

108TH CONGRESS
1ST SESSION

S. 4

To improve access to a quality education for all students.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2003

Mr. GREGG (for himself, Mr. FRIST, Mr. McCONNELL, Mr. SANTORUM, Mr. ALEXANDER, Mr. ENSIGN, and Mr. GRAHAM of South Carolina) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To improve access to a quality education for all students.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Opportunity for Every Child Act of 2003”.

6 (b) TABLE OF CONTENTS.—

7 The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EMPOWERMENT

Sec. 101. Short title.

Sec. 102. Sense of the Senate.

PART A—SCHOOL CHOICE

- Sec. 111. Short title and purpose.
- Sec. 112. Definitions.
- Sec. 113. Program authorized.
- Sec. 114. Annual reports.
- Sec. 115. Applications.
- Sec. 116. Priority.
- Sec. 117. Interaction with other laws.
- Sec. 118. Standing.
- Sec. 119. Authorization of appropriations.

PART B—DISTRICT OF COLUMBIA SCHOLARSHIP PROGRAM

- Sec. 121. Short title, findings, and precedents.
- Sec. 122. Definitions.
- Sec. 123. District of Columbia Scholarship Corporation.
- Sec. 124. Scholarships authorized.
- Sec. 125. Scholarship awards.
- Sec. 126. Scholarship payments.
- Sec. 127. Civil rights.
- Sec. 128. Children with disabilities.
- Sec. 129. Rule of construction.
- Sec. 130. Reporting requirements.
- Sec. 131. Program appraisal.
- Sec. 132. Standing.
- Sec. 133. Effective date.

PART C—CHARTER SCHOOLS

- Sec. 141. Authorization of appropriations.

TITLE II—IDEA

- Sec. 201. Sense of the Senate regarding IDEA.
- Sec. 202. Fully funding IDEA.

TITLE III—HIGHER EDUCATION

- Sec. 301. Sense of the Senate regarding expanding access to college.
- Sec. 302. Sense of the Senate regarding minority-serving institutions.
- Sec. 303. Authorization of appropriations.

TITLE IV—RECRUITING TEACHERS

PART A—LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND SPECIAL EDUCATION TEACHERS

- Sec. 411. Short title.
- Sec. 412. Sense of the Senate regarding loan forgiveness.
- Sec. 413. Revision of teacher loan forgiveness programs.

PART B—CLASSROOM EXPENSE DEDUCTION

- Sec. 421. Expansion of classroom expense deduction for teachers.

TITLE V—MAKING EDUCATION MORE AFFORDABLE

- Sec. 501. Sense of the Senate regarding making education more affordable.
- Sec. 502. Affordable education provisions made permanent.

Sec. 503. Credit for education, tuition, and transportation expenses of students assigned to schools identified for school improvement.

1 **TITLE I—EMPOWERMENT**

2 **SEC. 101. SHORT TITLE.**

3 This title may be cited as the “Empowering Parents
4 Act of 2003”.

5 **SEC. 102. SENSE OF THE SENATE.**

6 It is the sense of the Senate that—

7 (1) parents are best equipped to make decisions
8 for their children, including the educational setting
9 that will best serve the interests and educational
10 needs of their child;

11 (2) parents of children in underperforming pub-
12 lic schools should have the choice to send their chil-
13 dren to higher performing schools, be they public
14 schools (including charter schools) or private
15 schools;

16 (3) for many parents in rural and urban areas,
17 public school choice provided for under the amend-
18 ments made by the No Child Left Behind Act of
19 2001 is not a meaningful option due to capacity con-
20 straints, therefore in keeping with the spirit of the
21 No Child Left Behind Act of 2001, private school
22 choice should be made available to those parents;

23 (4) the District of Columbia schools have the
24 lowest student performance averages of any school

1 system in the Nation on the National Assessment of
 2 Educational Progress (NAEP) and therefore parents
 3 in the District of Columbia are in particular need of
 4 more options, including the possibility of sending
 5 their child to private school; and

6 (5) charter schools support and stimulate im-
 7 proved public school performance by promoting com-
 8 petition and providing parents increased options for
 9 their children, and therefore the Federal Govern-
 10 ment should encourage their creation and growth,
 11 particularly due to the unique financing barriers
 12 charter schools face.

13 **PART A—SCHOOL CHOICE**

14 **SEC. 111. SHORT TITLE AND PURPOSE.**

15 (a) SHORT TITLE.—This part may be cited as the
 16 “School Choice Incentive Act of 2003”.

17 (b) PURPOSE.—The purpose of this part is to provide
 18 low-income students attending under performing public el-
 19 ementary or secondary schools the opportunity to attend
 20 a private school when public school choice is unavailable.

21 **SEC. 112. DEFINITIONS.**

22 In this part:

23 (1) EDUCATION CERTIFICATE.—The term “edu-
 24 cation certificate” means a certificate provided to an

1 eligible student to enable the eligible student to at-
2 tend a private school.

3 (2) ELIGIBLE ENTITY.—The term “eligible enti-
4 ty” means a public agency, institution, or organiza-
5 tion, such as a State, a State or local educational
6 agency, a county or municipal agency, a consortium
7 of public and private organizations, or a private non-
8 profit organization, that can demonstrate, to the sat-
9 isfaction of the Secretary, its ability to—

10 (A) receive, disburse, and account for Fed-
11 eral funds; and

12 (B) carry out the activities described in the
13 application submitted under section 115.

14 (3) ELIGIBLE STUDENT.—The term “eligible
15 student” means a child in any of the grades kinder-
16 garten through grade 12—

17 (A) who is eligible for a free or reduced
18 price meal under the Richard B. Russell Na-
19 tional School Lunch Act (42 U.S.C. 1751 et
20 seq.); and

21 (B) who attends, is scheduled to attend, or
22 plans to attend in the next school year (in the
23 case of a child who is not yet of school age), a
24 school identified for school improvement.

1 (4) PARENT.—The term “parent” includes a
2 legal guardian or other individual acting in loco
3 parentis.

4 (5) PRIVATE SCHOOL.—The term “private
5 school” means any private elementary or secondary
6 school, including a private elementary or secondary
7 sectarian school.

8 (6) SCHOOL IDENTIFIED FOR SCHOOL IM-
9 PROVEMENT.—The term “school identified for school
10 improvement” means a public elementary or sec-
11 ondary school identified for school improvement
12 under section 1116(b) of the Elementary and Sec-
13 ondary Education Act of 1965 (20 U.S.C. 6316).

14 (7) SECRETARY.—The term “Secretary” means
15 the Secretary of Education.

16 **SEC. 113. PROGRAM AUTHORIZED.**

17 (a) IN GENERAL.—The Secretary may award grants
18 to eligible entities to enable the eligible entities to provide
19 education certificates to eligible students according to the
20 requirements of this part.

21 (b) REQUIREMENT.—An eligible entity shall only
22 award an education certificate to an eligible student if the
23 local educational agency serving the public school the eligi-
24 ble student would otherwise attend is unable to enroll the

1 eligible student in another public school that has not been
2 identified for school improvement.

3 (c) USE OF FEDERAL FUNDS.—Each eligible entity
4 receiving a grant under this part—

5 (1) shall provide educational certificates to eli-
6 gible students to supplement the costs of private
7 school tuition, mandatory fees, and costs of trans-
8 portation (if any); and

9 (2) may expend not more than 15 percent of
10 the amount received under the grant in the first fis-
11 cal year for which the eligible entity provides edu-
12 cation certificates under this part, or 10 percent of
13 such amount in any subsequent year, for the costs
14 of administration, including—

15 (A) providing information to parents about
16 the education certificates;

17 (B) seeking the involvement of private
18 schools;

19 (C) making determinations of eligibility for
20 participation for eligible children;

21 (D) determining the amount of, and
22 issuing, education certificates; and

23 (E) compiling and maintaining such finan-
24 cial and programmatic records as the Secretary
25 may require.

1 (d) EDUCATION CERTIFICATES.—

2 (1) AMOUNT.—The amount of an education
3 certificate shall be calculated on a yearly basis, and
4 shall be equal to the cost of tuition and mandatory
5 fees for, and transportation, as appropriate, to at-
6 tend, a private school.

7 (2) MAXIMUM AMOUNT.—Notwithstanding any
8 other provision of this part, the maximum amount of
9 an eligible student’s education certificate under this
10 part shall not exceed the per pupil expenditure for
11 elementary and secondary education by the local
12 educational agency serving the school identified for
13 school improvement.

14 (3) TAX STATUS.—An education certificate, and
15 funds provided under the education certificate, shall
16 not be treated as income of the parents for purposes
17 of Federal tax laws or for determining eligibility for
18 any other Federal program.

19 (e) ELIGIBLE ENTITY RESPONSIBILITIES.—Each eli-
20 gible entity receiving a grant under this part—

21 (1) shall provide timely annual notice to parents
22 of eligible students explaining the availability of edu-
23 cation certificates under this part, which at a min-
24 imum, shall include—

1 (A) a description of the eligibility require-
2 ments for participation in the program assisted
3 under this part;

4 (B) a description of the information need-
5 ed to make a determination of eligibility for
6 such participation for an eligible student;

7 (C) a description of the selection proce-
8 dures to be used if the number of eligible stu-
9 dents seeking to participate exceeds the number
10 that can be accommodated; and

11 (D) the schedule for parents to apply for
12 their eligible students to participate;

13 (2) shall apply fair and equitable procedures for
14 serving eligible students if the amount available for
15 education certificates is not sufficient to serve all eli-
16 gible students, and, in such event, shall prioritize
17 serving students from families with the lowest in-
18 come first;

19 (3) shall not disclose to the public the identity
20 of any eligible student without the written permis-
21 sion of a parent of the student;

22 (4) shall promote maximum participation in the
23 education certificate program to ensure, to the ex-
24 tent practicable, that parents have as many choices
25 of private schools as possible; and

1 (5) shall provide annual notice to private
2 schools of the opportunity to participate in the pro-
3 gram.

4 **SEC. 114. ANNUAL REPORTS.**

5 Each eligible entity that receives a grant under this
6 part shall submit to the Secretary an annual report. Each
7 such report shall be submitted at such time, in such man-
8 ner, and accompanied by such information, as the Sec-
9 retary may require.

10 **SEC. 115. APPLICATIONS.**

11 (a) IN GENERAL.—Each eligible entity desiring a
12 grant under this part shall submit an application to the
13 Secretary at such time and in such manner as the Sec-
14 retary may require.

15 (b) CONTENTS.—Each such application shall contain
16 an assurance by the eligible entity that—

17 (1) each private school participating in the pro-
18 gram has been in operation for at least 1 year prior
19 to accepting education certificates under this part;
20 and

21 (2) the eligible entity will terminate the involve-
22 ment of a private school in the program if the pri-
23 vate school fails to comply with the requirements of
24 the program.

1 **SEC. 116. PRIORITY.**

2 In awarding grants under this section, the Secretary
 3 shall give a priority to eligible entities that propose to
 4 carry out education certificate programs serving school
 5 districts that have a high number or a high concentration
 6 of schools identified for school improvement.

7 **SEC. 117. INTERACTION WITH OTHER LAWS.**

8 (a) PART B OF THE INDIVIDUALS WITH DISABIL-
 9 ITIES EDUCATION ACT.—Nothing in this part shall be
 10 construed to affect the requirements of part B of the Indi-
 11 viduals with Disabilities Education Act.

12 (b) CIVIL RIGHTS.—A private school participating in
 13 the program under this part shall not discriminate on the
 14 basis of race, color, national origin, or sex in carrying out
 15 the provisions of this part.

16 (c) APPLICABILITY AND CONSTRUCTION WITH RE-
 17 SPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

18 (1) APPLICABILITY.—With respect to discrimi-
 19 nation on the basis of sex, subsection (a) shall not
 20 apply to a private school that is controlled by a reli-
 21 gious organization if the application of subsection
 22 (a) is inconsistent with the religious tenets of the
 23 private school.

24 (2) CONSTRUCTION.—With respect to discrimi-
 25 nation on the basis of sex, nothing in subsection (a)
 26 shall be construed to require any person, or public

1 or private entity to provide or pay, or to prohibit any
2 such person or entity from providing or paying, for
3 any benefit or service, including the use of facilities,
4 related to an abortion. Nothing in the preceding sen-
5 tence shall be construed to permit a penalty to be
6 imposed on any person or individual because such
7 person or individual is seeking or has received any
8 benefit or service related to a legal abortion.

9 (3) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVI-
10 TIES.—With respect to discrimination on the basis
11 of sex, nothing in subsection (a) shall be construed
12 to prevent a parent from choosing, or a private
13 school from offering, a single-sex school, class, or ac-
14 tivity.

15 (d) REVOCATION.—If an eligible entity determines
16 that a private school participating in a program assisted
17 under this section is in violation of subsection (a) or (b),
18 then the eligible entity shall terminate the involvement of
19 the private school in the program.

20 (e) RULE OF CONSTRUCTION.—Nothing in this part
21 shall be construed to prevent a private school which is op-
22 erated by, supervised by, controlled by, or connected to,
23 a religious organization from employing, admitting, or giv-
24 ing preference to, persons of the same religion to the ex-
25 tent determined by the private school to promote the reli-

1 gious purpose for which the private school is established
2 or maintained.

3 (f) **SECTARIAN PURPOSES.**—Nothing in this part
4 shall be construed to prohibit the use of funds made avail-
5 able under this part for sectarian educational purposes,
6 or to require a private school to remove religious art,
7 icons, scripture, or other symbols.

8 **SEC. 118. STANDING.**

9 The parent of any student eligible to receive an edu-
10 cation certificate under this part shall have standing in
11 an action challenging the constitutionality of the education
12 certificate program under this part.

13 **SEC. 119. AUTHORIZATION OF APPROPRIATIONS.**

14 There are authorized to be appropriated to carry out
15 this part \$75,000,000 for fiscal year 2004 and such sums
16 as may be necessary for each of the 4 succeeding fiscal
17 years.

18 **PART B—DISTRICT OF COLUMBIA SCHOLARSHIP**

19 **PROGRAM**

20 **SEC. 121. SHORT TITLE, FINDINGS, AND PRECEDENTS.**

21 (a) **SHORT TITLE.**—This part may be cited as the
22 “District of Columbia Student Opportunity Scholarship
23 Act of 2003”.

1 (b) FINDINGS.—Congress finds that the Supreme
2 Court, in *Zelman v. Simmons-Harris*, 536 U.S.C. 639,
3 (2002)—

4 (1) held that the State-funded school choice
5 program established in Cleveland, Ohio, did not vio-
6 late the establishment clause of the first amendment
7 of the Constitution because the program was one of
8 true private choice, allowing parents a genuine and
9 independent decision whether to use a tuition schol-
10 arship at a participating public or private school;
11 and

12 (2) determined that as long as the beneficiary
13 decides where education funds will be spent on such
14 individual’s behalf, public funds can be used for edu-
15 cation in a religious institution because the public
16 entity has neither advanced nor hindered a par-
17 ticular religion, or religion in general.

18 **SEC. 122. DEFINITIONS.**

19 In this part:

20 (1) The term “Board” means the Board of Di-
21 rectors of the Corporation established under section
22 123(b)(1).

23 (2) The term “Corporation” means the District
24 of Columbia Scholarship Corporation established
25 under section 123(a).

1 (3) The term “eligible institution”—

2 (A) in the case of an institution serving a
3 student who receives a tuition scholarship under
4 section 124(d)(1), means a public, private, or
5 independent elementary or secondary school;
6 and

7 (B) in the case of an institution serving a
8 student who receives an enhanced achievement
9 scholarship under section 124(d)(2), means an
10 elementary or secondary school or an entity
11 that provides services to a student enrolled in
12 an elementary or secondary school to enhance
13 such student’s achievement through instruction
14 described in section 124(d)(2).

15 (4) The term “parent” includes a legal guard-
16 ian or other person standing in loco parentis.

17 (5) The term “poverty line” means the official
18 poverty line, as established by the Director of the
19 Office of Management and Budget and revised an-
20 nually under section 673(2) of the Community Serv-
21 ices Block Grant Act (42 U.S.C. 9902(2)), applica-
22 ble to a family of the size involved.

23 **SEC. 123. DISTRICT OF COLUMBIA SCHOLARSHIP COR-**
24 **PORATION.**

25 (a) GENERAL REQUIREMENTS.—

1 (1) IN GENERAL.—There is authorized to be es-
2 tablished a private, nonprofit corporation, to be
3 known as the “District of Columbia Scholarship
4 Corporation”, which is neither an agency nor estab-
5 lishment of the United States Government or the
6 District of Columbia Government.

7 (2) DUTIES.—The Corporation shall have the
8 responsibility and authority to administer, publicize,
9 and evaluate the scholarship program in accordance
10 with this part, and to determine student and school
11 eligibility for participation in such program.

12 (3) CONSULTATION.—The Corporation shall ex-
13 ercise its authority—

14 (A) in a manner consistent with maxi-
15 mizing educational opportunities for the max-
16 imum number of interested families; and

17 (B) in consultation with the District of Co-
18 lumbia Board of Education or entity exercising
19 administrative jurisdiction over the District of
20 Columbia Public Schools, the Superintendent of
21 the District of Columbia Public Schools, and
22 other school scholarship programs in the Dis-
23 trict of Columbia.

24 (4) APPLICATION OF PROVISIONS.—The Cor-
25 poration shall be subject to the provisions of this

1 part, and, to the extent consistent with this part, to
2 the District of Columbia Nonprofit Corporation Act
3 (sec. 29–301.01 et seq., D.C. Official Code).

4 (5) RESIDENCE.—The Corporation shall have
5 its place of business in the District of Columbia and
6 shall be considered, for purposes of venue in civil ac-
7 tions, to be a resident of the District of Columbia.

8 (6) FUND.—There is established in the Treas-
9 ury a fund that shall be known as the District of
10 Columbia Scholarship Fund, to be administered by
11 the Secretary of the Treasury.

12 (7) DISBURSEMENT.—The Secretary of the
13 Treasury shall make available and disburse to the
14 Corporation, before October 15 of each fiscal year or
15 not later than 15 days after the date of enactment
16 of an Act making appropriations for the District of
17 Columbia for such year, whichever occurs later, such
18 funds as have been appropriated to the District of
19 Columbia Scholarship Fund for the fiscal year in
20 which such disbursement is made.

21 (8) AVAILABILITY.—Funds authorized to be ap-
22 propriated under this part shall remain available
23 until expended.

24 (9) USES.—Funds authorized to be appro-
25 priated under this part shall be used by the Cor-

1 poration in a prudent and financially responsible
 2 manner, solely for scholarships, contracts, and ad-
 3 ministrative costs.

4 (10) AUTHORIZATION OF APPROPRIATIONS.—

5 (A) IN GENERAL.—There are authorized to
 6 be appropriated to the District of Columbia
 7 Scholarship Fund—

8 (i) \$7,000,000 for fiscal year 2004;

9 (ii) \$8,000,000 for fiscal year 2005;

10 and

11 (iii) \$10,000,000 for each of fiscal
 12 years 2006 through 2009.

13 (B) LIMITATION.—Not more than 7.5 per-
 14 cent of the amount appropriated to carry out
 15 this part for any fiscal year may be used by the
 16 Corporation for salaries and administrative
 17 costs.

18 (b) ORGANIZATION AND MANAGEMENT; BOARD OF
 19 DIRECTORS.—

20 (1) BOARD OF DIRECTORS; MEMBERSHIP.—

21 (A) IN GENERAL.—The Corporation shall
 22 have a Board of Directors (hereinafter in this
 23 part referred to as the “Board”), comprised of
 24 seven members, with six members of the Board
 25 appointed by the President not later than 30

1 days after receipt of nominations from the
2 Speaker of the House of Representatives and
3 the President pro tempore of the Senate.

4 (B) HOUSE NOMINATIONS.—The President
5 shall appoint three of the members from a list
6 of nine individuals nominated by the Speaker of
7 the House of Representatives in consultation
8 with the minority leader of the House of Rep-
9 resentatives.

10 (C) SENATE NOMINATIONS.—The Presi-
11 dent shall appoint three members from a list of
12 nine individuals nominated by the President pro
13 tempore of the Senate in consultation with the
14 minority leader of the Senate.

15 (D) DEADLINE.—The Speaker of the
16 House of Representatives and Majority Leader
17 of the Senate shall submit their nominations to
18 the President not later than 30 days after the
19 date of the enactment of this part.

20 (E) APPOINTEE BY MAYOR.—The Mayor
21 of the District of Columbia shall appoint one
22 member of the Board not later than 60 days
23 after the date of the enactment of this part.

24 (F) POSSIBLE INTERIM MEMBERS.—If the
25 President does not appoint the six members of

1 the Board in the 30-day period described in
2 subparagraph (A), then the Speaker of the
3 House of Representatives and the President pro
4 tempore of the Senate shall each appoint two
5 members of the Board, and the minority leader
6 of the House of Representatives and the minor-
7 ity leader of the Senate shall each appoint one
8 member of the Board, from among the individ-
9 uals nominated under subparagraphs (A) and
10 (B), as the case may be. The appointees under
11 the preceding sentence together with the ap-
12 pointee of the Mayor of the District of Colum-
13 bia, shall serve as an interim Board with all the
14 powers and other duties of the Board described
15 in this part, until the President makes the ap-
16 pointments as described in this subsection.

17 (2) POWERS.—All powers of the Corporation
18 shall vest in and be exercised under the authority of
19 the Board.

20 (3) ELECTIONS.—Members of the Board annu-
21 ally shall elect one of the members of the Board to
22 be the Chairperson of the Board.

23 (4) RESIDENCY.—All members appointed to the
24 Board shall be residents of the District of Columbia

1 at the time of appointment and while serving on the
2 Board.

3 (5) NONEMPLOYEE.—No member of the Board
4 may be an employee of the United States Govern-
5 ment or the District of Columbia Government when
6 appointed to or during tenure on the Board, unless
7 the individual is on a leave of absence from such a
8 position while serving on the Board.

9 (6) INCORPORATION.—The members of the ini-
10 tial Board shall serve as incorporators and shall take
11 whatever steps are necessary to establish the Cor-
12 poration under the District of Columbia Nonprofit
13 Corporation Act (sec. 29–301.01 et seq., D.C. Offi-
14 cial Code).

15 (7) GENERAL TERM.—The term of office of
16 each member of the Board shall be 5 years, except
17 that any member appointed to fill a vacancy occur-
18 ring prior to the expiration of the term for which the
19 predecessor was appointed shall be appointed for the
20 remainder of such term.

21 (8) CONSECUTIVE TERM.—No member of the
22 Board shall be eligible to serve in excess of two con-
23 secutive terms of 5 years each. A partial term shall
24 be considered as one full term. Any vacancy on the

1 Board shall not affect the Board's power, but shall
2 be filled in a manner consistent with this part.

3 (9) NO BENEFIT.—No part of the income or as-
4 sets of the Corporation shall inure to the benefit of
5 any Director, officer, or employee of the Corpora-
6 tion, except as salary or reasonable compensation for
7 services.

8 (10) POLITICAL ACTIVITY.—The Corporation
9 may not contribute to or otherwise support any po-
10 litical party or candidate for elective public office.

11 (11) NOT OFFICERS OR EMPLOYEES.—The
12 members of the Board shall not, by reason of such
13 membership, be considered to be officers or employ-
14 ees of the United States Government or of the Dis-
15 trict of Columbia Government.

16 (12) STIPENDS.—The members of the Board,
17 while attending meetings of the Board or while en-
18 gaged in duties related to such meetings or other ac-
19 tivities of the Board pursuant to this part, shall be
20 provided a stipend. Such stipend shall be at the rate
21 of \$150 per day for which the member of the Board
22 is officially recorded as having worked, except that
23 no member may be paid a total stipend amount in
24 any calendar year in excess of \$5,000.

25 (c) OFFICERS AND STAFF.—

1 (1) EXECUTIVE DIRECTOR.—The Corporation
2 shall have an executive director, and such other
3 staff, as may be appointed by the Board for terms
4 and at rates of compensation, not to exceed level
5 EG–16 of the Educational Service of the District of
6 Columbia, to be fixed by the Board.

7 (2) STAFF.—With the approval of the Board,
8 the executive director may appoint and fix the salary
9 of such additional personnel as the executive director
10 considers appropriate.

11 (3) ANNUAL RATE.—No staff of the Corpora-
12 tion may be compensated by the Corporation at an
13 annual rate of pay greater than the annual rate of
14 pay of the executive director.

15 (4) SERVICE.—All officers and employees of the
16 Corporation shall serve at the pleasure of the Board.

17 (5) QUALIFICATION.—No political test or quali-
18 fication may be used in selecting, appointing, pro-
19 moting, or taking other personnel actions with re-
20 spect to officers, agents, or employees of the Cor-
21 poration.

22 (d) POWERS OF THE CORPORATION.—

23 (1) GENERALLY.—The Corporation is author-
24 ized to obtain grants from, and make contracts with,

1 individuals and with private, State, and Federal
2 agencies, organizations, and institutions.

3 (2) HIRING AUTHORITY.—The Corporation may
4 hire, or accept the voluntary services of, consultants,
5 experts, advisory boards, and panels to aid the Cor-
6 poration in carrying out this part.

7 (e) FINANCIAL MANAGEMENT AND RECORDS.—

8 (1) AUDITS.—The financial statements of the
9 Corporation shall be—

10 (A) maintained in accordance with gen-
11 erally accepted accounting principles for non-
12 profit corporations; and

13 (B) audited annually by independent cer-
14 tified public accountants.

15 (2) REPORT.—The report for each such audit
16 shall be included in the annual report to Congress
17 required by section 131(c).

18 (f) ADMINISTRATIVE RESPONSIBILITIES.—

19 (1) SCHOLARSHIP APPLICATION SCHEDULE AND
20 PROCEDURES.—Not later than 30 days after the ini-
21 tial Board is appointed and the first executive direc-
22 tor of the Corporation is hired under this part, the
23 Corporation shall implement a schedule and proce-
24 dures for processing applications for, and awarding,
25 student scholarships under this part. The schedule

1 and procedures shall include establishing a list of
2 certified eligible institutions located in the areas
3 specified in section 124(d)(1)), distributing scholar-
4 ship information to parents and the general public
5 (including through a newspaper of general circula-
6 tion), and establishing deadlines for steps in the
7 scholarship application and award process.

8 (2) INSTITUTIONAL APPLICATIONS AND ELIGI-
9 BILITY.—

10 (A) IN GENERAL.—An eligible institution
11 that desires to participate in the scholarship
12 program under this part shall file an applica-
13 tion with the Corporation for certification for
14 participation in the scholarship program under
15 this part that shall—

16 (i) demonstrate that the eligible insti-
17 tution has operated with not fewer than 25
18 students during the 3 years preceding the
19 year for which the determination is made
20 unless the eligible institution is applying
21 for certification as a new eligible institu-
22 tion under subparagraph (C);

23 (ii) contain an assurance that the eli-
24 gible institution will comply with all appli-
25 cable requirements of this part;

1 (iii) contain an annual statement of
2 the eligible institution's budget; and

3 (iv) describe the eligible institution's
4 proposed program, including personnel
5 qualifications and fees.

6 (B) CERTIFICATION.—

7 (i) IN GENERAL.—Except as provided
8 in subparagraph (C), not later than 60
9 days after receipt of an application in ac-
10 cordance with subparagraph (A), the Cor-
11 poration shall certify an eligible institution
12 to participate in the scholarship program
13 under this part.

14 (ii) CONTINUATION.—An eligible insti-
15 tution's certification to participate in the
16 scholarship program shall continue unless
17 such eligible institution's certification is re-
18 voked in accordance with subparagraph
19 (D).

20 (C) NEW ELIGIBLE INSTITUTION.—

21 (i) IN GENERAL.—An eligible institu-
22 tion that did not operate with at least 25
23 students in the 3 years preceding the year
24 for which the determination is made may
25 apply for a 1-year provisional certification

1 to participate in the scholarship program
2 under this part for a single year by pro-
3 viding to the Corporation not later than
4 July 1 of the year preceding the year for
5 which the determination is made—

6 (I) a list of the eligible institu-
7 tion's board of directors;

8 (II) letters of support from not
9 less than 10 members of the commu-
10 nity served by such eligible institution;

11 (III) a business plan;

12 (IV) an intended course of study;

13 (V) assurances that the eligible
14 institution will begin operations with
15 not less than 25 students;

16 (VI) assurances that the eligible
17 institution will comply with all appli-
18 cable requirements of this part; and

19 (VII) a statement that satisfies
20 the requirements of clauses (ii) and
21 (iv) of subparagraph (A).

22 (ii) CERTIFICATION.—Not later than
23 60 days after the date of receipt of an ap-
24 plication described in clause (i), the Cor-
25 poration shall certify in writing the eligible

1 institution's provisional certification to
2 participate in the scholarship program
3 under this part unless the Corporation de-
4 termines that good cause exists to deny
5 certification.

6 (iii) RENEWAL OF PROVISIONAL CER-
7 TIFICATION.—After receipt of an applica-
8 tion under clause (i) from an eligible insti-
9 tution that includes a statement of the eli-
10 gible institution's budget completed not
11 earlier than 12 months before the date
12 such application is filed, the Corporation
13 shall renew an eligible institution's provi-
14 sional certification for the second and third
15 years of the school's participation in the
16 scholarship program under this part unless
17 the Corporation finds—

18 (I) good cause to deny the re-
19 newal, including a finding of a pattern
20 of violation of requirements described
21 in paragraph (3)(A); or

22 (II) consistent failure of 25 per-
23 cent or more of the students receiving
24 scholarships under this part and at-
25 tending such school to make appro-

1 priate progress (as determined by the
2 Corporation) in academic achieve-
3 ment.

4 (iv) DENIAL OF CERTIFICATION.—If
5 provisional certification or renewal of pro-
6 visional certification under this subsection
7 is denied, then the Corporation shall pro-
8 vide a written explanation to the eligible
9 institution of the reasons for such denial.

10 (D) REVOCATION OF ELIGIBILITY.—

11 (i) IN GENERAL.—The Corporation,
12 after notice and opportunity for a hearing,
13 may revoke an eligible institution’s certifi-
14 cation to participate in the scholarship pro-
15 gram under this part for a year succeeding
16 the year for which the determination is
17 made for—

18 (I) good cause, including a find-
19 ing of a pattern of violation of pro-
20 gram requirements described in para-
21 graph (3)(A); or

22 (II) consistent failure of 25 per-
23 cent or more of the students receiving
24 scholarships under this part and at-
25 tending such school to make appro-

1 appropriate progress (as determined by the
2 Corporation) in academic achieve-
3 ment.

4 (ii) EXPLANATION.—If the certifi-
5 cation of an eligible institution is revoked,
6 the Corporation shall provide a written ex-
7 planation of the Corporation’s decision to
8 such eligible institution and require a pro
9 rata refund of the proceeds of the scholar-
10 ship funds received under this part.

11 (iii) STUDENT ELIGIBILITY NOT AF-
12 FECTED.—A student receiving a scholar-
13 ship under this part who attends an insti-
14 tution that has had its eligibility revoked
15 under this subparagraph may utilize such
16 scholarship at another eligible institution.

17 (3) PARTICIPATION REQUIREMENTS FOR ELIGI-
18 BLE INSTITUTIONS.—

19 (A) REQUIREMENTS.—Each eligible insti-
20 tution participating in the scholarship program
21 under this part shall—

22 (i) provide to the Corporation not
23 later than June 30 of each year the most
24 recent annual statement of the eligible in-
25 stitution’s budget; and

1 (ii) charge a student that receives a
2 scholarship under this part not more than
3 the cost of tuition and mandatory fees for,
4 and (as appropriate) transportation to at-
5 tend, such eligible institution as other stu-
6 dents who are residents of the District of
7 Columbia and enrolled in such eligible in-
8 stitution.

9 (B) COMPLIANCE.—The Corporation may
10 require documentation of compliance with the
11 requirements of subparagraph (A), but neither
12 the Corporation nor any governmental entity
13 may impose requirements upon an eligible insti-
14 tution as a condition for participation in the
15 scholarship program under this part, other than
16 requirements established under this part.

17 **SEC. 124. SCHOLARSHIPS AUTHORIZED.**

18 (a) ELIGIBLE STUDENTS.—The Corporation may
19 award tuition scholarships under subsection (d)(1) and en-
20 hanced achievement scholarships under subsection (d)(2)
21 to students in kindergarten through grade 12—

22 (1) who are residents of the District of Colum-
23 bia; and

24 (2) whose family income does not exceed 185
25 percent of the poverty line.

1 (b) SCHOLARSHIP PRIORITY.—Subject to subsection
2 (c), the Corporation shall award scholarships based on the
3 following priorities:

4 (1) PREVIOUS SCHOLARSHIP RECIPIENTS.—For
5 the second and subsequent academic years for which
6 scholarships are awarded, the Corporation first shall
7 award scholarships to students eligible under sub-
8 section (a) who received a scholarship from the Cor-
9 poration in the preceding academic year.

10 (2) DISTRICT OF COLUMBIA PUBLIC SCHOOL
11 ENROLLEES.—For the first three academic years for
12 which scholarships are awarded, if funds remain
13 after the application of paragraph (1), the Corpora-
14 tion shall award scholarships to eligible students who
15 do not receive an award under such paragraph and
16 who are—

17 (A) enrolled in a District of Columbia pub-
18 lic school; or

19 (B) preparing to enter a District of Colum-
20 bia public kindergarten.

21 (3) VICTIMS OF SCHOOL VIOLENCE.—For any
22 academic year, if funds remain available after the
23 application of paragraphs (1) and (2), the Corpora-
24 tion shall award scholarships to eligible students who
25 do not receive an award under such paragraphs and

1 who have been victims of a documented violent act
2 on school grounds.

3 (4) OTHER ELIGIBLE STUDENTS.—For any
4 academic year, if funds remain available after the
5 application of paragraphs (1) through (3), the Cor-
6 poration shall award scholarships to eligible students
7 who do not receive an award under such paragraphs.

8 (c) LOTTERY SELECTION.—If, in applying subsection
9 (b), the number of students described in a paragraph of
10 such subsection is such that the amount available is insuf-
11 ficient to award the appropriate scholarship amount to
12 each such student, the Corporation shall select by lottery
13 the students who will receive an award.

14 (d) USE OF SCHOLARSHIP.—

15 (1) TUITION SCHOLARSHIPS.—A tuition schol-
16 arship may be used for the payment of the cost of
17 the tuition and mandatory fees for, and (as appro-
18 priate) transportation to attend, an eligible institu-
19 tion located within the geographic boundaries of—

20 (A) the District of Columbia;

21 (B) Montgomery County, Maryland;

22 (C) Prince George’s County, Maryland;

23 (D) Arlington County, Virginia;

24 (E) Alexandria City, Virginia;

25 (F) Falls Church City, Virginia;

1 (G) Fairfax City, Virginia; or

2 (H) Fairfax County, Virginia.

3 (2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—

4 An enhanced achievement scholarship may be used
5 only for the payment of the costs of tuition and
6 mandatory fees for, and (as appropriate) transpor-
7 tation to attend, a program of instruction provided
8 by an eligible institution which enhances student
9 achievement of the core curriculum and is operated
10 outside of regular school hours to supplement the
11 regular school program.

12 (e) NOT SCHOOL AID.—A scholarship under this part
13 shall be considered assistance to the student and shall not
14 be considered assistance to an eligible institution.

15 **SEC. 125. SCHOLARSHIP AWARDS.**

16 (a) AWARDS.—From the funds made available under
17 this part, the Corporation shall award a scholarship to a
18 student and make scholarship payments in accordance
19 with section 126.

20 (b) NOTIFICATION.—Each eligible institution that re-
21 ceives the proceeds of a scholarship payment under sub-
22 section (a) shall provide the following notifications:

23 (1) ENROLLMENT.—Not later than 10 days
24 after the date that a student receiving a scholarship
25 under this part is enrolled, the institution shall no-

1 tify the Corporation of the name, address, and grade
2 level of such student.

3 (2) WITHDRAWAL OR EXPULSION.—Not later
4 than 10 days after the date of the withdrawal or ex-
5 pulsion of any student receiving a scholarship under
6 this part, the institution shall notify the Corporation
7 of the withdrawal or expulsion.

8 (3) REFUSAL OF ADMISSION.—Not later than
9 10 days after the date that a student receiving a
10 scholarship under this part is refused admission, the
11 institution shall notify the Corporation of the rea-
12 sons for such a refusal.

13 (c) TUITION SCHOLARSHIP.—For a student whose
14 family income is equal to or below the poverty line, a tui-
15 tion scholarship may not exceed the lesser of—

16 (1) the cost of tuition and mandatory fees for,
17 and (as appropriate) transportation to attend, an eli-
18 gible institution; or

19 (2) the per pupil expenditure for elementary
20 and secondary education by the local educational
21 agency the student would otherwise attend.

22 (d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An
23 enhanced achievement scholarship may not exceed the
24 lesser of—

1 (1) the costs of tuition and mandatory fees for,
2 and (as appropriate) transportation to attend, a pro-
3 gram of instruction at an eligible institution; or

4 (2) \$800 for 2004, with such amount adjusted
5 in proportion to changes in the Consumer Price
6 Index for All Urban Consumers published by the De-
7 partment of Labor for each of fiscal years 2005
8 through 2009.

9 **SEC. 126. SCHOLARSHIP PAYMENTS.**

10 (a) PAYMENTS.—The Corporation shall make schol-
11 arship payments to the parent of a student awarded a
12 scholarship under this part.

13 (b) DISTRIBUTION OF SCHOLARSHIP FUNDS.—Schol-
14 arship funds may be distributed by check, or another form
15 of disbursement, issued by the Corporation and made pay-
16 able directly to a parent of a student awarded a scholar-
17 ship under this part. The parent may use the scholarship
18 funds only for payment of tuition, mandatory fees, and
19 transportation costs as described in this part.

20 (c) PRO RATA AMOUNTS FOR STUDENT WITH-
21 DRAWAL.—If a student receiving a scholarship under this
22 part withdraws or is expelled from an eligible institution
23 after the proceeds of a scholarship is paid to the eligible
24 institution, then the eligible institution shall refund to the
25 Corporation on a pro rata basis the proportion of any such

1 proceeds received for the remaining days of the school
 2 year. Such refund shall occur not later than 30 days after
 3 the date of the withdrawal or expulsion of the student.

4 **SEC. 127. CIVIL RIGHTS.**

5 (a) IN GENERAL.—An eligible institution partici-
 6 pating in the scholarship program under this part shall
 7 not discriminate on the basis of race, color, national ori-
 8 gin, or sex in carrying out the provisions of this part.

9 (b) APPLICABILITY AND CONSTRUCTION WITH RE-
 10 SPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

11 (1) APPLICABILITY.—With respect to discrimi-
 12 nation on the basis of sex, subsection (a) shall not
 13 apply to an eligible institution that is controlled by
 14 a religious organization if the application of sub-
 15 section (a) is inconsistent with the religious tenets of
 16 the eligible institution.

17 (2) CONSTRUCTION.—With respect to discrimi-
 18 nation on the basis of sex, nothing in subsection (a)
 19 shall be construed to require any person, or public
 20 or private entity to provide or pay, or to prohibit any
 21 such person or entity from providing or paying, for
 22 any benefit or service, including the use of facilities,
 23 related to an abortion. Nothing in the preceding sen-
 24 tence shall be construed to permit a penalty to be
 25 imposed on any person or individual because such

1 person or individual is seeking or has received any
2 benefit or service related to a legal abortion.

3 (3) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVITIES.—With respect to discrimination on the basis
4 of sex, nothing in subsection (a) shall be construed
5 to prevent a parent from choosing, or an eligible in-
6 stitution from offering, a single-sex school, class, or
7 activity.

8 (c) REVOCATION.—Notwithstanding section
9 123(f)(2)(D), if the Corporation determines that an eligi-
10 ble institution participating in the scholarship program
11 under this part is in violation of subsection (a), then the
12 Corporation shall revoke such eligible institution’s certifi-
13 cation to participate in the program.

14 **SEC. 128. CHILDREN WITH DISABILITIES.**

15 Nothing in this part shall affect the rights of stu-
16 dents, or the obligations of the District of Columbia public
17 schools, under the Individuals with Disabilities Education
18 Act (20 U.S.C. 1400 et seq.).

19 **SEC. 129. RULE OF CONSTRUCTION.**

20 (a) IN GENERAL.—Nothing in this part shall be con-
21 strued to prevent any eligible institution which is operated
22 by, supervised by, controlled by, or connected to, a reli-
23 gious organization from employing, admitting, or giving
24 preference to, persons of the same religion to the extent
25

1 determined by such institution to promote the religious
2 purpose for which the eligible institution is established or
3 maintained.

4 (b) SECTARIAN PURPOSES.—Nothing in this part
5 shall be construed to prohibit the use of funds made avail-
6 able under this part for sectarian educational purposes,
7 or to require an eligible institution to remove religious art,
8 icons, scripture, or other symbols.

9 **SEC. 130. REPORTING REQUIREMENTS.**

10 (a) IN GENERAL.—An eligible institution partici-
11 pating in the scholarship program under this part shall
12 report to the Corporation not later than July 30 of each
13 year in a manner prescribed by the Corporation, the fol-
14 lowing data:

15 (1) Student achievement in the eligible institu-
16 tion's programs.

17 (2) Grade advancement for scholarship stu-
18 dents.

19 (3) Disciplinary actions taken with respect to
20 scholarship students.

21 (4) Graduation, college admission test scores,
22 and college admission rates, if applicable for scholar-
23 ship students.

24 (5) Types and amounts of parental involvement
25 required for all families of scholarship students.

1 (6) Student attendance for scholarship and
2 nonscholarship students.

3 (7) General information on curriculum, pro-
4 grams, facilities, credentials of personnel, and dis-
5 ciplinary rules at the eligible institution.

6 (8) Number of scholarship students enrolled.

7 (9) Such other information as may be required
8 by the Corporation for program appraisal.

9 (b) CONFIDENTIALITY.—No personal identifiers may
10 be used in such report, except that the Corporation may
11 request such personal identifiers solely for the purpose of
12 verification.

13 **SEC. 131. PROGRAM APPRAISAL.**

14 (a) STUDY.—Not later than 3 years after the date
15 of enactment of this part, the Comptroller General shall
16 enter into a contract, with an evaluating agency that has
17 demonstrated experience in conducting evaluations, for an
18 independent evaluation of the scholarship program under
19 this part, including—

20 (1) a comparison of test scores between scholar-
21 ship students and District of Columbia public school
22 students of similar backgrounds, taking into account
23 the students' academic achievement at the time of
24 the award of their scholarships and the students'
25 family income level;

1 (2) a comparison of graduation rates between
2 scholarship students and District of Columbia public
3 school students of similar backgrounds, taking into
4 account the students' academic achievement at the
5 time of the award of their scholarships and the stu-
6 dents' family income level;

7 (3) the satisfaction of parents of scholarship
8 students with the scholarship program; and

9 (4) the impact of the scholarship program on
10 the District of Columbia public schools, including
11 changes in the public school enrollment, and any im-
12 provement in the academic performance of the public
13 schools.

14 (b) PUBLIC REVIEW OF DATA.—All data gathered in
15 the course of the study described in subsection (a) shall
16 be made available to the public upon request except that
17 no personal identifiers shall be made public.

18 (c) REPORT TO CONGRESS.—Not later than Sep-
19 tember 1 of each year, the Corporation shall submit a
20 progress report on the scholarship program to the appro-
21 priate committees of Congress. Such report shall include
22 a review of how scholarship funds were expended, includ-
23 ing the initial academic achievement levels of students who
24 have participated in the scholarship program.

1 (d) AUTHORIZATION.—There are authorized to be ap-
 2 propriated for the study described in subsection (a),
 3 \$250,000, which shall remain available until expended.

4 **SEC. 132. STANDING.**

5 The parent of any student eligible to receive a schol-
 6 arship under this part shall have standing in an action
 7 challenging the constitutionality of the scholarship pro-
 8 gram under this part.

9 **SEC. 133. EFFECTIVE DATE.**

10 This part shall be effective for each of fiscal years
 11 2004 through 2009.

12 **PART C—CHARTER SCHOOLS**

13 **SEC. 141. AUTHORIZATION OF APPROPRIATIONS.**

14 Section 5211(a) of the Elementary and Secondary
 15 Education Act of 1965 (20 U.S.C. 7221j(a)) is amended
 16 by striking “\$300,000,000 for fiscal year 2002 and such
 17 sums as may be necessary for each of the 5 succeeding”
 18 and inserting “\$400,000,000 for fiscal year 2004 and
 19 such sums as may be necessary for each of the 4 suc-
 20 ceeding”.

21 **TITLE II—IDEA**

22 **SEC. 201. SENSE OF THE SENATE REGARDING IDEA.**

23 It is the sense of the Senate that as the Senate con-
 24 sider the reauthorization of the Individuals with Disabil-

ities Education Act (20 U.S.C. 1400 et seq.), the Senate should explore efforts to—

(1) simplify and clarify procedural safeguard principles for such Act in order to reduce the adversarial nature of the process, which will promote resolutions of issues in a positive and constructive way in order to ensure better outcomes for children;

(2) expand high-quality research based professional development and training opportunities for both special and general education teachers who serve children with disabilities;

(3) expand research to determine the potential causes of and possible remedies for the overidentification or misidentification of children with disabilities;

(4) reduce the paperwork burden for teachers and schools in order to maximize the time teachers spend in direct instruction with students with disabilities;

(5) eliminate the double standard that exists in the law for disciplining children with disabilities; and

(6) in conjunction with such reforms, support efforts to reach the goal of providing 40 percent of the average per pupil expenditure in order to assist

1 States and school districts in covering the costs of
2 educating students with disabilities.

3 **SEC. 202. FULLY FUNDING IDEA.**

4 Section 611(j) of the Individuals with Disabilities
5 Education Act (20 U.S.C. 1411(j)) is amended to read
6 as follows:

7 “(j) AUTHORIZATION OF APPROPRIATIONS.—For the
8 purpose of carrying out this part, other than section 619,
9 there are authorized to be appropriated—

10 “(1) \$11,049,000,000 for fiscal year 2004;

11 “(2) \$13,569,000,000 for fiscal year 2005;

12 “(3) \$16,089,000,000 for fiscal year 2006;

13 “(4) \$18,609,000,000 for fiscal year 2007;

14 “(5) \$21,129,000,000 for fiscal year 2008; and

15 “(6) \$23,622,000,000 for fiscal year 2009.”.

16 **TITLE III—HIGHER EDUCATION**

17 **SEC. 301. SENSE OF THE SENATE REGARDING EXPANDING**
18 **ACCESS TO COLLEGE.**

19 It is the sense of the Senate that, as the Senate con-
20 siders the reauthorization of the Higher Education Act of
21 1965 (20 U.S.C. 1001 et seq.) and other higher education
22 legislation, the Senate should explore efforts to improve
23 and expand access to higher education and also make it
24 more accountable, including consideration of how to—

25 (1) address the rising costs of higher education;

1 (2) promote student academic preparation for
2 postsecondary education;

3 (3) encourage efforts to increase the availability
4 of financial aid information for those who need it
5 most;

6 (4) simplify the student aid application process
7 and improve the administration of the student aid
8 programs;

9 (5) improve the level of accountability in the
10 Federal student aid programs; and

11 (6) promote quality educational opportunities
12 that will equip graduates with the skills they need to
13 succeed in the 21st century workforce.

14 **SEC. 302. SENSE OF THE SENATE REGARDING MINORITY-**
15 **SERVING INSTITUTIONS.**

16 It is the sense of the Senate that historically Black
17 colleges and universities (HBCUs), historically Black
18 graduate institutions (HBGIs), and Hispanic-serving in-
19 stitutions (HSIs) are a source of accomplishment and
20 great pride for their respective communities as well as the
21 entire Nation, and that such institutions offer all students,
22 regardless of race, an opportunity to develop their skills
23 and talents by training young people who go on to serve
24 domestically and internationally in the professions as en-
25 trepreneurs, and in the public and private sectors, and

1 therefore every effort should be made to increase funding
2 for such institutions.

3 **SEC. 303. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) HBCUs.—Section 399(a)(2)(A) of the Higher
5 Education Act of 1965 (20 U.S.C. 1068h(a)(2)(A)) is
6 amended by striking “\$135,000,000 for fiscal year 1999”
7 and inserting “\$241,000,000 for fiscal year 2004”.

8 (b) HBGIs.—Section 399(a)(2)(B) of the Higher
9 Education Act of 1965 (20 U.S.C. 1068h(a)(2)(B)) is
10 amended by striking “\$35,000,000 for fiscal year 1999”
11 and inserting “\$58,000,000 for fiscal year 2004”.

12 (c) HSIs.—Section 518(a) of the Higher Education
13 Act of 1965 (20 U.S.C. 1103g(a)) is amended by striking
14 “\$62,500,000 for fiscal year 1999” and inserting
15 “\$101,000,000 for fiscal year 2004”.

16 **TITLE IV—RECRUITING**
17 **TEACHERS**

18 **PART A—LOAN FORGIVENESS FOR MATHE-**
19 **MATICS, SCIENCE, AND SPECIAL EDUCATION**
20 **TEACHERS**

21 **SEC. 411. SHORT TITLE.**

22 This part may be cited as the “Mathematics, Science,
23 and Special Education Teacher Recruitment Act of 2003”.

1 **SEC. 412. SENSE OF THE SENATE REGARDING LOAN FOR-**
2 **GIVENESS.**

3 It is the sense of the Senate that—

4 (1) nothing is more important to a child's suc-
5 cess in school than a well prepared teacher who has
6 a strong command of the subject matter the teacher
7 is teaching;

8 (2) schools across the Nation are experiencing
9 difficulty in recruiting and retaining qualified math-
10 ematics, science, and special education teachers;

11 (3) attracting such teachers to the teaching
12 profession and retaining them in the profession is
13 vital to America's economic competitiveness and na-
14 tional security, and critical to ensuring that no child
15 is left behind; and

16 (4) therefore, expansion of loan forgiveness to
17 \$17,500 for such teachers who agree to teach in a
18 high need area for 5 years will help ensure that each
19 child receives a quality education.

20 **SEC. 413. REVISION OF TEACHER LOAN FORGIVENESS PRO-**
21 **GRAMS.**

22 (a) GUARANTEED STUDENT LOANS.—Part B of title
23 IV of the Higher Education Act of 1965 (20 U.S.C. 1071
24 et seq.) is amended by inserting after section 428K the
25 following:

1 **“SEC. 428L. EXPANDED LOAN FORGIVENESS FOR HIGHLY**
2 **QUALIFIED TEACHERS OF MATHEMATICS,**
3 **SCIENCE, AND SPECIAL EDUCATION.**

4 “(a) PURPOSE.—It is the purpose of this section to—

5 “(1) expand, subject to the availability of ap-
6 propriations, the eligibility of certain highly qualified
7 teachers to qualify for loan forgiveness beyond that
8 available under section 428J; and

9 “(2) provide additional incentives for highly
10 qualified teachers of mathematics, science, and spe-
11 cial education in high-need schools to enter and con-
12 tinue in the teaching profession.

13 “(b) PROGRAM AUTHORIZED.—

14 “(1) IN GENERAL.—The Secretary is authorized
15 to carry out a program, through the holder of the
16 loan, of assuming the obligation to repay a qualified
17 loan amount for a loan made under section 428 or
18 428H, in accordance with subsection (c), for any
19 borrower who—

20 “(A) is a highly qualified, full-time teacher
21 of mathematics, science, or special education at
22 a high-need school, and has been so employed
23 for not less than 5 consecutive complete school
24 years;

25 “(B) had mathematics, life or physical
26 sciences, technology, engineering, or special

1 education as an undergraduate academic major
2 or minor, or has a graduate degree in any such
3 field, as certified by the chief administrative of-
4 ficer of the public or nonprofit private school in
5 which the borrower is employed; and

6 “(C) is not in default on a loan for which
7 the borrower seeks forgiveness.

8 “(2) SELECTION OF RECIPIENTS.—The Sec-
9 retary shall promulgate regulations to ensure fair-
10 ness and equality for applicants in the selection of
11 borrowers for loan repayment under this section,
12 based on the amount appropriated to carry out this
13 section.

14 “(c) QUALIFIED LOAN AMOUNTS.—

15 “(1) IN GENERAL.—The Secretary is authorized
16 to repay not more than \$17,500 in the aggregate of
17 the loan obligation on 1 or more loans made under
18 section 428 or 428H that are outstanding after the
19 completion of the fifth complete school year of teach-
20 ing described in subsection (b)(1)(A).

21 “(2) TREATMENT OF CONSOLIDATION LOANS.—
22 A loan amount for a loan made under section 428C
23 may be a qualified loan amount for the purposes of
24 this subsection only to the extent that such loan
25 amount was used to repay a Federal Direct Staf-

1 ford/Ford Loan, a Federal Direct Unsubsidized
2 Stafford/Ford Loan, or a loan made under section
3 428 or 428H for a borrower who meets the require-
4 ments of subsection (b), as determined in accordance
5 with regulations prescribed by the Secretary.

6 “(d) REGULATIONS.—The Secretary is authorized to
7 issue such regulations as may be necessary to carry out
8 the provisions of this section.

9 “(e) CONSTRUCTION.—Nothing in this section shall
10 be construed to authorize any refunding of any repayment
11 of a loan.

12 “(f) ADDITIONAL ELIGIBILITY PROVISIONS.—

13 “(1) CONTINUED ELIGIBILITY.—A highly quali-
14 fied teacher shall be eligible for loan forgiveness pur-
15 suant to subsection (b), if the teacher performs serv-
16 ice in a school that—

17 “(A) meets the definition of a high-need
18 school under subsection (g) in any year during
19 such service; and

20 “(B) in a subsequent year, fails to meet
21 the definition of a high-need school under sub-
22 section (g).

23 “(2) PREVENTION OF DOUBLE BENEFITS.—

24 “(A) NATIONAL SERVICE POSITIONS.—No
25 borrower may, for the same service, receive a

1 benefit under both this section and subtitle D
2 of title I of the National and Community Serv-
3 ice Act of 1990 (42 U.S.C. 12601 et seq.).

4 “(B) LOAN FORGIVENESS AND CANCELLA-
5 TION PROVISIONS FOR TEACHERS.—

6 “(i) FORGIVENESS.—No borrower
7 may receive a reduction of loan obligations
8 under both this section and section 428J.

9 “(ii) CANCELLATION.—No borrower
10 may receive loan forgiveness under this
11 section and loan cancellation under section
12 460 or section 460A that exceeds, in the
13 aggregate, \$17,500.

14 “(g) DEFINITIONS.—In this section:

15 “(1) HIGHLY QUALIFIED.—The term ‘highly
16 qualified’ has the meaning given the term in section
17 9101 of the Elementary and Secondary Education
18 Act of 1965.

19 “(2) HIGH-NEED SCHOOL.—The term ‘high-
20 need school’ has the meaning given the term in sec-
21 tion 2304(d) of the Elementary and Secondary Edu-
22 cation Act of 1965.

23 “(3) YEAR.—The term ‘year’, where applied to
24 service as a teacher, means an academic year as de-
25 fined by the Secretary.

1 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
 2 is authorized to be appropriated to carry out this section
 3 such sums as may be necessary for each of the fiscal years
 4 2004 through 2009.”.

5 (b) DIRECT STUDENT LOANS.—Part D of title IV of
 6 the Higher Education Act of 1965 (20 U.S.C. 1087a) is
 7 amended by inserting after section 460 the following:

8 **“SEC. 460A. EXPANDED LOAN CANCELLATION FOR HIGHLY**
 9 **QUALIFIED TEACHERS OF MATHEMATICS,**
 10 **SCIENCE, AND SPECIAL EDUCATION.**

11 “(a) PURPOSE.—It is the purpose of this section to—

12 “(1) expand, subject to the availability of ap-
 13 propriations, the eligibility of certain highly qualified
 14 teachers to qualify for loan cancellation beyond that
 15 available under section 460; and

16 “(2) provide additional incentives for highly
 17 qualified teachers of mathematics, science, and spe-
 18 cial education in high-need schools to enter and con-
 19 tinue in the teaching profession.

20 “(b) PROGRAM AUTHORIZED.—

21 “(1) IN GENERAL.—The Secretary is authorized
 22 to cancel the obligation to repay a qualified loan
 23 amount in accordance with subsection (c) for Fed-
 24 eral Direct Stafford/Ford Loans and Federal Direct

1 Unsubsidized Stafford/Ford Loans made under this
2 part for any borrower who—

3 “(A) is a highly qualified, full-time teacher
4 of mathematics, science, or special education at
5 a high-need school, and has been so employed
6 for not less than 5 consecutive complete school
7 years;

8 “(B) had mathematics, life or physical
9 sciences, technology, engineering, or special
10 education as an undergraduate academic major
11 or minor, or has a graduate degree in any such
12 field, as certified by the chief administrative of-
13 ficer of the public or nonprofit private school in
14 which the borrower is employed; and

15 “(C) is not in default on a loan for which
16 the borrower seeks forgiveness.

17 “(2) SELECTION OF RECIPIENTS.—The Sec-
18 retary shall promulgate regulations to ensure fair-
19 ness and equality for applicants in the selection of
20 borrowers for loan cancellation under this section,
21 based on the amount appropriated to carry out this
22 section.

23 “(c) QUALIFIED LOAN AMOUNTS.—

24 “(1) IN GENERAL.—The Secretary is authorized
25 to cancel not more than \$17,500 in the aggregate of

1 the loan obligation on 1 or more Federal Direct
2 Stafford/Ford Loans or 1 or more Federal Direct
3 Unsubsidized Stafford/Ford Loans that are out-
4 standing after the completion of the fifth complete
5 school year of teaching described in subsection
6 (b)(1)(A).

7 “(2) TREATMENT OF CONSOLIDATION LOANS.—
8 A loan amount for a Federal Direct Consolidation
9 Loan may be a qualified loan amount for the pur-
10 poses of this subsection only to the extent that such
11 loan amount was used to repay a Federal Direct
12 Stafford/Ford Loan, a Federal Direct Unsubsidized
13 Stafford/Ford Loan, or a loan made under section
14 428 or 428H for a borrower who meets the require-
15 ments of subsection (b), as determined in accordance
16 with regulations prescribed by the Secretary.

17 “(d) REGULATIONS.—The Secretary is authorized to
18 issue such regulations as may be necessary to carry out
19 the provisions of this section.

20 “(e) CONSTRUCTION.—Nothing in this section shall
21 be construed to authorize any refunding of any canceled
22 loan.

23 “(f) ADDITIONAL ELIGIBILITY PROVISIONS.—

24 “(1) CONTINUED ELIGIBILITY.—A highly quali-
25 fied teacher shall be eligible for loan forgiveness pur-

1 suant to subsection (b), if the teacher performs serv-
 2 ice in a school that—

3 “(A) meets the definition of a high-need
 4 school under subsection (g) in any year during
 5 such service; and

6 “(B) in a subsequent year, fails to meet
 7 the definition of a high-need school under sub-
 8 section (g).

9 “(2) PREVENTION OF DOUBLE BENEFITS.—

10 “(A) NATIONAL SERVICE POSITIONS.—No
 11 borrower may, for the same service, receive a
 12 benefit under both this section and subtitle D
 13 of title I of the National and Community Serv-
 14 ice Act of 1990 (42 U.S.C. 12601 et seq.).

15 “(B) LOAN FORGIVENESS AND CANCELLA-
 16 TION PROVISIONS FOR TEACHERS.—

17 “(i) CANCELLATION.—No borrower
 18 may receive a reduction of loan obligations
 19 under both this section and section 460.

20 “(ii) FORGIVENESS.—No borrower
 21 may receive loan cancellation under this
 22 section and loan forgiveness under section
 23 428J or section 428L that exceeds, in the
 24 aggregate, \$17,500.

25 “(g) DEFINITIONS.—In this section:

1 “(1) HIGHLY QUALIFIED.—The term ‘highly
2 qualified’ has the meaning given the term in section
3 9101 of the Elementary and Secondary Education
4 Act of 1965.

5 “(2) HIGH-NEED SCHOOL.—The term ‘high-
6 need school’ has the meaning given the term in sec-
7 tion 2304(d) of the Elementary and Secondary Edu-
8 cation Act of 1965.

9 “(3) YEAR.—The term ‘year’, where applied to
10 service as a teacher, means an academic year as de-
11 fined by the Secretary.

12 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated to carry out this section
14 such sums as may be necessary for each of the fiscal years
15 2004 through 2009.”.

16 **PART B—CLASSROOM EXPENSE DEDUCTION**

17 **SEC. 421. EXPANSION OF CLASSROOM EXPENSE DEDUC-**
18 **TION FOR TEACHERS.**

19 (a) SENSE OF THE SENATE.—It is the sense of the
20 Senate that many teachers are overburdened with the
21 costs of managing a classroom, and that expansion of the
22 deduction for classroom expenses for teachers from \$250
23 to \$400 would help ease the burden on the teacher dedi-
24 cated to helping our Nation’s children learn.

1 (b) IN GENERAL.—Section 62(a)(4)(D) of the Inter-
 2 nal Revenue Code of 1986 (relating to certain expenses
 3 of elementary and secondary school teachers) is amend-
 4 ed—

5 (1) by striking “In the case of taxable years be-
 6 ginning during 2002 and 2003, the” and inserting
 7 “The”, and

8 (2) by striking “\$250” and inserting “\$400”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2002.

12 **TITLE V—MAKING EDUCATION** 13 **MORE AFFORDABLE**

14 **SEC. 501. SENSE OF THE SENATE REGARDING MAKING EDU-** 15 **CATION MORE AFFORDABLE.**

16 It is the sense of the Senate that—

17 (1) parents should be able to trust that the tax
 18 code will not change so that they may adequately
 19 plan how to pay for their child’s education; and

20 (2) therefore the following provisions in title IV
 21 of the Economic Growth and Tax Relief Reconcili-
 22 ation Act of 2001 should be made permanent:

23 (A) The increase in the Coverdell Edu-
 24 cation Savings Account contribution to \$2,000
 25 and the modification that permits such money

1 to be used for kindergarten through grade 12
2 expenses.

3 (B) The modification making qualified tui-
4 tion savings programs tax-exempt and allowing
5 private institutions to offer prepaid tuition
6 plans.

7 (C) The increases to the income limits for
8 the student loan interest deduction and the
9 elimination of the 60-month rule.

10 (D) The above the line deduction for quali-
11 fied tuition expenses of \$3,000 in 2002 and
12 2003, and \$4,000 in 2004 and 2005.

13 (E) The liberalization of tax-exempt fi-
14 nancing rules for public school construction.

15 **SEC. 502. AFFORDABLE EDUCATION PROVISIONS MADE**
16 **PERMANENT.**

17 Title IX of the Economic Growth and Tax Relief Rec-
18 onciliation Act of 2001 (relating to sunset of provisions
19 of such Act) shall not apply to the provisions of title IV
20 of such Act (relating to affordable education provisions).

1 **SEC. 503. CREDIT FOR EDUCATION, TUITION, AND TRANS-**
 2 **PORTATION EXPENSES OF STUDENTS AS-**
 3 **SIGNED TO SCHOOLS IDENTIFIED FOR**
 4 **SCHOOL IMPROVEMENT.**

5 (a) SHORT TITLE.—This section may be cited as the
 6 “Give Back to Parents Act of 2003”.

7 (b) SENSE OF THE SENATE.—It is the Sense of the
 8 Senate that a refundable tax credit for up to 50 percent
 9 of the first \$5,000 a parent spends to enable a child to
 10 attend another public or private school would help defray
 11 the cost of tuition at and transportation to a better school,
 12 and would therefore enable parents of children assigned
 13 to schools identified for school improvement access to bet-
 14 ter education options.

15 (c) AMENDMENT.—Subpart C of part IV of sub-
 16 chapter A of chapter 1 of the Internal Revenue Code of
 17 1986 (relating to refundable credits) is amended by redес-
 18 ignating section 36 as section 37 and by inserting after
 19 section 35 the following new section:

20 **“SEC. 36. EDUCATION EXPENSES OF STUDENTS ASSIGNED**
 21 **TO SCHOOLS IDENTIFIED FOR SCHOOL IM-**
 22 **PROVEMENT.**

23 “(a) GENERAL RULE.—In the case of an individual,
 24 there shall be allowed as a credit against the tax imposed
 25 by this subtitle for the taxable year 50 percent of the
 26 amount of the qualified education expenses paid by the

1 taxpayer during the taxable year for the education of any
2 individual—

3 “(1) with respect to whom the taxpayer is al-
4 lowed a deduction under section 151(c), and

5 “(2) who would have otherwise been assigned to
6 a public school identified for school improvement
7 under section 1116 of the Elementary and Sec-
8 ondary Education Act of 1965 but who incurred
9 qualified education expenses to enroll in a public or
10 nonpublic school not identified for school improve-
11 ment under such section for the period to which
12 such expenses relate.

13 “(b) LIMITATION.—The amount of qualified edu-
14 cation expenses which may be taken into account under
15 subsection (a) for any taxable year with respect to any
16 1 individual shall not exceed \$5,000.

17 “(c) DEFINITIONS.—For purposes of this section—

18 “(1) QUALIFIED EDUCATION EXPENSES.—

19 “(A) IN GENERAL.—The term ‘qualified
20 education expenses’ means amounts paid for—

21 “(i) tuition and fees required for the
22 enrollment or attendance of a student at
23 an eligible educational institution,

1 “(ii) transportation to and from an in-
2 dividual’s home and an eligible educational
3 institution, and

4 “(iii) books, supplies, computer equip-
5 ment (including related software and serv-
6 ices) and other equipment required for
7 courses of instruction at an eligible edu-
8 cational institution.

9 “(B) MEALS AND LODGING EXPENSES NOT
10 INCLUDED.—Such term does not include any
11 amount paid, directly or indirectly, for meals,
12 lodging, or similar personal, living, or family ex-
13 penses. In the event an amount paid for tuition
14 or fees includes an amount for meals, lodging,
15 or similar expenses which is not separately stat-
16 ed, the portion of such amount which is attrib-
17 utable to meals, lodging, or similar expenses
18 shall be determined under regulations pre-
19 scribed by the Secretary.

20 “(C) SPECIAL RULE FOR HOME SCHOOL-
21 ING.—In the case of education furnished in the
22 home (as a substitute for public education)
23 which meets the requirements of State law re-
24 lating to compulsory school attendance, the
25 term ‘qualified education expenses’ means

1 amounts paid for tutoring, books, supplies,
2 computer equipment (including related software
3 and services), and other equipment directly
4 used in furnishing such education.

5 “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—

6 The term ‘eligible educational institution’ means—

7 “(A) a secondary school,

8 “(B) an elementary school, or

9 “(C) any private, parochial, religious, or
10 home school organized for the purpose of pro-
11 viding elementary or secondary education, or
12 both.

13 “(3) ELEMENTARY AND SECONDARY
14 SCHOOLS.—The terms ‘elementary school’ and ‘sec-
15 ondary school’ have the respective meanings given
16 such terms by section 9101 of the Elementary and
17 Secondary Education Act of 1965.

18 “(d) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.—

19 The amounts otherwise taken into account under sub-
20 section (a) as qualified education expenses of any indi-
21 vidual during any period shall be reduced (before the ap-
22 plication of subsection (b)) by the sum of the amounts
23 received with respect to such individual for the taxable
24 year as a qualified scholarship which under section 117
25 is not includable in gross income.

1 “(e) REGULATIONS.—The Secretary shall prescribe
2 such regulations as may be necessary to carry out the pro-
3 visions of this section.”.

4 (d) TECHNICAL AMENDMENTS.—

5 (1) Paragraph (2) of section 1324(b) of title
6 31, United States Code, is amended by inserting be-
7 fore the period “, or from section 36 of such Code”.

8 (2) The table of sections for subpart C of part
9 IV of subchapter A of chapter 1 of such Code is
10 amended by striking the last item and inserting the
11 following new items:

“Sec. 36. Education expenses of students assigned to schools
identified for school improvement.

“Sec. 37. Overpayments of tax.”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 the date of the enactment of this Act.

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