

109TH CONGRESS
1ST SESSION

S. 15

To improve education for all students, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 24, 2005

Mr. BINGAMAN (for himself, Mr. REID, Mr. KENNEDY, Mr. CORZINE, Mr. DURBIN, Mr. REED, Mr. SCHUMER, Mr. DODD, Mr. HARKIN, Ms. MIKULSKI, Ms. STABENOW, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mrs. CLINTON, Mr. INOUE, Mr. ROCKEFELLER, Mr. SARBANES, and Mr. DAYTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve education for all students, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Quality Education for
5 All Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—STRENGTHENING HEAD START AND CHILD CARE PROGRAMS

Subtitle A—Increasing Access to Head Start Programs

- Sec. 101. Authorization of appropriations.
- Sec. 102. Strengthening Indian and migrant and seasonal Head Start programs.
- Sec. 103. Expanding Early Head Start programs.
- Sec. 104. Participation in Head Start programs.

Subtitle B—Enhancing the School Readiness of Head Start Children

- Sec. 111. School readiness standards.
- Sec. 112. Staff.

Subtitle C—Expanding Access to Quality, Affordable Child Care

- Sec. 121. Authorization of appropriations.

Subtitle D—Strengthening the Quality of Child Care

- Sec. 131. State plan requirements relating to training.
- Sec. 132. Strengthening the quality of child care.

TITLE II—PROVIDING SAFE, RELIABLE TRANSPORTATION FOR RURAL SCHOOL CHILDREN

- Sec. 201. Findings and purpose.
- Sec. 202. Definitions.
- Sec. 203. Grant program.
- Sec. 204. Authorization of appropriations.

TITLE III—SENSE OF THE SENATE REGARDING FULLY FUNDING THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT BY 2011

- Sec. 301. Findings.
- Sec. 302. Sense of the Senate regarding authorization of appropriations.

TITLE IV—IMPROVEMENT OF ELEMENTARY AND SECONDARY EDUCATION

Subtitle A—Public School Choice, Supplemental Educational Services, and Teacher Quality

- Sec. 401. Public school choice capacity.
- Sec. 402. Supplemental educational services.
- Sec. 403. Qualifications for teachers and paraprofessionals.

Subtitle B—Adequate Yearly Progress Determinations

- Sec. 421. Review of adequate yearly progress determinations for schools for the 2002–2003 school year.
- Sec. 422. Review of adequate yearly progress determinations for local educational agencies for the 2002–2003 school year.
- Sec. 423. Definitions.

Subtitle C—Technical Assistance

- Sec. 451. Technical assistance.

TITLE V—IMPROVING ASSESSMENT AND ACCOUNTABILITY

- Sec. 501. Grants for increasing data capacity for purposes of assessment and accountability.
- Sec. 502. Grants for assessment of children with disabilities and children who are limited English proficient.
- Sec. 503. Reports on student enrollment and graduation rates.
- Sec. 504. Civil rights.

TITLE VI—SENSE OF THE SENATE REGARDING FUNDING FOR
ELEMENTARY AND SECONDARY EDUCATION

- Sec. 601. Sense of the Senate.

TITLE VII—PROVIDING A ROADMAP FOR FIRST GENERATION
COLLEGE FOR STUDENTS

- Sec. 701. Expansion of TRIO and GEARUP.

TITLE VIII—COLLEGE TUITION RELIEF FOR STUDENTS AND
THEIR FAMILIES THROUGH PELL GRANTS

- Sec. 801. Pell Grants tax tables hold harmless.
- Sec. 802. Sense of the Senate regarding increasing the maximum Pell Grant.
- Sec. 803. Establishment of a Pell demonstration program.

TITLE IX—TUITION FREE COLLEGE FOR MATHEMATICS,
SCIENCE, AND SPECIAL EDUCATION TEACHERS

- Sec. 901. Purpose.
- Sec. 902. Tuition free college for mathematics, science, and special education teachers.
- Sec. 903. Offset for tuition free college for mathematics, science, and special education teachers.

TITLE X—MAKING COLLEGE AFFORDABLE FOR ALL STUDENTS

- Sec. 1001. Expansion of deduction for higher education expenses.
- Sec. 1002. Credit for interest on higher education loans.
- Sec. 1003. Hope and Lifetime Learning credits to be refundable.

1 **TITLE I—STRENGTHENING HEAD**
 2 **START AND CHILD CARE PRO-**
 3 **GRAMS**

4 **Subtitle A—Increasing Access to**
 5 **Head Start Programs**

6 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

- 7 Section 639(a) of the Head Start Act (42 U.S.C.
- 8 9834(a)) is amended by striking “such sums” and all that

1 follows and inserting the following: “\$8,570,000,000 for
 2 fiscal year 2006, \$10,445,000,000 for fiscal year 2007,
 3 \$12,384,000,000 for fiscal year 2008, \$14,334,000,000
 4 for fiscal year 2009, and \$16,332,000,000 for fiscal year
 5 2010.”.

6 **SEC. 102. STRENGTHENING INDIAN AND MIGRANT AND**
 7 **SEASONAL HEAD START PROGRAMS.**

8 Section 640(a)(2) of the Head Start Act (42 U.S.C.
 9 9835(a)(2)) is amended by striking subparagraph (A) and
 10 inserting the following:

11 “(A) Indian Head Start programs, services for
 12 children with disabilities, and migrant and seasonal
 13 Head Start programs, except that the Secretary
 14 shall reserve for each fiscal year for use by Indian
 15 Head Start and migrant and seasonal Head Start
 16 programs (referred to in this subparagraph as ‘cov-
 17 ered programs’), on a nationwide basis, a sum that
 18 is the total of not less than 4 percent of the amount
 19 appropriated under section 639(a) for that fiscal
 20 year (for Indian Head Start programs), and not less
 21 than 5 percent of that appropriated amount (for mi-
 22 grant and seasonal Head Start programs), except
 23 that—

24 “(i) if reserving the specified percentages
 25 for covered programs and would reduce the

number of children served by Head Start programs, relative to the number of children served on the date of enactment of the Quality Education for All Act, taking into consideration an appropriate adjustment for inflation, the Secretary shall reserve percentages that approach, as closely as practicable, the specified percentages and that do not cause such a reduction; and

“(ii) notwithstanding any other provision of this subparagraph, the Secretary shall reserve for each fiscal year for use by Indian Head Start programs and by migrant and seasonal Head Start programs, on a nationwide basis, not less than the amount that was obligated for use by Indian Head Start programs and by migrant and seasonal Head Start programs, respectively, for the previous fiscal year;”.

SEC. 103. EXPANDING EARLY HEAD START PROGRAMS.

Section 640(a)(6) of the Head Start Act (42 U.S.C. 9835(a)(6)) is amended—

(1) in subparagraph (A), by striking “7.5 percent for fiscal year 1999” and all that follows and inserting “12 percent for fiscal year 2006, 14 per-

1 cent for fiscal year 2007, 16 percent for fiscal year
 2 2008, 18 percent for fiscal year 2009, and 20 per-
 3 cent for fiscal year 2010, of the amount appro-
 4 priated pursuant to section 639(a).”;

5 (2) by striking subparagraph (B); and

6 (3) by redesignating subparagraph (C) as sub-
 7 paragraph (B).

8 **SEC. 104. PARTICIPATION IN HEAD START PROGRAMS.**

9 Section 645 of the Head Start Act (42 U.S.C. 9840)
 10 is amended—

11 (1) in subsection (a)(1)(A), by inserting “130
 12 percent of” after “below”; and

13 (2) by adding at the end the following:

14 “(e) After demonstrating a need through a commu-
 15 nity needs assessment, a Head Start agency may apply
 16 to the Secretary to convert part-day sessions, particularly
 17 consecutive part-day sessions, into full-day sessions.”.

18 **Subtitle B—Enhancing the School**
 19 **Readiness of Head Start Children**

20 **SEC. 111. SCHOOL READINESS STANDARDS.**

21 Section 641A(a)(1)(B)(ii) of the Head Start Act (42
 22 U.S.C. 9836(a)(1)(B)(ii)) is amended by striking “at a
 23 minimum” and all that follows and inserting the following:
 24 “at a minimum, develop and demonstrate—

1 “(I) language skills, including an ex-
 2 panded use of vocabulary;

3 “(II) interest in and appreciation of
 4 books, reading, and writing (either alone or
 5 with others), phonological and phonemic
 6 awareness, and varied modes of expression
 7 and communication;

8 “(III) premathematics knowledge and
 9 skills, including knowledge and skills relat-
 10 ing to aspects of classification, seriation,
 11 numbers, spatial relations, and time;

12 “(IV) cognitive abilities related to aca-
 13 demic achievement;

14 “(V) abilities related to social and
 15 emotional development;

16 “(VI) gross and fine motor skills; and

17 “(VII) in the case of children with
 18 limited English proficiency, abilities related
 19 to progress toward acquisition of the
 20 English language.”.

21 **SEC. 112. STAFF.**

22 (a) STAFF QUALIFICATIONS AND DEVELOPMENT.—
 23 Section 648A of the Head Start Act (42 U.S.C. 9843a)
 24 is amended—

25 (1) in subsection (a)(2)—

1 (A) in subparagraph (A)—

2 (i) in the matter preceding clause (i),
 3 by striking “not later than September 30,
 4 2003” and all that follows through “pro-
 5 grams have” and inserting “not later than
 6 the date determined under subparagraph
 7 (D) for a Head Start region, each Head
 8 Start agency in the region with a center-
 9 based program shall ensure that all class-
 10 rooms in the program have at least 1
 11 teacher who has”;

12 (ii) in clause (i), strike “an associate,
 13 baccalaureate,” and insert “a bacca-
 14 laurate”; and

15 (iii) in clause (ii), strike “an asso-
 16 ciate, baccalaureate,” and insert “a bacca-
 17 laurate”; and

18 (B) by striking subparagraph (B) and in-
 19 serting the following:

20 “(B) TEMPORARY REQUIREMENT.—Until
 21 the date determined under subparagraph (D)
 22 for a Head Start region, the Secretary shall en-
 23 sure that at least 50 percent of all Head Start
 24 teachers in the region in center-based programs
 25 have—

1 “(i) an associate, baccalaureate, or
2 advanced degree in early childhood edu-
3 cation; or

4 “(ii) an associate, baccalaureate, or
5 advanced degree in a field related to early
6 childhood education, with experience in
7 teaching preschool children.

8 “(C) REQUIREMENT FOR NEW HEAD
9 START TEACHERS.—Not later than 3 years
10 after the date of enactment of the Quality Edu-
11 cation for All Act, the Secretary shall require
12 that all teachers hired nationwide in center-
13 based programs of Head Start agencies fol-
14 lowing the date of the requirement—

15 “(i) have an associate, baccalaureate,
16 or advanced degree in early childhood edu-
17 cation;

18 “(ii) have an associate, baccalaureate,
19 or advanced degree in a field related to
20 early childhood education, with experience
21 in teaching preschool children; or

22 “(iii) be enrolled, or enroll not later
23 than 1 year after the date of hire, in a pro-
24 gram of study leading to an associate de-
25 gree in early childhood education.

1 “(D) APPROPRIATE DATE.—The Secretary
2 shall determine an appropriate date for Head
3 Start agencies in each Head Start region to
4 reach the result described in subparagraph (A),
5 but in no case shall such a date be later than
6 8 years after the date of enactment of Quality
7 Education for All Act.

8 “(E) PROGRESS.—

9 “(i) REQUIREMENT.—The Secretary
10 shall require Head Start agencies with cen-
11 ter-based programs to demonstrate con-
12 tinuing and consistent progress each year
13 to reach the results described in subpara-
14 graphs (A) and (C).

15 “(ii) PLAN.—Each State shall estab-
16 lish a plan for the Head Start agencies
17 with center-based programs in the State to
18 reach the results described in subpara-
19 graphs (A) and (C).

20 “(iii) PROGRESS.—Each Head Start
21 agency shall prepare and submit to the
22 Secretary and the Governor of the State a
23 report indicating the number and percent-
24 age of its teachers in center-based pro-
25 grams with child development associate

1 credentials or associate, baccalaureate, or
 2 advanced degrees in early childhood edu-
 3 cation or a field related to early childhood
 4 education. The Secretary shall compile all
 5 such reports and submit a summary of the
 6 compiled reports to the Committee on
 7 Health, Education, Labor, and Pensions of
 8 the Senate and the Committee on Edu-
 9 cation and the Workforce of the House of
 10 Representatives.”;

11 (2) in subsection (a)(3), by striking “(2)(A)”
 12 and inserting “(2)(B)”;

13 (3) by adding at the end the following:

14 “(f) PRE-LITERACY AND LANGUAGE TRAINING.—To
 15 support local efforts to enhance early language and pre-
 16 literacy development of children in Head Start programs,
 17 and to provide the children with high-quality oral language
 18 skills and environments that are rich in literature, in
 19 which to acquire early language and pre-literacy skills,
 20 each Head Start agency shall ensure that all of the agen-
 21 cy’s Head Start teachers receive ongoing training in lan-
 22 guage and emergent literacy. Such training shall also in-
 23 clude information regarding appropriate curricula and as-
 24 sessments to improve instruction and learning. Such train-
 25 ing shall include training in methods to promote phono-

1 logical and phonemic awareness and vocabulary develop-
 2 ment in an age-appropriate and culturally and linguis-
 3 tically appropriate manner.

4 “(g) PROFESSIONAL DEVELOPMENT PLANS.—Each
 5 Head Start agency and center shall create, in consultation
 6 with employees of the agency or center (including family
 7 service workers), a professional development plan for em-
 8 ployees who provide direct services to children, including
 9 a plan for teachers, to meet the requirements set forth
 10 in subsection (a).”.

11 (b) ATTRACTING AND RETAINING HIGH-QUALITY
 12 HEAD START TEACHERS; TRIBAL COLLEGE OR UNIVER-
 13 SITY-HEAD START PARTNERSHIP PROGRAM.—

14 (1) PROGRAM.—The Head Start Act is amend-
 15 ed by inserting after section 648A (42 U.S.C.
 16 9843a) the following:

17 **“SEC. 648B. ATTRACTING AND RETAINING HIGH-QUALITY**
 18 **HEAD START TEACHERS.**

19 “(a) IN GENERAL.—The Secretary shall make grants
 20 to eligible Head Start agencies to enable the agencies to
 21 reach the results described in subparagraphs (A) and (C)
 22 of section 648A(a)(2). The Secretary shall make the
 23 grants from allotments determined under subsection (b).

24 “(b) ALLOTMENTS.—From the funds made available
 25 under section 639(c) for a fiscal year and not reserved

1 under subsection (d), the Secretary shall allot to each
2 Head Start agency an amount that bears the same rela-
3 tionship to such funds as the amount received by the agen-
4 cy under section 640 for that fiscal year bears to the
5 amount received by all Head Start agencies under section
6 640 for that fiscal year.

7 “(c) SALARY PLAN.—A Head Start agency that re-
8 ceives a grant under this section shall develop and carry
9 out a plan to raise the average salaries of teachers in the
10 agency’s Head Start programs. In developing the plan, the
11 agency shall take into consideration the training, level of
12 education, and experience of the teachers, and the average
13 salaries of prekindergarten and kindergarten teachers em-
14 ployed by the local educational agency for the school dis-
15 trict in which the Head Start agency is located, with simi-
16 lar training, level of education, and experience.

17 “(d) SALARIES IN HIGH-COST AREAS.—The Sec-
18 retary may reserve and use a portion of the funds available
19 under section 639(c) to assist Head Start agencies located
20 in high-cost areas to help reduce the discrepancy between
21 such average salaries of such teachers and such average
22 salaries of such prekindergarten and kindergarten teach-
23 ers.

1 **“SEC. 648C. TRIBAL COLLEGE OR UNIVERSITY-HEAD START**
2 **PARTNERSHIP PROGRAM.**

3 “(a) TRIBAL COLLEGE OR UNIVERSITY-HEAD START
4 PARTNERSHIP PROGRAM.—

5 “(1) GRANTS.—The Secretary is authorized to
6 award grants, of not less than 5 years duration, to
7 Tribal Colleges and Universities to—

8 “(A) implement education programs that
9 include tribal culture and language and increase
10 the number of associate, baccalaureate, and
11 graduate degrees in early childhood education
12 and related fields that are earned by Indian
13 Head Start agency staff members, parents of
14 children served by such an agency, and mem-
15 bers of the tribal community involved;

16 “(B) develop and implement the programs
17 under subparagraph (A) in technology-mediated
18 formats; and

19 “(C) provide technology literacy programs
20 for Indian Head Start agency staff members
21 and children and families of children served by
22 such an agency.

23 “(2) STAFFING.—The Secretary shall ensure
24 that the American Indian Programs Branch of the
25 Head Start Bureau of the Department of Health
26 and Human Services shall have staffing sufficient to

1 administer the programs under this section and to
 2 provide appropriate technical assistance to Tribal
 3 Colleges and Universities receiving grants under this
 4 section.

5 “(b) APPLICATION.—Each Tribal College or Univer-
 6 sity desiring a grant under this section shall submit an
 7 application to the Secretary, at such time, in such manner,
 8 and containing such information as the Secretary may re-
 9 quire, including a certification that the Tribal College or
 10 University has established a partnership with 1 or more
 11 Indian Head Start agencies for the purpose of conducting
 12 the activities described in subsection (a).

13 “(c) DEFINITIONS.—In this section:

14 “(1) INSTITUTION OF HIGHER EDUCATION.—
 15 The term ‘institution of higher education’ has the
 16 meaning given such term in section 101(a) of the
 17 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

18 “(2) TRIBAL COLLEGE OR UNIVERSITY.—The
 19 term ‘Tribal College or University’ means an institu-
 20 tion—

21 “(A) defined by such term in section
 22 316(b) of the Higher Education Act of 1965
 23 (20 U.S.C. 1059c(b)); and

1 “(B) determined to be accredited or a can-
 2 didate for accreditation by a nationally recog-
 3 nized accrediting agency or association.

4 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated to carry out this section,
 6 \$10,000,000 for fiscal year 2006 and such sums as may
 7 be necessary for each of fiscal years 2007 through 2010.”.

8 (2) AUTHORIZATION OF APPROPRIATIONS.—
 9 Section 639 of the Head Start Act (42 U.S.C. 9834)
 10 is amended—

11 (A) in subsection (a), by inserting “(other
 12 than section 648B)” after “this subchapter”;
 13 and

14 (B) by adding at the end the following:

15 “(c) There are authorized to be appropriated to carry
 16 out section 648B \$387,000,000 for fiscal year 2006,
 17 \$496,000,000 for fiscal year 2007, \$608,000,000 for fis-
 18 cal year 2008, \$723,000,000 for fiscal year 2009, and
 19 \$841,000,000 for fiscal year 2010.”.

20 (3) CONFORMING AMENDMENTS.—Section 640
 21 of the Head Start Act (42 U.S.C. 9835) is amend-
 22 ed—

23 (A) in subsection (a)—

24 (i) in paragraph (1), by striking “sec-
 25 tion 639” and inserting “section 639(a)”;

1 (ii) in paragraph (2)—

2 (I) in the matter preceding sub-
3 paragraph (A), by inserting “pursuant
4 to section 639(a)” after “appro-
5 priated”;

6 (II) in subparagraph (B), in the
7 matter following clause (ii), by insert-
8 ing “pursuant to section 639(a)” after
9 “appropriated”; and

10 (III) in subparagraph (C), by in-
11 serting “pursuant to section 639(a)”
12 after “appropriated” each place it ap-
13 pears; and

14 (iii) in paragraph (4), in the matter
15 preceding subparagraph (A), by inserting
16 “pursuant to section 639(a)” after “appro-
17 priated”; and

18 (B) in subsection (g)(1), by inserting “pur-
19 suant to section 639(a)” after “appropriated”
20 each place it appears.

21 **Subtitle C—Expanding Access to** 22 **Quality, Affordable Child Care**

23 **SEC. 121. AUTHORIZATION OF APPROPRIATIONS.**

24 Section 658B of the Child Care and Development
25 Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

1 (1) by striking “is” and inserting “are”; and

2 (2) by striking “subchapter” and all that fol-
 3 lows and inserting “subchapter \$3,100,000,000 for
 4 fiscal year 2006, \$4,100,000,000 for fiscal year
 5 2007, \$5,100,000,000 for fiscal year 2008,
 6 \$6,100,000,000 for fiscal year 2009, and
 7 \$7,100,000,000 for fiscal year 2010.”.

8 **Subtitle D—Strengthening the**
 9 **Quality of Child Care**

10 **SEC. 131. STATE PLAN REQUIREMENTS RELATING TO**
 11 **TRAINING.**

12 Section 658E(c) of the Child Care and Development
 13 Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended
 14 by adding at the end the following:

15 “(6) TRAINING IN EARLY LEARNING AND
 16 CHILDHOOD DEVELOPMENT.—The State plan shall
 17 describe any training requirements that are in effect
 18 within the State that are designed to enable child
 19 care providers to promote the social, emotional,
 20 physical, and cognitive development of children and
 21 that are applicable to child care providers that pro-
 22 vide services for which assistance is made available
 23 under this subchapter in the State.”.

1 **SEC. 132. STRENGTHENING THE QUALITY OF CHILD CARE.**

2 Section 658G of the Child Care and Development
3 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended
4 to read as follows:

5 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
6 **CHILD CARE.**

7 “(a) IN GENERAL.—

8 “(1) RESERVATION.—Each State that receives
9 funds appropriated under section 639(a) for a fiscal
10 year shall reserve and use not less than 6 percent
11 of the funds for activities provided directly, or
12 through grants or contracts with resource and refer-
13 ral organizations or other appropriate entities, that
14 are designed to improve the quality of child care
15 services.

16 “(2) ACTIVITIES.—The funds reserved under
17 paragraph (1) may only be used to—

18 “(A) develop and implement voluntary
19 guidelines on pre-reading and language skills
20 and activities, for child care programs in the
21 State, that are aligned with State standards for
22 kindergarten through grade 12 or the State’s
23 general goals for school preparedness;

24 “(B) support activities and provide tech-
25 nical assistance in child care settings to en-
26 hance early learning for young children, to pro-

1 mote literacy, and to foster school prepared-
2 ness;

3 “(C) offer training, professional develop-
4 ment, and educational opportunities for child
5 care providers that relate to the use of develop-
6 mentally appropriate and age-appropriate cur-
7 ricula, and early childhood teaching strategies,
8 that are scientifically based and aligned with
9 the social, emotional, physical, and cognitive de-
10 velopment of children, including—

11 “(i) developing and operating distance
12 learning child care training infrastructures;

13 “(ii) developing model technology-
14 based training courses;

15 “(iii) offering training for caregivers
16 in informal child care settings; and

17 “(iv) offering training for child care
18 providers who care for infants and toddlers
19 and children with special needs;

20 “(D) engage in programs designed to in-
21 crease the retention and improve the com-
22 petencies of child care providers, including wage
23 incentive programs and initiatives that establish
24 tiered payment rates for providers that meet or

1 exceed child care services guidelines, as defined
2 by the State;

3 “(E) evaluate and assess the quality and
4 effectiveness of child care programs and serv-
5 ices offered in the State to young children on
6 improving overall school preparedness; and

7 “(F) carry out other activities determined
8 by the State to improve the quality of child care
9 services provided in the State and for which
10 measurement of outcomes relating to improved
11 child safety, child well-being, or school pre-
12 paredness is possible.

13 “(b) CERTIFICATION.—For each fiscal year begin-
14 ning after September 30, 2005, the State shall annually
15 submit to the Secretary a certification in which the State
16 certifies and demonstrates that the State was in compli-
17 ance with subsection (a) during the preceding fiscal year
18 and describes how the State used funds made available
19 to carry out this subchapter to comply with subsection (a)
20 during that preceding fiscal year.”.

1 **TITLE II—PROVIDING SAFE, RE-**
2 **LIABLE TRANSPORTATION**
3 **FOR RURAL SCHOOL CHIL-**
4 **DREN**

5 **SEC. 201. FINDINGS AND PURPOSE.**

6 (a) FINDINGS.—Congress finds that—

7 (1) school transportation issues have concerned
8 parents, local educational agencies, lawmakers, the
9 National Highway Traffic Safety Administration,
10 the National Transportation Safety Board, and the
11 Environmental Protection Agency for years;

12 (2) millions of children face potential future
13 health problems because of exposure to noxious
14 fumes emitted from older school buses;

15 (3) the Environmental Protection Agency estab-
16 lished the Clean School Bus USA program to re-
17 place 129,000 of the oldest diesel buses that cannot
18 be retrofitted in an effort to help children and the
19 environment by improving air quality;

20 (4) unfortunately, many rural local educational
21 agencies are unable to participate in that program
22 because of the specialized fuels needed to sustain a
23 clean bus fleet;

24 (5) many rural local educational agencies are
25 operating outdated, unsafe school buses that are

1 failing inspections because of automotive flaws, re-
 2 sulting in the depletion of the school bus fleets of
 3 the local educational agencies; and

4 (6) many rural local educational agencies are
 5 unable to afford to buy newer, safer buses.

6 (b) PURPOSE.—The purpose of this title is to estab-
 7 lish within the Department of Education a Federal cost-
 8 sharing program to assist rural local educational agencies
 9 with older, unsafe school bus fleets in purchasing newer,
 10 safer school buses.

11 **SEC. 202. DEFINITIONS.**

12 In this title:

13 (1) RURAL LOCAL EDUCATIONAL AGENCY.—
 14 The term “rural local educational agency” means a
 15 local educational agency, as defined in section 9101
 16 of the Elementary and Secondary Education Act of
 17 1965 (20 U.S.C. 7801), with respect to which—

18 (A) each county in which a school served
 19 by the local educational agency is located has a
 20 total population density of fewer than 10 per-
 21 sons per square mile;

22 (B) all schools served by the local edu-
 23 cational agency are designated with a school lo-
 24 cale code of 7 or 8, as determined by the Sec-
 25 retary; or

1 (C) all schools served by the local edu-
 2 cational agency have been designated, by official
 3 action taken by the legislature of the State in
 4 which the local educational agency is located, as
 5 rural schools for purposes relating to the provi-
 6 sion of educational services to students in the
 7 State.

8 (2) SECRETARY.—The term “Secretary” means
 9 the Secretary of Education.

10 (3) SCHOOL BUS.—The term “school bus”
 11 means a vehicle the primary purpose of which is to
 12 transport students to and from school or school ac-
 13 tivities.

14 **SEC. 203. GRANT PROGRAM.**

15 (a) IN GENERAL.—From amounts appropriated
 16 under subsection (e) for a fiscal year, the Secretary shall
 17 provide grants, on a competitive basis, to rural local edu-
 18 cational agencies to pay the Federal share of the cost of
 19 purchasing new school buses.

20 (b) APPLICATION.—

21 (1) IN GENERAL.—Each rural local educational
 22 agency that seeks to receive a grant under this title
 23 shall submit to the Secretary for approval an appli-
 24 cation at such time, in such manner, and accom-
 25 panied by such information (in addition to informa-

tion required under paragraph (2)) as the Secretary may require.

(2) CONTENTS.—Each application submitted under paragraph (1) shall include—

(A) documentation that, of the total number of school buses operated by the rural local educational agency, not less than 50 percent of the school buses are in need of repair or replacement;

(B) documentation of the number of miles that each school bus operated by the rural local educational agency traveled in the most recent 9-month academic year;

(C) documentation that the rural local educational agency is operating with a reduced fleet of school buses;

(D) a certification from the rural local educational agency that—

(i) authorizes the application of the rural local educational agency for a grant under this title; and

(ii) describes the dedication of the rural local educational agency to school bus replacement programs and school transportation needs (including the num-

1 ber of new school buses needed by the
2 rural local educational agency); and

3 (E) an assurance that the rural local edu-
4 cational agency will pay the non-Federal share
5 of the cost of the purchase of new school buses
6 under this title from non-Federal sources.

7 (c) PRIORITY.—In providing grants under this title,
8 the Secretary shall give priority to rural local educational
9 agencies that, as determined by the Secretary—

10 (1) are transporting students in a bus manufac-
11 tured before 1977;

12 (2) have a grossly depleted fleet of school buses;
13 or

14 (3) serve a school that is required, under sec-
15 tion 1116(b)(9) of the Elementary and Secondary
16 Education Act of 1965 (20 U.S.C. 6316(b)(9)), to
17 provide transportation to students to enable the stu-
18 dents to transfer to another public school served by
19 the rural local educational agency.

20 (d) USE OF FUNDS.—School buses purchased with
21 grant funds awarded under subsection (a) shall be in com-
22 pliance with proposed air quality regulations and stand-
23 ards of the Environmental Protection Agency for 2006.

24 (e) PAYMENTS; FEDERAL SHARE.—

1 (1) PAYMENTS.—The Secretary shall pay to
 2 each rural local educational agency having an appli-
 3 cation approved under this section the Federal share
 4 described in paragraph (2) of the cost of purchasing
 5 such number of new school buses as is specified in
 6 the approved application.

7 (2) FEDERAL SHARE.—The Federal share of
 8 the cost of purchasing a new school bus under this
 9 title shall be 75 percent.

10 **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

11 There are authorized to be appropriated to carry out
 12 this title \$50,000,000 for fiscal year 2006 and such sums
 13 as may be necessary for each of fiscal years 2007 through
 14 2010.

15 **TITLE III—SENSE OF THE SEN-**
 16 **ATE REGARDING FULLY**
 17 **FUNDING THE INDIVIDUALS**
 18 **WITH DISABILITIES EDU-**
 19 **CATION ACT BY 2011**

20 **SEC. 301. FINDINGS.**

21 (a) FINDINGS.—The Senate finds the following:

22 (1) Disability is a natural part of the human
 23 experience and in no way diminishes the right of in-
 24 dividuals to participate in or contribute to society.
 25 Improving educational results for children with dis-

1 abilities is an essential element of our national policy
2 of ensuring equality of opportunity, full participa-
3 tion, independent living, and economic self-suffi-
4 ciency for individuals with disabilities.

5 (2) Before the date of enactment of the Edu-
6 cation for All Handicapped Children Act of 1975
7 (Public Law 94–142), the predecessor to the Indi-
8 viduals with Disabilities Education Act (20 U.S.C.
9 1400 et seq.), the educational needs of millions of
10 children with disabilities were not being fully met be-
11 cause—

12 (A) the children did not receive appro-
13 priate educational services;

14 (B) the children were excluded entirely
15 from the public school system and from being
16 educated with their peers;

17 (C) undiagnosed disabilities prevented the
18 children from having a successful educational
19 experience; or

20 (D) a lack of adequate resources within the
21 public school system forced such families to find
22 services outside the public school system.

23 (3) The Individuals with Disabilities Education
24 Act has been successful in ensuring children with
25 disabilities and the families of such children access

1 to a free appropriate public education and in im-
2 proving educational results for children with disabil-
3 ities.

4 (4) The implementation of the Individuals with
5 Disabilities Education Act has been impeded by the
6 Federal Government's failure to honor the commit-
7 ment it made 30 years ago to provide States with
8 40 percent of the excess costs of special education.

9 (5) While States, local educational agencies,
10 and educational service agencies are primarily re-
11 sponsible for providing an education for all children
12 with disabilities, it is in the national interest that
13 the Federal Government have a supporting role in
14 assisting State and local efforts to educate children
15 with disabilities in order to improve results for such
16 children and to ensure equal protection of the law.

17 (6) Congress passed authorizing language to
18 fully fund the Individuals with Disabilities Edu-
19 cation Act and should appropriate such sums as au-
20 thorized.

21 (7) A more equitable allocation of resources is
22 essential for the Federal Government to meet its re-
23 sponsibility to provide an equal educational oppor-
24 tunity for all individuals.

1 **SEC. 302. SENSE OF THE SENATE REGARDING AUTHORIZA-**
2 **TION OF APPROPRIATIONS.**

3 It is the sense of the Senate that for the purpose of
4 carrying out the Federal Government's commitment to
5 children, parents, and the States, there should be author-
6 ized to be appropriated—

7 (1) \$14,648,647,143 or the maximum amount
8 available for awarding grants under section
9 611(a)(2) of the Individuals with Disabilities Edu-
10 cation Act, whichever is lower, for fiscal year 2006,
11 and there should be appropriated \$4,058,901,319
12 for fiscal year 2006, which should become available
13 for obligation on July 1, 2006, and should remain
14 available through September 30, 2007, except that if
15 the maximum amount available for awarding grants
16 under section 611(a)(2) of such Act is less than
17 \$14,648,647,143, then the amount should be re-
18 duced by the difference between \$14,648,647,143
19 and the maximum amount available for awarding
20 grants under section 611(a)(2) of such Act;

21 (2) \$16,938,917,714 or the maximum amount
22 available for awarding grants under section
23 611(a)(2) of the Individuals with Disabilities Edu-
24 cation Act, whichever is lower, for fiscal year 2007,
25 and there should be appropriated \$6,349,171,890
26 for fiscal year 2007, which should become available

1 for obligation on July 1, 2007, and should remain
2 available through September 30, 2008, except that if
3 the maximum amount available for awarding grants
4 under section 611(a)(2) of such Act is less than
5 \$16,938,917,714, then the amount should be re-
6 duced by the difference between \$16,938,917,714
7 and the maximum amount available for awarding
8 grants under section 611(a)(2) of such Act;

9 (3) \$19,229,188,286 or the maximum amount
10 available for awarding grants under section
11 611(a)(2) of the Individuals with Disabilities Edu-
12 cation Act, whichever is lower, for fiscal year 2008,
13 and there should be appropriated \$8,639,442,462
14 for fiscal year 2008, which should become available
15 for obligation on July 1, 2008, and should remain
16 available through September 30, 2009, except that if
17 the maximum amount available for awarding grants
18 under section 611(a)(2) of such Act is less than
19 \$19,229,188,286, then the amount should be re-
20 duced by the difference between \$19,229,188,286
21 and the maximum amount available for awarding
22 grants under section 611(a)(2) of such Act;

23 (4) \$21,519,458,857 or the maximum amount
24 available for awarding grants under section
25 611(a)(2) of the Individuals with Disabilities Edu-

1 cation Act, whichever is lower, for fiscal year 2009,
2 and there should be appropriated \$10,929,713,033
3 for fiscal year 2009, which should become available
4 for obligation on July 1, 2009, and should remain
5 available through September 30, 2010, except that if
6 the maximum amount available for awarding grants
7 under section 611(a)(2) of such Act is less than
8 \$21,519,458,857, then the amount should be re-
9 duced by the difference between \$21,519,458,857
10 and the maximum amount available for awarding
11 grants under section 611(a)(2) of such Act;

12 (5) \$23,809,729,429 or the maximum amount
13 available for awarding grants under section
14 611(a)(2) of the Individuals with Disabilities Edu-
15 cation Act, whichever is lower, for fiscal year 2010,
16 and there should be appropriated \$13,219,983,605
17 for fiscal year 2010, which should become available
18 for obligation on July 1, 2010, and should remain
19 available through September 30, 2011, except that if
20 the maximum amount available for awarding grants
21 under section 611(a)(2) of such Act is less than
22 \$23,809,729,429, then the amount should be re-
23 duced by the difference between \$23,809,729,429
24 and the maximum amount available for awarding
25 grants under section 611(a)(2) of such Act;

1 (6) \$26,100,000,000 or the maximum amount
2 available for awarding grants under section
3 611(a)(2) of the Individuals with Disabilities Edu-
4 cation Act, whichever is lower, for fiscal year 2011,
5 and there should be appropriated \$15,510,254,176
6 for fiscal year 2011, which should become available
7 for obligation on July 1, 2011, and should remain
8 available through September 30, 2012, except that if
9 the maximum amount available for awarding grants
10 under section 611(a)(2) of such Act is less than
11 \$26,100,000,000, then the amount should be re-
12 duced by the difference between \$26,100,000,000
13 and the maximum amount available for awarding
14 grants under section 611(a)(2) of such Act; and

15 (7) the maximum amount available for award-
16 ing grants under section 611(a)(2) of the Individuals
17 with Disabilities Education Act for fiscal year 2012
18 and each succeeding fiscal year, and there should be
19 appropriated for each such year an amount equal to
20 the maximum amount available for awarding grants
21 under section 611(a)(2) of such Act for the fiscal
22 year for which the determination is made minus
23 \$10,589,745,824, which should become available for
24 obligation on July 1 of the fiscal year for which the

1 determination is made and should remain available
 2 through September 30 of the succeeding fiscal year.

3 **TITLE IV—IMPROVEMENT OF EL-**
 4 **EMENTARY AND SECONDARY**
 5 **EDUCATION**

6 **Subtitle A—Public School Choice,**
 7 **Supplemental Educational Serv-**
 8 **ices, and Teacher Quality**

9 **SEC. 401. PUBLIC SCHOOL CHOICE CAPACITY.**

10 (a) SCHOOL CAPACITY.—Section 1116(b)(1)(E) of
 11 the Elementary and Secondary Education Act of 1965 (20
 12 U.S.C. 6316(b)(1)(E)) is amended—

13 (1) in clause (i), by striking “In the case” and
 14 inserting “Subject to clauses (ii) and (iii), in the
 15 case”;

16 (2) by redesignating clause (ii) as clause (iii);

17 (3) by inserting after clause (i) the following:

18 “(ii) SCHOOL CAPACITY.—The obliga-
 19 tion of a local educational agency to pro-
 20 vide the option to transfer to students
 21 under clause (i) is subject to all applicable
 22 State and local health and safety code re-
 23 quirements regarding facility capacity.”;
 24 and

1 (4) in clause (iii) (as redesignated by paragraph
 2 (2)), by inserting “and subject to clause (ii),” after
 3 “public school,”.

4 (b) GRANTS FOR SCHOOL CONSTRUCTION AND REN-
 5 OVATION.—

6 (1) IN GENERAL.—Subpart 1 of part A of title
 7 I of the Elementary and Secondary Education Act
 8 of 1965 (20 U.S.C. 6311 et seq.) is amended by
 9 adding at the end the following:

10 **“SEC. 1120C. GRANTS FOR SCHOOL CONSTRUCTION AND**
 11 **RENOVATION.**

12 “(a) PROGRAM AUTHORIZED.—From funds appro-
 13 priated under subsection (g), the Secretary is authorized
 14 to award grants to local educational agencies experiencing
 15 overcrowding in the schools served by the local educational
 16 agencies, for the construction and renovation of safe,
 17 healthy, high-performance school buildings.

18 “(b) APPLICATION.—Each local educational agency
 19 desiring a grant under this section shall submit an appli-
 20 cation to the Secretary at such time, in such manner, and
 21 accompanied by such additional information as the Sec-
 22 retary may require.

23 “(c) PRIORITY.—In awarding grants under this sec-
 24 tion, the Secretary shall give priority to local educational
 25 agencies—

1 “(1) who have documented difficulties in meet-
 2 ing the public school choice requirements of para-
 3 graph (1)(E), (5)(A), (7)(C)(i), or (8)(A)(i) of sec-
 4 tion 1116(b), or section 1116(c)(10)(C)(vii); and

5 “(2) with the highest number of schools at or
 6 above capacity.

7 “(d) AWARD BASIS.—From funds remaining after
 8 awarding grants under subsection (c), the Secretary shall
 9 award grants to local educational agencies that are experi-
 10 encing overcrowding in the schools served by the local edu-
 11 cational agencies.

12 “(e) PREVAILING WAGES.—Any laborer or mechanic
 13 employed by any contractor or subcontractor in the per-
 14 formance of work on any construction funded by a grant
 15 awarded under this section will be paid wages at rates not
 16 less than those prevailing on similar construction in the
 17 locality as determined by the Secretary of Labor under
 18 subchapter IV of chapter 31 of title 40, United States
 19 Code (commonly referred to as the Davis-Bacon Act).

20 “(f) DEFINITIONS.—In this section:

21 “(1) AT OR ABOVE CAPACITY.—The term ‘at or
 22 above capacity’, in reference to a school, means a
 23 school in which 1 additional student would increase
 24 the average class size of the school above the aver-

1 age class size of all schools in the State in which the
2 school is located.

3 “(2) HEALTHY, HIGH-PERFORMANCE SCHOOL
4 BUILDING.—The term ‘healthy, high-performance
5 school building’ has the meaning given such term in
6 section 5586.

7 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$250,000,000 for fiscal year 2006, and such sums as may
10 be necessary for each of the 2 succeeding fiscal years.”.

11 (2) TABLE OF CONTENTS.—The table of con-
12 tents of the Elementary and Secondary Education
13 Act of 1965 (20 U.S.C.6301 note) is amended by in-
14 serting after the item relating to section 1120B the
15 following:

“Sec. 1120C. Grants for school construction and renovation.”.

16 **SEC. 402. SUPPLEMENTAL EDUCATIONAL SERVICES.**

17 Section 1116(e) of the Elementary and Secondary
18 Education Act of 1965 (20 U.S.C. 6316(e)) is amended—

19 (1) in paragraph (4)—

20 (A) in subparagraph (B), by striking the
21 semicolon and inserting “, including criteria
22 that—

23 “(i) ensure that personnel delivering
24 supplemental educational services to stu-
25 dents have adequate qualifications; and

1 “(ii) may, at the State’s discretion,
 2 ensure that personnel delivering supple-
 3 mental educational services to students are
 4 teachers that are highly qualified, as such
 5 term is defined in section 9101;”;

6 (B) in subparagraph (D), by striking
 7 “and” after the semicolon;

8 (C) in subparagraph (E), by striking the
 9 period and inserting “; and”; and

10 (D) by adding at the end the following:

11 “(F) ensure that the list of approved pro-
 12 viders of supplemental educational services de-
 13 scribed in subparagraph (C) includes a choice
 14 of providers that have sufficient capacity to pro-
 15 vide effective services for children who are lim-
 16 ited English proficient and children with dis-
 17 abilities.”;

18 (2) in paragraph (5)(C)—

19 (A) by striking “applicable”; and

20 (B) by inserting before the period “, and
 21 acknowledge in writing that, as an approved
 22 provider in the relevant State educational agen-
 23 cy program of providing supplemental edu-
 24 cational services, the provider is deemed to be
 25 a recipient of Federal financial assistance”;

1 (3) by redesignating paragraphs (6), (7), (8),
 2 (9), (10), (11), and (12) as paragraphs (7), (8), (9),
 3 (10), (11), (12), and (13), respectively;

4 (4) by inserting after paragraph (5) the fol-
 5 lowing:

6 “(6) RULE OF CONSTRUCTION.—Nothing in
 7 this section shall be construed to prohibit a local
 8 educational agency from being considered by a State
 9 educational agency as a potential provider of supple-
 10 mental educational services under this subsection, if
 11 such local educational agency meets the criteria
 12 adopted by the State educational agency in accord-
 13 ance with paragraph (5).”;

14 (5) in paragraph (13) (as redesignated by para-
 15 graph (3))—

16 (A) in subparagraph (B)—

17 (i) in clause (ii), by striking “and”
 18 after the semicolon;

19 (ii) in clause (iii), by striking “and”
 20 after the semicolon; and

21 (iii) by adding at the end the fol-
 22 lowing:

23 “(iv) may employ teachers who are
 24 highly qualified, as such term is defined in
 25 section 9101; and

“(v) pursuant to its inclusion on the relevant State educational agency’s list described in paragraph (4)(C), is deemed to be a recipient of Federal financial assistance; and”;

(B) in subparagraph (C)—

(i) in the matter preceding clause (i), by striking “are”;

(ii) in clause (i)—

(I) by inserting “are” before “in addition”; and

(II) by striking “and” after the semicolon;

(iii) in clause (ii), by striking the period and inserting “; and”; and

(iv) by adding at the end the following:

“(iii) if provided by providers that are included on the relevant State educational agency’s list described in paragraph (4)(C), shall be deemed to be programs or activities of the relevant State educational agency.”; and

(6) by adding at the end the following:

1 “(14) CIVIL RIGHTS.—In providing supple-
 2 mental educational services under this subsection, no
 3 State educational agency or local educational agency
 4 may, directly or through contractual, licensing, or
 5 other arrangements with a provider of supplemental
 6 educational services, engage in any form of discrimi-
 7 nation prohibited by—

8 “(A) title VI of the Civil Rights Act of
 9 1964;

10 “(B) title IX of the Education Amend-
 11 ments of 1972;

12 “(C) section 504 of the Rehabilitation Act
 13 of 1973;

14 “(D) titles II and III of the Americans
 15 with Disabilities Act;

16 “(E) the Age Discrimination Act of 1975;

17 “(F) regulations promulgated under the
 18 authority of the laws listed in subparagraphs
 19 (A) through (E); or

20 “(G) other Federal civil rights laws.”.

21 **SEC. 403. QUALIFICATIONS FOR TEACHERS AND PARA-**
 22 **PROFESSIONALS.**

23 (a) HIGH OBJECTIVE UNIFORM STATE STANDARD
 24 OF EVALUATION.—Section 1119 of the Elementary and

1 Secondary Education Act of 1965 (20 U.S.C. 6319) is
 2 amended—

3 (1) in subsection (a)(2)—

4 (A) by redesignating subparagraphs (A)
 5 through (C) as clauses (i) through (iii), respec-
 6 tively, and indenting as appropriate;

7 (B) by striking “(2) STATE PLAN.—As
 8 part” and inserting the following:

9 “(2) STATE PLAN.—

10 “(A) IN GENERAL.—As part”; and

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

12 “(B) AVAILABILITY OF STATE STAND-
 13 ARDS.—Each State educational agency shall
 14 make available to teachers in the State the high
 15 objective uniform State standard of evaluation,
 16 as described in section 9101(23)(C)(ii), for the
 17 purpose of meeting the teacher qualification re-
 18 quirements established under this section.”;

19 (2) by redesignating subsections (e), (f), (g),
 20 (h), (i), (j), (k), and (l) as subsections (f), (g), (h),
 21 (i), (j), (k), (l), and (m), respectively;

22 (3) by inserting after subsection (d) the fol-
 23 lowing:

24 “(e) STATE RESPONSIBILITIES.—Each State edu-
 25 cational agency shall ensure that local educational agen-

1 cies in the State make available all options described in
 2 subparagraphs (A) through (C) of subsection (c)(1) to
 3 each new or existing paraprofessional for the purpose of
 4 demonstrating the qualifications of the paraprofessional,
 5 consistent with the requirements of this section.”; and

6 (4) in subsection (l) (as redesignated by para-
 7 graph (2)), by striking “subsection (l)” and insert-
 8 ing “subsection (m)”.

9 (b) DEFINITION OF HIGHLY QUALIFIED TEACH-
 10 ERS.—Section 9101(23)(B)(ii) is amended—

11 (1) in subclause (I), by striking “or” after the
 12 semicolon;

13 (2) in subclause (II), by striking “and” after
 14 the semicolon; and

15 (3) by adding at the end the following:

16 “(III) in the case of a middle
 17 school teacher, passing a State-ap-
 18 proved middle school generalist exam
 19 when the teacher receives a license to
 20 teach middle school in the State;

21 “(IV) obtaining a State middle
 22 school or secondary school social stud-
 23 ies certificate that qualifies the teach-
 24 er to teach history, geography, eco-
 25 nomics, civics, and government in

1 middle schools or in secondary
2 schools, respectively, in the State; or
3 “(V) obtaining a State middle
4 school or secondary school science cer-
5 tificate that qualifies the teacher to
6 teach earth science, biology, chem-
7 istry, and physics in middle schools or
8 secondary schools, respectively, in the
9 State; and”.

10 (c) ENSURING HIGHLY QUALIFIED TEACHERS.—

11 (1) REQUIREMENT.—The Secretary of Edu-
12 cation shall improve coordination among the teacher
13 quality programs authorized under the Elementary
14 and Secondary Education Act of 1965 (20 U.S.C.
15 6301 et seq.), the Individuals with Disabilities Edu-
16 cation Act (20 U.S.C. 1400 et seq.), the Higher
17 Education Act of 1965 (20 U.S.C. 1001 et seq.),
18 and the Carl D. Perkins Vocational and Technical
19 Education Act of 1998 (20 U.S.C. 2301 et seq.), to
20 provide a unified effort in strengthening the Amer-
21 ican teaching workforce and ensuring highly quali-
22 fied teachers.

23 (2) REPORT.—Not later than 6 months after
24 the date of enactment of this Act, the Secretary of
25 Education shall submit a report to the relevant com-

1 mittees of Congress, that shall be made available on
 2 the website of the Department of Education, on ef-
 3 forts to coordinate programs pursuant to paragraph
 4 (1).

5 **Subtitle B—Adequate Yearly**
 6 **Progress Determinations**

7 **SEC. 421. REVIEW OF ADEQUATE YEARLY PROGRESS DE-**
 8 **TERMINATIONS FOR SCHOOLS FOR THE 2002–**
 9 **2003 SCHOOL YEAR.**

10 (a) IN GENERAL.—The Secretary shall require each
 11 local educational agency to provide each school served by
 12 the agency with an opportunity to request a review of a
 13 determination by the agency that the school did not make
 14 adequate yearly progress for the 2002–2003 school year.

15 (b) FINAL DETERMINATION.—Not later than 30 days
 16 after receipt of a request by a school for a review under
 17 this section, a local educational agency shall issue and
 18 make publicly available a final determination on whether
 19 the school made adequate yearly progress for the 2002–
 20 2003 school year.

21 (c) EVIDENCE.—In conducting a review under this
 22 section, a local educational agency shall—

23 (1) allow the principal of the school involved to
 24 submit evidence on whether the school made ade-

1 quate yearly progress for the 2002–2003 school
2 year; and

3 (2) consider that evidence before making a final
4 determination under subsection (b).

5 (d) STANDARD OF REVIEW.—In conducting a review
6 under this section, a local educational agency shall revise,
7 consistent with the applicable State plan under section
8 1111 of the Elementary and Secondary Education Act of
9 1965 (20 U.S.C. 6311), the local educational agency’s
10 original determination that a school did not make ade-
11 quate yearly progress for the 2002–2003 school year if
12 the agency finds that the school made such progress, tak-
13 ing into consideration—

14 (1) the amendments made to part 200 of title
15 34, Code of Federal Regulations (68 Fed. Reg.
16 68698) (relating to accountability for the academic
17 achievement of students with the most significant
18 cognitive disabilities); or

19 (2) any regulation or guidance that, subsequent
20 to the date of such original determination, was
21 issued by the Secretary relating to—

22 (A) the assessment of limited English pro-
23 ficient children;

24 (B) the inclusion of limited English pro-
25 ficient children as part of the subgroup de-

scribed in section 1111(b)(2)(C)(v)(II)(dd) of
the Elementary and Secondary Education Act
of 1965 (20 U.S.C. 6311(b)(2)(C)(v)(II)(dd))
after such children have obtained English pro-
ficiency; or

(C) any requirement under section
1111(b)(2)(I)(ii) of the Elementary and Sec-
ondary Education Act of 1965 (20 U.S.C.
6311(b)(2)(I)(ii)).

(e) EFFECT OF REVISED DETERMINATION.—

(1) IN GENERAL.—If pursuant to a review
under this section a local educational agency deter-
mines that a school made adequate yearly progress
for the 2002–2003 school year, upon such deter-
mination—

(A) any action by the Secretary, the State
educational agency, or the local educational
agency that was taken because of a prior deter-
mination that the school did not make such
progress shall be terminated; and

(B) any obligations or actions required of
the local educational agency or the school be-
cause of the prior determination shall cease to
be required.

(2) EXCEPTIONS.—Notwithstanding paragraph (1), a determination under this section shall not affect any obligation or action required of a local educational agency or school under the following:

(A) Section 1116(b)(13) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316(b)(13)) (requiring a local educational agency to continue to permit a child who transferred to another school under such section to remain in that school until completion of the highest grade in the school).

(B) Section 1116(e)(9) of the Elementary and Secondary Education Act of 1965 (as redesignated by section 402(3)) (20 U.S.C. 6316(e)(9)) (requiring a local educational agency to continue to provide supplemental educational services under such section until the end of the school year).

(3) SUBSEQUENT DETERMINATIONS.—In determining whether a school is subject to school improvement, corrective action, or restructuring as a result of not making adequate yearly progress, the Secretary, a State educational agency, or a local educational agency may not take into account a determination that the school did not make adequate

1 yearly progress for the 2002–2003 school year if
 2 such determination was revised under this section
 3 and the school received a final determination of hav-
 4 ing made adequate yearly progress for the 2002–
 5 2003 school year.

6 (f) NOTIFICATION.—The Secretary—

7 (1) shall require each State educational agency
 8 to notify each school served by the agency of the
 9 school’s ability to request a review under this sec-
 10 tion; and

11 (2) not later than 30 days after the date of the
 12 enactment of this section, shall notify the public by
 13 means of the Department of Education’s website of
 14 the review process established under this section.

15 **SEC. 422. REVIEW OF ADEQUATE YEARLY PROGRESS DE-**
 16 **TERMINATIONS FOR LOCAL EDUCATIONAL**
 17 **AGENCIES FOR THE 2002–2003 SCHOOL YEAR.**

18 (a) IN GENERAL.—The Secretary shall require each
 19 State educational agency to provide each local educational
 20 agency in the State with an opportunity to request a re-
 21 view of a determination by the State educational agency
 22 that the local educational agency did not make adequate
 23 yearly progress for the 2002–2003 school year.

24 (b) APPLICATION OF CERTAIN PROVISIONS.—Except
 25 as inconsistent with, or inapplicable to, this section, the

1 provisions of section 421 shall apply to review by a State
2 educational agency of a determination described in sub-
3 section (a) in the same manner and to the same extent
4 as such provisions apply to review by a local educational
5 agency of a determination described in section 421(a).

6 **SEC. 423. DEFINITIONS.**

7 In this subtitle:

8 (1) The term “adequate yearly progress” has
9 the meaning given to that term in section
10 1111(b)(2)(C) of the Elementary and Secondary
11 Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)).

12 (2) The term “local educational agency” means
13 a local educational agency (as that term is defined
14 in section 9101 of the Elementary and Secondary
15 Education Act of 1965 (20 U.S.C. 7801)) receiving
16 funds under part A of title I of such Act (20 U.S.C.
17 6311 et seq.).

18 (3) The term “Secretary” means the Secretary
19 of Education.

20 (4) The term “school” means an elementary
21 school or a secondary school (as those terms are de-
22 fined in section 9101 of the Elementary and Sec-
23 ondary Education Act of 1965 (20 U.S.C. 7801))
24 served under part A of title I of such Act (20 U.S.C.
25 6311 et seq.).

1 (5) The term “State educational agency” means
 2 a State educational agency (as that term is defined
 3 in section 9101 of the Elementary and Secondary
 4 Education Act of 1965 (20 U.S.C. 7801)) receiving
 5 funds under part A of title I of such Act (20 U.S.C.
 6 6311 et seq.).

7 **Subtitle C—Technical Assistance**

8 **SEC. 451. TECHNICAL ASSISTANCE.**

9 (a) IN GENERAL.—Part F of title IX of the Elemen-
 10 tary and Secondary Education Act of 1965 (20 U.S.C.
 11 7941) is amended—

12 (1) in the part heading, by inserting “**AND**
 13 **TECHNICAL ASSISTANCE**” after “**EVAL-**
 14 **UATIONS**”; and

15 (2) by adding at the end the following:

16 **“SEC. 9602. TECHNICAL ASSISTANCE.**

17 “The Secretary shall ensure that the technical assist-
 18 ance provided by, and the research developed and dissemi-
 19 nated through, the Institute of Education Sciences and
 20 other offices or agencies of the Department provide edu-
 21 cators and parents with the needed information and sup-
 22 port for identifying and using educational strategies, pro-
 23 grams, and practices, including strategies, programs, and
 24 practices available through the clearinghouses supported
 25 under the Education Sciences Reform Act of 2002 (20

1 U.S.C. 9501 et seq.) and other federally supported clear-
 2 inghouses, that have been successful in improving edu-
 3 cational opportunities and achievement for all students.”.

4 (b) TABLE OF CONTENTS.—The table of contents of
 5 the Elementary and Secondary Education Act of 1965 (20
 6 U.S.C. 6301 note) is amended by inserting after the item
 7 relating to section 9601 the following:

“Sec. 9602. Technical assistance.”.

8 **TITLE V—IMPROVING ASSESS-** 9 **MENT AND ACCOUNTABILITY**

10 **SEC. 501. GRANTS FOR INCREASING DATA CAPACITY FOR** 11 **PURPOSES OF ASSESSMENT AND ACCOUNT-** 12 **ABILITY.**

13 (a) PROGRAM AUTHORIZED.—From funds appro-
 14 priated for a fiscal year, the Secretary may award grants,
 15 on a competitive basis, to State educational agencies—

16 (1) to enable the State educational agencies to
 17 develop or increase the capacity of data systems for
 18 assessment and accountability purposes, including
 19 the collection of graduation rates; and

20 (2) to award subgrants to increase the capacity
 21 of local educational agencies to upgrade, create, or
 22 manage longitudinal data systems for the purpose of
 23 measuring student academic progress and achieve-
 24 ment.

1 (b) STATE APPLICATION.—Each State educational
2 agency desiring a grant under this section shall submit
3 an application to the Secretary at such time, in such man-
4 ner, and containing such information as the Secretary may
5 require.

6 (c) STATE USE OF FUNDS.—Each State educational
7 agency that receives a grant under this section shall use—

8 (1) not more than 20 percent of the grant
9 funds for the purpose of—

10 (A) increasing the capacity of, or creating,
11 State databases to collect, disaggregate, and re-
12 port information related to student achieve-
13 ment, enrollment, and graduation rates for as-
14 sessment and accountability purposes; and

15 (B) reporting, on an annual basis, for the
16 elementary schools and secondary schools with-
17 in the State, on—

18 (i) the enrollment data from the be-
19 ginning of the academic year;

20 (ii) the enrollment data from the end
21 of the academic year; and

22 (iii) the twelfth grade graduation
23 rates; and

24 (2) not less than 80 percent of the grant funds
25 to award subgrants to local educational agencies

1 within the State to enable the local educational
2 agencies to carry out the authorized activities de-
3 scribed in subsection (e).

4 (d) LOCAL APPLICATION.—Each local educational
5 agency desiring a subgrant under this section shall submit
6 an application to the State educational agency at such
7 time, in such manner, and containing such information as
8 the State educational agency may require. Each such ap-
9 plication shall include, at a minimum, a demonstration of
10 the local educational agency’s ability to put a longitudinal
11 data system in place.

12 (e) LOCAL AUTHORIZED ACTIVITIES.—Each local
13 educational agency that receives a subgrant under this
14 section shall use the subgrant funds to increase the capac-
15 ity of the local educational agency to upgrade or manage
16 longitudinal data systems consistent with the uses in sub-
17 section (c)(1), by—

18 (1) purchasing database software or hardware;

19 (2) hiring additional staff for the purpose of
20 managing such data;

21 (3) providing professional development or addi-
22 tional training for such staff; and

23 (4) providing professional development or train-
24 ing for principals and teachers on how to effectively
25 use such data to implement instructional strategies

1 to improve student achievement and graduation
2 rates.

3 (f) DEFINITIONS.—In this section:

4 (1) GRADUATION RATE.—The term “graduation
5 rate” means the percentage that—

6 (A) the total number of students who—

7 (i) graduate from a secondary school
8 with a regular diploma (which shall not in-
9 clude the recognized equivalent of a sec-
10 ondary school diploma or an alternative de-
11 gree) in an academic year; and

12 (ii) graduated on time by progressing
13 1 grade per academic year; represents of

14 (B) the total number of students who en-
15 tered the secondary school in the entry level
16 academic year applicable to the graduating stu-
17 dents.

18 (2) SECRETARY.—The term “Secretary” means
19 the Secretary of Education.

20 (3) STATE EDUCATIONAL AGENCY AND LOCAL
21 EDUCATIONAL AGENCY.—The terms “State edu-
22 cational agency” and “local educational agency”
23 have the meanings given such terms in section 9101
24 of the Elementary and Secondary Education Act of
25 1965 (20 U.S.C. 7801).

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to carry out this section
 3 \$100,000,000 for fiscal year 2006, and such sums as may
 4 be necessary for each of the 2 succeeding fiscal years.

5 **SEC. 502. GRANTS FOR ASSESSMENT OF CHILDREN WITH**
 6 **DISABILITIES AND CHILDREN WHO ARE LIM-**
 7 **ITED ENGLISH PROFICIENT.**

8 (a) GRANTS FOR ASSESSMENT OF CHILDREN WITH
 9 DISABILITIES AND CHILDREN WHO ARE LIMITED
 10 ENGLISH PROFICIENT.—Part E of title I of the Elemen-
 11 tary and Secondary Education Act of 1965 (20 U.S.C.
 12 6491 et seq.) is amended by adding at the end the fol-
 13 lowing:

14 **“SEC. 1505. GRANTS FOR ASSESSMENT OF CHILDREN WITH**
 15 **DISABILITIES AND CHILDREN WHO ARE LIM-**
 16 **ITED ENGLISH PROFICIENT.**

17 “(a) GRANTS AUTHORIZED.—From amounts author-
 18 ized to be appropriated under subsection (e) for a fiscal
 19 year, the Secretary shall award grants, on a competitive
 20 basis, to State educational agencies, or to consortia of
 21 State educational agencies, to enable the State educational
 22 agencies or consortia to collaborate with institutions of
 23 higher education, research institutions, or other organiza-
 24 tions—

1 “(1) to design and improve State academic as-
 2 ssessments for students who are limited English pro-
 3 ficient and students with disabilities; and

4 “(2) to ensure the most accurate, valid, and re-
 5 liable means to assess academic content standards
 6 and student academic achievement standards for
 7 students who are limited English proficient and stu-
 8 dents with disabilities.

9 “(b) AUTHORIZED ACTIVITIES.—A State educational
 10 agency or consortium that receives a grant under this sec-
 11 tion shall use the grant funds to carry out 1 or more of
 12 the following activities:

13 “(1) Developing alternate assessments for stu-
 14 dents with disabilities, consistent with section 1111
 15 and the amendments made on December 9, 2003, to
 16 part 200 of title 34, Code of Federal Regulations
 17 (68 Fed. Reg. 68698) (relating to accountability for
 18 the academic achievement of students with the most
 19 significant cognitive disabilities), including—

20 “(A) the alignment of such assessments, as
 21 appropriate and consistent with such amend-
 22 ments, with—

23 “(i) State student academic achieve-
 24 ment standards and State academic con-
 25 tent standards for all students; or

1 “(ii) alternate State student academic
 2 achievement standards that reflect the in-
 3 tended instructional construct for students
 4 with disabilities;

5 “(B) activities to ensure that such assess-
 6 ments do not reflect the disabilities, or associ-
 7 ated characteristics, of the students that are ex-
 8 traneous to the intent of the measurement;

9 “(C) the development of an implementation
 10 plan for pilot tests for such assessments, in
 11 order to determine the level of appropriateness
 12 and feasibility of full-scale administration; and

13 “(D) activities that provide for the reten-
 14 tion of all feasible standardized features in the
 15 alternate assessments.

16 “(2) Developing alternate assessments that
 17 meet the requirements of section 1111 for students
 18 who are limited English proficient, including—

19 “(A) the alignment of such assessments
 20 with State student academic achievement stand-
 21 ards and State academic content standards for
 22 all students;

23 “(B) the development of parallel native
 24 language assessments or linguistically modified
 25 assessments for limited English proficient stu-

1 dents that meet the requirements of section
2 1111(b)(3)(C)(ix)(III);

3 “(C) the development of an implementation
4 plan for pilot tests for such assessments, in
5 order to determine the level of appropriateness
6 and feasibility of full-scale administration; and

7 “(D) activities that provide for the reten-
8 tion of all feasible standardized features in the
9 alternate assessments.

10 “(3) Developing, modifying, or revising State
11 policies and criteria for appropriate accommodations
12 to ensure the full participation of students who are
13 limited English proficient and students with disabili-
14 ties in State academic assessments, including—

15 “(A) developing a plan to ensure that as-
16 sessments provided with accommodations are
17 fully included and integrated into the account-
18 ability system, for the purpose of making the
19 determinations of adequate yearly progress re-
20 quired under section 1116;

21 “(B) ensuring the validity, reliability, and
22 appropriateness of such accommodations, such
23 as—

24 “(i) a modification to the presentation
25 or format of the assessment;

1 “(ii) the use of assistive devices;

2 “(iii) an extension of the time allowed
3 for testing;

4 “(iv) an alteration of the test setting
5 or procedures;

6 “(v) the administration of portions of
7 the test in a method appropriate for the
8 level of language proficiency of the test
9 taker;

10 “(vi) the use of a glossary or dic-
11 tionary; and

12 “(vii) the use of a linguistically modi-
13 fied assessment;

14 “(C) ensuring that State policies and cri-
15 teria for appropriate accommodations take into
16 account the form or program of instruction pro-
17 vided to students, including the level of dif-
18 ficulty, reliability, cultural difference, and con-
19 tent equivalence of such form or program;

20 “(D) ensuring that such policies are con-
21 sistent with the standards prepared by the
22 Joint Committee on Standards for Educational
23 and Psychological Testing of the American
24 Educational Research Association, the Amer-
25 ican Psychological Association, and the Na-

1 tional Council on Measurement in Education;
2 and

3 “(E) developing a plan for providing train-
4 ing on the use of accommodations to school in-
5 structional staff, families, students, and other
6 appropriate parties.

7 “(4) Developing universally designed assess-
8 ments that can be accessible to all students, includ-
9 ing—

10 “(A) examining test item or test perform-
11 ance for students with disabilities and students
12 who are limited English proficient, to determine
13 the extent to which the test item or test is uni-
14 versally designed;

15 “(B) using think aloud and cognitive lab-
16 oratory procedures, as well as item statistics, to
17 identify test items that may pose particular
18 problems for students with disabilities or stu-
19 dents who are limited English proficient;

20 “(C) developing and implementing a plan
21 to ensure that developers and reviewers of test
22 items are trained in the principles of universal
23 design; and

24 “(D) developing computer-based applica-
25 tions of universal design principles.

1 “(c) APPLICATION.—Each State educational agency,
2 or consortium of State educational agencies, desiring to
3 apply for a grant under this section shall submit an appli-
4 cation to the Secretary at such time, in such manner, and
5 containing such information as the Secretary may require,
6 including—

7 “(1) information regarding the institutions of
8 higher education, research institutions, or other or-
9 ganizations that are collaborating with the State
10 educational agency or consortium, in accordance
11 with subsection (a);

12 “(2) in the case of a consortium of State edu-
13 cational agencies, the designation of 1 State edu-
14 cational agency as the fiscal agent for the receipt of
15 grant funds;

16 “(3) a description of the process and criteria by
17 which the State educational agency will identify stu-
18 dents that are unable to participate in general State
19 content assessments and are eligible to take alter-
20 nate assessments, consistent with the amendments
21 made to part 200 of title 34, Code of Federal Regu-
22 lations (68 Fed. Reg. 68698);

23 “(4) in the case of a State educational agency
24 or consortium carrying out the activity described in
25 subsection (b)(1)(A), a description of how the State

1 educational agency plans to fulfill the requirement of
2 subsection (b)(1)(A);

3 “(5) in the case of a State educational agency
4 or consortium carrying out the activities described in
5 paragraphs (1), (2), and (4) of subsection (b), infor-
6 mation regarding the proposed techniques for the
7 development of alternate assessments, including a
8 description of the technical adequacy of, technical
9 aspects of, and scoring for such assessments;

10 “(6) a plan for providing training for school in-
11 structional staff, families, students, and other appro-
12 priate parties on the use of alternate assessments;
13 and

14 “(7) information on how the scores of students
15 participating in alternate assessments will be re-
16 ported to the public and to parents.

17 “(d) EVALUATION AND REPORTING REQUIRE-
18 MENTS.—Each State educational agency receiving a grant
19 under this section shall submit an annual report to the
20 Secretary describing the activities carried out under the
21 grant and the result of such activities, including—

22 “(1) details on the effectiveness of the activities
23 supported under this section in helping students
24 with disabilities, or students who are limited English

1 proficient, better participate in State assessment
2 programs; and

“(2) information on the change in achievement, if any, of students with disabilities and students who are limited English proficient, as a result of a more accurate assessment of such students.

7 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$50,000,000 for fiscal year 2006, and such sums as may
10 be necessary for each of the 2 succeeding fiscal years.”.

(b) TABLE OF CONTENTS.—The table of contents of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 note) is amended by inserting after the item relating to section 1504 the following:

“Sec. 1505. Grants for assessment of children with disabilities and children who are limited English proficient.”.

15 SEC. 503. REPORTS ON STUDENT ENROLLMENT AND GRAD-
16 UATION RATES.

(a) STUDENT ENROLLMENT AND GRADUATION
RATES.—Part E of title I of the Elementary and Sec-
ondary Education Act of 1965 (as amended by section
502) (20 U.S.C. 6491 et seq.) is amended by adding at
the end the following:

1 **“SEC. 1506. REPORTS ON STUDENT ENROLLMENT AND**
 2 **GRADUATION RATES.**

3 “(a) IN GENERAL.—The Secretary shall collect from
 4 each State educational agency, local educational agency,
 5 and school, on an annual basis, the following data:

6 “(1) The number of students enrolled in each
 7 of grades 7 through 12 at the beginning of the most
 8 recent school year.

9 “(2) The number of students enrolled in each
 10 of grades 7 through 12 at the end of the most recent
 11 school year.

12 “(3) The graduation rate for the most recent
 13 school year.

14 “(4) The data described in paragraphs (1)
 15 through (3), disaggregated by the groups of students
 16 described in section 1111(b)(2)(C)(v)(II).

17 “(b) ANNUAL REPORT.—The Secretary shall report
 18 the information collected under subsection (a) on an an-
 19 nual basis.”.

20 (b) TABLE OF CONTENTS.—The table of contents of
 21 the Elementary and Secondary Education Act of 1965 (as
 22 amended by section 502(b)) (20 U.S.C. 6301 note) is
 23 amended by inserting after the item relating to section
 24 1505 the following:

“Sec. 1506. Reports on student enrollment and graduation rates.”.

1 **SEC. 504. CIVIL RIGHTS.**

2 Section 9534 of the Elementary and Secondary Edu-
3 cation Act of 1965 (20 U.S.C. 7914) is amended—

4 (1) by redesignating subsections (a) and (b) as
5 subsections (b) and (c), respectively; and

6 (2) by inserting before subsection (b) (as redес-
7 igned by paragraph (1)) the following:

8 “(a) PROHIBITION OF DISCRIMINATION.—Discrimi-
9 nation on the basis of race, color, religion, sex (except as
10 otherwise permitted under title IX of the Education
11 Amendments of 1972), national origin, or disability in any
12 program funded under this Act is prohibited.”.

13 **TITLE VI—SENSE OF THE SEN-**
14 **ATE REGARDING FUNDING**
15 **FOR ELEMENTARY AND SEC-**
16 **ONDARY EDUCATION**

17 **SEC. 601. SENSE OF THE SENATE.**

18 (a) FINDINGS.—The Senate finds the following:

19 (1) Congress enacted, with bipartisan support,
20 and the President signed into law the No Child Left
21 Behind Act of 2001 (Public Law 107–210; 115 Stat.
22 1425), that reauthorized the Elementary and Sec-
23 ondary Education Act of 1965 (20 U.S.C. 6301 et
24 seq.). The new law required States to set high stand-
25 ards for learning and required schools to implement
26 reforms to help improve student achievement. In re-

1 turn, Congress and the President pledged to make
 2 sure schools would have resources to carry out the
 3 reforms as called for in the new law.

4 (2) \$22,750,000,000 is needed to fund part A
 5 of title I of the Elementary and Secondary Edu-
 6 cation Act of 1965 (20 U.S.C. 6311 et seq.) in fiscal
 7 year 2006, as promised pursuant to the No Child
 8 Left Behind Act of 2001 (Public Law 107–210; 115
 9 Stat. 1425).

10 (3) \$25,000,000,000 is needed to fund part A
 11 of title I of the Elementary and Secondary Edu-
 12 cation Act of 1965 (20 U.S.C. 6311 et seq.) in fiscal
 13 year 2007, as promised pursuant to the No Child
 14 Left Behind Act of 2001 (Public Law 107–210; 115
 15 Stat. 1425).

16 (b) SENSE OF THE SENATE.—It is the sense of the
 17 Senate that—

18 (1) it is in the best interest of the Nation that
 19 all students have access to a high-quality elementary
 20 and secondary education; and

21 (2) part A of title I of the Elementary and Sec-
 22 ondary Education Act of 1965 (20 U.S.C. 6311 et
 23 seq.) should be funded as promised pursuant to the
 24 No Child Left Behind Act of 2001 (Public Law
 25 107–210; 115 Stat. 1425).

1 **TITLE VII—PROVIDING A ROAD-**
 2 **MAP FOR FIRST GENERATION**
 3 **COLLEGE FOR STUDENTS**

4 **SEC. 701. EXPANSION OF TRIO AND GEARUP.**

5 The Higher Education Act of 1965 (20 U.S.C. 1001
 6 et seq.) is amended—

7 (1) in section 402A(f), by striking
 8 “\$700,000,000 for fiscal year 1999” and inserting
 9 “\$1,000,000,000 for fiscal year 2006”; and

10 (2) by striking section 404H and inserting the
 11 following:

12 **“SEC. 404H. AUTHORIZATION OF APPROPRIATIONS.**

13 “There are authorized to be appropriated to carry out
 14 this chapter \$400,000,000 for fiscal year 2006 and such
 15 sums as may be necessary for each of the 4 succeeding
 16 fiscal years.”.

17 **TITLE VIII—COLLEGE TUITION**
 18 **RELIEF FOR STUDENTS AND**
 19 **THEIR FAMILIES THROUGH**
 20 **PELL GRANTS**

21 **SEC. 801. PELL GRANTS TAX TABLES HOLD HARMLESS.**

22 Notwithstanding any other provision of law, the an-
 23 nual updates to the allowance for State and other taxes
 24 in the tables used in the Federal Need Analysis Method-
 25 ology to determine a student’s expected family contribu-

tion for the award year 2005–2006 under part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk et seq.), published in the Federal Register on Thursday, December 23, 2004 (69 Fed. Reg. 76926), shall not apply to a student to the extent the updates will reduce the amount of Federal student assistance for which the student is eligible.

**SEC. 802. SENSE OF THE SENATE REGARDING INCREASING
THE MAXIMUM PELL GRANT.**

(a) FINDINGS.—The Senate makes the following findings:

(1) Increasing the percentage of individuals who obtain a postsecondary education has become increasingly important, not just to the individual beneficiary, but to the Nation as a whole. The growth and continued expansion of the Nation’s economy is heavily dependent on an educated and highly skilled workforce.

(2) The opportunity to gain a postsecondary education also is important to the Nation as a means to help advance the American ideals of progress and equality.

(3) The Federal Government plays an invaluable role in making student financial aid available to ensure that qualified students are able to attend col-

lege, regardless of their financial means. Since the inception of the Pell Grant program in 1973, nearly 80,000,000 grants have helped low- and middle-income students go to college, enrich their lives, and become productive members of society.

(4) Nationwide, almost 63 percent of secondary school graduates continue on to higher education immediately after completing secondary school. This degree of college participation would not exist without the Federal investment in student aid, especially the Pell Grant program. More than 4,000,000 low- and middle-income students receive Pell Grants; 95 percent of whom have a family income of not more than \$40,000.

(5) In the next 10 years, the number of undergraduate students enrolled in the Nation's colleges and universities will increase by 15 percent to more than 15,000,000 students. Many of these students will be the first in their families to attend college. The continued investment in the Pell Grant program is essential if college is to remain an achievable part of the American dream.

(6) Increasing the maximum Pell Grant to \$5,100 would allow more than 430,000 additional students to benefit from the program.

1 (7) Increasing the maximum Pell Grant to
2 \$5,100 would result in 200,000 new Pell Grant re-
3 cipients.

4 (8) Pell Grant recipients are more likely to
5 graduate with student loan debt and to amass more
6 debt than other student borrowers. Increasing the
7 maximum Pell Grant to \$5,100 will help remedy this
8 disparity.

9 (b) SENSE OF THE SENATE.—It is the sense of the
10 Senate that—

11 (1) the maximum Pell Grant should be in-
12 creased to \$5,100 during award year 2006–2007;
13 and

14 (2) the maximum Pell Grant amount set by
15 Congress should be the amount eligible students re-
16 ceive.

17 **SEC. 803. ESTABLISHMENT OF A PELL DEMONSTRATION**
18 **PROGRAM.**

19 (a) FINDINGS.—Congress finds that:

20 (1) A student remains eligible to receive a Fed-
21 eral Pell Grant as long as the student is income-eli-
22 gible and has not received a bachelor's degree.

23 (2) By encouraging persistence and degree ac-
24 quisition in a timely manner, the Federal Govern-
25 ment, in effect, saves money—

1 (A) by reducing the courses that do not
2 lead to a degree; and

3 (B) by helping students get the financial
4 benefits of a college degree as soon as possible.

5 (b) PELL DEMONSTRATION PROGRAM.—

6 (1) AUTHORIZATION.—The Secretary of Edu-
7 cation shall establish a demonstration program to fa-
8 cilitate the ability of low-income students to com-
9 plete the students' degree within 150 percent of the
10 time expected to complete such degree.

11 (2) GRANTS.—The Secretary of Education shall
12 award competitive grants to institutions of higher
13 education to enable students who are eligible to re-
14 ceive Federal Pell Grants under subpart 1 of part A
15 of title IV of the Higher Education Act of 1965 (20
16 U.S.C. 1070a et seq.) to enroll in courses in the
17 summer at such institutions to expedite the stu-
18 dents' graduation from the institutions.

19 (3) AUTHORIZATION OF APPROPRIATIONS.—
20 There is authorized to be appropriated to carry out
21 this subsection \$500,000,000 for the period of fiscal
22 years 2006 through 2008.

1 **TITLE IX—TUITION FREE COL-**
 2 **LEGE FOR MATHEMATICS,**
 3 **SCIENCE, AND SPECIAL EDU-**
 4 **CATION TEACHERS**

5 **SEC. 901. PURPOSE.**

6 It is the purpose of this title to make public college
 7 tuition free for future mathematics, science, and special
 8 education teachers and to provide additional assistance to
 9 students eligible to receive a Federal Pell Grant under
 10 subpart 1 of part A of title IV of the Higher Education
 11 Act of 1965 (20 U.S.C. 1070a et seq.).

12 **SEC. 902. TUITION FREE COLLEGE FOR MATHEMATICS,**
 13 **SCIENCE, AND SPECIAL EDUCATION TEACH-**
 14 **ERS.**

15 (a) **ADDITIONAL AMOUNTS FOR TEACHERS IN MATH-**
 16 **EMATICS, SCIENCE, AND SPECIAL EDUCATION.—**

17 (1) **FFEL LOANS.**—Section 428J(c)(3) of the
 18 Higher Education Act of 1965 (20 U.S.C. 1078–
 19 10(c)(3)) is amended by striking “\$17,500” and in-
 20 serting “\$23,000”.

21 (2) **DIRECT LOANS.**—Section 460(c)(3) of the
 22 Higher Education Act of 1965 (20 U.S.C.
 23 1087j(c)(3)) is amended by striking “\$17,500” and
 24 inserting “\$23,000”.

1 (b) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply only with respect to eligible individ-
 3 uals who are new borrowers on or after October 1, 1998.

4 **SEC. 903. OFFSET FOR TUITION FREE COLLEGE FOR MATH-**
 5 **EMATICS, SCIENCE, AND SPECIAL EDU-**
 6 **CATION TEACHERS.**

7 (a) SPECIAL ALLOWANCES.—

8 (1) IN GENERAL.—Section 438(b)(2)(B) of the
 9 Higher Education Act of 1965 (20 U.S.C. 1087–
 10 1(b)(2)(B)) is amended—

11 (A) in clause (iv), by striking “or refunded
 12 after September 30, 2004, and before January
 13 1, 2006,” and inserting “or refunded on or
 14 after the date of enactment of the Taxpayer-
 15 Teacher Protection Act of 2004,”; and

16 (B) by striking clause (v) and inserting the
 17 following:

18 “(v) Notwithstanding clauses (i) and
 19 (ii), the quarterly rate of the special allow-
 20 ance shall be the rate determined under
 21 subparagraph (A), (E), (F), (G), (H), or
 22 (I) of this paragraph, or paragraph (4), as
 23 the case may be, for loans—

24 “(I) originated, transferred, or
 25 purchased on or after the date of en-

1 actment of the Taxpayer-Teacher Pro-
2 tection Act of 2004;

3 “(II) financed by an obligation
4 that has matured, been retired, or
5 defeased on or after the date of enact-
6 ment of the Taxpayer-Teacher Protec-
7 tion Act of 2004;

8 “(III) which the special allowance
9 was determined under such subpara-
10 graphs or paragraph, as the case may
11 be, on or after the date of enactment
12 of the Taxpayer-Teacher Protection
13 Act of 2004;

14 “(IV) for which the maturity
15 date of the obligation from which
16 funds were obtained for such loans
17 was extended on or after the date of
18 enactment of the Taxpayer-Teacher
19 Protection Act of 2004; or

20 “(V) sold or transferred to any
21 other holder on or after the date of
22 enactment of the Taxpayer-Teacher
23 Protection Act of 2004.”.

24 (2) RULE OF CONSTRUCTION.—Nothing in the
25 amendment made by paragraph (1) shall be con-

1 strued to abrogate a contractual agreement between
2 the Federal Government and a student loan pro-
3 vider.

4 (b) AVAILABLE FUNDS FROM REDUCED EXPENDI-
5 TURES.—

6 (1) IN GENERAL.—Any funds available to the
7 Secretary of Education as a result of reduced ex-
8 penditures under section 438 of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1087–1) secured by
10 the enactment of subsection (a) shall first be used
11 by the Secretary for loan cancellation and loan for-
12 giveness for teachers under sections 428J and 460
13 of the Higher Education Act of 1965 (20 U.S.C.
14 1078–10, 1087j), as amended by section 902 of this
15 Act.

16 (2) REMAINING FUNDS.—

17 (A) IN GENERAL.—Any such funds re-
18 maining after carrying out paragraph (1) shall
19 be used by the Secretary of Education to make
20 payments to each nonprofit lender in an
21 amount that bears the same relation to the re-
22 maining funds as the amount the nonprofit
23 lender receives for fiscal year 2005 under sec-
24 tion 438(b)(2)(B) of the Higher Education Act
25 of 1965 (20 U.S.C. 1087–1(b)(2)(B)) bears to

1 the total amount received by nonprofit lenders
2 for fiscal year 2005 under such section.

3 (B) DEFINITION OF NONPROFIT LEND-
4 ER.—In this paragraph the term “nonprofit
5 lender” means an eligible lender (as defined in
6 section 435(d) of the Higher Education Act of
7 1965 (20 U.S.C.1085(d)) that—

8 (i) is an organization described in sec-
9 tion 501(c)(3) of the Internal Revenue
10 Code of 1986;

11 (ii) is a nonprofit entity as defined by
12 applicable State law; and

13 (iii) meets the following requirements:

14 (I) The nonprofit lender does not
15 confer a salary or benefits to any em-
16 ployee of the nonprofit lender in an
17 amount that is in excess of the salary
18 and benefits provided to the Secretary
19 of Education by the Department of
20 Education.

21 (II) The nonprofit lender does
22 not maintain an ongoing relationship
23 whereby the nonprofit lender passes
24 on revenue directly or indirectly
25 through lease, securitization, resale,

1 or any other financial instrument to a
 2 for-profit entity or to shareholders.

3 (III) The nonprofit lender does
 4 not offer benefits to a borrower in a
 5 manner directly or indirectly predi-
 6 cated on such borrower's participa-
 7 tion—

8 (aa) in a program under
 9 part B or D of title IV of the
 10 Higher Education Act of 1965
 11 (20 U.S.C. 1071 et seq., 1087a
 12 et seq.); or

13 (bb) with any particular
 14 lender.

15 (IV) The nonprofit lender cer-
 16 tifies that the nonprofit lender uses
 17 the payment received pursuant to sub-
 18 paragraph (A) to confer grant or
 19 scholarship benefits to students who
 20 are eligible to receive Federal Pell
 21 Grants under subpart 1 of part A of
 22 title IV of the Higher Education Act
 23 of 1965 (20 U.S.C. 1070a et seq.).

24 (V) The nonprofit lender is sub-
 25 ject to public oversight through either

1 a State charter, or through not less
2 than 50 percent of the nonprofit lender's
3 board of directors consisting of
4 State appointed representatives.

5 (VI) The nonprofit lender does
6 not engage in the marketing of the
7 relative value of programs under part
8 B of title IV of the Higher Education
9 Act of 1965 as compared to programs
10 under part D of title IV of the Higher
11 Education Act of 1965, nor does the
12 nonprofit lender engage in the marketing
13 of loans or programs offered by
14 for-profit lenders. This subclause shall
15 not be construed to prohibit the nonprofit
16 lender from conferring basic information
17 on lenders under part B of
18 title IV of the Higher Education Act
19 of 1965 and the related benefits offered
20 by such nonprofit lenders.

1 **TITLE X—MAKING COLLEGE AF-**
 2 **FORDABLE FOR ALL STU-**
 3 **DENTS**

4 **SEC. 1001. EXPANSION OF DEDUCTION FOR HIGHER EDU-**
 5 **CATION EXPENSES.**

6 (a) AMOUNT OF DEDUCTION.—Subsection (b) of sec-
 7 tion 222 of the Internal Revenue Code of 1986 (relating
 8 to deduction for qualified tuition and related expenses) is
 9 amended to read as follows:

10 “(b) LIMITATIONS.—

11 “(1) DOLLAR LIMITATIONS.—

12 “(A) IN GENERAL.—Except as provided in
 13 paragraph (2), the amount allowed as a deduc-
 14 tion under subsection (a) with respect to the
 15 taxpayer for any taxable year shall not exceed
 16 the applicable dollar limit.

17 “(B) APPLICABLE DOLLAR LIMIT.—The
 18 applicable dollar limit for any taxable year shall
 19 be determined as follows:

“Taxable year:	Applicable dollar amount:
2005 and 2006	\$6,000
2007 and 2008	\$8,000
2009 and 2010	\$10,000
2011 and thereafter	\$12,000.

20 “(2) LIMITATION BASED ON MODIFIED AD-
 21 JUSTED GROSS INCOME.—

1 “(A) IN GENERAL.—The amount which
 2 would (but for this paragraph) be taken into ac-
 3 count under subsection (a) shall be reduced
 4 (but not below zero) by the amount determined
 5 under subparagraph (B).

6 “(B) AMOUNT OF REDUCTION.—The
 7 amount determined under this subparagraph
 8 equals the amount which bears the same ratio
 9 to the amount which would be so taken into ac-
 10 count as—

11 “(i) the excess of—

12 “(I) the taxpayer’s modified ad-
 13 justed gross income for such taxable
 14 year, over

15 “(II) \$65,000 (\$130,000 in the
 16 case of a joint return), bears to

17 “(ii) \$15,000 (\$30,000 in the case of
 18 a joint return).

19 “(C) MODIFIED ADJUSTED GROSS IN-
 20 COME.—For purposes of this paragraph, the
 21 term ‘modified adjusted gross income’ means
 22 the adjusted gross income of the taxpayer for
 23 the taxable year determined—

24 “(i) without regard to this section and
 25 sections 199, 911, 931, and 933, and

1 “(ii) after the application of sections
2 86, 135, 137, 219, 221, and 469.

3 For purposes of the sections referred to in
4 clause (ii), adjusted gross income shall be deter-
5 mined without regard to the deduction allowed
6 under this section.

7 “(D) INFLATION ADJUSTMENTS.—

8 “(i) IN GENERAL.—In the case of any
9 taxable year beginning in a calendar year
10 after 2005, both of the dollar amounts in
11 subparagraph (B)(i)(II) shall be increased
12 by an amount equal to—

13 “(I) such dollar amount, multi-
14 plied by

15 “(II) the cost-of-living adjust-
16 ment determined under section 1(f)(3)
17 for the calendar year in which the tax-
18 able year begins, by substituting ‘cal-
19 endar year 2004’ for ‘calendar year
20 1992’ in subparagraph (B) thereof.

21 “(ii) ROUNDING.—If any amount as
22 adjusted under clause (i) is not a multiple
23 of \$50, such amount shall be rounded to
24 the nearest multiple of \$50.”.

1 (b) QUALIFIED TUITION AND RELATED EXPENSES
2 OF ELIGIBLE STUDENTS.—

3 (1) IN GENERAL.—Section 222(a) of the Inter-
4 nal Revenue Code of 1986 (relating to allowance of
5 deduction) is amended by inserting “of eligible stu-
6 dents” after “expenses”.

7 (2) DEFINITION OF ELIGIBLE STUDENT.—Sec-
8 tion 222(d) of such Code (relating to definitions and
9 special rules) is amended by redesignating para-
10 graphs (2) through (6) as paragraphs (3) through
11 (7), respectively, and by inserting after paragraph
12 (1) the following new paragraph:

13 “(2) ELIGIBLE STUDENT.—The term ‘eligible
14 student’ has the meaning given such term by section
15 36(b)(3).”.

16 (c) DEDUCTION MADE PERMANENT.—Title IX of the
17 Economic Growth and Tax Relief Reconciliation Act of
18 2001 (relating to sunset of provisions of such Act) shall
19 not apply to the amendments made by section 431 of such
20 Act.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to payments made in taxable years
23 beginning after December 31, 2004.

1 **SEC. 1002. CREDIT FOR INTEREST ON HIGHER EDUCATION**
2 **LOANS.**

3 (a) IN GENERAL.—Subpart A of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to nonrefundable personal credits) is
6 amended by inserting after section 25B the following new
7 section:

8 **“SEC. 25C. INTEREST ON HIGHER EDUCATION LOANS.**

9 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
10 dividual, there shall be allowed as a credit against the tax
11 imposed by this chapter for the taxable year an amount
12 equal to the interest paid by the taxpayer during the tax-
13 able year on any qualified education loan.

14 “(b) MAXIMUM CREDIT.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the credit allowed by subsection (a) for
17 the taxable year shall not exceed \$1,500.

18 “(2) LIMITATION BASED ON MODIFIED AD-
19 JUSTED GROSS INCOME.—

20 “(A) IN GENERAL.—If the modified ad-
21 justed gross income of the taxpayer for the tax-
22 able year exceeds \$50,000 (\$100,000 in the
23 case of a joint return), the amount which would
24 (but for this paragraph) be allowable as a credit
25 under this section shall be reduced (but not
26 below zero) by the amount which bears the

1 same ratio to the amount which would be so al-
 2 lowable as such excess bears to \$20,000
 3 (\$40,000 in the case of a joint return).

4 “(B) MODIFIED ADJUSTED GROSS IN-
 5 COME.—The term ‘modified adjusted gross in-
 6 come’ means adjusted gross income determined
 7 without regard to sections 199, 222, 911, 931,
 8 and 933.

9 “(C) INFLATION ADJUSTMENT.—In the
 10 case of any taxable year beginning after 2005,
 11 the \$50,000 and \$100,000 amounts referred to
 12 in subparagraph (A) shall be increased by an
 13 amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
 16 termined under section 1(f)(3) for the cal-
 17 endar year in which the taxable year be-
 18 gins, by substituting ‘2004’ for ‘1992’.

19 “(D) ROUNDING.—If any amount as ad-
 20 justed under subparagraph (C) is not a multiple
 21 of \$50, such amount shall be rounded to the
 22 nearest multiple of \$50.

23 “(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No
 24 credit shall be allowed by this section to an individual for
 25 the taxable year if a deduction under section 151 with re-

1 spect to such individual is allowed to another taxpayer for
 2 the taxable year beginning in the calendar year in which
 3 such individual's taxable year begins.

4 “(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit
 5 shall be allowed under this section only with respect to
 6 interest paid on any qualified education loan during the
 7 first 60 months (whether or not consecutive) in which in-
 8 terest payments are required. For purposes of this para-
 9 graph, any loan and all refinancings of such loan shall be
 10 treated as 1 loan.

11 “(e) DEFINITIONS.—For purposes of this section—

12 “(1) QUALIFIED EDUCATION LOAN.—The term
 13 ‘qualified education loan’ has the meaning given
 14 such term by section 221(d)(1).

15 “(2) DEPENDENT.—The term ‘dependent’ has
 16 the meaning given such term by section 152.

17 “(f) SPECIAL RULES.—

18 “(1) DENIAL OF DOUBLE BENEFIT.—No credit
 19 shall be allowed under this section for any amount
 20 taken into account for any deduction under any
 21 other provision of this chapter.

22 “(2) MARRIED COUPLES MUST FILE JOINT RE-
 23 TURN.—If the taxpayer is married at the close of
 24 the taxable year, the credit shall be allowed under
 25 subsection (a) only if the taxpayer and the tax-

1 payer’s spouse file a joint return for the taxable
2 year.

3 “(3) MARITAL STATUS.—Marital status shall be
4 determined in accordance with section 7703.”.

5 (b) CONFORMING AMENDMENT.—The table of sec-
6 tions for subpart A of part IV of subchapter A of chapter
7 1 of the Internal Revenue Code of 1986 is amended by
8 inserting after the item relating to section 25B the fol-
9 lowing new item:

 “Sec. 25C. Interest on higher education loans.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to any qualified education loan (as
12 defined in section 25C(e)(1) of the Internal Revenue Code
13 of 1986, as added by this section) incurred on, before, or
14 after the date of the enactment of this Act, but only with
15 respect to any loan interest payment due after December
16 31, 2004.

17 **SEC. 1003. HOPE AND LIFETIME LEARNING CREDITS TO BE**
18 **REFUNDABLE.**

19 (a) CREDIT TO BE REFUNDABLE.—Section 25A of
20 the Internal Revenue Code of 1986 (relating to Hope and
21 Lifetime Learning credits) is hereby moved to subpart C
22 of part IV of subchapter A of chapter 1 of such Code (re-
23 lating to refundable credits) and inserted after section 35.

24 (b) TECHNICAL AMENDMENTS.—

1 (1) Section 36 of such Code is redesignated as
2 section 37.

3 (2) Section 25A of such Code (as moved by
4 subsection (a)) is redesignated as section 36.

5 (3) Paragraph (1) of section 36(a) of such Code
6 (as redesignated by paragraph (2)) is amended by
7 striking “this chapter” and inserting “this subtitle”.

8 (4) Subparagraph (B) of section 72(t)(7) of
9 such Code is amended by striking “section
10 25A(g)(2)” and inserting “section 36(g)(2)”.

11 (5) Subparagraph (A) of section 135(d)(2) of
12 such Code is amended by striking “section 25A” and
13 inserting “section 36”.

14 (6) Section 221(d) of such Code is amended—

15 (A) by striking “section 25A(g)(2)” in
16 paragraph (2)(B) and inserting “section
17 36(g)(2)”,

18 (B) by striking “section 25A(f)(2)” in the
19 matter following paragraph (2)(B) and insert-
20 ing “section 36(f)(2)”, and

21 (C) by striking “section 25A(b)(3)” in
22 paragraph (3) and inserting “section 36(b)(3)”.

23 (7) Section 222 of such Code is amended—

1 (A) by striking “section 25A” in subpara-
 2 graph (A) of subsection (c)(2) and inserting
 3 “section 36”,

4 (B) by striking “section 25A(f)” in sub-
 5 section (d)(1) and inserting “section 36(f)”,
 6 and

7 (C) by striking “section 25A(g)(2)” in sub-
 8 section (d)(1) and inserting “section 36(g)(2)”.

9 (8) Section 529 of such Code is amended—

10 (A) by striking “section 25A(g)(2)” in sub-
 11 clause (I) of subsection (c)(3)(B)(v) and insert-
 12 ing “section 36(g)(2)”,

13 (B) by striking “section 25A” in subclause
 14 (II) of subsection (c)(3)(B)(v) and inserting
 15 “section 36”, and

16 (C) by striking “section 25A(b)(3)” in
 17 clause (i) of subsection (e)(3)(B) and inserting
 18 “section 36(b)(3)”.

19 (9) Section 530 of such Code is amended—

20 (A) by striking “section 25A(g)(2)” in sub-
 21 clause (I) of subsection (d)(2)(C)(i) and insert-
 22 ing “section 36(g)(2)”,

23 (B) by striking “section 25A” in subclause
 24 (II) of subsection (d)(2)(C)(i) and inserting
 25 “section 36”, and

1 (C) by striking “section 25A(g)(2)” in
 2 clause (iii) of subsection (d)(4)(B) and inserting
 3 “section 36(g)(2)”.

4 (10) Subsection (e) of section 6050S of such
 5 Code is amended by striking “section 25A” and in-
 6 serting “section 36”.

7 (11) Subparagraph (J) of section 6213(g)(2) of
 8 such Code is amended by striking “section
 9 25A(g)(1)” and inserting “section 36(g)(1)”.

10 (12) Paragraph (2) of section 1324(b) of title
 11 31, United States Code, is amended by inserting be-
 12 fore the period “or from section 36 of such Code”.

13 (13) The table of sections for subpart C of part
 14 IV of subchapter A of chapter 1 of the Internal Rev-
 15 enue Code of 1986 is amended by striking the item
 16 relating to section 36 and inserting the following:

“Sec. 36. Hope and Lifetime Learning credits.
 “Sec. 37. Overpayments of tax.”.

17 (14) The table of sections for subpart A of such
 18 part IV is amended by striking the item relating to
 19 section 25A.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 2004.

○