

113TH CONGRESS
1ST SESSION

H. R. 2296

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2013

Mrs. NOEM (for herself and Mr. LARSEN of Washington) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965.

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 “Local Taxpayer Relief
5 Act”.

6 **SEC. 2. MAKING PERMANENT THE AMENDMENTS MADE BY**
7 **THE IMPACT AID IMPROVEMENT ACT OF 2012.**

8 Subsection (c) of the Impact Aid Improvement Act
9 of 2012 (20 U.S.C. 6301 note) is amended—

10 (1) by striking paragraphs (1) and (4); and

1 (2) by redesignating paragraphs (2) and (3) as
2 paragraphs (1) and (2), respectively.

3 **SEC. 3. PURPOSE.**

4 Section 8001 (20 U.S.C. 7701) is amended, in the
5 matter preceding paragraph (1), by striking “challenging
6 State standards” and inserting “college and career ready
7 State academic content and student academic achievement
8 standards under section 1111(a)(1)”.

9 **SEC. 4. PAYMENTS RELATING TO FEDERAL ACQUISITION**
10 **OF REAL PROPERTY.**

11 (a) AMENDMENTS.—Section 8002 of the Elementary
12 and Secondary Education Act of 1965 (20 U.S.C. 7702)
13 is amended—

14 (1) in subsection (f), by striking paragraphs (4)
15 and (5);

16 (2) by striking subsection (g) and inserting the
17 following:

18 “(g) FORMER DISTRICTS.—

19 “(1) CONSOLIDATIONS.—For fiscal year 2006
20 and all succeeding fiscal years, if a local educational
21 agency described in paragraph (2) is formed at any
22 time after 1938 by the consolidation of 2 or more
23 former school districts, the local educational agency
24 may elect to have the Secretary determine its eligi-
25 bility and any amount for which the local edu-

1 cational agency is eligible under this section for any
2 fiscal year on the basis of one or more of those
3 former districts, as designated by the local edu-
4 cational agency.

5 “(2) ELIGIBLE LOCAL EDUCATIONAL AGEN-
6 CIES.—A local educational agency referred to in
7 paragraph (1) is—

8 “(A) any local educational agency that, for
9 fiscal year 1994 or any preceding fiscal year,
10 applied, and was determined to be eligible
11 under, section 2(c) of the Act of September 20,
12 1950 (Public Law 874, 81st Congress), as that
13 section was in effect for that fiscal year; or

14 “(B) a local educational agency formed by
15 the consolidation of 2 or more districts, at least
16 1 of which was eligible for assistance under this
17 section for the fiscal year preceding the year of
18 the consolidation, if—

19 “(i) for fiscal years 2006 through
20 2013, the local educational had notified the
21 Secretary of the designation not later than
22 30 days after the date of enactment of the
23 Local Taxpayer Relief Act; and

24 “(ii) for fiscal year 2014 and any sub-
25 sequent fiscal year, the local educational

1 agency includes the designation in its ap-
2 plication under section 8005 or any timely
3 amendment to such application.

4 “(3) AVAILABILITY OF FUNDS.—Notwith-
5 standing any other provision of law limiting the pe-
6 riod during which the Secretary may obligate funds
7 appropriated for any fiscal year after 2005, the Sec-
8 retary may obligate funds remaining after final pay-
9 ments have been made from any of such fiscal years
10 to carry out this subsection.”;

11 (3) by striking subsections (k) and (m); and

12 (4) by redesignating subsections (l) and (n) as
13 subsections (j) and (k), respectively.

14 (b) EFFECTIVE DATE.—Notwithstanding the date of
15 enactment of this Act, the amendments made by this sec-
16 tion shall apply to applications submitted for fiscal year
17 2010 and all succeeding fiscal years.

18 **SEC. 5. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED**
19 **CHILDREN.**

20 Section 8003 of that Act (20 U.S.C. 7703) is amend-
21 ed—

22 (1) in subsection (a)—

23 (A) in paragraph (1), in the matter pre-
24 ceding subparagraph (A), by inserting after
25 “such agency,” the following: “including those

1 children enrolled in a State that has a State
2 open enrollment policy (but not including those
3 children enrolled in a distance learning program
4 not residing within the defined boundaries of
5 the agency),”; and

6 (B) in paragraph (5)(A), by striking “to
7 be” and all the follows through “situated” and
8 inserting the following: “or under lease of off-
9 base property under subchapter IV of chapter
10 169 of title 10, United States Code, to be chil-
11 dren described under paragraph (1)(B) if the
12 property described is within the fenced security
13 perimeter of the military facility or attached to
14 and under any type of force protection agree-
15 ment with the military installation upon which
16 such housing is situated.”;

17 (2) in subsection (b)(2)—

18 (A) in subparagraph (B)—

19 (i) in the subparagraph heading by
20 striking “CONTINUING”;

21 (ii) by amending clause (i) to read as
22 follows:

23 “(i) IN GENERAL.—A heavily im-
24 pacted local educational agency is eligible
25 to receive a basic support payment under

1 subparagraph (A) with respect to a num-
2 ber of children determined under sub-
3 section (a)(1) if the agency—

4 “(I) is a local educational agency
5 whose boundaries are the same as a
6 Federal military installation or the
7 boundaries are the same as island
8 property designated by the Secretary
9 of the Interior to be property that is
10 held in trust by the Federal Govern-
11 ment and the agency has no taxing
12 authority;

13 “(II) is a local educational agen-
14 cy—

15 “(aa) that has an enrollment
16 of children described in sub-
17 section (a)(1) that constitutes a
18 percentage of the total student
19 enrollment of the agency that is
20 not less than 45 percent;

21 “(bb) that has a per-pupil
22 expenditure that is less than—

23 “(AA) for an agency
24 that has a total student en-
25 rollment of 500 or more stu-

1 dents, 125 percent of the av-
2 erage per-pupil expenditure
3 of the State in which the
4 agency is located; or

5 “(BB) for an agency
6 that has a total student en-
7 rollment of less than 500,
8 150 percent of the average
9 per-pupil expenditure of the
10 State in which the agency is
11 located, or the average per
12 pupil expenditure of 3 or
13 more comparable local edu-
14 cational agencies in the
15 State in which the agency is
16 located; and

17 “(cc) that is an agency
18 that—

19 “(AA) has a tax rate
20 for general fund purposes
21 that is at least 95 percent of
22 the average tax rate for gen-
23 eral fund purposes of com-
24 parable local educational
25 agencies in the State; or

1 “(BB) was eligible to
2 receive a payment under this
3 subsection for fiscal year
4 2013 and is located in a
5 State that by State law has
6 eliminated ad valorem tax as
7 a revenue source for local
8 educational agencies;

9 “(III) is a local educational agen-
10 cy that has a total student enrollment
11 of not less than 25,000 students, of
12 which not less than 50 percent are
13 children described in subsection (a)(1)
14 and not less than 5,500 of such chil-
15 dren are children described in sub-
16 paragraphs (A) and (B) of subsection
17 (a)(1); or

18 “(IV) is a local educational agen-
19 cy that was eligible for and received a
20 payment under this paragraph in fis-
21 cal year 2012 and—

22 “(aa) has an enrollment of
23 children described in subsection
24 (a)(1) that constitutes a percent-
25 age of the total student enroll-

1 ment of the agency that is not
2 less than 20 percent;

3 “(bb) for the 3 fiscal years
4 preceding the fiscal year for
5 which the determination is made,
6 the average enrollment of chil-
7 dren who are not described in
8 subsection (a)(1) and who are eli-
9 gible for a free or reduced price
10 lunch under the Richard B. Rus-
11 sell National School Lunch Act
12 constitutes a percentage of the
13 total student enrollment of the
14 agency that is not less than 65
15 percent; and

16 “(cc) has a tax rate for gen-
17 eral fund purposes which is not
18 less than 1.25 percent of the av-
19 erage tax rate for general fund
20 purposes for comparable local
21 educational agencies in the
22 State.”;

23 (iii) by amending clause (ii) to read as
24 follows:

25 “(ii) LOSS OF ELIGIBILITY.—

1 “(I) IN GENERAL.—Subject to
2 subclause (II), a heavily impacted
3 local educational agency that met the
4 requirements of clause (i) for a fiscal
5 year shall be ineligible to receive a
6 basic support payment under subpara-
7 graph (A) if the agency fails to meet
8 the requirements of clause (i) for a
9 subsequent fiscal year, except that
10 such agency shall continue to receive
11 a basic support payment under this
12 paragraph for the fiscal year for
13 which the ineligibility determination is
14 made.

15 “(II) EXCEPTION.—For a local
16 educational agency that is eligible
17 under subparagraph (A) but whose
18 tax rate for general fund purposes
19 falls below 95 percent of the average
20 tax rate for general fund purposes of
21 local educational agencies in the State
22 for two consecutive years shall lose its
23 eligibility and be subject to subclause
24 (I).”;

1 (iv) by amending clause (iii) to read
2 as follows:

3 “(iii) APPLICATION.—With respect to
4 the first year for which a heavily impacted
5 local educational agency described in
6 clause (i) applies for a basic support pay-
7 ment under subparagraph (A), or with re-
8 spect to the first fiscal year for which a
9 heavily impacted local educational agency
10 applies for a basic support payment under
11 subparagraph (A) after becoming ineligible
12 under clause (i) for 1 or more preceding
13 fiscal years, the agency shall apply for
14 such payment at least 1 year prior to the
15 start of that fiscal year.”; and

16 (v) by adding at the end the following
17 new clause:

18 “(iv) SPECIAL RULE.—Notwith-
19 standing clause (i)(II), a local educational
20 agency shall be considered eligible to re-
21 ceive a basic support payment under sub-
22 paragraph (A) with respect to the number
23 of children determined under subsection
24 (a)(1) if the agency—

1 “(I) has an enrollment of chil-
2 dren described in subsection (a)(1),
3 including, for purposes of determining
4 eligibility, those children described in
5 subparagraphs (F) and (G) of such
6 subsection, that constitutes a percent-
7 age of the total student enrollment of
8 the agency that is not less than 35
9 percent; and

10 “(II) was eligible to receive as-
11 sistance under subsection (b)(2) for
12 fiscal year 2001.”;

13 (B) by amending subparagraph (C) to read
14 as follows:

15 “(C) MAXIMUM AMOUNT FOR HEAVILY IM-
16 PACTED LOCAL EDUCATIONAL AGENCIES.—

17 “(i) IN GENERAL.—The maximum
18 amount that a heavily impacted local edu-
19 cational agency is eligible to receive under
20 this paragraph for any fiscal year is the
21 sum of the total weighted student units, as
22 computed under subsection (a)(2) and sub-
23 ject to clause (ii), multiplied by the greater
24 of—

1 “(I) four-fifths of the average
2 per-pupil expenditure of the State in
3 which the local educational agency is
4 located for the third fiscal year pre-
5 ceding the fiscal year for which the
6 determination is made; or

7 “(II) four-fifths of the average
8 per-pupil expenditure of all of the
9 States for the third fiscal year pre-
10 ceding the fiscal year for which the
11 determination is made.

12 “(ii) SPECIAL RULE.—(I)(aa) For a
13 local educational agency with respect to
14 which 35 percent or more of the total stu-
15 dent enrollment of the schools of the agen-
16 cy are children described in subparagraph
17 (D) or (E) (or a combination thereof) of
18 subsection (a)(1), and has an enrollment of
19 children described in subparagraph (A),
20 (B), or (C) of such subsection equal to at
21 least 10 percent of the agency’s total en-
22 rollment, the Secretary shall calculate the
23 weighted student units of those children
24 described in subparagraph (D) or (E) of

1 such subsection by multiplying the number
2 of such children by a factor of 0.55.

3 “(bb) For any local educational agen-
4 cy that received a payment under this
5 clause in fiscal year 2012, the local edu-
6 cational agency shall not be required to
7 have an enrollment of children described in
8 subparagraph (A), (B), or (C) of such sub-
9 section equal to at least 10 percent of the
10 agency’s total enrollment.

11 “(II) For a local educational agency
12 that has an enrollment of 100 or fewer
13 children described in subsection (a)(1), the
14 Secretary shall calculate the total number
15 of weighted student units for purposes of
16 subsection (a)(2) by multiplying the num-
17 ber of such children by a factor of 1.75.

18 “(III) For a local educational agency
19 that does not qualify under subparagraph
20 (B)(i)(I) of this subsection and has an en-
21 rollment of more than 100 but not more
22 than 1,000 children described in subsection
23 (a)(1), the Secretary shall calculate the
24 total number of weighted student units for
25 purposes of subsection (a)(2) by multi-

1 plying the number of such children by a
2 factor of 1.25.”;

3 (C) by amending subparagraph (D) to read
4 as follows:

5 “(D) MAXIMUM AMOUNT FOR LARGE
6 HEAVILY IMPACTED LOCAL EDUCATIONAL
7 AGENCIES.—(i)(I) Subject to clause (ii), the
8 maximum amount that a heavily impacted local
9 educational agency described in subclause (II)
10 is eligible to receive under this paragraph for
11 any fiscal year shall be determined in accord-
12 ance with the formula described in paragraph
13 (1)(C).

14 “(II) A heavily impacted local educational
15 agency described in this subclause is a local
16 educational agency that has a total student en-
17 rollment of not less than 25,000 students, of
18 which not less than 50 percent are children de-
19 scribed in subsection (a)(1) and not less than
20 5,500 of such children are children described in
21 subparagraphs (A) and (B) of subsection
22 (a)(1).

23 “(ii) For purposes of calculating the max-
24 imum amount described in clause (i), the factor
25 used in determining the weighted student units

1 under subsection (a)(2) with respect to children
2 described in subparagraphs (A) and (B) of sub-
3 section (a)(1) shall be 1.35.”;

4 (D) by striking subparagraph (E);

5 (E) by redesignating subparagraph (F) as
6 subparagraph (E);

7 (F) in subparagraph (E) (as so redesign-
8 ated by subparagraph (G))—

9 (i) by striking clause (ii);

10 (ii) by striking “; and” at the end of
11 clause (i) and inserting a period; and

12 (iii) by striking “the Secretary” and
13 all that follows through “shall use” and in-
14 serting “the Secretary shall use”;

15 (G) by redesignating subparagraph (G) as
16 subparagraph (F);

17 (H) in subparagraph (F) (as so redesign-
18 ated by subparagraph (I), in the matter pre-
19 ceding clause (i), by striking “(C)(i)(II)(bb)”
20 and inserting “(B)(i)(II)(bb)(BB)”;

21 (I) by redesignating subparagraph (H) as
22 subparagraph (G); and

23 (J) in subparagraph (G) (as so redesign-
24 ated by subparagraph (K))—

25 (i) in clause (i)—

1 (I) by striking “(B), (C), (D). or
2 (E),” and inserting “(B), (C), or
3 (D),”;

4 (II) by striking “by reason of”
5 and inserting “due to”;

6 (III) by inserting after “clause
7 (iii),” the following: “or as the direct
8 result of base realignment and closure
9 or modularization as determined by
10 the Secretary of Defense and force
11 structure change or force relocation,”;
12 and

13 (IV) by inserting before the pe-
14 riod at the end the following: “or dur-
15 ing such time as activities associated
16 with base closure and realignment,
17 modularization, force structure
18 change, or force relocation is ongo-
19 ing”;

20 (ii) in clause (ii), by striking “(D) or
21 (E)” in both places such term appears and
22 inserting “(C) or (D)”;

23 (3) in subsection (b)(3)(B)—

24 (A) by redesignating clause (iv) as clause
25 (v); and

1 (B) by inserting after clause (iii) the fol-
2 lowing:

3 “(iv) For any local educational agency
4 that is providing a program of distant
5 learning to children not residing within the
6 legally defined boundaries of the agency,
7 the Secretary shall disregard such children
8 from such agency’s total enrollment when
9 calculating the percentage under subclause
10 (I) of clause (i) and shall disregard any
11 funds received for such children when cal-
12 culating the total current expenditures at-
13 tributed to the operation of such agency
14 when calculating the percentage under sub-
15 clause (II) of clause (i).”;

16 (4) in subsection (b)(3)(C), by striking “or (E)
17 of paragraph (2), as the case may be” and inserting
18 “of paragraph (2)”;

19 (5) by amending subsection (b)(3)(D) to read
20 as follows:

21 “(D) RATABLE DISTRIBUTION.—For any
22 fiscal year described in subparagraph (A) for
23 which the sums available exceed the amount re-
24 quired to pay each local educational agency 100
25 percent of its threshold payment the Secretary

1 shall distribute the excess sums to each eligible
2 local educational agency that has not received
3 its full amount computed under paragraph (1)
4 or (2) (as the case may be) by multiplying—

5 “(i) a percentage, the denominator of
6 which is the difference between the full
7 amount computed under paragraph (1) or
8 (2) (as the case may be) for all local edu-
9 cational agencies and the amount of the
10 threshold payment as calculated under sub-
11 paragraphs (B) and (C) of all local edu-
12 cational agencies, and the numerator of
13 which is the aggregate amount of the ex-
14 cess sums by—

15 “(ii) the difference between the full
16 amount computed under paragraph (1) or
17 (2) (as the case may be) for the agency
18 and the amount of the threshold payment
19 as calculated under subparagraphs (B) and
20 (C) of the agency.”;

21 (6) in subsection (c), by amending paragraph
22 (2) to read as follows:

23 “(2) EXCEPTION.—Calculation of payments for
24 a local educational agency shall be based on data

1 from the fiscal year for which the agency is making
2 an application for payment if such agency—

3 “(A) is newly established by a State, for
4 the first year of operation of such agency only;

5 “(B) was eligible to receive a payment
6 under this section for the previous fiscal year
7 and has had an overall increase in enrollment
8 (as determined by the Secretary in consultation
9 with the Secretary of Defense, the Secretary of
10 Interior or other Federal agencies)—

11 “(i) of not less than 10 percent, or
12 100 students, of children described in—

13 “(I) subparagraph (A), (B), (C),
14 or (D) of subsection (a)(1); or

15 “(II) subparagraph (F) or (G) of
16 subsection (a)(1), but only to the ex-
17 tent such children are civilian depend-
18 ents of employees of the Department
19 of Defense or the Department of Inte-
20 rior; and

21 “(ii) that is the direct result of closure
22 or realignment of military installations
23 under the base closure process or the relo-
24 cation of members of the Armed Forces
25 and civilian employees of the Department

1 of Defense as part of force structure
2 changes or movements of units or per-
3 sonnel between military installations or be-
4 cause of actions initiated by the Secretary
5 of Interior or head of another Federal
6 agency; and

7 “(C) was eligible to receive a payment
8 under this section for the previous fiscal year
9 and has had an overall increase in enrollment
10 (as determined by the Secretary)—

11 “(i) of not less than 10 percent, or
12 100 students, of children described in sub-
13 section (a)(1); and

14 “(ii) that is the direct result of the
15 closure of a local educational agency that
16 received a payment under subsection (b)(1)
17 or (b)(2) in the previous fiscal year.”;

18 (7) by amending subsection (e) to read as fol-
19 lows:

20 “(e) HOLD HARMLESS.—

21 “(1) IN GENERAL.—Subject to paragraph (2)
22 the total amount the Secretary shall pay a local edu-
23 cation agency under subsection (b)—

24 “(A) for fiscal year 2014 shall not be less
25 than 95percent of the total amount that the

1 local educational agency received under sub-
2 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
3 year 2013;

4 “(B) for fiscal year 2015 shall not be less
5 than 90 percent of the total amount that the
6 local educational agency received under sub-
7 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
8 year 2013; and

9 “(C) for fiscal year 2016 shall not be less
10 than 85 percent of the total amount that the
11 local educational agency received under sub-
12 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
13 year 2013.

14 “(2) MAXIMUM PAYMENT.—The total amount
15 provided to a local educational agency under sub-
16 paragraph (A), (B), or (C) of paragraph (1) for a
17 fiscal year shall not exceed the maximum basic sup-
18 port amount for such agency determined under
19 paragraph (1) or (2) of subsection (b), as the case
20 may be.

21 “(3) RATABLE REDUCTION.—

22 “(A) IN GENERAL.—If the sums made
23 available under this title for any fiscal year are
24 insufficient to pay the full amounts that all
25 local educational agencies in all States are eligi-

1 ble to receive under paragraph (1) for such
 2 year, then the Secretary shall ratably reduce
 3 the payments to all such agencies for such year.

4 “(B) ADDITIONAL FUNDS.—If additional
 5 funds become available for making payments
 6 under paragraph (1) for such fiscal year, pay-
 7 ments that were reduced under subparagraph
 8 (A) shall be increased on the same basis as
 9 such payments were reduced.”; and
 10 (8) by striking subsection (g).

11 **SEC. 6. APPLICATION FOR PAYMENTS UNDER SECTIONS**
 12 **8002 AND 8003.**

13 Section 8005 of that Act (20 U.S.C. 7705) is amend-
 14 ed by adding at the end the following:

15 “(e) STUDENT COUNT.—For the purpose of meeting
 16 the requirements of section 222.35 of the Code of the Fed-
 17 eral Regulations, the Secretary shall establish a third op-
 18 tion for an applicant when counting its federally connected
 19 children by using the date established by the applicant to
 20 register the students of such applicant for the fiscal year
 21 for which the application is filed.”.

22 **SEC. 7. CONSTRUCTION.**

23 Section 8007 of that Act (20 U.S.C. 7707) is amend-
 24 ed—

25 (1) in subsection (a)—

1 (A) in paragraph (1), by striking “40 per-
2 cent” and inserting “80 percent”;

3 (B) in paragraph (2) by adding at the end
4 the following:

5 “(C) The agency is eligible under section
6 8003(b)(2) or is receiving a basic support pay-
7 ment under circumstances described in section
8 8003(b)(2)(B)(ii).”; and

9 (C) by striking paragraph (3) and insert-
10 ing the following:

11 “(3) AMOUNT OF PAYMENTS.—

12 “(A) LOCAL EDUCATION AGENCIES IM-
13 PACTED BY MILITARY DEPENDENT CHIL-
14 DREN.—The amount of a payment to each local
15 educational agency described in this subsection
16 that is impacted by military dependent children
17 for a fiscal year shall be equal to—

18 “(i)(I) 40 percent of the amount ap-
19 propriated under section 8014(e) for such
20 fiscal year; divided by

21 “(II) the number of children described
22 in subparagraphs (B) and (D)(i) of section
23 (8003)(a)(1) who were in average daily at-
24 tendance for all local educational agencies
25 described in paragraph (2), including the

1 number of children attending a school fa-
2 cility described in section 8008(a) if the
3 Secretary does not provide assistance for
4 the school facility under that section for
5 the fiscal year; multiplied by

6 “(ii) the number of children deter-
7 mined for such agency;

8 “(I) but not less than \$25,000,
9 except that this subparagraph shall
10 not apply if the amount available to
11 carry out paragraph (1) for such fis-
12 cal year is less than \$32,000,000; and

13 “(II) not more than \$4,000,000.

14 “(B) LOCAL EDUCATIONAL AGENCIES IM-
15 PACTED BY CHILDREN WHO RESIDE ON INDIAN
16 LANDS.—The amount of a payment to each
17 local educational agency described in the sub-
18 section that is impacted by children who reside
19 on Indian lands for a fiscal year shall be equal
20 to—

21 “(i)(I) 40 percent of the amount ap-
22 propriated under section 8014(e) for such
23 fiscal year; divided by

24 “(II) the number of children described
25 in section 8003(a)(1)(C) who were in aver-

1 age daily attendance for all local edu-
2 cational agencies described in paragraph
3 (2); multiplied by

4 “*(ii)* the number of children deter-
5 mined for such agency;

6 “*(I)* but not less than \$25,000,
7 except that this subparagraph shall
8 not apply if the amount available to
9 carry out paragraph (1) for such fis-
10 cal year is less than \$32,000,000; and

11 “*(II)* not more than \$4,000,
12 000.”; and

13 (2) in subsection (b)—

14 (A) in paragraph (1), in the matter pre-
15 ceding subparagraph (A), by striking “60 per-
16 cent” and inserting “20 percent”;

17 (B) in paragraph (3)(A), in the matter
18 preceding clause (i), by inserting after “an
19 emergency grant under paragraph (2)(A)” the
20 following: “if the agency is covered by para-
21 graph (7), or”;

22 (C) in paragraph (3)(C)(i)(I), by striking
23 “the agency meets at least one” and all that
24 follows through the period at the end and in-
25 serting “the number of children determined

1 under section 8003(a)(1)(C) for the agency for
2 the preceding school year constituted at least
3 40 percent of the total student enrollment in
4 the schools of the agency during the preceding
5 school year.”;

6 (D) by striking paragraph (3)(D)(ii)(II)
7 and inserting the following:

8 “(II) The number of children de-
9 termined under section 8003(a)(1)(C)
10 for the school for the preceding school
11 year constituted at least 40 percent of
12 the total student enrollment in the
13 school during the preceding school
14 year.”;

15 (E) in paragraph (4)(C), by striking “(A),
16 (B), (C), and (D)” and inserting “(A) and
17 (C)”;

18 (F) by redesignating paragraph (7) as
19 paragraph (8); and

20 (G) by inserting after paragraph (6) the
21 following:

22 “(7) SPECIAL RULE.—Notwithstanding para-
23 graphs (3)(C)(i)(I) and (3)(D)(ii)(II), a local edu-
24 cational agency is eligible to receive a grant under

1 this subsection not to exceed \$4,000,000 in any one
2 fiscal year if such agency—

3 “(A) was eligible to receive a payment
4 under section 8003 for the fiscal year prior to
5 the year for which the application is made; and

6 “(B) has had an overall increase in enroll-
7 ment—

8 “(i) during the period between the end
9 of the school year preceding the fiscal year
10 for which the application is made and the
11 beginning of the school year immediately
12 preceding that school year;

13 “(ii) of not less than 250 students or
14 10 percent (whichever is lower), are chil-
15 dren described in—

16 “(I) subparagraph (A), (B), (C),
17 or (D) of section 8003(a)(1); or

18 “(II) subparagraph (F) or (G) of
19 section 8003(a)(1), but only to the ex-
20 tent such children are civilian depend-
21 ents of employees of the Department
22 of Defense; and

23 “(iii) that is the direct result of one or
24 more of the following:

1 “(I) Base realignment and clo-
2 sure or global rebasing, as determined
3 by the Secretary of Defense.

4 “(II) Force structure changes or
5 force reductions.

6 “(III) An action initiated by the
7 Secretary of Interior or head of an-
8 other Federal agency.”.

9 **SEC. 8. STATE CONSIDERATION OF PAYMENTS IN PRO-**
10 **VIDING STATE AID.**

11 Section 8009 of that Act (20 U.S.C. 7709) is amend-
12 ed—

13 (1) in subsection (b)(1), by inserting before the
14 period at the end the following: “and for which the
15 average per pupil expenditure is equal to or greater
16 than the average per pupil expenditure of all the
17 States in the third fiscal year preceding the fiscal
18 year for which the State is applying for equalization
19 under the section”;

20 (2) by amending subsection (b)(2) to read as
21 follows:

22 “(2) COMPUTATION.—

23 “(A) STATE CURRENTLY QUALIFYING.—

24 “(i) IN GENERAL.—For purposes of
25 paragraph (1), a program of State aid for

1 any State qualifying under this section for
2 fiscal year 2006 equalizes expenditures
3 among local educational agencies if, in the
4 second fiscal year preceding the fiscal year
5 for which the determination is made the
6 amount of per-pupil expenditures made by,
7 or per-pupil revenues available to, the local
8 educational agency in the State with the
9 highest such per-pupil expenditures or rev-
10 enues did not exceed the amount of such
11 per-pupil expenditures made by, or per-
12 pupil revenues available to, the local edu-
13 cational agency in the State with the low-
14 est such expenditures or revenues by more
15 than 25 percent as calculated under clause
16 (ii).

17 “(B) OTHER FACTORS.—Notwithstanding
18 regulations in effect prior to the enactment of
19 this subparagraph, in making a determination
20 under this subparagraph, the Secretary shall—

21 “(i) arrange all local educational
22 agencies in the State by per-pupil expendi-
23 tures or revenues in descending order from
24 the highest to the lowest;

1 “(ii) using per-pupil expenditures or
2 revenues as the only criteria disregard
3 those local educational agencies that are
4 spending above the 95th percentile and
5 those spending below the 5th percentile;

6 “(iii) identify the local educational
7 agency at the 95th percentile and the local
8 educational agency at the 5th percentile;

9 “(iv) subtract the amount of per-pupil
10 expenditures or revenues of the local edu-
11 cational agency at the 5th percentile from
12 the amount of per-pupil expenditures or
13 revenues of the local educational agency at
14 the 95th percentile and divide the dif-
15 ference by the per-pupil expenditures or
16 revenues of the local educational agency at
17 the 5th percentile; and

18 “(v) take into account the extent to
19 which a program of State aid reflects the
20 additional cost of providing free public
21 education in particular types of local edu-
22 cational agencies such as those that are
23 geographically isolated, or to particular
24 types of students, such as children with
25 disabilities.

1 “(C) NEW STATES APPLICANTS.—

2 “(i) IN GENERAL.—For purposes of
3 paragraph (1), a program of State aid for
4 any State equalizing under this section
5 after fiscal year 2006 equalizes expendi-
6 tures among local educational agencies if,
7 in the second fiscal year preceding the fis-
8 cal year for which the determination is
9 made, the amount of per-pupil expendi-
10 tures made by, or per pupil revenues avail-
11 able to, the local educational agency in the
12 State with the highest such per-pupil ex-
13 penditures or revenues did not exceed the
14 amount of such per-pupil expenditures
15 made by, or per-pupil revenues available
16 to, the local educational agency in the
17 State with the lowest such expenditures or
18 revenues by more than 10 percent as cal-
19 culated under clause (ii).

20 “(ii) OTHER FACTORS.—In making a
21 determination under this subparagraph,
22 the Secretary notwithstanding regulations
23 in use prior to the enactment of this Act
24 shall—

1 “(I) arrange all local educational
2 agencies in the State by per pupil ex-
3 penditures or revenues in descending
4 order from the highest to the lowest;
5 “(II) using per-pupil expendi-
6 tures or revenues as the only criteria
7 disregard those local educational
8 agencies that are spending above the
9 95th percentile and those spending
10 below the 5th percentile;
11 “(III) identify the local edu-
12 cational agency at the 95th percentile
13 and the local educational agency at
14 the 5th percentile;
15 “(IV) subtract the amount of
16 per-pupil expenditures or revenues of
17 the local educational agency at the
18 5th percentile from the amount of
19 per-pupil expenditures or revenues of
20 the local educational agency at the
21 95th percentile and divide the dif-
22 ference by the per-pupil expenditures
23 or revenues of the local educational
24 agency at the 5th percentile; and

1 “(V) take into account the extent
2 to which a program of State aid re-
3 flects the additional cost of providing
4 free public education in particular
5 types of local educational agencies,
6 such as those that are geographically
7 isolated, or to particular types of stu-
8 dents, such as children with disabil-
9 ities.”; and

10 (3) in subsection (d)(2)—

11 (A) by striking “A State” and inserting
12 the following:

13 “(A) IN GENERAL.—A State”; and

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

15 “(B) STATES THAT ARE NOT EQUALIZED
16 STATES.—A State that has not been approved
17 as an equalized State under subsection (b) shall
18 not consider funds received under section 8002
19 or section 8003 of this title in any State for-
20 mula or place a limit or direct the use of such
21 funds or consider such funds.”.

22 **SEC. 9. DEFINITIONS.**

23 Section 8013 of that Act (20 U.S.C. 7713) is amend-
24 ed—

1 (1) in paragraph (1) by striking “and Marine
2 Corps” and inserting “Marine Corps, and Coast
3 Guard”;

4 (2) in paragraph (4)—

5 (A) in the first sentence thereof, by strik-
6 ing “part (A) of title I and title VI” and insert-
7 ing “title I and part A of title V”; and

8 (B) in the second sentence, by striking “be
9 determined” and inserting “be made”;

10 (3) in paragraph (5)(A)(iii)—

11 (A) by amending subclause (II) to read as
12 follows:

13 “(II) used to provide housing for
14 homeless children at closed military
15 installations pursuant to section 501
16 of the McKinney-Vento Homeless As-
17 sistance Act (42 U.S.C. 11411);”;

18 (B) by amending subclause (III) to read as
19 follows:

20 “(III) used for affordable hous-
21 ing assisted under the Native Amer-
22 ican Housing Assistance and Self-De-
23 termination Act of 1996 (25 U.S.C.
24 4101 et.seq.); or”;

1 (4) in paragraph (5)(A), by adding at the end
2 the following:

3 “(VI) exempt of taxation real
4 property and personal property identi-
5 fied by a local governmental entity, in-
6 cluding State government, if upon
7 such property resides a child whose
8 parents or guardians are certified to
9 live on such property is considered to
10 meet the eligibility requirements of
11 section 151.4 of part 150 of sub-
12 chapter H of title 25, Code of Federal
13 Regulations; or”;

14 (5) in paragraph (8)(A), by inserting commas
15 before and after “and verified by”; and

16 (6) in paragraph (9)—

17 (A) by amending subparagraph (A) to read
18 as follows:

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (C), the term ‘local educational
21 agency’—

22 “(i) means a board of education or
23 other legally constituted local school au-
24 thority having administrative control and
25 direction of free public education in a

1 county, township, independent school dis-
2 trict, or other school district; and

3 “(ii) includes any State agency that
4 directly operates and maintains facilities
5 for providing free public education; that
6 except for those local educational agencies
7 determined to be eligible to receive a pay-
8 ment under section 8003 prior to the date
9 of the enactment of the Local Taxpayer
10 Relief Act, when submitting an application
11 under this title for the first time on or
12 after the date of the enactment of such
13 Act, has the authority to tax and has
14 boundaries as defined by applicable State
15 law for the purposes of levying such taxes,
16 or has been granted the authority to re-
17 ceive an imputed tax from a city, county,
18 township, or other general purpose political
19 subdivision of a State.”; and

20 (B) in subparagraph (B), by inserting a
21 comma after “Secretary determines”.

22 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 8014 of that Act (20 U.S.C. 7714) is amend-
24 ed—

1 (1) in subsection (a) by striking “\$32,000,000
2 for fiscal year 2000” and inserting “\$63,445,221
3 fiscal year 2014”;

4 (2) in subsection (b) by striking “\$809,400,000
5 fiscal year 2000” and inserting “\$1,093,203,000 for
6 fiscal year 2014”;

7 (3) in subsection (c) by striking “\$50,000,000
8 for fiscal year 2000” and inserting “\$45,880,825 for
9 fiscal year 2014”;

10 (4) by redesignating subsection (e) as sub-
11 section (d);

12 (5) in subsection (d) (as so redesignated by
13 paragraph (4), by striking “\$10,052,000” and all
14 that follows through “and such sums” and inserting
15 “\$16,528,637 for fiscal year 2014”;

16 (6) by redesignating subsection (f) as sub-
17 section (e);

18 (7) in subsection (e) (as so designated by para-
19 graph (6)), by striking “\$5,000,000 for fiscal year
20 2000” and inserting “\$4,591,393 for fiscal year
21 2014”; and

22 (8) by adding at the end of the following:

23 “(f) ALLOCATION OF DOLLARS FROM PREVIOUS FIS-
24 CAL YEARS.—When final payments are made for a fiscal
25 year the Secretary shall add any remaining funds to those

1 funds appropriated for such section for the next fiscal year
2 for the purpose of making payments subject to the provi-
3 sions of the applicable section.”.

4 **SEC. 11. ADDITIONAL AND CONFORMING AMENDMENTS.**

5 (a) SUBPART 20 OF PART D OF TITLE V.—Subpart
6 15 (20 U.S.C. 7281 et seq.) of part D of title V of that
7 Act (relating to additional assistance for certain local edu-
8 cational agencies impacted by Federal property acquisi-
9 tion) is repealed.

10 (b) TITLE VIII.—Title VIII of Elementary and Sec-
11 ondary Education Act (20 U.S.C. 7701 et seq.) is further
12 amended—

13 (1) in section 8004 (20 U.S.C. 7704)—

14 (A) in subsection (e)(1)(B)(i), by striking
15 “involved, or if” and inserting “involved or, if”;
16 and

17 (B) in subsection (f), by striking “upon”
18 and inserting “on”;

19 (2) in section 8008(a) (20 U.S.C. 7708(a)), by
20 striking “section 8014(f)” and inserting “section
21 8014(e)”;

22 (3) in section 8010 (20 U.S.C. 7710)—

23 (A) in subsection (b), by striking out “re-
24 quire” and inserting in lieu thereof “need”; and

25 (B) in subsection (c)(1)—

1 (i) in subparagraph (A), by striking
2 “paragraph (3)” and inserting “paragraph
3 (2)”; and

4 (ii) in subparagraph (B), by striking
5 “paragraph (3)” and inserting “paragraph
6 (2)”; and

7 (4) in section 8011(a) (20 U.S.C. 7711 (a)), by
8 striking “or under” and all that follows through “of
9 1994”).

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