

114TH CONGRESS
1ST SESSION

H. R. 1318

To reauthorize the Impact Aid Program under the Elementary and Secondary Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2015

Mrs. NOEM (for herself, Mr. LARSEN of Washington, Mr. TAKAI, and Mr. DOLD) 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 Section 563(c) of National Defense Authorization Act
9 for Fiscal Year 2013 (Public Law 112–239; 126 Stat.
10 1748; 20 U.S.C. 6301 note) (also known as the “Impact

1 Aid Improvement Act of 2012”), as amended by section
2 563 of division A of Public Law 113–291, is amended—

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

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

6 **SEC. 3. PURPOSE.**

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

12 **SEC. 4. PAYMENTS RELATING TO FEDERAL ACQUISITION**
13 **OF REAL PROPERTY.**

14 (a) AMENDMENTS.—Section 8002 of the Elementary
15 and Secondary Education Act of 1965 (20 U.S.C. 7702)
16 is amended—

17 (1) in subsection (f), by striking paragraphs (4)
18 and (5);

19 (2) by striking subsection (g) and inserting the
20 following:

21 “(g) FORMER DISTRICTS.—

22 “(1) CONSOLIDATIONS.—For fiscal year 2006
23 and all succeeding fiscal years, if a local educational
24 agency described in paragraph (2) is formed at any
25 time after 1938 by the consolidation of 2 or more

1 former school districts, the local educational agency
2 may elect to have the Secretary determine its eligi-
3 bility and any amount for which the local edu-
4 cational agency is eligible under this section for any
5 fiscal year on the basis of one or more of those
6 former districts, as designated by the local edu-
7 cational agency.

8 “(2) ELIGIBLE LOCAL EDUCATIONAL AGEN-
9 CIES.—A local educational agency referred to in
10 paragraph (1) is—

11 “(A) any local educational agency that, for
12 fiscal year 1994 or any preceding fiscal year,
13 applied, and was determined to be eligible
14 under, section 2(c) of the Act of September 20,
15 1950 (Public Law 874, 81st Congress), as that
16 section was in effect for that fiscal year; or

17 “(B) a local educational agency formed by
18 the consolidation of 2 or more districts, at least
19 1 of which was eligible for assistance under this
20 section for the fiscal year preceding the year of
21 the consolidation, if—

22 “(i) for fiscal years 2006 through
23 2013, the local educational had notified the
24 Secretary of the designation not later than

1 30 days after the date of enactment of the
2 Local Taxpayer Relief Act; and

3 “(ii) for fiscal year 2014 and any sub-
4 sequent fiscal year, the local educational
5 agency includes the designation in its ap-
6 plication under section 8005 or any timely
7 amendment to such application.

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

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

16 (4) by redesignating subsections (l) and (n) as
17 subsections (j) and (k), respectively.

18 (b) CONFORMING AMENDMENT.—Section 309 of divi-
19 sion H of the Consolidated Appropriations Act, 2014 (20
20 U.S.C. 7702 note; Public Law 113–76) is repealed.

21 (c) EFFECTIVE DATE.—Notwithstanding the date of
22 enactment of this Act, the amendments made by this sec-
23 tion shall apply to applications submitted for fiscal year
24 2010 and all succeeding fiscal years.

1 **SEC. 5. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED**
2 **CHILDREN.**

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

5 (1) in subsection (a)—

6 (A) in paragraph (1), in the matter pre-
7 ceding subparagraph (A), by inserting after
8 “such agency,” the following: “including those
9 children enrolled in a State that has a State
10 open enrollment policy (but not including those
11 children enrolled in a distance learning program
12 not residing within the defined boundaries of
13 the agency),”; and

14 (B) in paragraph (5)(A), by striking “to
15 be” and all the follows through “situated” and
16 inserting the following: “or under lease of off-
17 base property under subchapter IV of chapter
18 169 of title 10, United States Code, to be chil-
19 dren described under paragraph (1)(B) if the
20 property described is within the fenced security
21 perimeter of the military facility or attached to
22 and under any type of force protection agree-
23 ment with the military installation upon which
24 such housing is situated.”;

25 (2) in subsection (b)(2)—

26 (A) in subparagraph (B)—

1 (i) in the subparagraph heading by
2 striking “CONTINUING”;

3 (ii) by amending clause (i) to read as
4 follows:

5 “(i) IN GENERAL.—A heavily im-
6 pacted local educational agency is eligible
7 to receive a basic support payment under
8 subparagraph (A) with respect to a num-
9 ber of children determined under sub-
10 section (a)(1) if the agency—

11 “(I) is a local educational agency
12 whose boundaries are the same as a
13 Federal military installation or the
14 boundaries are the same as island
15 property designated by the Secretary
16 of the Interior to be property that is
17 held in trust by the Federal Govern-
18 ment and the agency has no taxing
19 authority;

20 “(II) is a local educational agen-
21 cy—

22 “(aa) that has an enrollment
23 of children described in sub-
24 section (a)(1) that constitutes a
25 percentage of the total student

1 enrollment of the agency that is
2 not less than 45 percent;

3 “(bb) that has a per-pupil
4 expenditure that is less than—

5 “(AA) for an agency
6 that has a total student en-
7 rollment of 500 or more stu-
8 dents, 125 percent of the av-
9 erage per-pupil expenditure
10 of the State in which the
11 agency is located; or

12 “(BB) for an agency
13 that has a total student en-
14 rollment of less than 500,
15 150 percent of the average
16 per-pupil expenditure of the
17 State in which the agency is
18 located, or the average per
19 pupil expenditure of 3 or
20 more comparable local edu-
21 cational agencies in the
22 State in which the agency is
23 located; and

24 “(cc) that is an agency
25 that—

1 “(AA) has a tax rate
2 for general fund purposes
3 that is at least 95 percent of
4 the average tax rate for gen-
5 eral fund purposes of com-
6 parable local educational
7 agencies in the State; or

8 “(BB) was eligible to
9 receive a payment under this
10 subsection for fiscal year
11 2013 and is located in a
12 State that by State law has
13 eliminated ad valorem tax as
14 a revenue source for local
15 educational agencies;

16 “(III) is a local educational agen-
17 cy that has a total student enrollment
18 of not less than 25,000 students, of
19 which not less than 50 percent are
20 children described in subsection (a)(1)
21 and not less than 5,500 of such chil-
22 dren are children described in sub-
23 paragraphs (A) and (B) of subsection
24 (a)(1); or

1 “(IV) is a local educational agen-
2 cy that was eligible for and received a
3 payment under this paragraph in fis-
4 cal year 2012 and—

5 “(aa) has an enrollment of
6 children described in subsection
7 (a)(1) that constitutes a percent-
8 age of the total student enroll-
9 ment of the agency that is not
10 less than 20 percent;

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

24 “(cc) has a tax rate for gen-
25 eral fund purposes which is not

1 less than 1.25 percent of the av-
2 erage tax rate for general fund
3 purposes for comparable local
4 educational agencies in the
5 State.”;

6 (iii) by amending clause (ii) to read as
7 follows:

8 “(ii) LOSS OF ELIGIBILITY.—

9 “(I) IN GENERAL.—Subject to
10 subclause (II), a heavily impacted
11 local educational agency that met the
12 requirements of clause (i) for a fiscal
13 year shall be ineligible to receive a
14 basic support payment under subpara-
15 graph (A) if the agency fails to meet
16 the requirements of clause (i) for a
17 subsequent fiscal year, except that
18 such agency shall continue to receive
19 a basic support payment under this
20 paragraph for the fiscal year for
21 which the ineligibility determination is
22 made.

23 “(II) EXCEPTION.—For a local
24 educational agency that is eligible
25 under subparagraph (A) but whose

1 tax rate for general fund purposes
2 falls below 95 percent of the average
3 tax rate for general fund purposes of
4 local educational agencies in the State
5 for two consecutive years shall lose its
6 eligibility and be subject to subclause
7 (I).”;

8 (iv) by amending clause (iii) to read
9 as follows:

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

23 (v) by adding at the end the following
24 new clause:

“(iv) SPECIAL RULE.—Notwithstanding clause (i)(II), a local educational agency shall be considered eligible to receive a basic support payment under subparagraph (A) with respect to the number of children determined under subsection (a)(1) if the agency—

“(I) has an enrollment of children described in subsection (a)(1), including, for purposes of determining eligibility, those children described in subparagraphs (F) and (G) of such subsection, that constitutes a percentage of the total student enrollment of the agency that is not less than 35 percent; and

“(II) was eligible to receive assistance under subsection (b)(2) for fiscal year 2001.”;

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

“(C) MAXIMUM AMOUNT FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—

“(i) IN GENERAL.—The maximum amount that a heavily impacted local edu-

1 cational agency is eligible to receive under
2 this paragraph for any fiscal year is the
3 sum of the total weighted student units, as
4 computed under subsection (a)(2) and sub-
5 ject to clause (ii), multiplied by the greater
6 of—

7 “(I) four-fifths of the average
8 per-pupil expenditure of the State in
9 which the local educational agency is
10 located for the third fiscal year pre-
11 ceding the fiscal year for which the
12 determination is made; or

13 “(II) four-fifths of the average
14 per-pupil expenditure of all of the
15 States for the third fiscal year pre-
16 ceding the fiscal year for which the
17 determination is made.

18 “(ii) SPECIAL RULE.—(I)(aa) For a
19 local educational agency with respect to
20 which 35 percent or more of the total stu-
21 dent enrollment of the schools of the agen-
22 cy are children described in subparagraph
23 (D) or (E) (or a combination thereof) of
24 subsection (a)(1), and has an enrollment of
25 children described in subparagraph (A),

1 (B), or (C) of such subsection equal to at
2 least 10 percent of the agency's total en-
3 rollment, the Secretary shall calculate the
4 weighted student units of those children
5 described in subparagraph (D) or (E) of
6 such subsection by multiplying the number
7 of such children by a factor of 0.55.

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

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

23 “(III) For a local educational agency
24 that does not qualify under subparagraph
25 (B)(i)(I) of this subsection and has an en-

1 rollment of more than 100 but not more
2 than 1,000 children described in subsection
3 (a)(1), the Secretary shall calculate the
4 total number of weighted student units for
5 purposes of subsection (a)(2) by multi-
6 plying the number of such children by a
7 factor of 1.25.”;

8 (C) by amending subparagraph (D) to read
9 as follows:

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

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

1 subparagraphs (A) and (B) of subsection
2 (a)(1).

3 “(ii) For purposes of calculating the max-
4 imum amount described in clause (i), the factor
5 used in determining the weighted student units
6 under subsection (a)(2) with respect to children
7 described in subparagraphs (A) and (B) of sub-
8 section (a)(1) shall be 1.35.”;

9 (D) by striking subparagraph (E);

10 (E) by redesignating subparagraph (F) as
11 subparagraph (E);

12 (F) in subparagraph (E) (as so redesign-
13 ated by subparagraph (G))—

14 (i) by striking clause (ii);

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

17 (iii) by striking “the Secretary” and
18 all that follows through “shall use” and in-
19 serting “the Secretary shall use”;

20 (G) by redesignating subparagraph (G) as
21 subparagraph (F);

22 (H) in subparagraph (F) (as so redesign-
23 ated by subparagraph (I), in the matter pre-
24 ceding clause (i), by striking “(C)(i)(II)(bb)”
25 and inserting “(B)(i)(II)(bb)(BB)”;

1 (I) by redesignating subparagraph (H) as
2 subparagraph (G); and

3 (J) in subparagraph (G) (as so redesign-
4 nated by subparagraph (K)—

5 (i) in clause (i)—

6 (I) by striking “(B), (C), (D). or
7 (E),” and inserting “(B), (C), or
8 (D),”;

9 (II) by striking “by reason of”
10 and inserting “due to”;

11 (III) by inserting after “clause
12 (iii),” the following: “or as the direct
13 result of base realignment and closure
14 or modularization as determined by
15 the Secretary of Defense and force
16 structure change or force relocation,”;
17 and

18 (IV) by inserting before the pe-
19 riod at the end the following: “or dur-
20 ing such time as activities associated
21 with base closure and realignment,
22 modularization, force structure
23 change, or force relocation is ongoing”;
24 and

1 (ii) in clause (ii), by striking “(D) or
2 (E)” in both places such term appears and
3 inserting “(C) or (D)”;

4 (3) in subsection (b)(3)(B)—

5 (A) by redesignating clause (iv) as clause
6 (v); and

7 (B) by inserting after clause (iii) the fol-
8 lowing:

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

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

1 (5) by amending subsection (b)(3)(D) to read
2 as follows:

3 “(D) Ratable Distribution.—For any
4 fiscal year described in subparagraph (A) for
5 which the sums available exceed the amount re-
6 quired to pay each local educational agency 100
7 percent of its threshold payment the Secretary
8 shall distribute the excess sums to each eligible
9 local educational agency that has not received
10 its full amount computed under paragraph (1)
11 or (2) (as the case may be) by multiplying—

12 “(i) a percentage, the denominator of
13 which is the difference between the full
14 amount computed under paragraph (1) or
15 (2) (as the case may be) for all local edu-
16 cational agencies and the amount of the
17 threshold payment as calculated under sub-
18 paragraphs (B) and (C) of all local edu-
19 cational agencies, and the numerator of
20 which is the aggregate amount of the ex-
21 cess sums by—

22 “(ii) the difference between the full
23 amount computed under paragraph (1) or
24 (2) (as the case may be) for the agency
25 and the amount of the threshold payment

1 as calculated under subparagraphs (B) and
2 (C) of the agency.”;

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

5 “(2) EXCEPTION.—Calculation of payments for
6 a local educational agency shall be based on data
7 from the fiscal year for which the agency is making
8 an application for payment if such agency—

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

11 “(B) was eligible to receive a payment
12 under this section for the previous fiscal year
13 and has had an overall increase in enrollment
14 (as determined by the Secretary in consultation
15 with the Secretary of Defense, the Secretary of
16 Interior or other Federal agencies)—

17 “(i) of not less than 10 percent, or
18 100 students, of children described in—

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

21 “(II) subparagraph (F) or (G) of
22 subsection (a)(1), but only to the ex-
23 tent such children are civilian depend-
24 ents of employees of the Department

1 of Defense or the Department of Inte-
2 rior; and

3 “(ii) that is the direct result of closure
4 or realignment of military installations
5 under the base closure process or the relo-
6 cation of members of the Armed Forces
7 and civilian employees of the Department
8 of Defense as part of force structure
9 changes or movements of units or per-
10 sonnel between military installations or be-
11 cause of actions initiated by the Secretary
12 of Interior or head of another Federal
13 agency; and

14 “(C) was eligible to receive a payment
15 under this section for the previous fiscal year
16 and has had an overall increase in enrollment
17 (as determined by the Secretary)—

18 “(i) of not less than 10 percent, or
19 100 students, of children described in sub-
20 section (a)(1); and

21 “(ii) that is the direct result of the
22 closure of a local educational agency that
23 received a payment under subsection (b)(1)
24 or (b)(2) in the previous fiscal year.”;

1 (7) by amending subsection (e) to read as fol-
2 lows:

3 “(e) HOLD HARMLESS.—

4 “(1) IN GENERAL.—The total amount the Sec-
5 retary shall pay a local education agency under sub-
6 section (b)—

7 “(A) beginning in fiscal year 2016 and for
8 any fiscal year thereafter in which a local edu-
9 cational agency’s payment is reduced by an
10 amount greater than \$5,000,000 or 20 percent
11 from the amount received in the previous fiscal
12 year, the Secretary shall pay a local educational
13 agency for each of the 3 years following the re-
14 duction under subsection (b)—

15 “(i) for the first year shall not be less
16 than 90 percent of the total amount that
17 the local educational agency received under
18 subsection (b)(1) or (b)(2) in the fiscal
19 year prior to the reduction herein referred
20 to as the base year;

21 “(ii) for the second year shall not be
22 less than 85 percent of the total amount
23 that the local educational agency received
24 under subsection (b)(1) or (b)(2) in the
25 base year; and

1 “(iii) for the third year shall not be
 2 less than 80 percent of the total amount
 3 that the local educational agency received
 4 under subsection (b)(1) or (b)(2) in the
 5 base year.

6 “(2) RATABLE REDUCTION.—

7 “(A) IN GENERAL.—If the sums made
 8 available under this title for any fiscal year are
 9 insufficient to pay the full amounts that all
 10 local educational agencies in all States are eligi-
 11 ble to receive under paragraph (1) for such
 12 year, then the Secretary shall ratably reduce
 13 the payments to all such) agencies for such
 14 year.

15 “(B) ADDITIONAL FUNDS.—If additional
 16 funds become available for making payments
 17 under paragraph (1) for such fiscal year, pay-
 18 ments that were reduced under subparagraph
 19 (A) shall be increased on the same basis as
 20 such payments were reduced.”; and
 21 (8) by striking subsection (g).

22 **SEC. 6. APPLICATION FOR PAYMENTS UNDER SECTIONS**
 23 **8002 AND 8003.**

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

1 “(e) STUDENT COUNT.—For the purpose of meeting
 2 the requirements of section 222.35 of the Code of the Fed-
 3 eral Regulations, the Secretary shall establish a third op-
 4 tion for an applicant when counting its federally connected
 5 children by using the date established by the applicant to
 6 register the students of such applicant for the fiscal year
 7 for which the application is filed.”.

8 **SEC. 7. CONSTRUCTION.**

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

11 (1) in subsection (a)—

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

14 (B) in paragraph (2) by adding at the end
 15 the following:

16 “(C) The agency is eligible under section
 17 8003(b)(2) or is receiving a basic support pay-
 18 ment under circumstances described in section
 19 8003(b)(2)(B)(ii).”; and

20 (C) by striking paragraph (3) and insert-
 21 ing the following:

22 “(3) AMOUNT OF PAYMENTS.—

23 “(A) LOCAL EDUCATION AGENCIES IM-
 24 PACTED BY MILITARY DEPENDENT CHIL-
 25 DREN.—The amount of a payment to each local

1 educational agency described in this subsection
2 that is impacted by military dependent children
3 for a fiscal year shall be equal to—

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

7 “(II) the number of children described
8 in subparagraphs (B) and (D)(i) of section
9 (8003)(a)(1) who were in average daily at-
10 tendance for all local educational agencies
11 described in paragraph (2), including the
12 number of children attending a school fa-
13 cility described in section 8008(a) if the
14 Secretary does not provide assistance for
15 the school facility under that section for
16 the fiscal year; multiplied by

17 “(ii) the number of children deter-
18 mined for such agency;

19 “(I) but not less than \$25,000,
20 except that this subparagraph shall
21 not apply if the amount available to
22 carry out paragraph (1) for such fis-
23 cal year is less than \$32,000,000; and

24 “(II) not more than \$4,000,000.

“(B) LOCAL EDUCATIONAL AGENCIES IMPACTED BY CHILDREN WHO RESIDE ON INDIAN LANDS.—The amount of a payment to each local educational agency described in the subsection that is impacted by children who reside on Indian lands for a fiscal year shall be equal to—

“(i)(I) 40 percent of the amount appropriated under section 8014(e) for such fiscal year; divided by

“(II) the number of children described in section 8003(a)(1)(C) who were in average daily attendance for all local educational agencies described in paragraph (2); multiplied by

“(ii) the number of children determined for such agency;

“(I) but not less than \$25,000, except that this subparagraph shall not apply if the amount available to carry out paragraph (1) for such fiscal year is less than \$32,000,000; and

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

(2) in subsection (b)—

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

4 (B) in paragraph (3)(A), in the matter
5 preceding clause (i), by inserting after “an
6 emergency grant under paragraph (2)(A)” the
7 following: “if the agency is covered by para-
8 graph (7), or”;

9 (C) in paragraph (3)(C)(i)(I), by striking
10 “the agency meets at least one” and all that
11 follows through the period at the end and in-
12 serting “the number of children determined
13 under section 8003(a)(1)(C) for the agency for
14 the preceding school year constituted at least
15 40 percent of the total student enrollment in
16 the schools of the agency during the preceding
17 school year.”;

18 (D) by striking paragraph (3)(D)(ii)(II)
19 and inserting the following:

20 “(II) The number of children de-
21 termined under section 8003(a)(1)(C)
22 for the school for the preceding school
23 year constituted at least 40 percent of
24 the total student enrollment in the

1 school during the preceding school
2 year.”;

3 (E) in paragraph (4)(C), by striking “(A),
4 (B), (C), and (D)” and inserting “(A) and
5 (C)”;

6 (F) by redesignating paragraph (7) as
7 paragraph (8); and

8 (G) by inserting after paragraph (6) the
9 following:

10 “(7) SPECIAL RULE.—Notwithstanding para-
11 graphs (3)(C)(i)(I) and (3)(D)(ii)(II), a local edu-
12 cational agency is eligible to receive a grant under
13 this subsection not to exceed \$4,000,000 in any one
14 fiscal year if such agency—

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

18 “(B) has had an overall increase in enroll-
19 ment—

20 “(i) during the period between the end
21 of the school year preceding the fiscal year
22 for which the application is made and the
23 beginning of the school year immediately
24 preceding that school year;

1 “(ii) of not less than 250 students or
2 10 percent (whichever is lower), are chil-
3 dren described in—

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

6 “(II) subparagraph (F) or (G) of
7 section 8003(a)(1), but only to the ex-
8 tent such children are civilian depend-
9 ents of employees of the Department
10 of Defense; and

11 “(iii) that is the direct result of one or
12 more of the following:

13 “(I) Base realignment and clo-
14 sure or global rebasing, as determined
15 by the Secretary of Defense.

16 “(II) Force structure changes or
17 force reductions.

18 “(III) An action initiated by the
19 Secretary of Interior or head of an-
20 other Federal agency.”.

21 **SEC. 8. STATE CONSIDERATION OF PAYMENTS IN PRO-**
22 **VIDING STATE AID.**

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

1 (1) in subsection (b)(1), by inserting before the
2 period at the end the following: “and for which the
3 average per pupil expenditure is equal to or greater
4 than the average per pupil expenditure of all the
5 States in the third fiscal year preceding the fiscal
6 year for which the State is applying for equalization
7 under the section”;

8 (2) by amending subsection (b)(2) to read as
9 follows:

10 “(2) COMPUTATION.—

11 “(A) STATE CURRENTLY QUALIFYING.—

12 “(i) IN GENERAL.—For purposes of
13 paragraph (1), a program of State aid for
14 any State qualifying under this section for
15 fiscal year 2006 equalizes expenditures
16 among local educational agencies if, in the
17 second fiscal year preceding the fiscal year
18 for which the determination is made the
19 amount of per-pupil expenditures made by,
20 or per-pupil revenues available to, the local
21 educational agency in the State with the
22 highest such per-pupil expenditures or rev-
23 enues did not exceed the amount of such
24 per-pupil expenditures made by, or per-
25 pupil revenues available to, the local edu-

1 cational agency in the State with the low-
2 est such expenditures or revenues by more
3 than 25 percent as calculated under clause
4 (ii).

5 “(B) OTHER FACTORS.—Notwithstanding
6 regulations in effect prior to the enactment of
7 this subparagraph, in making a determination
8 under this subparagraph, the Secretary shall—

9 “(i) arrange all local educational
10 agencies in the State by per-pupil expendi-
11 tures or revenues in descending order from
12 the highest to the lowest;

13 “(ii) using per-pupil expenditures or
14 revenues as the only criteria disregard
15 those local educational agencies that are
16 spending above the 95th percentile and
17 those spending below the 5th percentile;

18 “(iii) identify the local educational
19 agency at the 95th percentile and the local
20 educational agency at the 5th percentile;

21 “(iv) subtract the amount of per-pupil
22 expenditures or revenues of the local edu-
23 cational agency at the 5th percentile from
24 the amount of per-pupil expenditures or
25 revenues of the local educational agency at

1 the 95th percentile and divide the dif-
2 ference by the per-pupil expenditures or
3 revenues of the local educational agency at
4 the 5th percentile; and

5 “(v) take into account the extent to
6 which a program of State aid reflects the
7 additional cost of providing free public
8 education in particular types of local edu-
9 cational agencies such as those that are
10 geographically isolated, or to particular
11 types of students, such as children with
12 disabilities.

13 “(C) NEW STATES APPLICANTS.—

14 “(i) IN GENERAL.—For purposes of
15 paragraph (1), a program of State aid for
16 any State equalizing under this section
17 after fiscal year 2006 equalizes expendi-
18 tures among local educational agencies if,
19 in the second fiscal year preceding the fis-
20 cal year for which the determination is
21 made, the amount of per-pupil expendi-
22 tures made by, or per pupil revenues avail-
23 able to, the local educational agency in the
24 State with the highest such per-pupil ex-
25 penditures or revenues did not exceed the

1 amount of such per-pupil expenditures
2 made by, or per-pupil revenues available
3 to, the local educational agency in the
4 State with the lowest such expenditures or
5 revenues by more than 10 percent as cal-
6 culated under clause (ii).

7 “(ii) OTHER FACTORS.—In making a
8 determination under this subparagraph,
9 the Secretary notwithstanding regulations
10 in use prior to the enactment of this Act
11 shall—

12 “(I) arrange all local educational
13 agencies in the State by per pupil ex-
14 penditures or revenues in descending
15 order from the highest to the lowest;

16 “(II) using per-pupil expendi-
17 tures or revenues as the only criteria
18 disregard those local educational
19 agencies that are spending above the
20 95th percentile and those spending
21 below the 5th percentile;

22 “(III) identify the local edu-
23 cational agency at the 95th percentile
24 and the local educational agency at
25 the 5th percentile;

1 “(IV) subtract the amount of
2 per-pupil expenditures or revenues of
3 the local educational agency at the
4 5th percentile from the amount of
5 per-pupil expenditures or revenues of
6 the local educational agency at the
7 95th percentile and divide the dif-
8 ference by the per-pupil expenditures
9 or revenues of the local educational
10 agency at the 5th percentile; and

11 “(V) take into account the extent
12 to which a program of State aid re-
13 flects the additional cost of providing
14 free public education in particular
15 types of local educational agencies,
16 such as those that are geographically
17 isolated, or to particular types of stu-
18 dents, such as children with disabil-
19 ities.”; and

20 (3) in subsection (d)(2)—

21 (A) by striking “A State” and inserting
22 the following:

23 “(A) IN GENERAL.—A State”; and

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

1 “(B) STATES THAT ARE NOT EQUALIZED
 2 STATES.—A State that has not been approved
 3 as an equalized State under subsection (b) shall
 4 not consider funds received under section 8002
 5 or section 8003 of this title in any State for-
 6 mula or place a limit or direct the use of such
 7 funds or consider such funds.”.

8 **SEC. 9. DEFINITIONS.**

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

11 (1) in paragraph (1) by striking “and Marine
 12 Corps” and inserting “Marine Corps, and Coast
 13 Guard”;

14 (2) in paragraph (4)—

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

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

20 (3) in paragraph (5)(A)(iii)—

21 (A) by amending subclause (II) to read as
 22 follows:

23 “(II) used to provide housing for
 24 homeless children at closed military
 25 installations pursuant to section 501

1 of the McKinney-Vento Homeless As-
2 sistance Act (42 U.S.C. 11411);” and

3 (B) by amending subclause (III) to read as
4 follows:

5 “(III) used for affordable hous-
6 ing assisted under the Native Amer-
7 ican Housing Assistance and Self-De-
8 termination Act of 1996 (25 U.S.C.
9 4101 et seq.); or”;

10 (4) in paragraph (5)(A), by adding at the end
11 the following:

12 “(VI) exempt of taxation real
13 property and personal property identi-
14 fied by a local governmental entity, in-
15 cluding State government, if upon
16 such property resides a child whose
17 parents or guardians are certified to
18 live on such property is considered to
19 meet the eligibility requirements of
20 section 151.4 of part 150 of sub-
21 chapter H of title 25, Code of Federal
22 Regulations; or”;

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

25 (6) in paragraph (9)—

1 (A) by amending subparagraph (A) to read
2 as follows:

3 “(A) IN GENERAL.—Except as provided in
4 subparagraph (C), the term ‘local educational
5 agency’—

6 “(i) means a board of education or
7 other legally constituted local school au-
8 thority having administrative control and
9 direction of free public education in a
10 county, township, independent school dis-
11 trict, or other school district; and

12 “(ii) includes any State agency that
13 directly operates and maintains facilities
14 for providing free public education; that
15 except for those local educational agencies
16 determined to be eligible to receive a pay-
17 ment under section 8003 prior to the date
18 of the enactment of the Local Taxpayer
19 Relief Act, when submitting an application
20 under this title for the first time on or
21 after the date of the enactment of such
22 Act, has the authority to tax and has
23 boundaries as defined by applicable State
24 law for the purposes of levying such taxes,
25 or has been granted the authority to re-

1 ceive an imputed tax from a city, county,
 2 township, or other general purpose political
 3 subdivision of a State.”; and

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

6 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

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

9 (1) in subsection (a), by striking “appro-
 10 priated” and all the follows through the period at
 11 the end and inserting “appropriated \$66,813,000 for
 12 each of fiscal years 2016 through 2021.”;

13 (2) in subsection (b), by striking “appro-
 14 priated” and all the follows through the period at
 15 the end and inserting “appropriated \$1,151,233,000
 16 for each of fiscal years 2016 through 2021.”;

17 (3) in subsection (c), by striking “appro-
 18 priated” and all the follows through the period at
 19 the end and inserting “appropriated \$48,316,000 for
 20 each of fiscal years 2016 through 2021.”;

21 (4) by redesignating subsection (e) as sub-
 22 section (d);

23 (5) in subsection (d) (as so redesignated by
 24 paragraph (4)), by striking “appropriated” and all
 25 the follows through the period at the end and insert-

1 ing “appropriated \$17,406,000 for each of fiscal
2 years 2016 through 2021.”;

3 (6) by redesignating subsection (f) as sub-
4 section (e);

5 (7) in subsection (e) (as so designated by para-
6 graph (6)), by striking “appropriated” and all the
7 follows through the period at the end and inserting
8 “appropriated \$4,835,000 for each of fiscal years
9 2016 through 2021.”; and

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

11 “(f) ALLOCATION OF DOLLARS FROM PREVIOUS FIS-
12 CAL YEARS.—When final payments are made for a fiscal
13 year the Secretary shall add any remaining funds to those
14 funds appropriated for such section for the next fiscal year
15 for the purpose of making payments subject to the provi-
16 sions of the applicable section.”.

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

18 (a) SUBPART 20 OF PART D OF TITLE V.—Subpart
19 15 (20 U.S.C. 7281 et seq.) of part D of title V of that
20 Act (relating to additional assistance for certain local edu-
21 cational agencies impacted by Federal property acquisi-
22 tion) is repealed.

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

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

2 (A) in subsection (e)(1)(B)(i), by striking
3 “involved, or if” and inserting “involved or, if”;
4 and

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

7 (2) in section 8008(a) (20 U.S.C. 7708(a)), by
8 striking “section 8014(f)” and inserting “section
9 8014(e)”;

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

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

13 (B) in subsection (c)(1)—

14 (i) in subparagraph (A), by striking
15 “paragraph (3)” and inserting “paragraph
16 (2)”;

17 (ii) in subparagraph (B), by striking
18 “paragraph (3)” and inserting “paragraph
19 (2)”;

20 (4) in section 8011(a) (20 U.S.C. 7711 (a)), by
21 striking “or under” and all that follows through “of
22 1994)”.

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