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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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Local Taxpayer Relief Act''.

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

Section 563(c) of National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 1748; 20 U.S.C. 6301 note) (also known as the ''Impact

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

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

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

SEC. 3. PURPOSE.

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

SEC. 4. PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

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

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

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

''(g) FORMER DISTRICTS.—

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

former school districts, the local educational agency may elect to have the Secretary determine its eligibility and any amount for which the local educational agency is eligible under this section for any fiscal year on the basis of one or more of those former districts, as designated by the local educational agency.

"(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—A local educational agency referred to in paragraph (1) is—

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

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

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

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

"(ii) for fiscal year 2014 and any subsequent fiscal year, the local educational agency includes the designation in its application under section 8005 or any timely amendment to such application.

"(3) AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law limiting the period during which the Secretary may obligate funds appropriated for any fiscal year after 2005, the Secretary may obligate funds remaining after final payments have been made from any of such fiscal years to carry out this subsection.";

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

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

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

(c) EFFECTIVE DATE.—Notwithstanding the date of enactment of this Act, the amendments made by this section shall apply to applications submitted for fiscal year 2010 and all succeeding fiscal years.

SEC. 5. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.

Section 8003 of that Act (20 U.S.C. 7703) is amended—

(1) in subsection (a)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by inserting after ''such agency,'' the following: ''including those children enrolled in a State that has a State open enrollment policy (but not including those children enrolled in a distance learning program not residing within the defined boundaries of the agency),''; and

(B) in paragraph (5)(A), by striking ''to be'' and all the follows through ''situated'' and inserting the following: ''or under lease of off-base property under subchapter IV of chapter 169 of title 10, United States Code, to be children described under paragraph (1)(B) if the property described is within the fenced security perimeter of the military facility or attached to and under any type of force protection agreement with the military installation upon which such housing is situated.'';

(2) in subsection (b)(2)—

(A) in subparagraph (B)—

(i) in the subparagraph heading by striking "CONTINUING";

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

"(i) IN GENERAL.—A heavily impacted local educational agency is eligible to receive a basic support payment under subparagraph (A) with respect to a number of children determined under subsection (a)(1) if the agency—

"(I) is a local educational agency whose boundaries are the same as a Federal military installation or the boundaries are the same as island property designated by the Secretary of the Interior to be property that is held in trust by the Federal Government and the agency has no taxing authority;

"(II) is a local educational agency—

"(aa) that has an enrollment of children described in subsection (a)(1) that constitutes a percentage of the total student

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

"(bb) that has a per-pupil expenditure that is less than—

"(AA) for an agency that has a total student enrollment of 500 or more students, 125 percent of the average per-pupil expenditure of the State in which the agency is located; or

"(BB) for an agency that has a total student enrollment of less than 500, 150 percent of the average per-pupil expenditure of the State in which the agency is located, or the average per pupil expenditure of 3 or more comparable local educational agencies in the State in which the agency is located; and

"(cc) that is an agency that—

"(AA) has a tax rate for general fund purposes that is at least 95 percent of the average tax rate for general fund purposes of comparable local educational agencies in the State; or

"(BB) was eligible to receive a payment under this subsection for fiscal year 2013 and is located in a State that by State law has eliminated ad valorem tax as a revenue source for local educational agencies;

"(III) is a local educational agency that has a total student enrollment of not less than 25,000 students, of which not less than 50 percent are children described in subsection (a)(1) and not less than 5,500 of such children are children described in subparagraphs (A) and (B) of subsection (a)(1); or

"(IV) is a local educational agency that was eligible for and received a payment under this paragraph in fiscal year 2012 and—

"(aa) has an enrollment of children described in subsection (a)(1) that constitutes a percentage of the total student enrollment of the agency that is not less than 20 percent;

"(bb) for the 3 fiscal years preceding the fiscal year for which the determination is made, the average enrollment of children who are not described in subsection (a)(1) and who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act constitutes a percentage of the total student enrollment of the agency that is not less than 65 percent; and

"(cc) has a tax rate for general fund purposes which is not

less than 1.25 percent of the average tax rate for general fund purposes for comparable local educational agencies in the State.";

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

"(ii) LOSS OF ELIGIBILITY.—

"(I) IN GENERAL.—Subject to subclause (II), a heavily impacted local educational agency that met the requirements of clause (i) for a fiscal year shall be ineligible to receive a basic support payment under subparagraph (A) if the agency fails to meet the requirements of clause (i) for a subsequent fiscal year, except that such agency shall continue to receive a basic support payment under this paragraph for the fiscal year for which the ineligibility determination is made.

"(II) EXCEPTION.—For a local educational agency that is eligible under subparagraph (A) but whose

tax rate for general fund purposes falls below 95 percent of the average tax rate for general fund purposes of local educational agencies in the State for two consecutive years shall lose its eligibility and be subject to subclause (I).'';

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

''(iii) APPLICATION.—With respect to the first year for which a heavily impacted local educational agency described in clause (i) applies for a basic support payment under subparagraph (A), or with respect to the first fiscal year for which a heavily impacted local educational agency applies for a basic support payment under subparagraph (A) after becoming ineligible under clause (i) for 1 or more preceding fiscal years, the agency shall apply for such payment at least 1 year prior to the start of that fiscal year.''; and

(v) by adding at the end the following 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-

cational agency is eligible to receive under this paragraph for any fiscal year is the sum of the total weighted student units, as computed under subsection (a)(2) and subject to clause (ii), multiplied by the greater of—

"(I) four-fifths of the average per-pupil expenditure of the State in which the local educational agency is located for the third fiscal year preceding the fiscal year for which the determination is made; or

"(II) four-fifths of the average per-pupil expenditure of all of the States for the third fiscal year preceding the fiscal year for which the determination is made.

"(ii) SPECIAL RULE.—(I)(aa) For a local educational agency with respect to which 35 percent or more of the total student enrollment of the schools of the agency are children described in subparagraph (D) or (E) (or a combination thereof) of subsection (a)(1), and has an enrollment of children described in subparagraph (A),

(B), or (C) of such subsection equal to at least 10 percent of the agency's total enrollment, the Secretary shall calculate the weighted student units of those children described in subparagraph (D) or (E) of such subsection by multiplying the number of such children by a factor of 0.55.

"(bb) For any local educational agency that received a payment under this clause in fiscal year 2012, the local educational agency shall not be required to have an enrollment of children described in subparagraph (A), (B), or (C) of such subsection equal to at least 10 percent of the agency's total enrollment.

"(II) For a local educational agency that has an enrollment of 100 or fewer children described in subsection (a)(1), the Secretary shall calculate the total number of weighted student units for purposes of subsection (a)(2) by multiplying the number of such children by a factor of 1.75.

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

rollment of more than 100 but not more than 1,000 children described in subsection (a)(1), the Secretary shall calculate the total number of weighted student units for purposes of subsection (a)(2) by multiplying the number of such children by a factor of 1.25.";

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

"(D) MAXIMUM AMOUNT FOR LARGE HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—(i)(I) Subject to clause (ii), the maximum amount that a heavily impacted local educational agency described in subclause (II) is eligible to receive under this paragraph for any fiscal year shall be determined in accordance with the formula described in paragraph (1)(C).

"(II) A heavily impacted local educational agency described in this subclause is a local educational agency that has a total student enrollment of not less than 25,000 students, of which not less than 50 percent are children described in subsection (a)(1) and not less than 5,500 of such children are children described in

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

"(ii) For purposes of calculating the maximum amount described in clause (i), the factor used in determining the weighted student units under subsection (a)(2) with respect to children described in subparagraphs (A) and (B) of subsection (a)(1) shall be 1.35.";

(D) by striking subparagraph (E);

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

(F) in subparagraph (E) (as so redesignated by subparagraph (G))—

(i) by striking clause (ii);

(ii) by striking "; and" at the end of clause (i) and inserting a period; and

(iii) by striking "the Secretary" and all that follows through "shall use" and inserting "the Secretary shall use";

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

(H) in subparagraph (F) (as so redesignated by subparagraph (I), in the matter preceding clause (i), by striking "(C)(i)(II)(bb)" and inserting "(B)(i)(II)(bb)(BB)";

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

(J) in subparagraph (G) (as so redesignated by subparagraph (K)—

(i) in clause (i)—

(I) by striking ''(B), (C), (D). or (E),'' and inserting ''(B), (C), or (D),'';

(II) by striking ''by reason of'' and inserting ''due to'';

(III) by inserting after ''clause (iii),'' the following: ''or as the direct result of base realignment and closure or modularization as determined by the Secretary of Defense and force structure change or force relocation,''; and

(IV) by inserting before the period at the end the following: ''or during such time as activities associated with base closure and realignment, modularization, force structure change, or force relocation is ongoing''; and

(ii) in clause (ii), by striking ''(D) or (E)'' in both places such term appears and inserting ''(C) or (D)'';

(3) in subsection (b)(3)(B)—

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

(B) by inserting after clause (iii) the following:

''(iv) For any local educational agency that is providing a program of distant learning to children not residing within the legally defined boundaries of the agency, the Secretary shall disregard such children from such agency's total enrollment when calculating the percentage under subclause (I) of clause (i) and shall disregard any funds received for such children when calculating the total current expenditures attributed to the operation of such agency when calculating the percentage under subclause (II) of clause (i).'';

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

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

"(D) RATABLE DISTRIBUTION.—For any fiscal year described in subparagraph (A) for which the sums available exceed the amount required to pay each local educational agency 100 percent of its threshold payment the Secretary shall distribute the excess sums to each eligible local educational agency that has not received its full amount computed under paragraph (1) or (2) (as the case may be) by multiplying—

"(i) a percentage, the denominator of which is the difference between the full amount computed under paragraph (1) or (2) (as the case may be) for all local educational agencies and the amount of the threshold payment as calculated under subparagraphs (B) and (C) of all local educational agencies, and the numerator of which is the aggregate amount of the excess sums by—

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

as calculated under subparagraphs (B) and (C) of the agency.";

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

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

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

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

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

"(I) subparagraph (A), (B), (C), or (D) of subsection (a)(1); or

"(II) subparagraph (F) or (G) of subsection (a)(1), but only to the extent such children are civilian dependents of employees of the Department

of Defense or the Department of Interior; and

"(ii) that is the direct result of closure or realignment of military installations under the base closure process or the relocation of members of the Armed Forces and civilian employees of the Department of Defense as part of force structure changes or movements of units or personnel between military installations or because of actions initiated by the Secretary of Interior or head of another Federal agency; and

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

"(i) of not less than 10 percent, or 100 students, of children described in subsection (a)(1); and

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

(7) by amending subsection (e) to read as follows:

"(e) HOLD HARMLESS.—

"(1) IN GENERAL.—The total amount the Secretary shall pay a local education agency under subsection (b)—

"(A) beginning in fiscal year 2016 and for any fiscal year thereafter in which a local educational agency's payment is reduced by an amount greater than $5,000,000 or 20 percent from the amount received in the previous fiscal year, the Secretary shall pay a local educational agency for each of the 3 years following the reduction under subsection (b)—

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

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

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

"(2) RATABLE REDUCTION.—

"(A) IN GENERAL.—If the sums made available under this title for any fiscal year are insufficient to pay the full amounts that all local educational agencies in all States are eligible to receive under paragraph (1) for such year, then the Secretary shall ratably reduce the payments to all such) agencies for such year.

"(B) ADDITIONAL FUNDS.—If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subparagraph (A) shall be increased on the same basis as such payments were reduced."; and

(8) by striking subsection (g).

SEC. 6. APPLICATION FOR PAYMENTS UNDER SECTIONS 8002 AND 8003.

Section 8005 of that Act (20 U.S.C. 7705) is amended by adding at the end the following:

"(e) STUDENT COUNT.—For the purpose of meeting the requirements of section 222.35 of the Code of the Federal Regulations, the Secretary shall establish a third option for an applicant when counting its federally connected children by using the date established by the applicant to register the students of such applicant for the fiscal year for which the application is filed.".

SEC. 7. CONSTRUCTION.

Section 8007 of that Act (20 U.S.C. 7707) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "40 percent" and inserting "80 percent";

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

"(C) The agency is eligible under section 8003(b)(2) or is receiving a basic support payment under circumstances described in section 8003(b)(2)(B)(ii).''; and

(C) by striking paragraph (3) and inserting the following:

"(3) AMOUNT OF PAYMENTS.—

"(A) LOCAL EDUCATION AGENCIES IMPACTED BY MILITARY DEPENDENT CHILDREN.—The amount of a payment to each local

educational agency described in this subsection that is impacted by military dependent children 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 subparagraphs (B) and (D)(i) of section (8003)(a)(1) who were in average daily attendance for all local educational agencies described in paragraph (2), including the number of children attending a school facility described in section 8008(a) if the Secretary does not provide assistance for the school facility under that section for the fiscal year; 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.

"(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)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking ''60 percent'' and inserting ''20 percent'';

(B) in paragraph (3)(A), in the matter preceding clause (i), by inserting after ''an emergency grant under paragraph (2)(A)'' the following: ''if the agency is covered by paragraph (7), or'';

(C) in paragraph (3)(C)(i)(I), by striking ''the agency meets at least one'' and all that follows through the period at the end and inserting ''the number of children determined under section 8003(a)(1)(C) for the agency for the preceding school year constituted at least 40 percent of the total student enrollment in the schools of the agency during the preceding school year.'';

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

''(II) The number of children determined under section 8003(a)(1)(C) for the school for the preceding school year constituted at least 40 percent of the total student enrollment in the

school during the preceding school year.";

(E) in paragraph (4)(C), by striking "(A), (B), (C), and (D)" and inserting "(A) and (C)";

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

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

"(7) SPECIAL RULE.—Notwithstanding paragraphs (3)(C)(i)(I) and (3)(D)(ii)(II), a local educational agency is eligible to receive a grant under this subsection not to exceed $4,000,000 in any one fiscal year if such agency—

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

"(B) has had an overall increase in enrollment—

"(i) during the period between the end of the school year preceding the fiscal year for which the application is made and the beginning of the school year immediately preceding that school year;

"(ii) of not less than 250 students or 10 percent (whichever is lower), are children described in—

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

"(II) subparagraph (F) or (G) of section 8003(a)(1), but only to the extent such children are civilian dependents of employees of the Department of Defense; and

"(iii) that is the direct result of one or more of the following:

"(I) Base realignment and closure or global rebasing, as determined by the Secretary of Defense.

"(II) Force structure changes or force reductions.

"(III) An action initiated by the Secretary of Interior or head of another Federal agency.".

SEC. 8. STATE CONSIDERATION OF PAYMENTS IN PROVIDING STATE AID.

Section 8009 of that Act (20 U.S.C. 7709) is amended—

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

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

''(2) COMPUTATION.—

''(A) STATE CURRENTLY QUALIFYING.—

''(i) IN GENERAL.—For purposes of paragraph (1), a program of State aid for any State qualifying under this section for fiscal year 2006 equalizes expenditures among local educational agencies if, in the second fiscal year preceding the fiscal year for which the determination is made the amount of per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local edu-

cational agency in the State with the lowest such expenditures or revenues by more than 25 percent as calculated under clause (ii).

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

"(i) arrange all local educational agencies in the State by per-pupil expenditures or revenues in descending order from the highest to the lowest;

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

"(iii) identify the local educational agency at the 95th percentile and the local educational agency at the 5th percentile;

"(iv) subtract the amount of per-pupil expenditures or revenues of the local educational agency at the 5th percentile from the amount of per-pupil expenditures or revenues of the local educational agency at

the 95th percentile and divide the difference by the per-pupil expenditures or revenues of the local educational agency at the 5th percentile; and

"(v) take into account the extent to which a program of State aid reflects the additional cost of providing free public education in particular types of local educational agencies such as those that are geographically isolated, or to particular types of students, such as children with disabilities.

"(C) NEW STATES APPLICANTS.—

"(i) IN GENERAL.—For purposes of paragraph (1), a program of State aid for any State equalizing under this section after fiscal year 2006 equalizes expenditures among local educational agencies if, in the second fiscal year preceding the fiscal year for which the determination is made, the amount of per-pupil expenditures made by, or per pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the

amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the lowest such expenditures or revenues by more than 10 percent as calculated under clause (ii).

"(ii) OTHER FACTORS.—In making a determination under this subparagraph, the Secretary notwithstanding regulations in use prior to the enactment of this Act shall—

"(I) arrange all local educational agencies in the State by per pupil expenditures or revenues in descending order from the highest to the lowest;

"(II) using per-pupil expenditures or revenues as the only criteria disregard those local educational agencies that are spending above the 95th percentile and those spending below the 5th percentile;

"(III) identify the local educational agency at the 95th percentile and the local educational agency at the 5th percentile;

"(IV) subtract the amount of per-pupil expenditures or revenues of the local educational agency at the 5th percentile from the amount of per-pupil expenditures or revenues of the local educational agency at the 95th percentile and divide the difference by the per-pupil expenditures or revenues of the local educational agency at the 5th percentile; and

"(V) take into account the extent to which a program of State aid reflects the additional cost of providing free public education in particular types of local educational agencies, such as those that are geographically isolated, or to particular types of students, such as children with disabilities."; and

(3) in subsection (d)(2)—

(A) by striking "A State" and inserting the following:

"(A) IN GENERAL.—A State"; and

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

"(B) STATES THAT ARE NOT EQUALIZED STATES.—A State that has not been approved as an equalized State under subsection (b) shall not consider funds received under section 8002 or section 8003 of this title in any State formula or place a limit or direct the use of such funds or consider such funds.".

SEC. 9. DEFINITIONS.

Section 8013 of that Act (20 U.S.C. 7713) is amended—

(1) in paragraph (1) by striking "and Marine Corps" and inserting "Marine Corps, and Coast Guard";

(2) in paragraph (4)—

(A) in the first sentence thereof, by striking "part (A) of title I and title VI" and inserting "title I and part A of title V"; and

(B) in the second sentence, by striking "be determined" and inserting "be made";

(3) in paragraph (5)(A)(iii)—

(A) by amending subsclause (II) to read as follows:

"(II) used to provide housing for homeless children at closed military installations pursuant to section 501

of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411);''; and

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

''(III) used for affordable housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); or'';

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

''(VI) exempt of taxation real property and personal property identified by a local governmental entity, including State government, if upon such property resides a child whose parents or guardians are certified to live on such property is considered to meet the eligibility requirements of section 151.4 of part 150 of subchapter H of title 25, Code of Federal Regulations; or'';

(5) in paragraph (8)(A), by inserting commas before and after ''and verified by''; and

(6) in paragraph (9)—

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

"(A) IN GENERAL.—Except as provided in subparagraph (C), the term 'local educational agency'—

"(i) means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent school district, or other school district; and

"(ii) includes any State agency that directly operates and maintains facilities for providing free public education; that except for those local educational agencies determined to be eligible to receive a payment under section 8003 prior to the date of the enactment of the Local Taxpayer Relief Act, when submitting an application under this title for the first time on or after the date of the enactment of such Act, has the authority to tax and has boundaries as defined by applicable State law for the purposes of levying such taxes, or has been granted the authority to re-

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

(B) in subparagraph (B), by inserting a comma after ''Secretary determines''.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

Section 8014 of that Act (20 U.S.C. 7714) is amended—

(1) in subsection (a), by striking ''appropriated'' and all the follows through the period at the end and inserting ''appropriated $66,813,000 for each of fiscal years 2016 through 2021.'';

(2) in subsection (b), by striking ''appropriated'' and all the follows through the period at the end and inserting ''appropriated $1,151,233,000 for each of fiscal years 2016 through 2021.'';

(3) in subsection (c), by striking ''appropriated'' and all the follows through the period at the end and inserting ''appropriated $48,316,000 for each of fiscal years 2016 through 2021.'';

(4) by redesignating subsection (e) as subsection (d);

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

ing "appropriated $17,406,000 for each of fiscal years 2016 through 2021.";

(6) by redesignating subsection (f) as subsection (e);

(7) in subsection (e) (as so designated by paragraph (6)), by striking "appropriated" and all the follows through the period at the end and inserting "appropriated $4,835,000 for each of fiscal years 2016 through 2021."; and

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

"(f) ALLOCATION OF DOLLARS FROM PREVIOUS FISCAL YEARS.—When final payments are made for a fiscal year the Secretary shall add any remaining funds to those funds appropriated for such section for the next fiscal year for the purpose of making payments subject to the provisions of the applicable section.".

SEC. 11. ADDITIONAL AND CONFORMING AMENDMENTS.

(a) SUBPART 20 OF PART D OF TITLE V.—Subpart 15 (20 U.S.C. 7281 et seq.) of part D of title V of that Act (relating to additional assistance for certain local educational agencies impacted by Federal property acquisition) is repealed.

(b) TITLE VIII.—Title VIII of Elementary and Secondary Education Act (20 U.S.C. 7701 et seq.) is further amended—

(1) in section 8004 (20 U.S.C. 7704)—

(A) in subsection (e)(1)(B)(i), by striking ''involved, or if'' and inserting ''involved or, if''; and

(B) in subsection (f), by striking ''upon'' and inserting ''on'';

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

(3) in section 8010 (20 U.S.C. 7710)—

(A) in subsection (b), by striking out ''require'' and inserting in lieu thereof ''need''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A), by striking ''paragraph (3)'' and inserting ''paragraph (2)''; and

(ii) in subparagraph (B), by striking ''paragraph (3)'' and inserting ''paragraph (2)''; and

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

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