 10136.

"(2) APPROPRIATIONS EQUAL TO OR GREATER THAN $75,000,000.—For any fiscal year for which the amount appropriated under subsection (a)(1) is equal to or greater than $75,000,000, from the re-

mainder of funds made available under subsection (a)(1)(C) the Secretary shall award grants to State educational agencies from allotments under section 10131, except that the Secretary may reserve, from such remainder, such funds as the Secretary determines necessary to meet outstanding obligations for such fiscal year to continue the National Challenge Grants for Technology awarded under section 10136.

"SEC. 10115. LIMITATION ON COSTS.

''Not more than 5 percent of the funds under this part that are made available to a recipient of funds under this part for any fiscal year may be used by such recipient for administrative costs or technical assistance.

"Subpart 1—National Programs for Technology in Education

"SEC. 10121. NATIONAL LONG-RANGE TECHNOLOGY PLAN.

''(a) IN GENERAL.—The Secretary shall develop and publish not later than 12 months after the date of the enactment of the Education Reform Act, and update when the Secretary determines appropriate, a national long-range plan that supports the overall national technology policy and carries out the purposes of this part.

''(b) PLAN REQUIREMENTS.—The Secretary shall—

"(1) develop the national long-range plan in consultation with other Federal departments or agencies, State and local education practitioners and policymakers, 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, and providers of technology services and products;

"(2) transmit such plan to the President and to the appropriate committees of the Congress; and

"(3) publish such plan in a form that is readily accessible to the public.

"(c) CONTENTS OF THE PLAN.—The national long-range plan shall describe the Secretary's activities to promote the purposes of this title, including—

"(1) how the Secretary will encourage the effective use of technology to provide all students the opportunity to achieve State content standards and State student performance standards, especially through programs administered by the Department;

"(2) joint activities in support of the overall national technology policy 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 Bureau 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) how the Secretary will work with educators, State and local educational agencies, and appropriate representatives of the private sector to facilitate the effective use of technology in education;

"(4) how the Secretary will promote—

"(A) higher achievement 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 education;

"(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) how 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 education;

"(6) how 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 education;

"(7) how the Secretary will utilize the outcomes of the evaluation undertaken pursuant to section 10123 to promote the purposes of this part; and

"(8) the Secretary's long-range measurable goals and objectives relating to the purposes of this part.

"SEC. 10122. FEDERAL LEADERSHIP.

"(a) PROGRAM AUTHORIZED.—In order to provide Federal leadership in promoting the use of technology in education, the Secretary, in consultation with the National Science Foundation, the Department of Commerce, the United States National Commission on Libraries and Information Sciences, and other appropriate Federal agencies, may carry out activities designed to achieve the purposes of this part directly or by awarding grants or contracts competitively and pursuant to a peer review process to, or entering into contracts with, State educational agencies, local educational agencies, institutions of higher education, or other public and private nonprofit or for-profit agencies and organizations.

"(b) ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall provide assistance to the States to enable such States to plan effectively for the use of technology in all schools throughout the State in accordance with the

purpose and requirements of section 317 of the Goals 2000: Educate America Act.

"(2) OTHER FEDERAL AGENCIES.—For the purpose of carrying out coordinated or joint activities consistent with the purposes of this part, the Secretary may accept funds from, and transfer funds to, other Federal agencies.

"(c) USES OF FUNDS.—The Secretary shall use funds made available to carry out this section for activities designed to carry out the purpose of this part, such as—

"(1) providing assistance to technical assistance providers to enable such providers to improve substantially the services such providers offer to educators regarding the uses of technology for education, including professional development;

"(2) providing development grants to technical assistance providers, to enable such providers to improve substantially the services such providers offer to educators on the educational uses of technology, including professional development;

"(3) consulting with representatives of industry, elementary and secondary education, higher education, adult and family education, and appropriate experts in technology and educational applications of

technology in carrying out activities under this subpart;

''(4) research on, and the development of, guidelines to facilitate maximum interoperability, efficiency and easy exchange of data for effective use of technology in education;

''(5) research on, and the development of, applications for education of the most advanced and newly emerging technologies which research shall be coordinated, when appropriate, with the Office of Educational Research and Improvement, and other Federal agencies;

''(6) the development, demonstration, and evaluation of the educational aspects of high performance computing and communications technologies and of the national information infrastructure, in providing professional development for teachers, school librarians, and other educators; enriching academic curricula for elementary and secondary schools; facilitating communications among schools, local educational agencies, libraries, parents, and local communities and in other such areas as the Secretary deems appropriate;

''(7) the development, demonstration, and evaluation of applications of existing technology in pre-

school education, elementary and secondary education, training and lifelong learning, and professional development of educational personnel;

''(8) the development and evaluation of software and other products, including multimedia television programming, that incorporate advances in technology and help achieve the National Education Goals, State content standards and State student performance standards;

''(9) the development, demonstration, and evaluation of model strategies for preparing teachers and other personnel to use technology effectively to improve teaching and learning;

''(10) the development of model programs that demonstrate the educational effectiveness of technology in urban and rural areas and economically distressed communities;

''(11) research on, and the evaluation of, the effectiveness and benefits of technology in education;

''(12) a biennial assessment of, and report to the public regarding, the uses of technology in elementary and secondary education throughout the United States upon which private businesses and Federal, State, tribal, and local governments may rely for decisionmaking about the need for, and pro-

vision of, appropriate technologies in schools, which assessment and report shall use, to the extent possible, existing information and resources;

"(13) conferences on, and dissemination of information regarding, the uses of technology in education;

"(14) the development of model strategies to promote gender equity concerning access to, and the use of, technology in the classroom;

"(15) encouraging collaboration between the Department and other Federal agencies in the development, implementation, evaluation and funding of applications of technology for education, as appropriate; and

"(16) such other activities as the Secretary determines will meet the purposes of this subpart.

"(d) NON-FEDERAL SHARE.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary may require any recipient of a grant or contract under this section to share in the cost of the activities assisted under such grant or contract, which non-Federal share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

"(2) INCREASE.—The Secretary may increase the non-Federal share that is required of a recipient of a grant or contract under this section after the first year such recipient receives funds under such grant or contract.

"(3) MAXIMUM.—The non-Federal share required under this section shall not exceed 50 percent of the cost of the activities assisted pursuant to a grant or contract under this section.

"SEC. 10123. STUDY, EVALUATION AND REPORT OF FUNDING ALTERNATIVES.

"The Secretary, through the Office of Educational Technology, shall conduct a study to evaluate, and report to the Congress on, the feasibility of several alternative models for providing sustained and adequate funding for schools throughout the United States so that such schools are able to acquire and maintain technology-enhanced curriculum, instruction, and administrative support resources and services. Such report shall be submitted to the Congress not later than one year after the date of enactment of the Education Reform Act.

"Subpart 2—State and Local Programs for School Technology Resources

"SEC. 10131. ALLOTMENT AND REALLOTMENT.

"(a) ALLOTMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each State educational agency shall be eligible to receive a grant under this subpart for a fiscal year in an amount which bears the same relationship to the amount made available under section 10114(a)(1)(C) 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 one-half of one percent of the amount made available under section 10115(a)(1)(C) for such year.

"(b) REALLOTMENT OF UNUSED FUNDS.—

"(1) IN GENERAL.—The amount of any State educational agency's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year to carry out this subpart 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 (a)

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 Secretary 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 agencies allotment under subsection (a) for such year.

''SEC. 10132. SCHOOL TECHNOLOGY RESOURCE GRANTS.

''(a) GRANTS TO STATES.—

''(1) IN GENERAL.—From amounts made available under section 10131, the Secretary, through the Office of Educational Technology, shall award grants to State educational agencies having applications approved under section 10133.

''(2) USE OF GRANTS.—(A) 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 10134.

"(B) 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.

"(b) TECHNICAL ASSISTANCE.—Each State educational agency receiving a grant under paragraph (1) 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 section 10133; and

"(2) offer such technical assistance to such local educational agencies.

"SEC. 10133. STATE APPLICATION.

"To receive funds under this subpart, each State educational agency shall submit a statewide educational technology plan which may include plans submitted under the Goals 2000: Educate America Act or other statewide tech-

nology plans which meet the requirements of this section. Such application shall be submitted to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each such application shall contain a systemic statewide plan that—

"(1) 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 programs, and institutions of higher education, can participate in the implementation, ongoing planning, and support of the plan; and

"(2) 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 carry out activities such as—

"(A) purchasing quality technology resources;

"(B) installing various linkages necessary to acquire connectivity;

"(C) integrating technology into the curriculum in order to improve student learning and achievement;

"(D) providing teachers and library media personnel with training or access to training;

"(E) providing administrative and technical support and services that improve student learning through enriched technology-enhanced resources, including library media resources;

"(F) promoting in individual schools the sharing, distribution, and application of educational technologies with demonstrated effectiveness;

"(G) assisting schools in promoting parent involvement;

"(H) assisting the community in providing literacy-related services;

"(I) establishing partnerships with private or public educational providers or other entities to serve the needs of children in poverty; and

"(J) providing assurances that financial assistance provided under this part shall supplement, not supplant, State and local funds.

"SEC. 10134. LOCAL USES OF FUNDS.

''Each local educational agency, to the extent possible, shall use the funds made available under section 10132(a)(2) for—

''(1) developing, adapting, or expanding existing and new applications of technology to support the school reform effort;

''(2) funding projects of sufficient size and scope to improve student learning and, as appropriate, support professional development, and provide administrative support;

''(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 learning by supporting the instructional program offered by such agency to ensure that students in schools will have meaningful access on a regular basis to such linkages, resources and services;

''(4) providing ongoing professional development in the integration of quality educational technologies into school curriculum and long-term planning for implementing educational technologies;

''(5) acquiring connectivity with wide area networks for purposes of accessing information and

educational programming sources, particularly with institutions of higher education and public libraries; and

"(6) providing educational services for adults and families.

"SEC. 10135. LOCAL APPLICATIONS.

"Each local educational agency desiring assistance from a State educational agency under section 10132(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—

"(1) include a strategic, long-range (three- to five-year), plan that includes—

"(A) 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;

"(B) an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency en-

hance teaching, training, and student achievement;

"(C) an explanation of how programs will be developed in collaboration with existing adult literacy services providers to maximize the use of such technologies;

"(D)(i) 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 educational agency to further the use of technology in the classroom or library media center; and

"(ii) a list of the source or sources of ongoing training and technical assistance available to schools, teachers and administrators served by the local educational agency, such as State technology offices, intermediate educational support units, regional educational laboratories or institutions of higher education;

"(E) 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 section;

"(F) the projected timetable for implementing such plan in schools;

"(G) the projected cost of technologies to be acquired and related expenses needed to implement such plan; and

"(H) a description of how the local educational agency will coordinate the technology provided pursuant to this subpart with other grant funds available for technology from State and local sources;

"(2) describe how the local educational agency will involve parents, public libraries, business leaders and community leaders in the development of such plan;

"(3) describe how the acquired instructionally based technologies will help the local educational agency—

"(A) promote equity in education in order to support State content standards and State student performance standards that may be developed; and

"(B) provide access for teachers, parents and students to the best teaching practices and curriculum resources through technology; and

"(4) describe a process for the ongoing evaluation of how technologies acquired under this section—

"(A) will be integrated into the school curriculum; and

"(B) will affect student achievement and progress toward meeting the National Education Goals and any challenging State content standards and State student performance standards that may be developed.

"(d) 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.

"(e) COORDINATION OF APPLICATION REQUIREMENTS.—If a local educational agency submitting an ap-

plication for assistance under this section has developed a comprehensive education improvement plan, in conjunction with requirements under this Act or the Goals 2000: Educate America Act, the State educational agency may approve such plan, or a component of such plan, notwithstanding the requirements of subsection (e) if the State educational agency determines that such approval would further the purposes of this subpart.

"SEC. 10136. NATIONAL CHALLENGE GRANTS FOR TECHNOLOGY IN EDUCATION.

''(a) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—From amounts made available under section 10115(b)(1) for any fiscal year the Secretary is authorized to award grants, on a competitive basis, to consortia having applications approved under subsection (d), which consortia shall include at least one local educational agency with a high percentage or number of children living below the poverty line and may include other local educational agencies, State educational agencies, institutions of higher education, businesses, academic content experts, software designers, museums, libraries, or other appropriate entities.

''(2) DURATION.—Grants under this section shall be awarded for a period of 5 years.

"(b) USE OF GRANTS.—Grants awarded under subsection (a) shall be used for activities similar to the activities described in section 10134.

"(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to consortia which demonstrate in the application submitted under subsection (d) that—

"(1) the project for which assistance is sought is designed to serve areas with a high number or percentage of disadvantaged students or the greatest need for educational technology;

"(2) the project will directly benefit students by, for example, integrating the acquired technologies into curriculum to help the local educational agency enhance teaching, training, and student achievement;

"(3) the project will ensure ongoing, sustained professional development for teachers, administrators, and school library media personnel served by the local educational agency to further the use of technology in the classroom or library media center;

"(4) the project will ensure successful, effective, and sustainable use of technologies acquired under this subsection; and

"(5) members of the consortia or other appropriate entities will contribute substantial financial and other resources to achieve the goals of the project.

"(d) APPLICATION.—Each local 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 reasonably require.

"SEC. 10137. FEDERAL ADMINISTRATION.

"(a) EVALUATION PROCEDURES.—The Secretary shall develop procedures for State and local evaluations of the programs under this subpart.

"(b) EVALUATION SUMMARY.—The Secretary shall submit to the Congress four years after the enactment of the Education Reform Act a summary of the State evaluations of programs under this subpart in accordance with the provisions of section 14701.

"Subpart 3—Regional Technical Support and Professional Development

"SEC. 10141. REGIONAL TECHNICAL SUPPORT AND PROFESSIONAL DEVELOPMENT.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary, through the Office of Educational Technology, shall make grants

in accordance with the provisions of this section, to regional entities such as the Eisenhower Mathematics and Science Regional Consortia under part C of title XIII, the regional education laboratories, the comprehensive regional assistance centers, or such other regional entities as may be designated or established by the Secretary. In awarding grants under this section, the Secretary shall give priority to such consortia and shall ensure that each geographic region of the United States shall be served by such a consortium.

''(2) REQUIREMENTS.—Each consortium receiving a grant under this section shall—

''(A) be composed of State educational agencies, institutions of higher education, nonprofit organizations, or a combination thereof;

''(B) in cooperation with State and local educational agencies, develop a regional program that addresses professional development, technical assistance, and information resource dissemination, with special emphasis on meeting the documented needs of educators and learners in the region; and

''(C) foster regional cooperation and resource and coursework sharing.

"(b) FUNCTIONS.—

"(1) TECHNICAL ASSISTANCE.—Each consortium receiving a grant under this section shall, to the extent practicable—

"(A) collaborate with State educational agencies and local educational agencies requesting collaboration, particularly in the development of strategies for assisting those schools with the highest numbers or percentages of disadvantaged students with little or no access to technology in the classroom;

"(B) provide information, in coordination with information available from the Secretary, to State educational agencies, local educational agencies, schools and adult education programs, on the types and features of various educational technology equipment and software available, evaluate and make recommendations on equipment and software that support the National Education Goals and are suited for a school's particular needs, and compile and share information regarding creative and effective applications of technology in the classroom and school library media centers in order to support the purposes of this part;

"(C) collaborate with such State educational agencies, local educational agencies, or schools requesting to participate in the tailoring of software programs and other supporting materials to meet challenging State content standards or challenging State student performance standards that may be developed; and

"(D) provide technical assistance to facilitate use of the electronic dissemination networks by State and local educational agencies and schools throughout the region.

"(2) PROFESSIONAL DEVELOPMENT.—Each consortium receiving a grant under this section shall, to the extent practicable—

"(A) develop and implement, in collaboration with State educational agencies and institutions of higher education, technology-specific, ongoing professional development, such as—

"(i) intensive school year and summer workshops that use teachers, school librarians, and school library personnel to train other teachers, school librarians, and other school library media personnel; and

"(ii) distance professional development, including—

"(I) interactive training telecourses using researchers, educators, and telecommunications personnel who have experience in developing, implementing, or operating educational and instructional technology as a learning tool;

"(II) onsite courses teaching teachers to use educational and instructional technology and to develop their own instructional materials for effectively incorporating technology and programming in their own classrooms;

"(III) methods for successful integration of instructional technology into the curriculum in order to improve student learning and achievement;

"(IV) video conferences and seminars which offer professional development through peer interaction with experts as well as other teachers using technologies in their classrooms; and

"(V) mobile education technology and training resources;

"(B) develop training resources that—

"(i) are relevant to the needs of the region and schools within the region;

"(ii) are relevant to the needs of adult literacy staff and volunteers, including on-site courses on how to—

"(I) use instructional technology; and

"(II) develop instructional materials for adult learning; and

"(iii) are aligned with the needs of teachers and administrators in the region;

"(C) establish a repository of professional development and technical assistance resources;

"(D) identify and link technical assistance providers to State and local educational agencies, as needed;

"(E) ensure that training, professional development, and technical assistance meet the needs of educators, parents, and students served by the region;

"(F) assist colleges and universities within the region to develop and implement preservice

training programs for students enrolled in teacher education programs; and

"(G) assist local educational agencies and schools in working with community members and parents to develop support from communities and parents for educational technology programs and projects.

"(3) INFORMATION AND RESOURCE DISSEMINATION.—Each consortium receiving a grant under this section shall, to the extent practicable—

"(A) assist State and local educational agencies in the identification and procurement of financial, technological and human resources needed to implement technology plans;

"(B) provide outreach and, at the request of a State or local educational agency, work with such agency to assist in the development and validation of instructionally based technology education resources; and

"(C) coordinate activities and establish partnerships with organizations and institutions of higher education that represent the interests of the region as such interests pertain to the application of technology in teaching, learning, instructional management, dissemination, col-

lection and distribution of educational statistics, and the transfer of student information.

''(4) COORDINATION.—Each consortium receiving a grant under this section shall work collaboratively, and coordinate the services the consortium provides, with appropriate regional and other entities assisted in whole or in part by the Department.

"Subpart 4—Product Development

"SEC. 10151. EDUCATIONAL TECHNOLOGY PRODUCT DEVELOPMENT.

''(a) PURPOSE.—It is the purpose of this subpart to—

''(1) support development of curriculum-based learning resources using state-of-the-art technologies and techniques designed to improve student learning; and

''(2) support development of long-term comprehensive instructional programming and associated support resources that ensure maximum access by all educational institutions.

''(b) FEDERAL ASSISTANCE AUTHORIZED.—

''(1) IN GENERAL.—The Secretary shall provide assistance, on a competitive basis, to eligible consortia to enable such entities to develop, produce, and distribute state-of-the-art technology-enhanced

instructional resources and programming for use in the classroom or to support professional development for teachers.

"(2) GRANTS AND LOANS AUTHORIZED.—In carrying out the purposes of this section, the Secretary is authorized to pay the Federal share of the cost of the development, production, and distribution of state-of-the-art technology enhanced instructional resources and programming—

"(A) by awarding grants to, or entering into contracts or cooperative agreements with, eligible consortia; or

"(B) by awarding loans to eligible consortia which—

"(i) shall be secured in such manner and be repaid within such period, not exceeding 20 years, as may be determined by the Secretary;

"(ii) shall bear interest at a rate determined by the Secretary which shall be not more than the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury; and

"(iii) may be forgiven by the Secretary, in an amount not to exceed 25 percent of the total loan, under such terms and conditions as the Secretary may consider appropriate.

"(3) MATCHING REQUIREMENT.—The Secretary may require any recipient of a grant or contract under this subpart to share in the cost of the activities assisted under such grant or contract, which non-Federal share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

"(4) ELIGIBLE CONSORTIUM.—For the purpose of this subsection, the term 'eligible consortium' means a consortium—

"(A) that shall include—

"(i) a State or local educational agency; and

"(ii) a business, industry, or telecommunications entity; and

"(B) that may include—

"(i) a public or private nonprofit organization; or

"(ii) a postsecondary institution.

"(5) PRIORITIES.—In awarding assistance under this section, the Secretary shall give priority to applications describing programs or systems that—

"(A) promote the acquisition of higher-order thinking skills and promise to raise the achievement levels of all students, particularly disadvantaged students who are not realizing their potential;

"(B) are aligned with challenging State content standards and State and local curriculum frameworks;

"(C) may be adapted and applied nationally at a reasonable cost over a broad technology platform;

"(D) convert technology resources developed with support from the Department of Defense and other Federal agencies for effective use in the classroom;

"(E) show promise of reducing the costs of providing high-quality instruction;

"(F) show promise of expanding access to high-quality instruction in content areas which would otherwise not be available to students in rural and urban communities or who are served

by other educational agencies with limited financial resources;

"(G) are developed in consultation with classroom teachers;

"(H) are developed through consultation and collaboration with appropriate education entities in designing the product to ensure relevance to the voluntary national content standards, the voluntary national student performance standards and State curriculum frameworks; and

"(I) are developed so that the product can be adapted for use by adults in need of literacy services, including English as a second language and preparation for a secondary school diploma or its recognized equivalent.

"(6) REQUIREMENTS FOR FEDERAL ASSISTANCE.—Each eligible consortium desiring Federal assistance under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe. Each application shall include—

"(A) a description of how the product will improve the achievement levels of students;

"(B) a description of how the activities assisted under this section will promote professional development of teachers and administrators in the uses and applications of the product, including the development of training materials;

"(C) a description of design, development, field testing, evaluation, and distribution of products, where appropriate;

"(D) an assurance that the product shall effectively serve a significant number or percentage of economically disadvantaged students;

"(E) plans for dissemination of products to a wide audience of learners;

"(F) a description of how the product can be adapted for use by students with disabilities including provisions for closed captioning or descriptive video, where appropriate;

"(G) a description of how ownership and rights to the use and marketing of any product developed by the consortium, including intellectual property rights, will be allocated among consortium participants; and

"(H) a description of the contributions, including services and funds, to be made by each member of the consortium, and how any reve-

nues derived from the sale of any product developed by the consortium shall be distributed.

''(c) CONSUMER REPORT.—The Secretary shall provide for the independent evaluation of products developed under this section and shall disseminate information about products developed pursuant to provisions of this section to State and local educational agencies, and other organizations or individuals that the Secretary determines to be appropriate, through print and electronic media that are accessible to the education community at large.

''(d) PROCEEDS.—The Secretary shall not prohibit an eligible consortium or any of the members of such consortium from receiving financial benefits from the distribution of any products resulting from the assistance received under this section. Notwithstanding any other provision of law, any profits or royalties received by a State educational agency, local educational agency, or other nonprofit member of an eligible consortium receiving assistance under this section shall be used to support further development of curriculum-based learning resources, services, and programming or to provide access to such products for a wider audience.

"PART B—STAR SCHOOLS PROGRAM

"SEC. 10201. SHORT TITLE.

''This part may be cited as the 'Star Schools Act'.

"SEC. 10202. FINDINGS.

"The Congress finds that—

"(1) the Star Schools program has helped to encourage the use of distance learning strategies to serve multi-State regions primarily by means of satellite and broadcast television;

"(2) in general, distance learning programs have been used effectively to provide students in small, rural, and isolated schools with courses and instruction, such as science and foreign language instruction, that the local educational agency is not otherwise able to provide; and

"(3) distance learning programs may also be used to—

"(A) provide students of all ages in all types of schools and educational settings with greater access to high-quality instruction in the full range of core academic subjects that will enable such students to meet challenging, internationally competitive, educational standards;

"(B) expand professional development opportunities for teachers;

"(C) contribute to achievement of the National Education Goals; and

"(D) expand learning opportunities for everyone.

"SEC. 10203. PURPOSE.

"It is the purpose of this part to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects, such as literacy skills and vocational education, and to serve underserved populations, including the disadvantaged, illiterate, limited-English proficient, and individuals with disabilities, through a star schools program under which grants are made to eligible telecommunication partnerships to enable such partnerships to—

"(1) develop, construct, acquire, maintain and operate telecommunications audio and visual facilities and equipment;

"(2) develop and acquire educational and instructional programming; and

"(3) obtain technical assistance for the use of such facilities and instructional programming.

"SEC. 10204. GRANTS AUTHORIZED.

"(a) AUTHORITY.—The Secretary, through the Office of Educational Technology, is authorized to make grants, in accordance with the provisions of this part, to eligible entities to pay the Federal share of the cost of—

"(1) the development, construction, acquisition, maintenance and operation of telecommunications facilities and equipment;

"(2) the development and acquisition of live, interactive instructional programming;

"(3) the development and acquisition of preservice and inservice teacher training programs based on established research regarding teacher-to-teacher mentoring, effective skill transfer, and ongoing, in-class instruction;

"(4) the establishment of teleconferencing facilities and resources for making interactive training available to teachers;

"(5) obtaining technical assistance; and

"(6) the coordination of the design and connectivity of telecommunications networks to reach the greatest number of schools.

"(b) DURATION.—

"(1) IN GENERAL.—The Secretary shall award grants pursuant to subsection (a) for a period of 5 years.

"(2) RENEWAL.—Grants awarded pursuant to subsection (a) may be renewed for one additional three-year period.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated $60,000,000 for fiscal year 2002, and

such sums as may be necessary for each of the four succeeding fiscal years, to carry out this part.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

"(d) LIMITATIONS.—

"(1) IN GENERAL.—A grant under this section shall not exceed—

"(A) five years in duration; and

"(B) $10,000,000 in any one fiscal year.

"(2) INSTRUCTIONAL PROGRAMMING.—Not less than 25 percent of the funds available to the Secretary in any fiscal year under this part shall be used for the cost of instructional programming.

"(3) SPECIAL RULE.—Not less than 50 percent of the funds available in any fiscal year under this part shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive asssistance under part A of title I.

"(e) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of the cost of projects funded under this section shall not exceed—

"(A) 75 percent for the first and second years for which an eligible telecommunications partnership receives a grant under this part;

"(B) 60 percent for the third and fourth such years; and

"(C) 50 percent for the fifth such year.

"(2) REDUCTION OR WAIVER.—The Secretary may reduce or waive the requirement of the non-Federal share under paragraph (1) upon a showing of financial hardship.

"(f) AUTHORITY TO ACCEPT FUNDS FROM OTHER AGENCIES.—The Secretary is authorized to accept funds from other Federal departments or agencies to carry out the purposes of this section, including funds for the purchase of equipment.

"(g) COORDINATION.—The Department, the National Science Foundation, the Department of Agriculture, the Department of Commerce, and any other Federal department or agency operating a telecommunications network for educational purposes, shall coordinate the activities assisted under this part with the activities of such department or agency relating to a telecommunications network for educational purposes.

"(h) CLOSED CAPTIONING AND DESCRIPTIVE VIDEO.—Each entity receiving funds under this part is encouraged to provide—

"(1) closed captioning of the verbal content of such program, where appropriate, to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies; and

"(2) descriptive video of the visual content of such program, as appropriate.

"SEC. 10205. ELIGIBLE ENTITIES.

"(a) ELIGIBLE ENTITIES.—

"(1) REQUIRED PARTICIPATION.—The Secretary may make a grant under section 10204 to any eligible entity, if at least one local educational agency is participating in the proposed project.

"(2) ELIGIBLE ENTITY.—For the purpose of this part, the term 'eligible entity' may include—

"(A) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interests of elementary and secondary schools that are eligi-

ble to participate in the program under part A of title I; or

"(B) a partnership that will provide telecommunications services and which includes 3 or more of the following entities, at least 1 of which shall be an agency described in clause (i) or (ii):

"(i) a local educational agency that serves a significant number of elementary and secondary schools that are eligible for assistance under part A of title I, or elementary and secondary schools operated or funded for Indian children by the Department of the Interior eligible under section 1121(b)(2);

"(ii) a State educational agency;

"(iii) adult and family education programs;

"(iv) an institution of higher education or a State higher education agency;

"(v) a teacher training center or academy that—

"(I) provides teacher pre-service and in-service training; and

"(II) receives Federal financial assistance or has been approved by a State agency;

"(vi) (I) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through satellite, cable, telephone, or computer; or

"(II) a public broadcasting entity with such experience; or

"(vii) a public or private elementary or secondary school.

"(b) SPECIAL RULE.—An eligible entity receiving assistance under this part shall be organized on a statewide or multistate basis.

"SEC. 10206. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Each eligible entity which desires to receive a grant under section 10204 shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) STAR SCHOOL AWARD APPLICATIONS.—Each application submitted pursuant to subsection (a) shall—

"(1) describe how the proposed project will assist in achieving the National Education Goals, how such project will assist all students to have an opportunity to learn to challenging State standards, how such project will assist State and local educational reform efforts, and how such project will contribute to creating a high quality system of lifelong learning;

"(2) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

"(A) the design, development, construction, acquisition, maintenance and operation of State or multistate educational telecommunications networks and technology resource centers;

"(B) microwave, fiber optics, cable, and satellite transmission equipment or any combination thereof;

"(C) reception facilities;

"(D) satellite time;

"(E) production facilities;

"(F) other telecommunications equipment capable of serving a wide geographic area;

"(G) the provision of training services to instructors who will be using the facilities and

equipment for which assistance is sought, including training in using such facilities and equipment and training in integrating programs into the classroom curriculum; and

"(H) the development of educational and related programming for use on a telecommunications network;

"(3) in the case of an application for assistance for instructional programming, describe the types of programming which will be developed to enhance instruction and training and provide assurances that such programming will be designed in consultation with professionals (including classroom teachers) who are experts in the applicable subject matter and grade level;

"(4) describe how the eligible entity has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible entity will increase the availability of courses of instruction in English, mathematics, science, foreign languages, arts, history, geography, or other disciplines;

"(5) describe the professional development policies for teachers and other school personnel to be implemented to ensure the effective use of the tele-

communications facilities and equipment for which assistance is sought;

''(6) describe the manner in which historically underserved students (such as students from low-income families, limited English proficient students, students with disabilities, or students who have low literacy skills) and their families, will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this part;

''(7) describe how existing telecommunications equipment, facilities, and services, where available, will be used;

''(8) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

''(9) provide assurances that a significant portion of any facilities and equipment, technical assistance, and programming for which assistance is sought for elementary and secondary schools will be made available to schools or local educational agencies that have a high number or percentage of children eligible to be counted under part A of title I;

"(10) provide assurances that the applicant will use the funds provided under this part to supplement and not supplant funds otherwise available for the purposes of this part;

"(11) if any member of the consortia receives assistance under subpart 3 of part A, describe how funds received under this part will be coordinated with funds received for educational technology in the classroom under such section;

"(12) describe the activities or services for which assistance is sought, such as—

"(A) providing facilities, equipment, training services, and technical assistance;

"(B) making programs accessible to students with disabilities through mechanisms such as closed captioning and descriptive video services;

"(C) linking networks around issues of national importance (such as elections) or to provide information about employment opportunities, job training, or student and other social service programs;

"(D) sharing curriculum resources between networks and development of program guides which demonstrate cooperative, cross-network

listing of programs for specific curriculum areas;

"(E) providing teacher and student support services including classroom and training support materials which permit student and teacher involvement in the live interactive distance learning telecasts;

"(F) incorporating community resources such as libraries and museums into instructional programs;

"(G) providing professional development for teachers, including, as appropriate, training to early childhood development and Head Start teachers and staff and vocational education teachers and staff, and adult and family educators;

"(H) providing programs for adults to maximize the use of telecommunications facilities and equipment;

"(I) providing teacher training on proposed or established voluntary national content standards in mathematics and science and other disciplines as such standards are developed; and

"(J) providing parent education programs during and after the regular school day which

reinforce a student's course of study and actively involve parents in the learning process;

"(13) describe how the proposed project as a whole will be financed and how arrangements for future financing will be developed before the project expires;

"(14) provide an assurance that a significant portion of any facilities, equipment, technical assistance, and programming for which assistance is sought for elementary and secondary schools will be made available to schools in local educational agencies that have a high percentage of children counted for the purpose of part A of title I;

"(15) provide an assurance that the applicant will provide such information and cooperate in any evaluation that the Secretary may conduct under this part; and

"(16) include such additional assurances as the Secretary may reasonably require.

"(c) PRIORITIES.—The Secretary, in approving applications for grants authorized under section 10204, shall give priority to applications describing projects that—

"(1) propose high-quality plans to assist in achieving one or more of the National Education Goals, will provide instruction consistent with State

content standards, or will otherwise provide significant and specific assistance to States and local educational agencies undertaking systemic education reform;

''(2) will provide services to programs serving adults, especially parents, with low levels of literacy;

''(3) will serve schools with significant numbers of children counted for the purposes of part A of title I;

''(4) ensure that the eligible entity will—

''(A) serve the broadest range of institutions, programs providing instruction outside of the school setting, programs serving adults, especially parents, with low levels of literacy, institutions of higher education, teacher training centers, research institutes, and private industry;

''(B) have substantial academic and teaching capabilities, including the capability of training, retraining, and inservice upgrading of teaching skills and the capability to provide professional development;

''(C) provide a comprehensive range of courses for educators to teach instructional strategies for students with different skill levels;

"(D) provide training to participating educators in ways to integrate telecommunications courses into existing school curriculum;

"(E) provide instruction for students, teachers, and parents;

"(F) serve a multistate area; and

"(G) give priority to the provision of equipment and linkages to isolated areas; and

"(5) involve a telecommunications entity (such as a satellite, cable, telephone, computer, or public or private television stations) participating in the eligible entity and donating equipment or in-kind services for telecommunications linkages.

"(d) GEOGRAPHIC DISTRIBUTION.—In approving applications for grants authorized under section 10204, the Secretary shall, to the extent feasible, ensure an equitable geographic distribution of services provided under this part.

"SEC. 10207. LEADERSHIP AND EVALUATION ACTIVITIES.

"(a) RESERVATION.—From the amount appropriated pursuant to the authority of section 10204(c)(1) in each fiscal year, the Secretary may reserve not more than 5 percent of such amount for national leadership, evaluation, and peer review activities.

"(b) METHOD OF FUNDING.—The Secretary may fund the activities described in subsection (a) directly or through grants, contracts, and cooperative agreements.

"(c) USES OF FUNDS.—

"(1) LEADERSHIP.—Funds reserved for leadership activities under subsection (a) may be used for—

"(A) disseminating information, including lists and descriptions of services available from grant recipients under this part; and

"(B) other activities designed to enhance the quality of distance learning activities nationwide.

"(2) EVALUATION.—Funds reserved for evaluation activities under subsection (a) may be used to conduct independent evaluations of the activities assisted under this part and of distance learning in general, including—

"(A) analyses of distance learning efforts, including such efforts that are assisted under this part and such efforts that are not assisted under this part; and

"(B) comparisons of the effects, including student outcomes, of different technologies in distance learning efforts.

"(3) PEER REVIEW.—Funds reserved for peer review activities under subsection (a) may be used for peer review of—

"(A) applications for grants under this part; and

"(B) activities assisted under this part.

"SEC. 10208. DEFINITIONS.

"As used in this part—

"(1) the term 'educational institution' means an institution of higher education, a local educational agency, or a State educational agency;

"(2) the term 'instructional programming' means courses of instruction and training courses for elementary and secondary students, teachers, and others, and materials for use in such instruction and training that have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices; and

"(3) the term 'public broadcasting entity' has the same meaning given such term in section 397 of the Communications Act of 1934.

"SEC. 10209. ADMINISTRATIVE PROVISIONS.

"(a) CONTINUING ELIGIBILITY.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under section 10204 for a second 3-

year grant period an eligible entity shall demonstrate in the application submitted pursuant to section 10206 that such partnership shall—

"(A) continue to provide services in the subject areas and geographic areas assisted with funds received under this part for the previous 5-year grant period; and

"(B) use all grant funds received under this part for the second 3-year grant period to provide expanded services by—

"(i) increasing the number of students, schools or school districts served by the courses of instruction assisted under this part in the previous fiscal year;

"(ii) providing new courses of instruction; and

"(iii) serving new populations of underserved individuals, such as children or adults who are disadvantaged, have limited-English proficiency, are individuals with disabilities, are illiterate, or lack secondary school diplomas or their recognized equivalent.

"(2) SPECIAL RULE.—Grant funds received pursuant to paragraph (1) shall be used to supple-

ment and not supplant services provided by the grant recipient under this part in the previous fiscal year.

"(b) FEDERAL ACTIVITIES.—The Secretary may assist grant recipients under section 10204 in acquiring satellite time, where appropriate, as economically as possible.

"SEC. 10210. OTHER ASSISTANCE.

"(a) SPECIAL STATEWIDE NETWORK.—

"(1) IN GENERAL.—The Secretary, through the Office of Educational Technology, may provide assistance to a statewide telecommunications network under this subsection if such network—

"(A) provides 2-way full motion interactive video and audio communications;

"(B) links together public colleges and universities and secondary schools throughout the State; and

"(C) meets any other requirements determined appropriate by the Secretary.

"(2) STATE CONTRIBUTION.—A statewide telecommunications network assisted under paragraph (1) shall contribute, either directly or through private contributions, non-Federal funds equal to not less than 50 percent of the cost of such network.

"(b) SPECIAL LOCAL NETWORK.—

"(1) IN GENERAL.—The Secretary may provide assistance, on a competitive basis, to a local educational agency or consortium thereof to enable such agency or consortium to establish a high technology demonstration program.

"(2) PROGRAM REQUIREMENTS.—A high technology demonstration program assisted under paragraph (1) shall—

"(A) include 2-way full motion interactive video, audio and text communications;

"(B) link together elementary and secondary schools, colleges, and universities;

"(C) provide parent participation and family programs;

"(D) include a staff development program; and

"(E) have a significant contribution and participation from business and industry.

"(3) SPECIAL RULE.—Each high technology demonstration program assisted under paragraph (1) shall be of sufficient size and scope to have an effect on meeting the National Education Goals.

"(4) MATCHING REQUIREMENT.—A local educational agency or consortium receiving a grant under paragraph (1) shall provide, either directly or

through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant.

"(c) TELECOMMUNICATIONS PROGRAMS FOR CONTINUING EDUCATION.—

"(1) AUTHORITY.—The Secretary is authorized to award grants, on a competitive basis, to eligible entities to enable such partnerships to develop and operate one or more programs which provide on-line access to educational resources in support of continuing education and curriculum requirements relevant to achieving a secondary school diploma or its recognized equivalent. The program authorized by this section shall be designed to advance adult literacy, secondary school completion and the acquisition of specified competency by the end of the 12th grade, as envisioned by the Goals 2000: Educate America Act.

"(2) APPLICATION.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary. Each such application shall—

"(A) demonstrate that the applicant will use publicly funded or free public telecommunications infrastructure to deliver video, voice and

data in an integrated service to support and assist in the acquisition of a secondary school diploma or its recognized equivalent;

"(B) assure that the content of the materials to be delivered is consistent with the accreditation requirements of the State for which such materials are used;

"(C) incorporate, to the extent feasible, materials developed in the Federal departments and agencies and under appropriate federally funded projects and programs;

"(D) assure that the applicant has the technological and substantive experience to carry out the program; and

"(E) contain such additional assurances as the Secretary may reasonably require.

"PART C—READY-TO-LEARN TELEVISION

"SEC. 10301. READY-TO-LEARN.

"(a) IN GENERAL.—The Secretary is authorized to award grants to or enter into contracts or cooperative agreements with eligible entities described in section 10302(b) to develop, produce, and distribute educational and instructional video programming for preschool and elementary school children and their parents in order to facilitate the achievement of the National Education Goals.

"(b) AVAILABILITY.—In making such grants, contracts, or cooperative agreements, the Secretary shall ensure that recipients make programming widely available with support materials as appropriate to young children, their parents, child care workers, and Head Start providers to increase the effective use of such programming.

"SEC. 10302. EDUCATIONAL PROGRAMMING.

"(a) AWARDS.—The Secretary shall award grants, contracts, or cooperative agreements to eligible entities to—

"(1) facilitate the development directly or through contracts with producers of children and family educational television programming, educational programming for preschool and elementary school children, and accompanying support materials and services that promote the effective use of such programming; and

"(2) enable such entities to contract with entities (such as public telecommunications entities and those funded under the Star Schools Act) so that programs developed under this section are disseminated and distributed to the widest possible audience appropriate to be served by the programming by the most appropriate distribution technologies.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under subsection (a), an entity shall be—

"(1) a nonprofit entity (including a public telecommunications entity) able to demonstrate a capacity for the development and distribution of educational and instructional television programming of high quality for preschool and elementary school children; and

"(2) able to demonstrate a capacity to contract with the producers of children's television programming for the purpose of developing educational television programming of high quality for preschool and elementary school children.

"(c) CULTURAL EXPERIENCES.—Programming developed under this section shall reflect the recognition of diverse cultural experiences and the needs and experiences of both boys and girls in engaging and preparing young children for schooling.

"SEC. 10303. DUTIES OF SECRETARY.

"The Secretary is authorized—

"(1) to establish and administer a Special Projects of National Significance program to award grants, contracts, or cooperative agreements to public and nonprofit private entities, or local public tele-

vision stations or such public television stations that are part of a consortium with one or more State educational agencies, local educational agencies, local schools, institutions of higher education, or community-based organizations of demonstrated effectiveness, for the purpose of—

"(A) addressing the learning needs of young children in limited English proficient households, and developing appropriate educational and instructional television programming to foster the school readiness of such children;

"(B) developing programming and support materials to increase family literacy skills among parents to assist parents in teaching their children and utilizing educational television programming to promote school readiness; and

"(C) identifying, supporting, and enhancing the effective use and outreach of innovative programs that promote school readiness;

"(2) to establish within the Department a clearinghouse to compile and provide information, referrals and model program materials and programming obtained or developed under this part to parents,

child care providers, and other appropriate individuals or entities to assist such individuals and entities in accessing programs and projects under this part; and

"(3) to develop and disseminate training materials, including—

"(A) interactive programs and programs adaptable to distance learning technologies that are designed to enhance knowledge of children's social and cognitive skill development and positive adult-child interactions; and

"(B) support materials to promote the effective use of materials developed under paragraph (2);

among parents, Head Start providers, in-home and center based day care providers, early childhood development personnel, and elementary school teachers, public libraries, and after school program personnel caring for preschool and elementary school children;

"(4) coordinate activities with the Secretary of Health and Human Services in order to—

"(A) maximize the utilization of quality educational programming by preschool and elementary school children, and make such pro-

gramming widely available to federally funded programs serving such populations; and

"(B) provide information to recipients of funds under Federal programs that have major training components for early childhood development, including Head Start, Even Start, and State training activities funded under the Child Care Development Block Grant Act of 1990 regarding the availability and utilization of materials developed under paragraph (3) to enhance parent and child care provider skills in early childhood development and education.

"SEC. 10304. APPLICATIONS.

"Each eligible entity desiring a grant, contract, or cooperative agreement under section 10301 or 10303 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"SEC. 10305. REPORTS AND EVALUATION.

"(a) ANNUAL REPORT TO SECRETARY.—An entity receiving funds under section 10301 shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities un-

dertaken with funds received under this section, including—

"(1) the programming that has been developed directly or indirectly by the entity, and the target population of the programs developed;

"(2) the support materials that have been developed to accompany the programming, and the method by which such materials are distributed to consumers and users of the programming;

"(3) the means by which programming developed under this section has been distributed, including the distance learning technologies that have been utilized to make programming available and the geographic distribution achieved through such technologies; and

"(4) the initiatives undertaken by the entity to develop public-private partnerships to secure non-Federal support for the development and distribution and broadcast of educational and instructional programming.

"(b) REPORT TO CONGRESS.—The Secretary shall prepare and submit to the relevant committees of Congress a biannual report which includes—

"(1) a summary of the information made available under section 10302(a); and

"(2) a description of the training materials made available under section 10303(3), the manner in which outreach has been conducted to inform parents and child care providers of the availability of such materials, and the manner in which such materials have been distributed in accordance with such section.

"SEC. 10306. ADMINISTRATIVE COSTS.

"With respect to the implementation of section 10302, entities receiving a grant, contract, or cooperative agreement from the Secretary may use not more than 5 percent of the amounts received under such section for the normal and customary expenses of administering the grant, contract, or cooperative agreement.

"SEC. 10307. DEFINITION.

"For the purposes of this part, the term 'distance learning' means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

"SEC. 10308. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, $16,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years. Not less than 60 percent of the amounts appropriated under this subsection

for each fiscal year shall be used to carry out section 10302.

"(b) SPECIAL PROJECTS.—Of the amount appropriated under subsection (b) for each fiscal year, at least 10 percent of such amount shall be used for each such fiscal year for activities under section 10303(1)(C).

"PART D—TELECOMMUNICATIONS DEMONSTRATION PROJECT FOR MATHEMATICS

"SEC. 10401. PROJECT AUTHORIZED.

"The Secretary is authorized to make grants to a nonprofit telecommunications entity, or partnership of such entities, for the purpose of carrying out a national telecommunications-based demonstration project to improve the teaching of mathematics. The demonstration project authorized by this part shall be designed to assist elementary and secondary school teachers in preparing all students for achieving State content standards.

"SEC. 10402. APPLICATION REQUIRED.

"(a) IN GENERAL.—Each nonprofit telecommunications entity, or partnership of such entities, desiring a grant under this part shall submit an application to the Secretary. Each such application shall—

"(1) demonstrate that the applicant will use the existing publicly funded telecommunications infrastructure to deliver video, voice and data in an inte-

grated service to train teachers in the use of new standards-based curricula materials and learning technologies;

"(2) assure that the project for which assistance is sought will be conducted in cooperation with appropriate State educational agencies, local educational agencies, State or local nonprofit public telecommunications entities, and a national mathematics education professional association that has developed content standards;

"(3) assure that a significant portion of the benefits available for elementary and secondary schools from the project for which assistance is sought will be available to schools of local educational agencies which have a high percentage of children counted for the purpose of part A of title I; and

"(4) contain such additional assurances as the Secretary may reasonably require.

"(b) APPROVAL OF APPLICATIONS; NUMBER OF DEMONSTRATION SITES.—In approving applications under this section, the Secretary shall assure that the demonstration project authorized by this part is conducted at elementary and secondary school sites in at least 15 States.

"SEC. 10403. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part, $5,000,000 for the fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years.

"PART E—ELEMENTARY MATHEMATICS AND SCIENCE EQUIPMENT PROGRAM

"SEC. 10501. SHORT TITLE.

''This part may be cited as the 'Elementary Mathematics and Science Equipment Act'.

"SEC. 10502. STATEMENT OF PURPOSE.

''It is the purpose of this part to raise the quality of instruction in mathematics and science in the Nation's elementary schools by providing equipment and materials necessary for hands-on instruction through assistance to State and local educational agencies.

"SEC. 10503. PROGRAM AUTHORIZED.

''The Secretary is authorized to make allotments to State educational agencies under section 10504 to enable such agencies to award grants to local educational agencies for the purpose of providing equipment and materials to elementary schools to improve mathematics and science education in such schools.

"SEC. 10504. ALLOTMENTS OF FUNDS.

"(a) IN GENERAL.—From the amount appropriated under section 10509 for any fiscal year, the Secretary shall reserve—

"(1) not more than one-half of 1 percent for allotment among Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands according to their respective needs for assistance under this part; and

"(2) one-half of 1 percent for programs for Indian students served by schools funded by the Secretary of the Interior which are consistent with the purposes of this part.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—The remainder of the amount so appropriated (after meeting requirements in subsection (a)) shall be allotted among State educational agencies so that—

"(A) one-half of such remainder shall be distributed by allotting to each State educational agency an amount which bears the same ratio to such one-half of such remainder as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all States; and

"(B) one-half of such remainder shall be distributed according to each State's share of allocations under part A of title I.

"(2) MINIMUM.—Except as provided in paragraph (3), no State educational agency shall receive an allotment under this subsection for any fiscal year in an amount that is—

"(A) less than one-half of 1 percent of the amount made available under this subsection for such fiscal year; or

"(B) less than the amount allotted to such State for fiscal year 1988 under title II of the Education for Economic Security Act.

"(3) RATABLE REDUCTIONS.—(A) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all State educational agencies are eligible to receive under paragraph (2)(B) for such year, the Secretary shall ratably reduce the allotment to such agencies for such year.

"(B) If additional funds become available for making payments under paragraph (2)(B) for such fiscal year, allotments that were reduced under subparagraph (A) shall be increased on the same basis as such allotments were reduced.

"(c) REALLOTMENT OF UNUSED FUNDS.—The amount of any State educational agency's allotment under subsection (b) for any fiscal year to carry out this part which the Secretary determines will not be required for that fiscal year to carry out this part shall be available for reallotment from time to time, on such dates during that year as the Secretary may determine, to other State educational agencies in proportion to the original allotments to those State educational agencies under subsection (b) for that year but with such proportionate amount for any of those other State educational agencies being reduced to the extent it exceeds the sum the Secretary estimates that the State educational agency needs and will be able to use for that year, and the total of those reductions 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 part of the State educational agency's allotment under subsection (b) for that year.

"(d) DEFINITION.—For the purposes of this part the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(e) DATA.—The number of children aged 5 to 17, inclusive, in the State and in all States shall be determined

by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

"SEC. 10505. STATE APPLICATION.

"(a) APPLICATION.—Each State educational agency desiring to receive an allotment under this part shall file an application with the Secretary which covers a period of 5 fiscal years. Such application shall be filed at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each application described in subsection (a) shall—

"(1) provide assurances that—

"(A) the State educational agency shall use the allotment provided under this part to award grants to local educational agencies within the State to enable such local educational agencies to provide assistance to schools served by such agency to carry out the purpose of this part;

"(B) the State educational agency will provide such fiscal control and funds accounting as the Secretary may require;

"(C) every public elementary school in the State is eligible to receive assistance under this part once over the 5-year duration of the program assisted under this part;

"(D) funds provided under this part will supplement, not supplant, State and local funds made available for activities authorized under this part;

"(E) during the 5-year period described in the application, the State educational agency will evaluate its standards and programs for teacher preparation and inservice professional development for elementary mathematics and science;

"(F) the State educational agency will take into account the needs for greater access to and participation in mathematics and science by students and teachers from historically underrepresented groups, including females, minorities, individuals with limited English proficiency, the economically disadvantaged, and individuals with disabilities; and

"(G) that the needs of teachers and students in areas with high concentrations of low-income students and sparsely populated areas will be given priority in awarding assistance under this part;

"(2) provide, if appropriate, a description of how funds paid under this part will be coordinated

with State and local funds and other Federal resources, particularly with respect to programs for the professional development and inservice training of elementary school teachers in science and mathematics; and

"(3) describe procedures—

"(A) for submitting applications for programs described in section 10506 for distribution of assistance under this part within the State; and

"(B) for approval of applications by the State educational agency, including appropriate procedures to assure that such agency will not disapprove an application without notice and opportunity for a hearing.

"(c) STATE ADMINISTRATION.—Not more than 5 percent of the funds allotted to each State educational agency under this part shall be used for the administrative costs of such agency associated with carrying out the program assisted under this part.

"SEC. 10506. LOCAL APPLICATION.

"(a) APPLICATION.—A local educational agency that desires to receive a grant under this part shall submit an application to the State educational agency. Each such application shall contain assurances that each school served

by the local educational agency shall be eligible for assistance under this part only once.

"(b) CONTENTS OF APPLICATION.—Each application described in subsection (a) shall—

"(1) describe how the local educational agency plans to set priorities on the use and distribution among schools of grant funds received under this part to meet the purpose of this part;

"(2) include assurances that the local educational agency has made every effort to match on a dollar-for-dollar basis from private or public sources the funds received under this part, except that no such application shall be penalized or denied assistance under this part based on failure to provide such matching funds;

"(3) describe, if applicable, how funds under this part will be coordinated with State, local, and other Federal resources, especially with respect to programs for the professional development and in-service training of elementary school teachers in science and mathematics; and

"(4) describe the process which will be used to determine different levels of assistance to be awarded to schools with different needs.

"(c) PRIORITY.—In awarding grants under this part, the State educational agency shall give priority to applications that—

"(1) assign highest priority to providing assistance to schools which—

"(A) are most seriously underequipped; or

"(B) serve large numbers or percentages of economically disadvantaged students;

"(2) are attentive to the needs of underrepresented groups in science and mathematics;

"(3) demonstrate how science and mathematics equipment will be part of a comprehensive plan of curriculum planning or implementation and teacher training supporting hands-on laboratory activities; and

"(4) assign priority to providing equipment and materials for students in grades 1 through 6.

"SEC. 10507. PROGRAM REQUIREMENTS.

"(a) COORDINATION.—Each State educational agency receiving an allotment under this part shall—

"(1) disseminate information to school districts and schools, including private nonprofit elementary schools, regarding the program assisted under this part;

"(2) evaluate applications of local educational agencies;

"(3) award grants to local educational agencies based on the priorities described in section 10506(c); and

"(4) evaluate local educational agencies' end-of-year summaries and submit such evaluation to the Secretary.

"(b) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), grant funds and matching funds under this part only shall be used to purchase science equipment, science materials, or mathematical manipulative materials and shall not be used for computers, computer peripherals, software, textbooks, or staff development costs.

"(2) CAPITAL IMPROVEMENTS.—Grant funds under this part may not be used for capital improvements. Not more than 50 percent of any matching funds provided by the local educational agency may be used for capital improvements of classroom science facilities to support the hands-on instruction that this part is intended to support, such as the installation of electrical outlets, plumbing, lab tables or counters, or ventilation mechanisms.

"SEC. 10508. FEDERAL ADMINISTRATION.

"(a) TECHNICAL ASSISTANCE AND EVALUATION PROCEDURES.—The Secretary shall provide technical assistance and, in consultation with State and local representatives of the program assisted under this part, shall develop procedures for State and local evaluations of the programs assisted under this part.

"(b) REPORT.—The Secretary shall report to the Congress each year on the program assisted under this part in accordance with section 10701.

"SEC. 10509. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $30,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out this part.".

TITLE X—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

SEC. 1001. SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES.

Title XI (20 U.S.C. 8401 et seq.) is amended to read as follows:

"TITLE XI—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

"SEC. 11001. SHORT TITLE.

''This title may be cited as the 'Safe and Drug-Free Schools and Communities Act of 2000'.

"SEC. 11002. FINDINGS.

''The Congress finds as follows:

''(1) The seventh National Education Goal provides that by the year 2000, all schools in America will be free of drugs and violence and the unauthorized presence of firearms and alcohol, and offer a disciplined environment that is conducive to learning.

''(2) The widespread illegal use of alcohol and other 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) Our Nation's schools and communities are increasingly plagued by violence and crime. Approxi-

mately 3,000,000 thefts and violent crimes occur in or near our Nation's schools every year, the equivalent of more than 16,000 incidents per school day.

''(4) Violence that is linked to prejudice and intolerance victimizes entire communities leading to more violence and discrimination.

''(5) The tragic consequences of violence and the illegal use of alcohol and drugs by students are felt not only by students and such students' families, but by such students' communities and the Nation, which can ill afford to lose such students' skills, talents, and vitality.

''(6) While use of illegal drugs is a serious problem among a minority of teenagers, alcohol use is far more widespread. The proportion of high school students using alcohol, though lower than a decade ago, remains unacceptably high. By the 8th grade, 70 percent of youth report having tried alcohol and by the 12th grade, about 88 percent have used alcohol. Alcohol use by young people can and does have adverse consequences for users, their families, communities, schools, and colleges.

''(7) Alcohol and tobacco are widely used by young people. Such use can, and does, have adverse consequences for young people, their families, com-

munities, schools, and colleges. Drug prevention programs for youth that address only controlled drugs send an erroneous message that alcohol and tobacco do not present significant problems, or that society is willing to overlook their use. To be credible, messages opposing illegal drug use by youth should address alcohol and tobacco as well.

"(8) Every day approximately 3,000 children start smoking. Thirty percent of all secondary school seniors are smokers. Half of all new smokers begin smoking before the age of 14, 90 percent of such smokers begin before the age of 21, and the average age of the first use of smokeless tobacco is under the age of 10. Use of tobacco products has been linked to serious health problems. Drug education and prevention programs that include tobacco have been effective in reducing teenage use of tobacco.

"(9) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety and to reduce the demand for and use of drugs throughout the Nation. Schools and local organizations in communities throughout the Nation have a special responsibility to work together to combat the growing epidemic of violence and illegal drug use and should measure the

success of their programs against clearly defined goals and objectives.

''(10) Students must take greater responsibility for their own well-being, health, and safety if schools and communities are to achieve the goals of providing a safe, disciplined, and drug-free learning environment.

"SEC. 11003. PURPOSE.

''The purpose of this title is to support programs to meet the seventh National Education Goal by preventing violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, 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 (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 pro-

grams of drug and violence prevention, early intervention, rehabilitation referral, and education;

''(3) States for development, training, technical assistance, and coordination activities;

''(4) public and private nonprofit organizations to conduct training, demonstrations, and evaluation, and to provide supplementary services for the prevention of drug use and violence among students and youth; and

''(5) institutions of higher education to establish, operate, expand, and improve programs of school drug and violence prevention, education, and rehabilitation referral for students enrolled in colleges and universities.

''SEC. 11004. FUNDING.

''There are authorized to be appropriated—

''(1) $440,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years, for State grants under subpart 1; and

''(2) $155,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years, for national programs under subpart 2.

"PART A—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS

"Subpart 1—State Grants for Drug and Violence Prevention Programs

"SEC. 11011. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount made available under section 11004(a) 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 $1,000,000 for the national impact evaluation required by section 11117(a); and

''(4) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 11118.

''(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 part A of title I 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 two years of such allotment. Such reallotments shall be made on the same basis as allotments are made under paragraph (1).

"(4) DEFINITIONS.—For the purpose of this subsection—

"(A) the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(B) the term 'local educational agency' includes educational service agencies and consortia of such agencies.

"SEC. 11112. STATE APPLICATIONS.

"(a) IN GENERAL.—In order to receive an allotment under section 11111 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

"(1) describes how funds under this subpart will be coordinated with programs under this Act, the Goals 2000: Educate America Act, and other Acts, as appropriate, in accordance with the provisions of section 14306;

"(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 prevalence of drug use and violence by youth in schools and communities;

"(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 separately by such officer or agency, respectively, but 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 11117(a); and

"(5) 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 11113(a) by the State educational agency that includes—

"(1) a statement of the State educational agency's measurable goals and objectives for drug and violence prevention and a description of the procedures such agency will use for assessing and publicly reporting progress toward meeting those goals and objectives;

"(2) 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 11116;

"(3) a description of how the State educational agency will use funds under section 11113(b);

"(4) 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;

"(5) an explanation of the criteria the State educational agency will use to identify which local educational agencies receive supplemental funds under section 11113(d)(2)(A)(ii) and how the supplemental funds will be allocated among such local educational agencies; and

"(6) a description of the procedures the State educational agency will use to review applications from local educational agencies under section 11115.

"(c) GOVERNOR'S FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 11114(a) by the chief executive officer that includes—

"(1) a statement of the chief executive officer's measurable goals and objectives for drug and violence prevention and a description of the procedures to be used for assessing and publicly reporting progress toward meeting such goals and objectives;

"(2) 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;

"(3) a description of how funds reserved under section 11114(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;

"(4) a description of how the chief executive officer will award funds under section 11114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds;

"(5) a description of the special outreach activities that will be carried out to maximize the participation of community-based organizations of demonstrated effectiveness which provide services in low-income communities; and

"(6) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning.

"(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 one-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 information 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 2001 unless the Secretary has approved such State's application and comprehensive plan in accordance with this subpart.

"SEC. 11113. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

"(a) USE OF FUNDS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an amount equal to 80 percent of the total amount allocated to a State under section 11111 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.

"(2) EXCEPTION.—(A) If a State has, on or before January 1, 2002, established an independent State agency for the purpose of administering all of the funds described in section 5121 of this Act (as such section was in effect on the day preceding the date of the enactment of the Improving America's Schools Act of 1994), then—

"(i) an amount equal to 80 percent of the total amount allocated to such State under section 11111 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; and

"(ii) an amount equal to 20 percent of such total amount shall be used by such independent State agency for drug and violence prevention activities in accordance with this section.

"(B) Not more than 5 percent of the amount reserved under subparagraph (A)(ii) may be used for administrative costs of the independent State agency incurred in carrying out the activities described in such subparagraph.

"(C) For purposes of this paragraph, the term 'independent State agency' means an independent agency with a board of directors or a cabinet level agency whose chief executive officer is appointed by the chief executive officer of the State and confirmed with the advice and consent of the senate of such State.

"(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) training and technical assistance concerning drug and violence prevention for local educational agencies and educational 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 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 programs for youth violence and drug abuse prevention;

"(D) demonstration projects in drug and violence prevention;

"(E) training, technical assistance, and demonstration projects to address violence associated with prejudice and intolerance;

"(F) 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

"(G) 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.—A State educational agency may use not more than 4 percent of the amount reserved under subsection (a) for the administrative costs of carrying out its responsibilities under this part.

"(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) Of the amount distributed under paragraph (1), a State educational agency shall distribute—

"(i) 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) 30 percent of such amount to local educational agencies that the State educational agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

"(B) Where appropriate and to the extent consistent with the needs assessment conducted by the State, not less than 25 percent of the amount distributed under subparagraph (A)(ii) for a fiscal year shall be distributed to local educational agencies located in rural and urban areas.

"(C)(i) A State educational agency shall distribute funds under subparagraph (A)(ii) to not more than 10 percent of the local educational agencies in the State, or five such agencies, whichever is greater.

"(ii) In determining which local educational agencies have the greatest need for additional funds, the State educational agency shall consider objective data such as—

"(I) high rates of alcohol or drug use among youth;

"(II) high rates of victimization of youth by violence and crime;

"(III) high rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

"(IV) the extent of illegal gang activity;

"(V) high incidence of violence associated with prejudice and intolerance;

"(VI) high rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

"(VII) high rates of referrals of youths to juvenile court;

"(VIII) high rates of expulsions and suspensions of students from schools; and

"(IX) high rates of reported cases of child abuse and domestic violence.

"(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 11115 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of the local educational agencies determined by the State educational agency under subsection (d)(2)(C)(ii) to have the greatest need for additional funds.

"(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. 11114. 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 11111(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) LAW ENFORCEMENT EDUCATION PARTNERSHIPS.—A chief executive officer shall use not less than 10 percent of the 20 percent of the total amount described in paragraph (1) for each fiscal year for law enforcement education partnerships in accordance with subsection (d).

"(3) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the 20 percent of the total amount described in paragraph (1) for the administrative costs incurred in

carrying out the duties of such officer under this section.

"(b) PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—A chief executive officer shall use funds made available under subsection (a)(1) for grants to or contracts with parent groups, community action and job training agencies, community-based organizations, 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 (c) 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.

"(c) AUTHORIZED ACTIVITIES.—Grants and contracts under subsection (b) shall be used for programs and activities such as—

"(1) disseminating information about drug and violence prevention;

"(2) training parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, comprehensive health education, 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, community service, 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 strategies to prevent illegal gang activity;

"(10) coordinating and conducting community-wide violence and safety assessments and surveys;

"(11) service-learning projects that encourage drug- and violence-free lifestyles; and

"(12) evaluating programs and activities assisted under this section.

"(d) LAW ENFORCEMENT EDUCATION PARTNERSHIPS.—A chief executive officer shall use funds under subsection (a)(2) to award grants to State, county or local law enforcement agencies (including district attorneys) in consortium with local educational agencies or community-based agencies for the purposes of carrying out drug abuse and violence prevention activities, such as—

"(1) Project Drug Abuse Resistance Education and other programs which provide classroom instruction by uniformed law enforcement officials that is designed to teach students to recognize and resist pressures to experiment that influence such children to use controlled substances or alcohol;

"(2) Project Legal Lives and other programs in which district attorneys provide classroom instruction in the law and legal system which emphasizes interactive learning techniques, such as mock trial competitions;

"(3) partnerships between law enforcement and child guidance professionals; and

"(4) before- and after-school activities.

"SEC. 11115. LOCAL APPLICATIONS.

"(a) APPLICATION REQUIRED.—

"(1) IN GENERAL.—In order to be eligible to receive a distribution under section 11113(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) 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 organizations, and other groups with interest and expertise in drug and violence prevention.

"(B) 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 drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

"(ii) advise the local educational agency regarding—

"(I) how best to coordinate such agency's activities under this subpart with other related programs, projects, and activities; and

"(II) the agencies that administer such programs, projects, and activities; and

"(iii) review program evaluations and other relevant material and make recommendations 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) a detailed explanation of the local educational agency's comprehensive plan for drug and violence prevention, which shall include a description of—

"(A) how the plan will be coordinated with programs under this Act, the Goals 2000: Edu-

cate America Act, and other Acts, as appropriate, in accordance with the provisions of section 14306;

"(B) the local educational agency's measurable goals for drug and violence prevention, and a description of how such agency will assess and publicly report progress toward attaining these goals;

"(C) how the local educational agency will use its distribution under this subpart;

"(D) how the local educational agency will coordinate such agency's programs and projects with community-wide efforts to achieve such agency's goals for drug and violence prevention; and

"(E) how the local educational agency will coordinate such agency's programs and projects with other Federal, State, and local programs for drug-abuse prevention, including health programs; and

"(3) 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 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)(2) and the extent to which such plan is coordinated with programs under this Act, the Goals 2000: Educate America Act, in accordance with the provisions of section 14306.

"(B) 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. 11116. 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 employees, to—

"(A) prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by employees;

"(B) prevent violence and promote school safety; and

"(C) create a disciplined environment conducive to learning; and

"(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.

"(b) AUTHORIZED ACTIVITIES.—A comprehensive drug and violence prevention program carried out under this subpart may include—

"(1) age-appropriate, developmentally based drug 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, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

"(2) programs of drug prevention, comprehensive health education, 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 prevention;

"(B) the professional development 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;

"(ii) early intervention activities that prevent family dysfunction, enhance school performance, and boost attachment to school and family; and

"(iii) 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, 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;

"(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 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;

"(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) acquiring and installing metal detectors and hiring security personnel;

"(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) drug abuse resistance education programs, designed to teach students to recognize and resist pressures to use alcohol or other drugs, which may include activities such as classroom instruction by uniformed law enforcement officers, resistance techniques, resistance to peer pressure and gang pressure, and provision for parental involvement; and

"(10) the evaluation of any of the activities authorized under this subsection.

"(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 be able to 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.

"SEC. 11117. EVALUATION AND REPORTING.

''(a) NATIONAL IMPACT EVALUATION.—

''(1) BIENNIAL EVALUATION.—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 conduct an independent biennial evaluation of the national impact of programs assisted under this subpart and of other recent and new initiatives to combat violence in schools and submit a report of the findings of such evaluation to the President and the Congress.

''(2) DATA COLLECTION.—(A) The National Center for Education Statistics shall collect data to determine the frequency, seriousness, and incidence of violence in elementary and secondary schools in the States. The Secretary shall collect the data

using, wherever appropriate, data submitted by the States pursuant to subsection (b)(2)(B).

"(B) Not later than January 1, 2004, the Secretary shall submit to the Congress a report on the data collected under this subsection, together with such recommendations as the Secretary determines appropriate, including estimated costs for implementing any recommendation.

"(b) STATE REPORT.—

"(1) IN GENERAL.—By October 1, 2003, and every third year 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 11114 and section 11113(b) and local educational agency programs under section 11113(d), as well as an assessment of their effectiveness; and

"(B) on the State's progress toward attaining its goals for drug and violence prevention under subsections (b)(1) and (c)(1) of section 11112.

"(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 prevalence of drug use and violence by youth in schools and communities; and

"(C) made readily available to the public.

"(c) LOCAL EDUCATIONAL AGENCY REPORT.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency such information, and at such intervals, that the State requires to complete the State report required by subsection (b), including information on the prevalence of drug use and violence by youth in the schools and the community. Such information shall be made readily available to the public.

"SEC. 11118. PROGRAMS FOR NATIVE HAWAIIANS.

"(a) GENERAL AUTHORITY.—From the funds made available pursuant to section 11111(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. 11121. FEDERAL ACTIVITIES.

"(a) PROGRAM AUTHORIZED.—From funds made available to carry out this subpart under section 11004(2), the Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, the Chair of the Ounce of Prevention Council, 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 postsecondary 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 training 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 in accordance with section 14701 that address issues not addressed under section 11117(a);

"(6) direct services to schools and school systems afflicted with especially severe drug and violence problems;

"(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 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. 11123. HATE CRIME PREVENTION.

"(a) GRANT AUTHORIZATION.—From funds made available to carry out this subpart under section 11004(1) 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 office 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) 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.

"Subpart 3—General Provisions

"SEC. 11131. DEFINITIONS.

"For the purposes of 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) 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.

"(6) SCHOOL PERSONNEL.—The term 'school personnel' includes teachers, administrators, guidance 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. 11132. MATERIALS.

"(a) 'WRONG 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 wrong 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. 11133. 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. 11134. 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 indi-

vidual, 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.''.

TITLE XI—PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. 1101. PROGRAMS OF NATIONAL SIGNIFICANCE.

Title XII (20 U.S.C. 8501 et seq.) is amended to read as follows:

"TITLE XII—PROGRAMS OF NATIONAL SIGNIFICANCE

"PART A—FUND FOR THE IMPROVEMENT OF EDUCATION

"SEC. 12101. FUND FOR THE IMPROVEMENT OF EDUCATION.

''(a) FUND AUTHORIZED.—From funds appropriated under subsection (d), the Secretary is authorized to support nationally significant programs and projects to improve the quality of education, assist all students to meet challenging State content standards and challenging State student performance standards, and contribute to achievement of the National Education Goals. The Secretary is authorized to carry out such programs and projects directly or through grants to, or contracts with, State and

local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

"(b) USES OF FUNDS.—

"(1) IN GENERAL.—Funds under this section may be used for—

"(A) activities that will promote systemic education reform at the State and local levels, such as—

"(i) research and development related to challenging State content and challenging State student performance standards;

"(ii) the development and evaluation of model strategies for—

"(I) assessment of student learning;

"(II) professional development for teachers and administrators;

"(III) parent and community involvement; and

"(IV) other aspects of systemic reform;

"(iii) developing and evaluating strategies for eliminating ability-grouping prac-

tices, and developing policies and programs that place all students on a college-preparatory path of study, particularly in academic fields such as mathematics, science, English, and social studies, including comprehensive inservice programs for teachers and pupil services personnel and academic enrichment programs that supplement regular courses for students;

''(iv) developing and evaluating programs that directly involve parents and family members in the academic progress of their children;

''(v) developing and evaluating strategies for integrating instruction and assessment such that teachers and administrators can focus on what students should know and be able to do at particular grade levels, which instruction shall promote the synthesis of knowledge, encourage the development of problem-solving skills drawing on a vast range of disciplines, and promote the development of higher order thinking by all students; and

"(vi) developing and evaluating strategies for supporting professional development for teachers across all disciplines and for pupil services personnel, guidance counselors, and administrators, including in-service training that improves the skills of pupil services personnel, counselors and administrators for working with students from diverse populations;

"(B) demonstrations at the State and local levels that are designed to yield nationally significant results, including approaches to public school choice and school-based decisionmaking;

"(C) joint activities with other agencies to assist the effort to achieve the National Education Goals, including activities related to improving the transition from preschool to school and from school to work, as well as activities related to the integration of education and health and social services;

"(D) activities to promote and evaluate counseling and mentoring for students, including intergenerational mentoring;

"(E) activities to promote and evaluate coordinated pupil services programs;

"(F) activities to promote comprehensive health education;

"(G) activities to promote environmental education;

"(H) activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education;

"(I) activities to promote programs to assist students to demonstrate competence in foreign languages;

"(J) studies and evaluation of various education reform strategies and innovations being pursued by the Federal Government, States, and local educational agencies;

"(K) activities to promote metric education;

"(L) the identification and recognition of exemplary schools and programs, such as Blue Ribbon Schools;

"(M) programs designed to promote gender equity in education by evaluating and eliminating gender bias in instruction and educational materials, identifying, and analyzing gender inequities in educational practices, and

implementing and evaluating educational policies and practices designed to achieve gender equity;

"(N) programs designed to reduce excessive student mobility, retain students who move within a school district at the same school, educate parents about the effect of mobility on a child's education and encourage parents to participate in school activities;

"(O) experiential-based learning, such as service-learning;

"(P) the development and expansion of public-private partnership programs which extend the learning experience, via computers, beyond the classroom environment into student homes through such programs as the Buddy System Computer Project;

"(Q) other programs and projects that meet the purposes of this section;

"(R) activities to promote child abuse education and prevention programs;

"(S) activities to raise standards and expectations for academic achievement among all students, especially disadvantaged students traditionally underserved in schools;

"(T) activities to provide the academic support, enrichment and motivation to enable all students to reach such standards;

"(U) demonstrations relating to the planning and evaluations of the effectiveness of projects under which local educational agencies or schools contract with private management organizations to reform a school or schools;

"(V) demonstrations that are designed to test whether prenatal and counseling provided to pregnant students may have a positive effect on pregnancy outcomes, with such education and counseling emphasizing the importance of prenatal care, the value of sound diet and nutrition habits, and the harmful effects of smoking, alcohol, and substance abuse on fetal development;

"(W) programs under section 12102;

"(X) programs under section 12103;

"(Y) programs under section 12104; and

"(Z) programs under section 12105;

"(2) ADDITIONAL USES.—The Secretary may also use funds under this section to complete the project periods for direct grants or contracts awarded under the provisions of this Act, the Fund for the

Improvement and Reform of Schools and Teaching Act, or title III of the Education for Economic Security Act, as such Acts were in effect on the day preceding the date of the enactment of the Improving America's Schools Act of 1994.

"(3) SPECIAL RULE.—The Secretary shall not make available more than $1,000,000 to carry out paragraph (1)(R), nor more than $1,000,000 to carry out paragraph (1)(V) during the period beginning on October 1, 2002, through September 30, 2007.

"(c) AWARDS.—

"(1) IN GENERAL.—The Secretary may—

"(A) make awards under this section on the basis of competitions announced by the Secretary; and

"(B) support meritorious unsolicited proposals.

"(2) SPECIAL RULE.—The Secretary shall ensure that programs, projects, and activities supported under this section are designed so that the effectiveness of such programs, projects, and activities is readily ascertainable.

"(3) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for as-

sistance under this section and may use funds appropriated under subsection (d) for the cost of such peer review.

"(d) AUTHORIZATION.—For the purpose of carrying out this section, there are authorized to be appropriated $250,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years.

"SEC. 12102. ELEMENTARY SCHOOL COUNSELING DEMONSTRATION.

"(a) COUNSELING DEMONSTRATION.—

"(1) IN GENERAL.—The Secretary may award grants under this section to establish or expand elementary school counseling programs.

"(2) PRIORITY.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

"(A) demonstrate the greatest need for new or additional counseling services among the children in the elementary schools served by the applicant;

"(B) propose the most promising and innovative approaches for initiating or expanding elementary school counseling; and

"(C) show the greatest potential for replication and dissemination.

"(3) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

"(4) DURATION.—A grant under this section shall be awarded for a period not to exceed three years.

"(5) MAXIMUM GRANT.—A grant under this section shall not exceed $400,000 for any fiscal year.

"(b) APPLICATIONS.—

"(1) IN GENERAL.—Each local 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 reasonably require.

"(2) CONTENTS.—Each application for a grant under this section shall—

"(A) describe the elementary school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

"(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

"(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

"(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

"(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of elementary school counselors, school psychologists, and school social workers;

"(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

"(G) describe how any diverse cultural populations, if applicable, would be served through the program;

"(H) assure that the funds made available under this part for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

"(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Grant funds under this section shall be used to initiate or expand elementary school counseling programs that comply with the requirements in paragraph (2).

"(2) PROGRAM REQUIREMENTS.—Each program assisted under this section shall—

"(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

"(B) use a developmental, preventive approach to counseling;

"(C) increase the range, availability, quantity, and quality of counseling services in the elementary schools of the local educational agency;

"(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

"(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, academic and career planning, or to improve social functioning;

"(F) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

"(G) include inservice training for school counselors, school social workers, school psy-

chologists, other pupil services personnel, teachers, and instructional staff;

"(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

"(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

"(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section.

"(3) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subsection at the end of each grant period in accordance with section 14701, but in no case later than January 30, 2005.

"(4) DISSEMINATION.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

"(5) LIMIT ON ADMINISTRATION.—Not more than five percent of the amounts made available

under this section in any fiscal year shall be used for administrative costs to carry out this section.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

"(A) possesses State licensure or certification granted by an independent professional regulatory authority;

"(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

"(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent;

"(2) the term 'school psychologist' means an individual who—

"(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed

1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

"(B) possesses State licensure or certification in the State in which the individual works; or

"(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board;

"(3) the term 'school social worker' means an individual who holds a master's degree in social work and is licensed or certified by the State in which services are provided or holds a school social work specialist credential; and

"(4) the term 'supervisor' means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.

"SEC. 12103. PARTNERSHIPS IN CHARACTER EDUCATION PILOT PROJECT.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to make up to a total of ten grants annually to partnerships of State educational agencies and local educational agencies for the design and implementation of character education programs that incorporate the elements of character listed in subsection (d), as well as other character elements identified by applicants.

"(2) MAXIMUM AMOUNT OF GRANT.—No State educational agency shall receive more than a total of $1,000,000 in grants under this part.

"(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed five years, of which the State educational agency shall not use more than one year for planning and program design.

"(b) STATE EDUCATIONAL AGENCY APPLICATIONS.—

"(1) REQUIREMENT.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(2) PARTNERSHIPS.—Each State educational agency desiring a grant under this section shall form a partnership with at least one local educational

agency to be eligible for funding. The partnership shall pursue State and local initiatives to meet the objectives of this section.

"(3) APPLICATION.—Each application under this section shall include—

"(A) a list of the local educational agencies entering into the partnership with the State educational agency;

"(B) a description of the goals of the partnership;

"(C) a description of activities that will be pursued by the participating local educational agencies, including—

"(i) how parents, students, and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program;

"(ii) curriculum and instructional practices;

"(iii) methods of teacher training and parent education that will be used or developed; and

"(iv) examples of activities that will be carried out under this part;

"(D) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs;

"(E) a description of how the State educational agency will evaluate the success of local programs and how local educational agencies will evaluate the progress of their own programs;

"(F) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing programs;

"(G) a description of how the State educational agency will establish a clearinghouse for information on model programs, materials, and other information the State and local educational agencies determine to be appropriate;

"(H) an assurance that the State educational agency will annually provide to the Secretary such information as may be required to determine the effectiveness of the program; and

"(I) any other information that the Secretary may require.

"(4) NON-PARTNER LOCAL EDUCATIONAL AGENCIES.—Any local educational agency that was not a partner with the State when the application was submitted may become a partner by submitting an application for partnership to the State educational agency, containing such information that the State educational agency may require.

"(c) EVALUATION AND PROGRAM DEVELOPMENT.—

"(1) REQUIREMENT.—Each State educational agency receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this part, including the impact on students, teachers, administrators, parents, and others—

"(A) by the mid-term of the program; and

"(B) not later than one year after completion of such program.

"(2) CONTRACTS FOR EVALUATION.—Each State educational agency receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating their program and measuring the success of

the program toward fostering in students the elements of character listed in subsection (b).

"(3) FACTORS.—Factors which may be considered in evaluating the success of the program may include—

"(A) discipline problems;

"(B) students' grades;

"(C) participation in extracurricular activities;

"(D) parental and community involvement;

"(E) faculty and administration involvement; and

"(F) student and staff morale.

"(4) MATERIALS AND PROGRAM DEVELOPMENT.—Local educational agencies, after consulting with the State educational agency, may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for assistance in developing curriculum, materials, teacher training, and other activities related to character education.

"(d) ELEMENTS OF CHARACTER.—

"(1) IN GENERAL.—Applicants desiring funding under this part shall develop character education

programs that incorporate the following elements of character:

"(A) Caring.

"(B) Civic virtue and citizenship.

"(C) Justice and fairness.

"(D) Respect.

"(E) Responsibility.

"(F) Trustworthiness.

"(G) Any other elements deemed appropriate by the members of the partnership.

"(2) ADDITIONAL ELEMENTS OF CHARACTER.—A local educational agency participating under this section may, after consultation with schools and communities of such agency, define additional elements of character that the agency determines to be important to the schools and communities of such agency.

"(e) USE OF FUNDS.—Of the total funds received by a State educational agency in any fiscal year under this section—

"(1) not more than 30 percent of such funds may be retained by the State educational agency, of which—

"(A) not more than 10 percent of such funds may be used for administrative purposes; and

"(B) the remainder of such funds may be used for—

"(i) collaborative initiatives with local educational agencies;

"(ii) the establishment of the clearinghouse, preparation of materials, teacher training; and

"(iii) other appropriate activities; and

"(2) the remaining of such funds shall be used to award subgrants to local educational agencies, of which—

"(A) not more than 10 percent of such funds may be retained for administrative purposes; and

"(B) the remainder of such funds may be used to—

"(i) award subgrants to schools within the local educational agency; and

"(ii) pursue collaborative efforts with the State educational agency.

"(f) SELECTION OF GRANTEES.—

"(1) CRITERIA.—The Secretary shall select, through peer review, partnerships to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

"(A) the quality of the activities proposed by local educational agencies;

"(B) the extent to which the program fosters in students the elements of character;

"(C) the extent of parental, student, and community involvement;

"(D) the number of local educational agencies involved in the effort;

"(E) the quality of the plan for measuring and assessing success; and

"(F) the likelihood that the goals of the program will be realistically achieved.

"(2) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

"(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

"(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, and disadvantaged students.

"SEC. 12104. PROMOTING SCHOLAR-ATHLETE COMPETITIONS.

"(a) IN GENERAL.—The Secretary is authorized to award a grant to a nonprofit organization to reimburse such organizations for the costs of conducting scholar-athlete games.

"(b) PRIORITY.—In awarding the grant under subsection (a), the Secretary shall give priority to a nonprofit organization that—

"(1) is described in section 501(c)(3) of, and exempt from taxation under section 501(a) of, the Internal Revenue Code of 1986, and is affiliated with a university capable of hosting a large educational, cultural, and athletic event that will serve as a national model;

"(2) has the capability and experience in administering federally funded scholar-athlete games;

"(3) has the ability to provide matching funds, on a dollar-for-dollar basis, from foundations and the private sector for the purpose of conducting a scholar-athlete program;

"(4) has the organizational structure and capability to administer a model scholar-athlete program;

"(5) has the organizational structure and expertise to replicate the scholar-athlete program in various venues throughout the United States internationally; and

"(6) has plans for conducting scholar-athlete games without Federal assistance.

"SEC. 12105. SMALLER LEARNING COMMUNITIES.

"(a) IN GENERAL.—Each local 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. Each such application shall describe—

"(1) strategies and methods the applicant will use to create the smaller learning community or communities;

"(2) curriculum and instructional practices, including any particular themes or emphases, to be used in the learning environment;

"(3) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the smaller learning community or communities;

"(4) the process to be used for involving students, parents and other stakeholders in the development and implementation of the smaller learning community or communities;

"(5) any cooperation or collaboration among community agencies, organizations, businesses, and others to develop or implement a plan to create the smaller learning community or communities;

"(6) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this part;

"(7) the goals and objectives of the activities assisted under this part, including a description of how such activities will better enable all students to reach challenging State content standards and State student performance standards;

"(8) the methods by which the applicant will assess progress in meeting such goals and objectives;

"(9) if the smaller learning community or communities exist as a school-within-a-school, the relationship, including governance and administration, of the smaller learning community to the rest of the school;

"(10) a description of the administrative and managerial relationship between the local edu-

cational agency and the smaller learning community or communities, including how such agency will demonstrate a commitment to the continuity of the smaller learning community or communities, including the continuity of student and teacher assignment to a particular learning community;

"(11) how the applicant will coordinate or use funds provided under this part with other funds provided under this Act or other Federal laws;

"(12) grade levels or ages of students who will participate in the smaller learning community or communities; and

"(13) the method of placing students in the smaller learning community or communities, such that students are not placed according to ability, performance or any other measure, so that students are placed at random or by their own choice, not pursuant to testing or other judgments.

"(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used—

"(1) to study the feasibility of creating the smaller learning community or communities as well as effective and innovative organizational and instructional strategies that will be used in the smaller learning community or communities;

"(2) to research, develop and implement strategies for creating the smaller learning community or communities, as well as effective and innovative changes in curriculum and instruction, geared to high State content standards and State student performance standards;

"(3) to provide professional development for school staff in innovative teaching methods that challenge and engage students to be used in the smaller learning community or communities; and

"(4) to develop and implement strategies to include parents, business representatives, local institutions of higher education, community-based organizations, and other community members in the smaller learning communities, as facilitators of activities that enable teachers to participate in professional development activities, as well as to provide links between students and their community.

"SEC. 12106. NATIONAL STUDENT AND PARENT MOCK ELECTION.

"(a) IN GENERAL.—The Secretary is authorized to award grants to national nonprofit, nonpartisan organizations that work to promote voter participation in American elections to enable such organizations to carry out voter

education activities for students and their parents. Such activities shall—

"(1) be limited to simulated national elections that permit participation by students and parents from all 50 States in the United States; and

"(2) consist of—

"(A) school forums and local cable call-in shows on the national issues to be voted upon in an 'issue forum';

"(B) speeches and debates before students and parents by local candidates or stand-ins for such candidates;

"(C) quiz team competitions, mock press conferences and speechwriting competitions;

"(D) weekly meetings to follow the course of the campaign; or

"(E) school and neighborhood campaigns to increase voter turnout, including newsletters, posters, telephone chains, and transportation.

"(b) REQUIREMENT.—Each organization receiving a grant under this section shall present awards to outstanding student and parent mock election projects.

"SEC. 12107. MODEL PROJECTS.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to cultural institutions to enable

such institutions to develop and expand model projects of outreach activities for at-risk children in the communities served by such institutions, including activities which integrate such institution's cultural programming with other disciplines, including environmental, mathematics, and science programs.

''(b) PRIORITY.—In awarding grants under this section the Secretary shall give priority to activities that are part of an overall State, local, and private commitment, seek to improve learning for at-risk youth, and are substantially funded by State, local, or private funds.

"PART B—GIFTED AND TALENTED CHILDREN

"SEC. 12201. SHORT TITLE.

''This part may be cited as the 'Jacob K. Javits Gifted and Talented Students Education Act of 2000'.

"SEC. 12202. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds and declares that—

''(1) all students can learn to high standards and must develop their talents and realize their potential if the United States is to prosper;

''(2) gifted and talented students are a national resource vital to the future of the Nation and its security and well-being;

"(3) too often schools fail to challenge students to do their best work, and students who are not challenged will not learn to challenging State content standards and challenging State student performance standards, fully develop their talents, and realize their potential;

"(4) unless the special abilities of gifted and talented students are recognized and developed during such students' elementary and secondary school years, much of such students' special potential for contributing to the national interest is likely to be lost;

"(5) gifted and talented students from economically disadvantaged families and areas, and students of limited-English proficiency are at greatest risk of being unrecognized and of not being provided adequate or appropriate educational services;

"(6) State and local educational agencies and private nonprofit schools often lack the necessary specialized resources to plan and implement effective programs for the early identification of gifted and talented students and for the provision of educational services and programs appropriate to their special needs;

"(7) the Federal Government can best carry out the limited but essential role of stimulating research and development and personnel training and providing a national focal point of information and technical assistance that is necessary to ensure that the Nation's schools are able to meet the special educational needs of gifted and talented students, and thereby serve a profound national interest; and

"(8) the experience and knowledge gained in developing and implementing programs for gifted and talented students can and should be used as a basis to—

"(A) develop a rich and challenging curriculum for all students; and

"(B) provide all students with important and challenging subject matter to study and encourage the habits of hard work.

"(b) STATEMENT OF PURPOSE.—It is the purpose of this part—

"(1) to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration projects, personnel training, and similar activities designed to build a nationwide

capability in elementary and secondary schools to meet the special educational needs of gifted and talented students;

''(2) to encourage the development of rich and challenging curricula for all students through the appropriate application and adaptation of materials and instructional methods developed under this part; and

''(3) to supplement and make more effective the expenditure of State and local funds, for the education of gifted and talented students.

"SEC. 12203. CONSTRUCTION.

''Nothing in this part shall be construed to prohibit a recipient of funds under this part from serving gifted and talented students simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 12204. AUTHORIZED PROGRAMS.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—From the sums appropriated under section 12207 in any fiscal year the Secretary (after consultation with experts in the field of the education of gifted and talented students) shall make grants to or enter into contracts with State educational agencies, local educational

agencies, institutions of higher education, or other public agencies and private agencies and organizations (including Indian tribes and Indian organizations (as such terms are defined by the Indian Self-Determination and Education Assistance Act) and Native Hawaiian organizations) to assist such agencies, institutions, and organizations which submit applications in carrying out programs or projects authorized by this part that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use, where appropriate, of gifted and talented services, materials, and methods for all students.

"(2) APPLICATION.—Each entity desiring assistance under this part 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 describe how—

"(A) the proposed gifted and talented services, materials, and methods can be adapted, if appropriate, for use by all students; and

"(B) the proposed programs can be evaluated.

"(b) USES OF FUNDS.—Programs and projects assisted under this section may include—

"(1) professional development (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students;

"(2) establishment and operation of model projects and exemplary programs for serving gifted and talented students, including innovative methods for identifying and educating students who may not be served by traditional gifted and talented programs, summer programs, mentoring programs, service learning programs, and cooperative programs involving business, industry, and education;

"(3) training of personnel and parents involved in gifted and talented programs with respect to the impact of gender role socialization on the educational needs of gifted and talented children and in gender equitable education methods, techniques and practices;

"(4) implementing innovative strategies, such as cooperative learning, peer tutoring and service learning;

"(5) strengthening the capability of State educational agencies and institutions of higher edu-

cation to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented students and the appropriate use of gifted and talented programs and methods to serve all students;

''(6) programs of technical assistance and information dissemination, including how gifted and talented programs and methods, where appropriate, may be adapted for use by all students; and

''(7) carrying out—

''(A) research on methods and techniques for identifying and teaching gifted and talented students, and for using gifted and talented programs and methods to serve all students; and

''(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purposes of this part.

''(c) ESTABLISHMENT OF NATIONAL CENTER.—

''(1) IN GENERAL.—The Secretary (after consultation with experts in the field of the education of gifted and talented students) shall establish a National Center for Research and Development in the

Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State educational agency, or a combination or consortium of such institutions and agencies, for the purpose of carrying out activities described in paragraph (7) of subsection (b).

"(2) DIRECTOR.—Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

"(d) LIMITATION.—Not more than 30 percent of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used to conduct activities pursuant to subsection (b)(7) or (c).

"(e) COORDINATION.—Research activities supported under this section—

"(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by such Office; and

"(2) may include collaborative research activities which are jointly funded and carried out with such Office.

"SEC. 12205. PROGRAM PRIORITIES.

"(a) GENERAL PRIORITY.—In the administration of this part the Secretary shall give highest priority—

"(1) to the identification of and the provision of services to gifted and talented students who may not be identified and served through traditional assessment methods (including economically disadvantaged individuals, individuals of limited-English proficiency, and individuals with disabilities); and

"(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (including business, industry, and labor), to plan, conduct, and improve programs for the identification of and service to gifted and talented students, such as mentoring and apprenticeship programs.

"(b) SERVICE PRIORITY.—In approving applications for assistance under section 12204(a)(2), the Secretary

shall assure that in each fiscal year at least one-half of the applications approved under such section address the priority described in subsection (a)(1).

"SEC. 12206. GENERAL PROVISIONS.

"(a) PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.—In making grants and entering into contracts under this part, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel in professional development programs serving such children.

"(b) REVIEW, DISSEMINATION, AND EVALUATION.—The Secretary shall—

"(1) use a peer review process in reviewing applications under this part;

"(2) ensure that information on the activities and results of programs and projects funded under this part is disseminated to appropriate State and local agencies and other appropriate organizations, including nonprofit private organizations; and

"(3) evaluate the effectiveness of programs under this part in accordance with section 14701, both in terms of the impact on students traditionally served in separate gifted and talented programs and

on other students, and submit the results of such evaluation to Congress not later than January 1, 2005.

"(c) PROGRAM OPERATIONS.—The Secretary shall ensure that the programs under this part are administered within the Department by a person who has recognized professional qualifications and experience in the field of the education of gifted and talented students and who shall—

"(1) administer the programs authorized by this part;

"(2) coordinate all programs for gifted and talented students administered by the Department;

"(3) serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet such needs; and

"(4) assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of gifted and talented students.

"SEC. 12207. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $7,500,000 for fiscal year 2002 and such sums as may be necessary

for each of the four succeeding fiscal years to carry out the provisions of this part.

"PART D—ARTS IN EDUCATION

"Subpart 1—Arts Education

"SEC. 12401. SUPPORT FOR ARTS EDUCATION.

''(a) FINDINGS.—The Congress finds that—

''(1) the arts are forms of understanding and ways of knowing that are fundamentally important to education;

''(2) the arts are important to excellent education and to effective school reform;

''(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

''(4) such transformation is best realized in the context of comprehensive, systemic education reform;

''(5) demonstrated competency in the arts for American students is among the National Education Goals;

''(6) participation in performing arts activities has proven to be an effective strategy for promoting the inclusion of persons with disabilities in mainstream settings;

"(7) opportunities in the arts have enabled persons of all ages with disabilities to participate more fully in school and community activities;

"(8) the arts can motivate at-risk students to stay in school and become active participants in the educational process; and

"(9) arts education should be an integral part of the elementary and secondary school curriculum.

"(b) PURPOSES.—The purposes of this subpart are to—

"(1) support systemic education reform by strengthening arts education as an integral part of the elementary and secondary school curriculum;

"(2) help ensure that all students have the opportunity to learn to challenging State content standards and challenging State student performance standards in the arts; and

"(3) support the national effort to enable all students to demonstrate competence in the arts in accordance with the National Education Goals.

"(c) ELIGIBLE RECIPIENTS.—In order to carry out the purposes of this subpart, the Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with—

"(1) State educational agencies;

"(2) local educational agencies;

"(3) institutions of higher education;

"(4) museums and other cultural institutions; and

"(5) other public and private agencies, institutions, and organizations.

"(d) AUTHORIZED ACTIVITIES.—Funds under this subpart may be used for—

"(1) research on arts education;

"(2) the development of, and dissemination of information about, model arts education programs;

"(3) the development of model arts education assessments based on high standards;

"(4) the development and implementation of curriculum frameworks for arts education;

"(5) the development of model preservice and inservice professional development programs for arts educators and other instructional staff;

"(6) supporting collaborative activities with other Federal agencies or institutions involved in arts education, such as the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, Very Special Arts, and the National Gallery of Art;

"(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

"(8) supporting model projects and programs by Very Special Arts which assure the participation in mainstream settings in arts and education programs of individuals with disabilities;

"(9) supporting model projects and programs to integrate arts education into the regular elementary and secondary school curriculum; and

"(10) other activities that further the purposes of this subpart.

"(e) COORDINATION.—

"(1) IN GENERAL.—A recipient of funds under this subpart shall, to the extent possible, coordinate projects assisted under this subpart with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

"(2) SPECIAL RULE.—In carrying out this subpart, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy

Center for the Performing Arts, Very Special Arts, and the National Gallery of Art.

''(f) AUTHORIZATION.—

''(1) IN GENERAL.—For the purpose of carrying out this subpart, there are authorized to be appropriated $28,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years.

''(2) SPECIAL RULE.—If the amount appropriated under paragraph (1) for any fiscal year is $9,000,000 or less, then such amount shall only be available to carry out the activities described in paragraphs (7) and (8) of subsection (d).

"Subpart 2—Cultural Partnerships for At-Risk Children and Youth

"SEC. 12411. FINDINGS AND PURPOSE.

''(a) FINDINGS.—The Congress finds:

''(1) With local school budget cuts there are inadequate arts and cultural programs available for children and youth in schools, especially at the elementary school level.

''(2) The arts promote progress in academic subjects as shown by research conducted by the National Endowment for the Arts.

"(3) Children and youth who receive instruction in the arts and humanities, or who are involved in cultural activities, remain in school longer and are more successful than children who do not receive such instruction.

"(4) Learning in the arts and humanities promotes progress in other academic subjects, and generates positive self-esteem and a greater sense of accomplishment in young people.

"(5) School-university and school-cultural institution partnerships that upgrade teacher training in the arts and humanities have significantly contributed to improved instruction and achievement levels of school-aged children.

"(6) Museum outreach, cultural activities and informal education for at-risk children and youth have contributed significantly to the educational achievement and enhanced interest in learning of at-risk children and youth.

"(7) The Goals 2000: Educate America Act, other legislation and local, State and national resources support the integration of the arts and humanities into the regular curriculum and school day for all children.

"(8) While all children benefit from instruction in the arts and the humanities, at-risk children and youth have a special, additional need for arts and cultural programs both in school and after school.

"(b) PURPOSE.—The purpose of this subpart is to make demonstration grants to eligible entities to improve the educational performance and future potential of at-risk children and youth by providing comprehensive and coordinated educational and cultural services.

"SEC. 12412. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to award grants to eligible entities to pay the Federal share of the costs of the activities described in section 12413.

"(b) SPECIAL REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary shall award grants under this subpart only to programs designed to—

"(A) promote and enhance educational and cultural activities;

"(B) provide multi-year services to at-risk children and youth and to integrate community cultural resources into in-school and after-school educational programs;

"(C) provide integration of community cultural resources into the regular curriculum and school day;

"(D) focus school and cultural resources in the community on coordinated cultural services to address the needs of at-risk children and youth;

"(E) provide effective cultural programs to facilitate the transition from preschool programs to elementary school programs, including programs under the Head Start Act and part H of the Individuals with Disabilities Education Act;

"(F) facilitate school-to-work transition from secondary schools and alternative schools to job training, higher education and employment through educational programs and activities that utilize school resources;

"(G) increase parental and community involvement in the educational, social, and cultural development of at-risk children and youth; or

"(H)(i) develop programs and strategies that provide high-quality coordinated educational and cultural services; and

"(ii) provide a model to replicate such services in other schools and communities.

"(2) PARTNERSHIP.—An interagency partnership comprised of the Secretary of Education, the Chairman of the National Endowment for the Humanities, the Chairman of the National Endowment for the Arts, and the Director of the Institute of Museum and Library Services, or their designees, shall establish criteria and procedures for awarding grants, including the establishment of panels to review the applications, and shall administer the grants program authorized by this section. The Secretary shall publish such criteria and procedures in the Federal Register.

"(3) COORDINATION.—Grants may only be awarded under this subpart to eligible entities that agree to coordinate activities carried out under other Federal, State, and local grants, received by the members of the partnership for purposes and target populations described in this subpart, into an integrated service delivery system located at a school, cultural, or other community-based site accessible to and utilized by at-risk youth.

"(4) ELIGIBLE ENTITIES.—For purposes of this subpart, the term 'eligible entity' means a partnership between—

"(A) a local educational agency or an individual school that is eligible to participate in a schoolwide program under section 1114; and

"(B) at least one institution of higher education, museum, local arts agency, or cultural entity that is accessible to individuals within the school district of such local educational agency or school, and that has a history of providing quality services to the community, which may include—

"(i) nonprofit institutions of higher education, museums, libraries, performing, presenting and exhibiting arts organizations, literary arts organizations, State and local arts organizations, cultural institutions, and zoological and botanical organizations; or

"(ii) private for-profit entities with a history of training children and youth in the arts.

"(5) GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subpart the Secretary, to the ex-

tent feasible, shall ensure an equitable geographic distribution of such grants.

"(6) DURATION.—Grants made under this subpart may be renewable for a maximum of five years if the Secretary determines that the eligible recipient has made satisfactory progress toward the achievement of the program objectives described in the application.

"(7) MODELS.—The Secretary, in consultation with the Chairman of the National Endowment for the Humanities, the Chairman of the National Endowment for the Arts and the director of the Institute of Museum and Library Services, or their designees, shall submit successful models under this title to the National Diffusion Network for review.

"(c) TARGET POPULATION.—To be eligible for a grant under this subpart, an eligible entity shall serve—

"(1) students enrolled in schools participating in a schoolwide program under section 1114 and the families of such students to the extent practicable;

"(2) out-of-school children and youth at risk of disadvantages resulting from teenage parenting, substance abuse, recent migration, disability, limited-English proficiency, illiteracy, being the child of a

teenage parent, living in a single parent household, or dropping out of school; or

''(3) any combination of in-school and out-of-school at-risk children and youth.

"SEC. 12413. AUTHORIZED ACTIVITIES.

''(a) IN GENERAL.—Grants awarded under this subpart may be used—

''(1) to plan, develop, acquire, expand, and improve school-based or community-based coordinated educational and cultural programs to strengthen the educational performance and future potential of in-school or out-of-school at-risk children and youth through grants, cooperative agreements, contracts for services, or administrative coordination;

''(2) to provide at-risk students with integrated cultural activities designed to develop a love of learning that fosters the smooth transition of preschool children to elementary school;

''(3) to design collaborative cultural activities for students in secondary or alternative schools that ensure the smooth transition to job training, higher education, or full employment;

''(4) to provide child care for children of at-risk students who would not otherwise be able to participate in the program;

"(5) to provide transportation necessary for participation in the program;

"(6) to work with existing school personnel to develop curriculum materials and programs in the arts;

"(7) to work with existing school personnel on staff development activities that encourage the integration of the arts into the curriculum;

"(8) for stipends that allow local artists to work with at-risk children and youth in schools;

"(9) for training individuals who are not trained to work with children and youth;

"(10) for cultural programs that encourage the active participation of parents in the education of their children;

"(11) for programs that use the arts and culture to reform current school practices, including lengthening the school day or academic year;

"(12) for equipment or supplies that the Secretary determines appropriate; and

"(13) for evaluation, administration, and supervision.

"(b) PLANNING GRANTS.—

"(1) APPLICATION.—An eligible entity may submit an application to the Secretary for a plan-

ning grant for an amount not to exceed $50,000. Such grants shall be for periods of not more than one year.

"(2) LIMIT ON PLANNING GRANTS.—Not more than 10 percent of the amounts appropriated in each fiscal year under this subpart shall be used for grants under this subsection, and an eligible entity may receive not more than one such planning grant.

"(c) GENERAL PROVISIONS.—

"(1) IN GENERAL.—Each eligible entity 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 reasonably require.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the cultural entity or entities that will participate in the partnership;

"(B) describe the target population to be served;

"(C) describe the services to be provided;

"(D) describe a plan for evaluating the success of the program;

"(E) in the case of each local educational agency or school participating in the eligible re-

cipient partnership, describe how the activities assisted under this subpart will be perpetuated beyond the duration of the grant;

"(F) describe the manner in which the eligible entity will improve the educational achievement or future potential of at-risk youth through more effective coordination of cultural services in the community;

"(G) describe the overall and operational goals of the program;

"(H) describe the nature and location of all planned sites where services will be delivered and a description of services which will be provided at each site; and

"(I) describe training that will be provided to individuals who are not trained to work with children and youth, and how teachers will be involved.

"SEC. 12414. PAYMENTS; AMOUNTS OF AWARD; COST SHARE; LIMITATIONS.

"(a) PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall pay to each eligible recipient having an application approved under section 12413(c) the Federal share of the cost of the activities described in the application.

"(2) SPECIAL RULE.—(A) Grants awarded under this subpart shall be of sufficient size, scope, and quality to be effective.

"(B) The Secretary shall award grants under this subpart so as to ensure nonduplication of services provided by grant recipients and services provided by—

"(i) the National Endowment for the Humanities;

"(ii) the National Endowment for the Arts; and

"(iii) the Institute of Museum and Library Services.

"(b) COST SHARE.—

"(1) FEDERAL SHARE.—The Federal share of a grant under this subpart shall be 80 percent of the cost of carrying out the activities described in the application.

"(2) NON-FEDERAL SHARE.—The non-Federal share of a grant under this subpart shall be 20 percent of the cost of carrying out the activities described in the application and may be in cash or in kind, fairly evaluated, including the provision of equipment, services, or facilities.

"(c) LIMITATIONS.—

"(1) NONINSTRUCTIONAL SERVICES.—Not more than 25 percent of the grant funds provided in any fiscal year under this subpart may be used for noninstructional activities such as the activities described in paragraphs (4), (5), and (12) of section 12413(a).

"(2) SUPPLEMENT AND NOT SUPPLANT.—Grant funds awarded under this part shall be used to supplement not supplant the amount of funds made available from non-Federal sources, for the activities assisted under this subpart, in amounts that exceed the amounts expended for such activities in the year preceding the year for which the grant is awarded.

"(3) ADMINISTRATIVE COSTS.—(A) The Secretary may reserve not more than five percent of the grant funds received under this subpart in each fiscal year for the costs of administration.

"(B) Each eligible recipient may reserve not more than 5 percent of any grant funds received under this subpart in each fiscal year for the costs of administration.

"SEC. 12415. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart, $45,000,000 for fiscal year 2002, and such

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

"PART E—INEXPENSIVE BOOK DISTRIBUTION PROGRAM

"SEC. 12501. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

''(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with Reading is Fundamental (RIF) (hereafter in this section referred to as ''the contractor'') to support and promote programs, which include the distribution of inexpensive books to students, that motivate children to read.

''(b) REQUIREMENTS OF CONTRACT.—Any contract entered into under subsection (a) shall—

''(1) provide that the contractor will enter into subcontracts with local private nonprofit groups or organizations, or with public agencies, under which each subcontractor will agree to establish, operate, and provide the non-Federal share of the cost of reading motivation programs that include the distribution of books, by gift, to the extent feasible, or loan, to children from birth through secondary school age, including those in family literacy programs;

"(2) provide that funds made available to subcontractors will be used only to pay the Federal share of the cost of such programs;

"(3) provide that in selecting subcontractors for initial funding, the contractor will give priority to programs that will serve a substantial number or percentage of children with special needs, such as—

"(A) low-income children, particularly in high-poverty areas;

"(B) children at risk of school failure;

"(C) children with disabilities;

"(D) foster children;

"(E) homeless children;

"(F) migrant children;

"(G) children without access to libraries;

"(H) institutionalized or incarcerated children; and

"(I) children whose parents are institutionalized or incarcerated;

"(4) provide that the contractor will provide such technical assistance to subcontractors as may be necessary to carry out the purpose of this section;

"(5) provide that the contractor will annually report to the Secretary the number of, and describe, programs funded under paragraph (3); and

"(6) include such other terms and conditions as the Secretary determines to be appropriate to ensure the effectiveness of such programs.

"(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books under any contract under this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

"(d) DEFINITION OF 'FEDERAL SHARE'.—For the purpose of this section, the term 'Federal share' means, with respect to the cost to a subcontractor of purchasing books to be paid under this section, 75 percent of such costs to the subcontractor, except that the Federal share for programs serving children of migrant or seasonal farmworkers shall be 100 percent of such costs to the subcontractor.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $10,300,000 for fiscal year 2002 and

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

"PART F—CIVIC EDUCATION

"SEC. 12601. INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES.

''(a) GENERAL AUTHORITY.—

''(1) PROGRAM ESTABLISHED.—(A) The Secretary is authorized to carry out a program to enhance the attainment of the third and sixth National Education Goals by educating students about the history and principles of the Constitution of the United States, including the Bill of Rights, and to foster civic competence and responsibility.

''(B) Such program shall be known as 'We the People . . . The Citizen and the Constitution'.

''(2) EDUCATIONAL ACTIVITIES.—The program required by paragraph (1) shall—

''(A) continue and expand the educational activities of the 'We the People . . . The Citizen and the Constitution' program administered by the Center for Civic Education; and

''(B) enhance student attainment of challenging content standards in civics and government.

"(3) CONTRACT OR GRANT AUTHORIZED.—The Secretary is authorized to award a grant or enter into a contract with the Center for Civic Education to carry out the program described in paragraph (1).

"(b) PROGRAM CONTENT.—The education program authorized by this section shall provide—

"(1) a course of instruction on the basic principles of our Nation's constitutional democracy and the history of the Constitution and the Bill of Rights;

"(2) at the request of a participating school, school and community simulated congressional hearings following the course of study; and

"(3) an annual national competition of simulated congressional hearings for secondary students who wish to participate in such program.

"(c) AVAILABILITY OF PROGRAM.—The education program authorized by this section shall be made available to public and private elementary and secondary schools in the 435 congressional districts, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

"(d) SPECIAL RULE.—After the provisions of subsection (b) have been implemented, funds provided under this section may be used for—

"(1) advanced training of teachers about the United States Constitution and the political system the United States created; or

"(2) a course of instruction at the middle school level on the roles of State and local governments in the Federal system established by the Constitution, which course shall provide for—

"(A) optional school and community simulated State legislative hearings;

"(B) an annual competition of simulated legislative hearings at the State legislative district, State, and national levels for middle school students who wish to participate in the program; and

"(C) participation by public and private middle schools in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"SEC. 12602. INSTRUCTION IN CIVICS, GOVERNMENT, AND THE LAW.

"(a) PROGRAM ESTABLISHED.—The Secretary is authorized to carry out a program of awarding grants and contracts to assist State and local educational agencies

and other public and private nonprofit agencies, organizations, and institutions to enhance—

"(1) attainment by students of challenging State content standards and challenging State student performance standards in civics, government, and the law; and

"(2) attainment by the Nation of the third and the sixth National Education Goals.

"(b) AUTHORIZED ACTIVITIES.—Assistance under this section may support new and ongoing programs in elementary and secondary schools that provide for—

"(1) the development and implementation of curricular programs that enhance student understanding of—

"(A) the values and principles which underlie, and the institutions and processes which comprise, our Nation's system of government;

"(B) the role of law in our constitutional democracy, including activities to promote—

"(i) legal literacy;

"(ii) a dedication by students to the use of nonviolent means of conflict resolution such as arbitration, mediation, negotiation, trials, and appellate hearings; and

"(iii) respect for cultural diversity and acceptance of cultural differences; and

"(C) the rights and responsibilities of citizenship;

"(2) professional development for teachers, including preservice and inservice training;

"(3) outside-the-classroom learning experiences for students, including community service activities;

"(4) the active participation of community leaders, from the public and private sectors, in the schools; and

"(5) the provision of technical assistance to State and local educational agencies and other institutions and organizations working to further the progress of the Nation in attaining the third and sixth National Education Goals regarding civics and government.

"(c) APPLICATIONS, PEER REVIEW AND PRIORITY.—

"(1) SUBMISSION OF APPLICATIONS.—A State or local educational agency, other public or private nonprofit agency, organization, or institution that desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary at such time, in such manner, and con-

taining or accompanied by such information as the Secretary may reasonably require.

"(2) PEER REVIEW.—(A) The Secretary shall convene a panel of individuals for purpose of reviewing and rating applications submitted under paragraph (1).

"(B) Such individuals shall have experience with education programs in civics, government, and the law.

"(3) PRIORITY.—In awarding grants or awarding contracts under this section, the Secretary shall give priority consideration to applications which propose the operation of statewide programs.

"(d) DURATION OF GRANTS AND EXCEPTION.—

"(1) DURATION.—Except as provided in paragraph (2), the Secretary shall award grants and contracts under this section for periods of two or three years.

"(2) EXCEPTION.—The Secretary may award a grant or a contract under this section for a period of less than 2 years if the Secretary determines that special circumstances exist which warrant a 1-year grant or contract award.

"SEC. 12603. REPORT; AUTHORIZATION OF APPROPRIATIONS.

"(a) REPORT.—The Secretary shall report, on a biennial basis to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate regarding the distribution and use of funds authorized under this part.

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this part $15,000,000 for fiscal year 2001 and such sums as may be necessary for each of the four succeeding fiscal years.

"(2) ALLOCATION.—Except as provided in paragraph (3), from the amount appropriated under subsection (a), the Secretary shall allocate—

"(A) 40 percent of such amount to carry out section 12601; and

"(B) 60 percent of such amount to carry out section 12602.

"(3) SPECIAL RULE.—From funds appropriated under paragraph (1), the Secretary shall make available for fiscal year 2001 and each succeeding fiscal year thereafter for the programs under sections 12101 and 12102 not less than the amount made available for fiscal year 1994 to carry out such programs under sections 4609 and 1562, respectively,

of this Act (as such sections were in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994).

"PART G—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

"SEC. 12701. FINDINGS.

''The Congress finds as follows:

''(1) It is a worthwhile goal to ensure that all students in America are prepared for responsible citizenship and that all students should have the opportunity to be involved in activities that promote and demonstrate good citizenship.

''(2) It is a worthwhile goal to ensure that America's educators have access to programs for the continued improvement of their professional skills.

''(3) Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people. Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and educators. Therefore, it is a fitting and appropriate

tribute to Senator Ellender to provide fellowships in his name to students of limited economic means, the teachers who work with such students, and older Americans, so that such students, teachers, and older Americans may participate in the programs supported by the Close Up Foundation.

"Subpart 1—Program for Middle and Secondary School Students

"SEC. 12711. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among middle and secondary school students.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be known as Allen J. Ellender fellowships.

"SEC. 12712. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made to economically disadvantaged middle and secondary school students;

"(2) that every effort will be made to ensure the participation of students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including student with disabilities, ethnic minority students, and gifted and talented students; and

"(3) the proper disbursement of the funds received under this subpart.

"Subpart 2—Program for Middle and Secondary School Teachers

"SEC. 12721. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions

of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of teaching skills enhancement for middle and secondary school teachers.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to teachers who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

"SEC. 12722. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made only to teachers who have worked with at least one student from such teacher's school who participates in the programs described in section 12711(a);

''(2) that not more than one teacher in each school participating in the programs provided for in

section 12711(a) may receive a fellowship in any fiscal year; and

"(3) the proper disbursement of the funds received under this subpart.

"Subpart 3—Programs for Recent Immigrants, Students of Migrant Parents and Older Americans

"SEC. 12731. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—

"(1) IN GENERAL.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged older Americans, recent immigrants and students of migrant parents.

"(2) DEFINITION.—For the purpose of this subpart, the term 'older American' means an individual who has attained 55 years of age.

"(b) USE OF FUNDS.—Grants under this subpart shall be used for financial assistance to economically disadvantaged older Americans, recent immigrants and students of migrant parents who participate in the program

described in subsection (a). Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

"SEC. 12732. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Except such application shall contain provisions to assure—

"(1) that fellowship grants are made to economically disadvantaged older Americans, recent immigrants and students of migrant parents;

"(2) that every effort will be made to ensure the participation of older Americans, recent immigrants and students of migrant parents from rural and small town areas, as well as from urban areas, and that in awarding fellowships, special consideration will be given to the participation of older Americans, recent immigrants and students of migrant parents with special needs, including individuals with disabilities, ethnic minorities, and gifted and talented students;

"(3) that activities permitted by subsection (a) are fully described; and

"(4) the proper disbursement of the funds received under this subpart.

"Subpart 4—General Provisions

"SEC. 12741. ADMINISTRATIVE PROVISIONS.

"(a) GENERAL RULE.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

"(b) AUDIT RULE.—The Comptroller General of the United States or any of the Comptroller General's duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

"SEC. 12742. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of subparts 1, 2, and 3 of this part $4,400,000 for fiscal year 2002 and such sums as may be necessary of each of the four succeeding fiscal years.

"(b) SPECIAL RULE.—Of the funds appropriated pursuant to subsection (a), not more than 30 percent may be used for teachers associated with students participating in the programs described in section 12711(a).

"PART H—21ST CENTURY COMMUNITY LEARNING CENTERS

"SEC. 12801. SHORT TITLE.

''This part may be cited as the '21st Century Community Learning Centers Act'.

"SEC. 12802. FINDINGS.

''The Congress finds that—

''(1) a local public school often serves as a center for the delivery of education and human resources for all members of a community;

''(2) public schools, primarily in rural and inner city communities, should collaborate with other public and nonprofit agencies and organizations, local businesses, educational entities (such as vocational and adult education programs, school-to-work programs, community colleges, and universities), recreational, cultural, and other community and human service entities, for the purpose of meeting the needs of, and expanding the opportunities available to, the residents of the communities served by such schools;

''(3) by using school facilities, equipment, and resources, communities can promote a more efficient use of public education facilities, especially in rural and inner city areas where limited financial resources have enhanced the necessity for local public schools to become social service centers;

"(4) the high technology, global economy of the 21st century will require lifelong learning to keep America's workforce competitive and successful, and local public schools should provide centers for lifelong learning and educational opportunities for individuals of all ages; and

"(5) 21st Century Community Learning Centers enable the entire community to develop an education strategy that addresses the educational needs of all members of local communities.

"SEC. 12803. PROGRAM AUTHORIZATION.

"(a) GRANTS BY THE SECRETARY.—The Secretary is authorized, in accordance with the provisions of this part, to award grants to rural and inner-city public elementary 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 $35,000.

"SEC. 12804. APPLICATION REQUIRED.

"(a) APPLICATION.—To be eligible to receive a grant under this part, an elementary or secondary school or consortium 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 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 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 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.

"SEC. 12805. USES OF FUNDS.

"Grants awarded under this part may be used to plan, implement, or expand community learning centers which include not less than four 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 in conjunction with recreation programs.

"(6) Nutrition and health programs.

"(7) Expanded library service hours to serve community needs.

"(8) Telecommunications and technology education programs for individuals of all ages.

"(9) Parenting skills education programs.

"(10) Support and training for child day care providers.

"(11) Employment counseling, training, and placement.

"(12) Services for individuals who leave school before graduating from secondary school, regardless of the age of such individual.

"(13) Services for individuals with disabilities.

"SEC. 12806. DEFINITION.

''For the purpose of this part, the term 'community learning center' means an entity within a public elementary or secondary school building that—

''(1) provides educational, recreational, health, and social service programs for residents of all ages within a local community; and

''(2) is operated by a local educational agency 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.

"SEC. 12807. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $850,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out this part.

"PART I—URBAN AND RURAL EDUCATION ASSISTANCE

"SEC. 12851. AUTHORIZATION OF APPROPRIATIONS.

''(a) DEMONSTRATION GRANTS.—

''(1) IN GENERAL.—There are authorized to be appropriated $125,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four

succeeding fiscal years, to carry out subparts 1 and 2 (other than section 12875).

"(2) RESERVATION FOR SUBPART 1.—The Secretary shall reserve 50 percent of the amount appropriated under paragraph (1) to carry out subpart 1.

"(3) RESERVATION FOR SUBPART 2.—The Secretary shall reserve 50 percent of the amount appropriated under paragraph (1) to carry out subpart 2 (other than section 12875).

"(b) HIGHER EDUCATION GRANTS.—There are authorized to be appropriated $25,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years to carry out section 12875.

"(c) FEDERAL FUNDS TO SUPPLEMENT NOT SUPPLANT NON-FEDERAL FUNDS.—An eligible local educational agency may use funds received under this part only to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of students participating in activities assisted under this part, and in no such case may such funds be used to supplant funds from non-Federal sources.

"SEC. 12852. DEFINITIONS.

"Except as otherwise provided, for the purposes of this part:

"(1) CENTRAL CITY.—The term 'central city' has the same meaning used by the Bureau of the Census.

"(2) METROPOLITAN STATISTICAL AREA.—The term 'metropolitan statistical area' has the same meaning used by the Bureau of the Census.

"(3) POVERTY LEVEL.—The term 'poverty level' means the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census.

"(4) RURAL ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'rural eligible local educational agency' means a local educational agency—

"(A)(i) in which at least 15 percent of the children enrolled in the schools served by such agency are eligible to be counted under part A of title I; and

"(ii) which is not in a metropolitan statistical area; or

"(B) in which the total enrollment in the schools served by such agency is less than 2,500 students and that does not serve schools located in a metropolitan statistical area.

"(5) URBAN ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'urban eligible local educational agency' means a local educational agency that—

"(A) serves the largest central city in a State;

"(B) enrolls more than 30,000 students and serves a central city with a population of at least 200,000 in a metropolitan statistical area; or

"(C) enrolls between 25,000 and 30,000 students and serves a central city with a population of at least 140,000 in a metropolitan statistical area.

"Subpart 1—Urban Education Demonstration Grants

"SEC. 12861. FINDINGS.

"The Congress finds that—

"(1) the ability of the Nation's major urban public school systems to meet the Nation's educational goals will determine the country's economic competitiveness and academic standing in the world community;

"(2) the quality of public education in the Nation's major urban areas has a direct effect on the economic development of the Nation's inner-cities;

"(3) the success of urban public schools in boosting the achievement of its minority youth attending such schools will determine the ability of the Nation to close the gap between the 'haves and the have-nots' in society;

"(4) the cost to America's businesses to provide remedial education to high school graduates is approximately $21,000,000,000 per year;

"(5) approximately one-third of the Nation's workforce will be members of minority groups by the year 2000;

"(6) urban schools enroll a disproportionately large share of the Nation's poor and 'at-risk' youth;

"(7) urban schools enroll approximately one-third of the Nation's poor, 40 percent of the Nation's African American children, and 30 percent of the Nation's Hispanic youth;

"(8) nearly 20 percent of the Nation's limited-English-proficient children and 15 percent of the Nation's disabled youth are enrolled in urban public schools;

"(9) the academic performance of students in the average inner-city public school system is below that of students in most other kinds of school systems;

"(10) urban public school systems have higher dropout rates, more problems with health care, and less parental participation than other kinds of school systems;

"(11) urban preschoolers have one-half the access to early childhood development programs as do other children;

"(12) shortages of teachers in urban public school systems are 2.5 times greater than such shortages in other kinds of school systems;

"(13) declining numbers of urban minority high school graduates are pursuing postsecondary educational opportunities;

"(14) urban public school systems have greater problems with teenage pregnancy, discipline, drug abuse, and gangs than do other kinds of school systems;

"(15) 75 percent of urban public school buildings are over 25 years old, 33 percent of such buildings are over 50 years old, and such buildings are often in serious disrepair and create poor and demoralizing working and learning conditions;

"(16) solving the challenges facing our Nation's urban schools will require the concerted and collabo-

rative efforts of all levels of government and all sectors of the community;

''(17) Federal and State funding of urban public schools has not adequately reflected need; and

''(18) Federal funding that is well-targeted, flexible, and accountable would contribute significantly to addressing the comprehensive needs of inner-city public schools.

''SEC. 12862. PURPOSE.

''It is the purpose of this subpart to provide financial assistance to—

''(1) assist urban public schools in meeting the National Education Goals;

''(2) improve the educational and social well-being of urban public school children;

''(3) close the achievement gap between urban and nonurban public school children, while improving the achievement level of all children nationally;

''(4) conduct coordinated research on urban public education problems, solutions, and promising practices;

''(5) improve the Nation's global economic and educational competitiveness by improving the Nation's urban schools; and

"(6) encourage community, parental, and business collaboration in the improvement of urban schools.

"SEC. 12863. URBAN SCHOOL GRANTS.

"(a) AUTHORITY.—The Secretary is authorized to make grants to eligible local educational agencies serving an urban area or State educational agencies in the case where the State educational agency is the local educational agency for activities designed to assist in local school improvement efforts and school reform, and to assist the schools of such agencies in meeting the National Education Goals.

"(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used to—

"(1) increase the academic achievement of urban public school children to at least the national average, such as—

"(A) effective public schools programs;

"(B) tutoring, mentoring, and other activities to improve academic achievement directly;

"(C) activities designed to increase the participation of minority and female students in entry level and advanced courses in mathematics and science;

"(D) supplementary academic instruction;

"(E) efforts to improve problem-solving and higher-order thinking skills;

"(F) programs to increase student motivation for learning; and

"(G) efforts to lengthen the school day or school year, or to reduce class sizes;

"(2) ensure the readiness of all urban public school children for school, such as—

"(A) full workday, full calendar-year comprehensive early childhood development programs;

"(B) parenting classes and parent involvement activities;

"(C) activities designed to coordinate prekindergarten and child care programs;

"(D) efforts to integrate developmentally appropriate prekindergarten services into the overall public school program;

"(E) upgrading the qualifications of early childhood education staff and standards for programs;

"(F) collaborative efforts with health and social service agencies to provide comprehensive services and to facilitate the transition from home to school;

"(G) establishment of comprehensive child care centers in public secondary schools for students who are parents and their children; and

"(H) augmenting early childhood development programs to meet the special educational and cultural needs of limited-English-proficient preschool children;

"(3) increase the graduation rates of urban public school students to at least the national average, such as—

"(A) dropout prevention activities and support services for public school students at-risk of dropping out of school;

"(B) reentry, outreach, and support activities to recruit students who have dropped out of school to return to school;

"(C) development of systemwide policies and practices that encourage students to stay in school;

"(D) efforts to provide individualized student support, such as mentoring programs;

"(E) collaborative activities between schools, parents, community groups, agencies, and institutions of higher education aimed at

preventing individuals from dropping out of school;

"(F) programs to increase student attendance; and

"(G) alternative programs for students, especially bilingual and special education students, who have dropped out of school or are at risk of dropping out of school;

"(4) prepare urban public school students to enter higher education, pursue careers, and exercise their responsibilities as citizens, such as—

"(A) activities designed to increase the number and percentages of students, particularly minority students, enrolling in postsecondary educational institutions after graduation from public secondary schools;

"(B) in-school youth employment, vocational education, and career education programs that improve the transition from school to work;

"(C) activities designed in collaboration with colleges and universities to assist urban public school graduates in completing higher education;

"(D) efforts to increase voter registration among eligible public secondary school students;

"(E) activities designed to promote community service and volunteerism among students, parents, teachers, and the community; and

"(F) civic education and other programs designed to enhance responsible citizenship and understanding of the political process;

"(5) recruit and retain qualified teachers, such as—

"(A) school-based management projects and activities;

"(B) programs designed to test efforts to increase the professionalization of teachers or to bring teachers up to national voluntary standards;

"(C) alternative routes to certification for qualified individuals from business, the military, and other fields;

"(D) efforts to recruit and retain teachers, particularly minority teachers, specializing in critical shortage areas, including early childhood teachers, mathematics and science teachers, and special education and bilingual teachers;

"(E) upgrading the skills of teacher aides and paraprofessionals to permit such individuals to become certified teachers;

"(F) activities specifically designed to increase the number of minority teachers in urban schools;

"(G) incentives for teachers to work in inner-city public schools; and

"(H) collaborative activities with urban universities to revise and upgrade teacher training programs;

"(6) provide for ongoing staff development to increase the professional capacities of the teaching staff and the skills of teacher aides and paraprofessionals;

"(7) decrease the use of drugs and alcohol among urban public school students and enhance the physical and emotional health of such students, such as—

"(A) activities designed to improve the self-esteem and self-worth of urban public school students;

"(B) the provision of health care services and other social services and the coordination of such services with other health care providers;

"(C) programs designed to improve safety and discipline and reduce in-school violence, vandalism, and gang activity;

"(D) activities that begin in the early grades and are designed to prevent drug and alcohol abuse and smoking among students and teachers;

"(E) collaborative activities with other agencies, businesses, and community groups to discourage the advertisement and glorification of drugs and alcohol;

"(F) efforts to enhance health education and nutrition education; and

"(G) alternative public schools, and schools-within-schools programs, including bilingual and special education programs for public school students with special needs; or

"(8) plan, develop, operate, or expand programs and activities that are designed to assist urban public schools in meeting the National Education Goals, including—

"(A) training of teachers and other educational personnel in subject areas, or in instructional technology and methods that will improve the delivery of services in urban set-

tings and assist in the achievement of the National Education Goals, including staff development efforts that emphasize multicultural and gender and disability bias-free curricula;

"(B) coordination and collaboration with other municipal agencies, child care organizations, universities, or the private sector;

"(C) parental involvement and outreach efforts and other activities designed to enhance parental encouragement of student learning;

"(D) pupil services and other support services that contribute to progress in achieving National Education Goals;

"(E) efforts to acquire and improve access to educational technology;

"(F) assist the schools most in need of services by replicating successful efforts of other urban local educational agencies and expanding successful programs within the eligible agency; or

"(G) efforts to improve and strengthen the curriculum and coordinate services across grade levels.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—An eligible local educational agency desiring to receive 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 reasonably require, consistent with this section.

"(2) DURATION.—An application submitted pursuant to paragraph (1) may be for a period of not more than five years.

"(d) PAYMENTS.—The Secretary shall make an award only to urban eligible local educational agencies that—

"(1) comply with the provisions of section 12866; and

"(2) demonstrate to the satisfaction of the Secretary that the data submitted pursuant to section 12861 shows progress toward meeting National Education Goals.

"(e) ADMINISTRATIVE COSTS.—Not more than five percent of any award made under this subpart may be used for administrative costs.

"SEC. 12864. SPECIAL RULES.

"(a) SPECIAL CONSIDERATION.—In making awards under this subpart, the Secretary shall give special consid-

eration to urban eligible local educational agencies in which there is—

"(1) low achievement;

"(2) high poverty; and

"(3) racial isolation.

"(b) FLEXIBILITY.—Each urban eligible local educational agency shall have the flexibility to serve homeless children, children in schools undergoing desegregation, immigrants, migrants, or other highly mobile populations within the program assisted under this subpart.

"Subpart 2—Rural Education Demonstration Grants

"SEC. 12871. FINDINGS.

"The Congress finds that—

"(1) the ability of America's rural public school systems to meet the National Education Goals will contribute to the economic competitiveness and academic standing of the Nation in the world community;

"(2) approximately 60 percent of the Nation's public school districts are rural with a population of less than 2,500;

"(3) about 1 out of every 4 of America's rural school children are living below the poverty line;

"(4) the quality of public education in the rural areas of the Nation has a direct effect on the eco-

nomic development of the rural communities of the Nation;

''(5) the success of rural public schools in boosting the achievement of minority youth attending such schools will determine the ability of the Nation to close the gap between the haves and the have-nots in society;

''(6) the academic performance of students in the average rural school system is below that of students in most other suburban school systems;

''(7) the average age of rural public school buildings is more than 45 years old and such buildings are often in serious disrepair, creating poor and demoralizing working and learning conditions;

''(8) shortages of teachers for rural public school systems is greater than in other kinds of school systems;

''(9) solving the challenges facing the Nation's rural public schools will require the concerted and collaborative efforts of all levels of government and all sectors of the community;

''(10) additional Federal funding would contribute significantly to addressing the comprehensive needs of rural schools;

"(11) rural public schools enroll a disproportionately large share of the Nation's poor and at-risk youth;

"(12) a declining number of rural public secondary school graduates are pursuing postsecondary education opportunities;

"(13) rural preschoolers have less access to early childhood development programs than other children; and

"(14) Federal and State funding of rural public schools has not adequately reflected need.

"SEC. 12872. PURPOSE.

"It is the purpose of this subpart to provide financial assistance to rural public schools most in need, to encourage the comprehensive restructuring of America's rural schools, the appropriate use of telecommunications technologies for learning, and to support innovative programs which improve performance through programs and projects designed to—

"(1) assist rural public schools in meeting National Education Goals;

"(2) encourage rural public schools to engage in school reform;

"(3) develop pilot projects that experiment with innovative ways to teach rural public school children more effectively;

"(4) improve the educational and social well-being of rural public school children;

"(5) close the achievement gap between children attending rural public schools and other children, while improving the achievement level of all children nationally;

"(6) conduct coordinated research on rural education problems, solutions, promising practices, and distance learning technologies;

"(7) improve the Nation's global economic and educational competitiveness by improving the Nation's rural public schools;

"(8) encourage community, parental, and business collaboration in the improvement of rural public schools;

"(9) encourage rural school consortia for the purpose of increasing efficiency and course offerings;

"(10) encourage a positive role for rural public schools in local rural entrepreneurship and the identification of rural community economic development opportunities;

"(11) encourage community-as-school concepts, which include the role public schools can play to assist with rural community economic revitalization; and

"(12) provide for the recruitment and meaningful inservice opportunities for rural public school teachers.

"SEC. 12873. RURAL SCHOOL GRANTS.

"(a) AUTHORITY.—The Secretary is authorized to make grants to rural eligible local educational agencies, or State educational agencies in the case where the State educational agency is the local educational agency, for activities designed to assist in local school improvement efforts.

"(b) AWARD RULES.—

"(1) LESS THAN $50,000,000.—If the amount made available to carry out this subpart for any fiscal year is less than $50,000,000, the Secretary shall award grants under this section on a competitive basis.

"(2) EQUAL TO OR GREATER THAN $50,000,000.—If the amount made available to carry out this subpart for any fiscal year is equal to or greater than $50,000,000, the Secretary shall award grants under this section so that a rural eligible

local educational agency in each State receives such a grant.

"(c) ADMINISTRATIVE COSTS.—Not more than five percent of a grant awarded under section 12573 shall be used for administrative costs.

"(d) DURATION.—Each grant under this section shall be awarded for a period of not more than five years.

"SEC. 12874. USES OF FUNDS.

"(a) IN GENERAL.—Grant funds made available under section 12873 may be used by rural eligible local educational agencies to meet the National Education Goals through programs designed to—

"(1) increase the academic achievement of rural public school children to at least the national average of such achievement, including education reform initiatives, such as—

"(A) effective public schools programs;

"(B) tutoring, mentoring, and other activities to improve academic achievement directly;

"(C) supplementary academic instruction;

"(D) efforts to improve problem-solving and higher-order critical thinking skills; and

"(E) efforts to lengthen the school day, school year, or reduce class sizes;

"(2) develop pilot projects that experiment with innovative ways to teach rural public school children more effectively;

"(3) encourage the formation of rural school consortia for the purpose of increasing efficiency and course offerings;

"(4) provide meaningful inservice training opportunities for rural public school teachers;

"(5) assist rural schools in acquiring and improving access to educational technology, including distance learning technologies;

"(6) ensure the readiness of all rural children for school, such as—

"(A) full workday, full calendar-year comprehensive early childhood development programs;

"(B) parenting classes, including parenting classes for teenage parents, and parent involvement activities;

"(C) activities designed to coordinate prekindergarten and child care programs;

"(D) efforts to integrate developmentally appropriate prekindergarten services into the overall public school program;

"(E) improving the skills of early childhood education staff and standards for programs;

"(F) collaborative efforts with health and social service agencies to provide comprehensive services and to facilitate the transition from home to school;

"(G) establishment of comprehensive child care centers in public secondary schools for student parents and their children; and

"(H) augmenting early childhood development programs to meet the special educational and cultural needs of limited-English proficient children, children with disabilities, and migrant preschool children;

"(7) increase the graduation rates of rural public school students to at least the national average of such rate, when funds are used to serve secondary schools, such as—

"(A) dropout prevention activities and support services for students at-risk of dropping out of school;

"(B) reentry, outreach and support activities to recruit students who have dropped out of school to return to school;

"(C) development of systemwide policies and practices that encourage students to stay in school;

"(D) efforts to provide individualized student support;

"(E) collaborative activities between schools, parents, community groups, agencies, and institutions of higher education aimed at preventing individuals from dropping out of school;

"(F) programs to increase student attendance; and

"(G) alternative programs for students, especially bilingual, special education, and migrant students, who have dropped out of school or are at risk of dropping out of school;

"(8) prepare rural public school students to enter higher education, pursue careers, and exercise their responsibilities as citizens, such as—

"(A) activities designed to increase the number and percentages of students, enrolling in postsecondary educational institutions after graduation from secondary schools;

"(B) in-school youth employment, vocational education, and career education programs that improve the transition from school to work;

"(C) activities designed in collaboration with colleges and universities to assist rural public school graduates in completing higher education;

"(D) activities designed in conjunction with community colleges to provide a kindergarten through grade 14 experience for rural public school secondary school students;

"(E) efforts to increase voter registration among eligible public secondary school students attending schools served by rural eligible local educational agencies;

"(F) activities designed to promote community service and volunteerism among students, parents, teachers, and the community;

"(G) civic education, law-related education, and other programs designed to enhance responsible citizenship and understanding of the political process; and

"(H) encouraging a positive role for rural public schools in local rural entrepreneurship

and the identification of rural community economic development opportunities;

''(9) recruit and retain qualified teachers, such as—

''(A) school-based management projects and activities;

''(B) programs designed to increase the status of the teaching profession;

''(C) alternative routes to certification for qualified individuals from business, the military, and other fields;

''(D) efforts to recruit and retain teachers in critical shortage areas, including early childhood teachers, mathematics and science teachers, foreign language teachers, and special education and bilingual teachers;

''(E) upgrading the skills of existing classroom teachers through the use of year-round, systematic, comprehensive inservice training programs;

''(F) upgrading the skills of teacher aides and paraprofessionals to assist such individuals in becoming certified teachers;

"(G) efforts specifically designed to increase the number of minority teachers in rural public schools;

"(H) programs designed to encourage parents and students to enter the teaching profession;

"(I) incentives for teachers to work in rural public schools;

"(J) collaborative activities with colleges and universities to revise and upgrade teacher training programs to meet the needs of rural public school students; and

"(K) training activities for the purpose of incorporating distance learning technologies; or

"(10) decrease the use of drugs and alcohol among rural public school students, and to enhance the physical and emotional health of such students, such as—

"(A) activities designed to improve the self-esteem and self-worth of rural students;

"(B) the provision of health care services and other social services and the coordination of such services with other health care providers;

"(C) programs designed to improve safety and discipline and reduce in-school violence and vandalism;

"(D) activities that begin in the early grades and are designed to prevent drug and alcohol abuse and smoking among students;

"(E) collaborative activities with other agencies, businesses, and community groups;

"(F) efforts to enhance health education and nutrition education; and

"(G) alternative public schools, and schools-within-schools programs, including bilingual, migrant, and special education programs for students with special needs.

"(b) APPLICATIONS.—Each eligible entity desiring a grant under section 12873 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each grant awarded under section 12873 shall be of sufficient size and scope to achieve significant rural school improvement.

"SEC. 12875. HIGHER EDUCATION GRANTS.

"(a) GRANTS.—The Secretary is authorized to make grants to institutions of higher education, consortia of such institutions, or partnerships between institutions of

higher education and local educational agencies to assist rural schools and rural eligible local educational agencies in undertaking local school improvement activities.

"(b) AUTHORIZED ACTIVITIES.—Grant funds under this section may be used to—

"(1) assist rural schools in meeting National Education Goals;

"(2) assist in the recruitment and training of teachers in rural schools;

"(3) assist rural schools in the development of appropriate innovative school improvement initiatives;

"(4) provide inservice training opportunities for teachers in rural schools; and

"(5) provide technical assistance in the use and installation of innovative telecommunications technology.

"(c) APPLICATIONS.—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 reasonably require.

"Subpart 3—White House Conferences

"SEC. 12881. WHITE HOUSE CONFERENCE ON URBAN EDUCATION.

''(a) AUTHORIZATION TO CALL CONFERENCE.—

''(1) IN GENERAL.—The President is authorized to call and conduct a White House Conference on Urban Education (referred to in this section as the 'Conference') which shall be held not earlier than November 1, 2002, and not later than October 30, 2004.

''(2) PURPOSE.—The purpose of the Conference shall be to—

''(A) develop recommendations and strategies for the improvement of urban education;

''(B) marshal the forces of the private sector, governmental agencies at all levels, parents, teachers, communities, and education officials to assist urban public schools in achieving National Education Goals; and

''(C) conduct the initial planning for a permanent national advisory commission on urban education.

''(b) COMPOSITION OF CONFERENCE.—

''(1) IN GENERAL.—The Conference shall be comprised of 12 individuals, including—

"(A) representatives of urban public school systems, including members of the governing body of local educational agencies, and school superintendents;

"(B) representatives of the Congress, the Department of Education, and other Federal agencies;

"(C) State elected officials and representatives from State educational agencies; and

"(D) individuals with special knowledge of and expertise in urban education.

"(2) SELECTION.—The President shall select one-third of the participants of the Conference, the majority leader of the Senate, in consultation with the minority leader of the Senate, shall select one-third of such participants, and the Speaker of the House of Representatives, in consultation with the minority leader of the House, shall select the remaining one-third of such participants.

"(3) REPRESENTATION.—In selecting the participants of the Conference, the President, the majority leader of the Senate, and the Speaker of the House of Representatives shall ensure that the participants are as representative of the ethnic, racial, and linguistic diversity of cities as is practicable.

"(c) REPORT.—

"(1) IN GENERAL.—Not later than 120 days following the termination of the Conference, a final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President. The final report shall be made public and, not later than 90 days after receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations for implementing the report.

"(2) PUBLICATION AND DISTRIBUTION.—The Conference is authorized to publish and distribute the report described in this section. Copies of the report shall be provided to the Federal depository libraries and made available to local urban public school leaders.

"SEC. 12882. WHITE HOUSE CONFERENCE ON RURAL EDUCATION.

"(a) AUTHORIZATION TO CALL CONFERENCE.—

"(1) IN GENERAL.—The President is authorized to call and conduct a White House Conference on Rural Education (hereafter in this section referred to as the 'Conference').

"(2) DATE.—The Conference shall be held not earlier than November 1, 2001, and not later than October 30, 2002.

"(3) PURPOSE.—The purposes of the Conference shall be to—

"(A) develop recommendations and strategies for the improvement of rural public education;

"(B) marshal the forces of the private sector, governmental agencies at all levels, parents, teachers, communities, and education officials to assist rural public schools in achieving National Education Goals, and make recommendations on the roles rural public schools can play to assist with local rural community economic revitalization; and

"(C) conduct the initial planning for a permanent national commission on rural public education.

"(b) COMPOSITION OF CONFERENCE.—

"(1) IN GENERAL.—The Conference shall be comprised of—

"(A) representatives of eligible public school systems, including members of the gov-

erning body of local educational agencies, school superintendents, and classroom teachers;

"(B) representatives of the Congress, the Department, and other Federal agencies;

"(C) State elected officials and representatives from State educational agencies;

"(D) individuals with special knowledge of, and expertise in, rural education, including individuals involved with rural postsecondary education; and

"(E) individuals with special knowledge of, and expertise in, rural business.

"(2) SELECTION.—The President shall select one-third of the participants of the Conference, the majority leader of the Senate, in consultation with the minority leader of the Senate, shall select one-third of such participants, and the Speaker of the House of Representatives, in consultation with the minority leader of the House, shall select the remaining one-third of such participants.

"(3) REPRESENTATION.—In selecting the participants of the Conference, the President, the majority leader of the Senate, and the Speaker of the House of Representatives shall ensure that the participants are as representative of the ethnic, racial,

and language diversity of rural areas as is practicable.

"(c) REPORT.—

"(1) IN GENERAL.—Not later than 120 days following the termination of the Conference, a final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President. The final report shall be made public and, not later than 90 days after receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations for implementing the report.

"(2) PUBLICATION AND DISTRIBUTION.—The Conference is authorized to publish and distribute the report described in this section. Copies of the report shall be provided to the Federal depository libraries and made available to local rural school leaders and teachers.

"PART J—NATIONAL WRITING PROJECT

"SEC. 12891. FINDINGS.

"The Congress finds that—

"(1) the United States faces a crisis in writing in schools and in the workplace;

"(2) the writing problem has been magnified by the rapidly changing student populations and the growing number of at-risk students due to limited English proficiency;

"(3) over the past two decades, universities and colleges across the country have reported increasing numbers of entering freshmen who are unable to write at a level equal to the demands of college work;

"(4) American businesses and corporations are concerned about the limited writing skills of entry-level workers, and a growing number of executives are reporting that advancement was denied to them due to inadequate writing abilities;

"(5) the writing problem has been magnified by the rapidly changing student populations in the Nation's schools and the growing number of students who are at risk because of limited English proficiency;

"(6) writing and reading are both fundamental to learning, yet writing has been historically neglected in the schools and colleges, and most teachers in the United States elementary schools, secondary schools, and colleges have not been trained to teach writing;

"(7) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs whose goal is to improve the quality of student writing and the teaching of writing at all grade levels and to extend the uses of writing as a learning process through all disciplines;

"(8) the National Writing Project offers summer and school year inservice teacher training programs and a dissemination network to inform and teach teachers of developments in the field of writing;

"(9) the National Writing Project is a nationally recognized and honored nonprofit organization that recognizes that there are teachers in every region of the country who have developed successful methods for teaching writing and that such teachers can be trained and encouraged to train other teachers;

"(10) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, literature, performing arts, and foreign languages;

"(11) the National Writing Project teacher-teaching-teachers program identifies and promotes what is working in the classrooms of the Nation's best teachers;

"(12) the National Writing Project teacher-teaching-teachers project is a positive program that celebrates good teaching practices and good teachers and through its work with schools increases the Nation's corps of successful classroom teachers;

"(13) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance, and student thinking and learning ability;

"(14) the National Writing Project programs offer career-long education to teachers, and teachers participating in the National Writing Project receive graduate academic credit;

"(15) each year over 100,000 teachers voluntarily seek training in National Writing Project intensive summer institutes and workshops and school year in-service programs through one of the 154 regional sites located in 45 States, the Commonwealth of Puerto Rico, and in 4 sites that serve United

States teachers in United States dependent and independent schools;

"(16) 250 National Writing Project sites are needed to establish regional sites to serve all teachers;

"(17) private foundation resources, although generous in the past, are inadequate to fund all of the National Writing Project sites needed and the future of the program is in jeopardy without secure financial support;

"(18) independent evaluation studies have found the National Writing Project to be highly cost effective compared to other professional development programs for teachers; and

"(19) during 1991, the first year of Federal support for the National Writing Project, the National Writing Project matched the $1,951,975 in Federal support with $9,485,504 in matching funds from State, local, and other sources.

"SEC. 12892. NATIONAL WRITING PROJECT.

"(a) AUTHORIZATION.—The Secretary is authorized to make a grant to the National Writing Project (hereafter in this section referred to as the 'grantee'), a nonprofit educational organization which has as its primary purpose the improvement of the quality of student writing and

learning, and the teaching of writing as a learning process in the Nation's classrooms—

"(1) to support and promote the establishment of teacher training programs, including the dissemination of effective practices and research findings regarding the teaching of writing and administrative activities;

"(2) to support classroom research on effective teaching practice and to document student performance;

"(3) to coordinate activities assisted under this section with activities assisted under title II; and

"(4) to pay the Federal share of the cost of such programs.

"(b) REQUIREMENTS OF GRANT.—The grant shall provide that—

"(1) the grantee will enter into contracts with institutions of higher education or other nonprofit educational providers (hereafter in this section referred to as 'contractors') under which the contractors will agree to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing;

"(2) funds made available by the Secretary to the grantee pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

"(3) the grantee will meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with the provisions of this section and will provide such technical assistance as may be necessary to carry out the provisions of this section.

"(c) TEACHER TRAINING PROGRAMS.—The teacher training programs authorized in subsection (a) shall—

"(1) be conducted during the school year and during the summer months;

"(2) train teachers who teach grades kindergarten through college;

"(3) select teachers to become members of a National Writing Project teacher network whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

"(4) encourage teachers from all disciplines to participate in such teacher training programs.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—Except as provided in paragraph (2) or (3) and for purposes of subsection (a), the term 'Federal share' means, with respect to the costs of teacher training programs authorized in subsection (a), 50 percent of such costs to the contractor.

"(2) WAIVER.—The Secretary may waive the provisions of paragraph (1) on a case-by-case basis if the National Advisory Board described in subsection (f) determines, on the basis of financial need, that such waiver is necessary.

"(3) MAXIMUM.—The Federal share of the costs of teacher training programs conducted pursuant to subsection (a) may not exceed $40,000 for any one contractor, or $200,000 for a statewide program administered by any one contractor in at least five sites throughout the State.

"(e) CLASSROOM TEACHER GRANTS.—

"(1) IN GENERAL.—The National Writing Project may reserve an amount not to exceed 5 percent of the amount appropriated pursuant to the authority of this section to make grants, on a competitive basis, to elementary and secondary school teach-

ers to pay the Federal share of the cost of enabling such teachers to—

"(A) conduct classroom research;

"(B) publish models of student writing;

"(C) conduct research regarding effective practices to improve the teaching of writing; and

"(D) conduct other activities to improve the teaching and uses of writing.

"(2) SUPPLEMENT AND NOT SUPPLANT.—Grants awarded pursuant to paragraph (1) shall be used to supplement and not supplant State and local funds available for the purposes set forth in paragraph (1).

"(3) MAXIMUM GRANT AMOUNT.—Each grant awarded pursuant to this subsection shall not exceed $2,000.

"(4) FEDERAL SHARE.—For the purpose of this subsection the term 'Federal share' means, with respect to the costs of activities assisted under this subsection, 50 percent of such costs to the elementary or secondary school teacher.

"(f) NATIONAL ADVISORY BOARD.—

"(1) ESTABLISHMENT.—The National Writing Project shall establish and operate a National Advisory Board.

"(2) COMPOSITION.—The National Advisory Board established pursuant to paragraph (1) shall consist of—

"(A) national educational leaders;

"(B) leaders in the field of writing; and

"(C) such other individuals as the National Writing Project deems necessary.

"(3) DUTIES.—The National Advisory Board established pursuant to paragraph (1) shall—

"(A) advise the National Writing Project on national issues related to student writing and the teaching of writing;

"(B) review the activities and programs of the National Writing Project; and

"(C) support the continued development of the National Writing Project.

"(g) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall conduct an independent evaluation by grant or contract of the teacher training programs administered pursuant to this Act in accordance with section 14701. Such evaluation shall specify the amount of funds

expended by the National Writing Project and each contractor receiving assistance under this section for administrative costs. The results of such evaluation shall be made available to the appropriate committees of the Congress.

"(2) FUNDING LIMITATION.—The Secretary shall reserve not more than $150,000 from the total amount appropriated pursuant to the authority of subsection (i) for fiscal year 2001 and the four succeeding fiscal years to conduct the evaluation described in paragraph (1).

"(h) APPLICATION REVIEW.—

"(1) REVIEW BOARD.—The National Writing Project shall establish and operate a National Review Board that shall consist of—

"(A) leaders in the field of research in writing; and

"(B) such other individuals as the National Writing Project deems necessary.

"(2) DUTIES.—The National Review Board shall—

"(A) review all applications for assistance under this subsection; and

"(B) recommend applications for assistance under this subsection for funding by the National Writing Project.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, $4,000,000 for fiscal year 2002, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out the provisions of this section.".

○