S. 2006, as the day of a National Vigil for Lost Promise.

S. RES. 493

At the request of Mr. DeWine, the name of the Senator from New York (Mrs. Clinton) was added as a cosponsor of S. Res. 493, a resolution calling on the Government of the United Kingdom to establish immediately a full, independent, public judicial inquiry into the murder of Northern Ireland defense attorney Pat Finucane, as recommended by international Judge Peter Cory as part of the Weston Park agreement and a way forward for the Northern Ireland Peace Process.

AMENDMENT NO. 4293

At the request of Mr. Kerry, the name of the Senator from California (Mrs. Boxer) was added as a cosponsor of amendment No. 4293 intended to be proposed to S. 2766, an original bill to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4295

At the request of Mr. Lautenberg, the names of the Senator from Michigan (Ms. Stabenow), the Senator from New Mexico (Mr. Bingaman), the Senator from Iowa (Mr. Harkin), the Senator from Arkansas (Mrs. Lincoln), the Senator from New Jersey (Mr. Menendez), the Senator from Maryland (Ms. Mikulski), the Senator from Louisiana (Ms. Landrieu), the Senator from Connecticut (Mr. Lieberman), the Senator from Massachusetts (Mr. Kerry) and the Senator from Washington (Ms. Murray) were added as cosponsors of amendment No. 4295 proposed to S. 2766, an original bill to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4296

At the request of Mr. Lugar, the name of the Senator from Delaware (Mr. Biden) was added as a cosponsor of amendment No. 4296 intended to be proposed to S. 2766, an original bill to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 4298

At the request of Mr. Warner, the name of the Senator from Alabama (Mr. Sessions) was added as a cosponsor of amendment No. 4298 intended to be proposed to S. 2766, an original bill to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

STATMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. Voinovich: S. 3492. A bill to strengthen performance management in the Federal Government, to make the annual general pay increase for Federal employees contingent upon performance, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. Voinovich. Mr. President, I rise today to introduce the Federal Workforce Performance Appraisal and Management Improvement Act. Before I describe for my colleagues the details of this legislation, I would like to provide background on why I believe it is important for Congress to consider legislation reforming the performance appraisal process.

My interest in the federal workforce began after working with the Federal Government for 18 years as an outside force, 10 years as mayor of Cleveland and 8 years as Governor of Ohio. Through my work as chairman of the Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia, I continue to observe that investing in personnel and workforce management; in fact, management in general, struggling to be a priority in the Federal Government. My own experience as county auditor, county commissioner, mayor, and governor has taught me that, of all the things in which government can invest, resources dedicated to human capital bring the greatest return.

I continue to applaud the current administration for its systematic approach to improving and scrutinizing the management of the Federal Government through the President's Management Agenda and its related scorecard. Each year, the administration raises the bar as what earns an agency a green, or successful, rating. One of the criteria used to evaluate a department or agency for strategic management of human capital this year is demonstrating a strong performance appraisal system for the Senior Executive Service, agency managers, and 60 percent of the workforce. I believe that an effective performance management system is fundamental to building a results-oriented organization. By developing a system where employees have regular discussions with their supervisors about expectations for their performance, both employees and supervisors will be more effective in achieving their agency's mission. The primary goal of the Federal Workforce Performance Appraisal and Management Improvement Act of 2006 is to build and maintain this environment.

This legislation would strengthen and improve the employee performance appraisal system, which now is vague and lacks requirements. While some organizations have taken steps to modernize their performance management systems and tools such as the President's Management Agenda have moved agencies in that direction, there is no comprehensive governmentwide mandate to do so. This legislation would begin the reform process by layering a modern performance management system over the existing General Schedule system.

This legislation would require that every Federal employee receive annually a written performance appraisal. That appraisal must align with the agency's strategic goals, be developed with the employee, make meaningful distinctions among employee performance, and use the results in making decisions for training, rewarding, promoting, reassigning, and removing employees.

This legislation would require the Office of Personnel Management to provide technical assistance to agencies and approve the system. The government must utilize the Office of Personnel Management's institutional expertise.

This legislation would require that managers receive the appropriate training to judge the performance of their subordinates, make expectations clear to employees, and give constructive feedback.

This legislation would stipulate that if an employee does not achieve a successful rating under the new appraisal system, then that employee would be ineligible for the annual pay increase or a within grade increase.

This legislation would provide individuals hired as senior level or senior technical to access level II of the Executive Schedule with an OPM certified performance management system, consistent with statute for the Senior Executive Service.

I am introducing this legislation because I believe that employees should receive a rigorous evaluation each year and that their pay should be determined based upon their performance. I agree with the observation that has been repeated repeatedly by Comptroller General David Walker, that the passage of time should not be the single most important factor in determining an employee's pay. Instead, it should be determined by productivity, effectiveness, and contributions of that employee.

I have implemented pay for performance before, and it can work. However,
it requires a significant commitment on behalf of managers and leaders. Instead of taking one giant bite at the apple, I believe it will be easier for Federal agencies to implement enhanced employee appraisals first. By instituting a series of small, incremental performance management improvements, the Federal government can develop a system that is more effective and equitable. Each of these improvements will build upon the previous one, allowing the government to continue improving the system without overwhelming the workforce.

I would like to stress that I intend this effort to be completely bipartisan. The proposal I have outlined here today is not set in stone, and I imagine that it will undergo many changes. We must discuss the challenges before us and ask if the rules and culture facing the U.S., from national security to global economic competitiveness to providing vital social services, can be transformed to meet the challenges of the 21st century? Once we have answered that question, we can begin to discuss how we build that workforce.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3492
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 “Federal Workforce Performance Appraisal and Management Improvement Act of 2006.”

SEC. 2. PERFORMANCE APPRAISAL SYSTEMS.
Subchapter I of chapter 43 of title 5, United States Code, is amended—
(1) by amending section 4302 to read as follows:

§ 4302. Establishment of performance appraisal systems
“(a) Subject to paragraphs (2) and (3), each agency shall establish 1 or more performance appraisal systems to promote high performance, continuous improvement, and to develop employees to take on greater responsibilities.

“(b) In designing and applying a performance appraisal system established under this subsection, each agency shall—

“(1) consider the strategic goals and annual performance plan of the agency;

“(2) involve employees in the development of their performance standards;

“(3) provide each employee with a written performance appraisal annually;

“(4) and employees with a description of meaningful distinctions in performance;

“(5) use the results of performance appraisals as a basis for training, rewarding, compensating, promoting, reducing in grade, retaining, and removing employees.

“(c) Consistent with section 4304, each performance appraisal system established under this subsection shall be developed with appropriate technical assistance from the Office of Personnel Management and shall be reviewed before implementation and from time to time thereafter by the Director of the Office to determine whether the system meets the requirements of this subchapter. The agency shall promptly take any corrective action directed by the Director of the Office at any time under section 4304 (b)(3).

“(b) Under regulations which the Director of the Office of Personnel Management shall prescribe, each performance appraisal system shall provide for—

“(1) holding supervisors and managers accountable in their performance appraisal for effectively managing the performance of employees, which will—

“(A) assessing performance;

“(B) providing ongoing feedback and preparing written performance appraisals;

“(C) addressing issues;

“(D) promoting and rewarding excellent performance;

“(2) establishing performance standards related to relevant assigned tasks for each employee or position under the system which will permit—

“(A) the accurate evaluation of performance on the basis of objective criteria, to the maximum extent feasible; and

“(B) making meaningful distinctions in performance;

“(3) communicating to each employee at the beginning of each appraisal period the performance standards and the critical elements of the employee’s position;

“(4) evaluating each employee during the appraisal period on such standards;

“(5) assisting employees in improving unacceptable performance;

“(6) reassigning or reducing in grade, or removing employees who continue to have unacceptable performance, but only after an opportunity to demonstrate acceptable performance;

“(7) establishing multiple levels of summary performance ratings which provide for making meaningful distinctions in performance, including at least—

“(A) a summary level of fully successful (or equivalent);

“(B) a summary level of unacceptable; and

“(C) a summary level above fully successful; and

“(8) recognizing and rewarding employees whose performance so warrants.”; and

(2) by amending section 4304 to read as follows:

§ 4304. Responsibilities of the Office of Personnel Management
“(a) The Office of Personnel Management shall make technical assistance available to agencies in the development of performance appraisal systems.

“(b) The Director of the Office shall review each performance appraisal system developed by any agency under this subchapter prior to its implementation and determine whether the performance appraisal system as designed meets the requirements of this subchapter.

“(c) The Director of the Office shall—

“(1) review agency performance appraisal systems developed under this subchapter from time to time after their implementation to determine the extent to which the application of any such system meets the requirements of this subchapter; and

“(2) report to the President and Congress any finding that an agency has failed to meet those requirements.

“(d) If the Director of the Office determines that a system does not meet the requirements of this subchapter (including regulations prescribed under section 4303), the Director of the Office shall direct the agency to implement an appropriate system or to correct operations under the system, and any such agency shall take any action so required.

SEC. 3. MANDATORY TRAINING PROGRAMS FOR SUPERVISORS.
“(a) In general.—Section 4121 of title 5, United States Code, is amended to read as follows:

§ 4121. Specific training programs for supervisors.
“(a) In this section, the term ‘supervisor’ means—

“(1) a supervisor as defined under section 7103(a)(10); and

“(2) any other employee as the Director of the Office may by regulation prescribe.

“(b) Under operating standards promulgated by, and in consultation with, the Director of the Office of Personnel Management, the head of each agency shall establish—

“(1) a comprehensive management succession program to provide training to employees to develop management potential; and

“(2) a program to provide training to supervisors on actions, options, and strategies a supervisor may use in—

“(A) communicating performance expectations and conducting employee performance appraisals;

“(B) mentoring employees and improving employee performance and productivity; and

“(C) dealing with employees whose performance is unacceptable; and

“(D) otherwise carrying out the duties and responsibilities of a supervisor.

“(c)(1) Not later than 1 year after the date on which an individual is appointed to the position of supervisor, and every 5 years thereafter, that individual shall be required to complete the program established under subsection (b)(2).

“(2) Each program established under subsection (b)(2) shall include provisions under which credit may be given for periods of similar training previously completed.

“(d) The Director of the Office of Personnel Management shall prescribe regulations to carry out this section.

“(e) EFFECTIVE DATE AND APPLICATION.—

“(1) In general.—The amendments made by this section shall take effect as provided under section 8 and apply to—

“(A) each individual appointed to the position of a supervisor, as defined under section 4121(a) of title 5, United States Code, (as added by subsection (a) of this section) on or after that effective date; and

“(B) each individual who is employed in the position of a supervisor on that effective date as provided under paragraph (2).

“(2) In general.—Notwithstanding subsection (e)(1), each individual who is employed in the position of a supervisor on that effective date as provided under paragraph (2) shall—

“(A) complete the program established under section 4121(b)(2) of title 5, United States Code (as added by subsection (a) of this section), not later than 3 years after the effective date of this section; and

“(B) complete that program every 5 years thereafter in accordance with section 4121(c) of such title.

SEC. 4. PAY RATES AND SYSTEMS.
Chapter 53 of title 5, United States Code, is amended—
Congressional Record — Senate

S5783

June 13, 2006

(1) in section 5303, by adding at the end the following:

"(h)(1) An employee covered under subchapter III whose summary rating of performance for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management, may not receive an increase in the rate of basic pay of that employee as the result of an adjustment under this section. The Director shall prescribe the regulations necessary to carry out this subsection, including rules regarding the treatment of an employee whose rate of basic pay falls below the minimum rate of basic pay for the appropriate step in the employee's grade (or between steps of a grade) and the treatment of an employee whose performance subsequently improves.

(2) When a determination is made that an employee covered under subchapter III will not receive an increase in the rate of basic pay of that employee because the employee's summary rating of performance for the most recently completed appraisal period is below the fully successful level, the employee is entitled to prompt written notice of that determination and an opportunity for reconsideration, as provided in the procedures prescribed by the Director of the Office of Personnel Management. Such an employee is entitled to appeal to the Merit Systems Protection Board under the same terms and conditions as specified in subsection (a).

(3) in section 5304, by adding subsection (f)(1) to read as follows:

"(f)(1) A schedule of special rates established under this section is adjusted in accordance with conversion rules prescribed by the Director of the Office of Personnel Management (or by such other agency as the President designates under the last sentence of subsection (a)(1))."

(2) The conversion rules prescribed under paragraph (1), shall provide that a covered employee whose summary rating of performance for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management, may not receive an increase in the special rate of that employee as the result of an adjustment under subsection (d). The Director shall prescribe the regulations necessary to carry out this subsection, including rules regarding the treatment of an employee whose rate of basic pay falls below the minimum rate of basic pay for the appropriate step in the employee's grade (or between steps of a grade) and the treatment of an employee whose performance subsequently improves. The rules may provide for reducing an employee's rate of basic pay to the extent necessary to prevent any increase in the employee's special rate. Such a reduction in an employee's base rate of basic pay shall not be considered a reduction in pay for the purpose of applying the adverse action procedures in section 7512.

(3) When a determination is made that a covered employee will not receive an increase in the special rate of that employee under this subsection because the employee's summary rating of performance for the most recently completed appraisal period is below the fully successful level, the employee is entitled to prompt written notice of that determination and an opportunity for reconsideration of the determination within the agency, as specified in the procedures prescribed by the Director under section 5335(c).

(4) in section 5335—

(a) in subsection (a) by amending subparagraph (B) to read as follows:

"(B) the employee's summary rating of performance for the most recently completed appraisal period is below the fully successful level, the employee is entitled to appeal to the Merit Systems Protection Board under the same terms and conditions as specified in subsection (a)."

(b) in subsection (b), by adding at the end the following:

"(3) A prevailing rate employee under a supervisory wage schedule and special wage schedules authorized under section (c)(3) may have single or multiple rates or steps according to prevailing practices in the industry on which the schedule is based. A prevailing rate employee under a supervisory or special wage schedule with multiple rates or steps whose summary rating for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management, may not be advanced to the next higher step within the grade under paragraph (2) or (4). Such an employee is entitled to prompt written notice of the determination not to increase the pay of that employee and an opportunity for reconsideration of the determination within the agency under uniform procedures prescribed by the Director of the Office of Personnel Management. If the determination is affirmed, the employee is entitled to appeal to the Merit Systems Protection Board. If the reconsideration or appeal results in a reversal of the earlier determination, the new determination supersedes the earlier determination and is deemed to have been made as of the date of the earlier determination. The authority to prescribe the procedures and the entitlement of the employee to appeal to the Board do not apply to a determination made by the Librarian of Congress.

(4) Notwithstanding any other provision of law, an employee may grieve or appeal the first pay determination under this paragraph or under section 5303(h), 5305(f), or 5383(b)(2)(C) that is based on the employee's most recent summary rating of performance. An employee may not grieve or appeal any subsequent pay determination made that is based on the same summary rating of performance; and

(5) by adding section 5338 to read as follows:

"§5338. Regulations

"The Director of the Office of Personnel Management may prescribe regulations necessary for the administration of this subchapter. Such regulations shall address how an employee whose rate of basic pay is not equal to 1 of the scheduled step rates or equal to any wage schedule whose summary rating of performance for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management, may not receive an increase in the rate of basic pay of that employee as the result of an adjustment under this subchapter. The Director may prescribe such regulations by amending subsection (c), including rules regarding the treatment of an employee whose rate of basic pay falls below the minimum rate of basic pay for the appropriate step in the employee's grade (or between steps of a grade) and the treatment of an employee whose performance subsequently improves."

(2) by adding at the end the following:

"(g)(1) An employee covered under this subchapter whose summary rating of performance for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management, may not receive an increase in the rate of basic pay of that employee as the result of an adjustment under this subchapter. The Director may prescribe such regulations by amending subsection (c), including rules regarding the treatment of an employee whose rate of basic pay falls below the minimum rate of basic pay for the appropriate step in the employee's grade (or between steps of a grade) and the treatment of an employee whose performance subsequently improves."

("(3) in section 5343 (relating to prevailing rate wage systems)—

(A) in subsection (e)—
‘‘(2) When a determination is made that a covered employee will not receive an increase in the rate of basic pay of that employee at the time of an adjustment in a wage scale or the employment system summary rating of performance for the most recently completed appraisal period is below the fully successful level, the employee is entitled to prompt written notice of that determination and an opportunity for reconsideration of the determination within the agency, as specified in the procedures prescribed by the Office of Personnel Management under subsection (e)(5). If the determination is affirmed on reconsideration, the employee is entitled to have the rate of basic pay under the Merit Systems Protection Board under the same terms and conditions as specified under subsection (e)(5).’’.

7. Section 5383(c)(2) (relating to paying retention) —
(A) in subparagraph (B) by striking ‘‘A rate of basic pay established under paragraph (4) to an agency with an applicable maximum rate of pay prescribed under paragraph (4) to an agency with an applicable maximum rate of pay prescribed under paragraph (4)(B)’’ and inserting ‘‘A rate of basic pay established under paragraph (4)(B) to an agency with an applicable maximum rate of pay prescribed under paragraph (4)(B)’’.

8. Section 5384(c) of title 5, United States Code, is amended to read as follows:—
‘‘(2) A rate of basic pay established under paragraph (4)(B) may not be increased under subparagraph (B) if the employee’s summary rating of performance for the most recently completed appraisal period is below the fully successful level, as defined by the Director of the Office of Personnel Management. The Director shall prescribe such rules as may be necessary to administer this subsection, including rules pertaining to the treatment of an employee whose performance subsequently improves.’’

9. In the case of an agency which, under section 5376(b) of title 5, United States Code, as amended by section 4 of this Act, is further amended—
(1) in paragraph (1), by amending subparagraph (B) to read as follows:
‘‘(B) subject to paragraph (4), not greater than the rate of basic pay payable for level III of the Executive Schedule,’’ and

(2) by adding at the end the following:
‘‘(4) In the case of an agency which, under section 5307(d), has a performance appraisal system for which, as defined and applied, is certified as making meaningful distinctions based on relative performance, paragraph (1)(B) shall apply as if the reference to ‘level III’ of the reference to ‘level II’.

‘‘(5) No employee may suffer a reduction in pay by reason of transfer from an agency with an applicable maximum rate of pay prescribed under paragraph (4) to an agency with an applicable maximum rate of pay prescribed under paragraph (4)(B).’’

A. Authority for Executive Service Placement; Appointment; Classification Standards.—Title 5, United States Code is amended—
(1) in section 3109(a), in the second sentence, by striking ‘‘prescribes and publishes in such form as the Office may determine’’;

(2) in section 3324(a) by striking ‘‘the Office of Personnel Management’’ and inserting ‘‘the Director of the Office of Personnel Management on the basis of qualification standards adopted by the Director of the Office of Personnel Management in accordance with criteria specified in regulations prescribed by the Director’’;

(3) in section 3325, in subsection (a), in the second sentence, by striking ‘‘or its designee for this purpose’’ and inserting the following: ‘‘on the basis of standards developed by the agency involved in accordance with criteria specified in regulations prescribed by the Director of the Office of Personnel Management’’;

and

(4) in section 3501(a)(2) by inserting ‘‘published by the Director of the Office of Personnel Management in such form as the Office may determine’’ after ‘‘and procedures’’.

B. SEC. 7. REGULATIONS.
Not later than 1 year after the date of enactment of this Act, the Director of the Office of Personnel Management shall submit a report to the President of the United States, for the period beginning on the earlier of—
(1) 180 days after the date of enactment of this Act, or

and

the effective date of implementing regulations prescribed by the Director of the Office of Personnel Management.

(2) SHIRKING PERFORMANCE APPRAISAL SYSTEMS.—Not later than July 1, 2007, each agency covered by subchapter I of chapter 43 of title 5, United States Code, shall submit to the Director of the Office of Personnel Management each performance appraisal system established under that subchapter so that the Director may determine whether the system meets the requirements of the subchapter. Each submission under this paragraph shall include all information the Director requires in order to make the determination.

The President is authorized—

(1) by November 1, 2007, the Director of the Office of Personnel Management shall submit a report regarding the Director’s review under this paragraph to the President of the United States, for the period beginning on the earlier of—

(1) 180 days after the date of enactment of this Act, or

3. SEC. 8. EFFECTIVE DATES AND IMPLEMENTATION.

(1) Sections 2 and 3.—

(a) EFFECTIVE DATE.—The amendments made by sections 2 and 3 shall take effect on the earlier of—

(1) 180 days after the date of enactment of this Act, or

and

the effective date of implementing regulations prescribed by the Director of the Office of Personnel Management.
S. 3495. A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Vietnam; to the Committee on Finance.

Mr. BAUCUS, Mr. President, today, I introduce with Senator GORDON SMITH a bill to grant Vietnam permanent normal trade relations status.

Thirty-one years ago, the lights went out as a swordsmanship between the United States and Vietnam. Diplomatic relations were broken off, and trade ceased. The story between our two countries became one of refugees, prisoners of war, and soldiers missing in action. Hostility and mistrust prevailed. Normalization was a dream of the visionary or the fool. In 1991—16 years after the last helicopters took off from the roof of the U.S. Embassy in Saigon—flickers of reconciliation emerged out of the darkness. At the end of that year, President George H.W. Bush presented the Vietnamese government with a roadmap for normalization. That started a process of healing that lasted through successive Republican and Democratic administrations and was supported by courageous bipartisan action in the Congress: Between 1991 and 1993, veterans Senator JOHN KERRY, Senator McCAIN, and former Senator Bob Smith led the Senate Select Committee on POW/MIA Affairs in the most exhaustive investigation of the status of POWs and MIAs ever conducted. In February of 1994, President Bill CLINTON lifted the trade embargo on Vietnam. In July of that year, he announced the normalization of political relations with Vietnam. In July of 2000, the United States and Vietnam concluded a comprehensive Bilateral Trade Agreement, allowing the United States to provide, for the first time, nondiscriminatory treatment to Vietnam’s products. And just last month, the United States and Vietnam signed another trade agreement, paving the way for Vietnam’s accession to the World Trade Organization.

Today, we open a new book to the future. With 83 million people and a median age just over 25 years old, Vietnam is one of the most important emerging markets in Asia. Our trade with Vietnam has grown to 30 times what it was in 1994. With PNTR, we begin the story of full engagement between the United States and Vietnam. It is a story of economic cooperation and cultural understanding. It is a story where trade and markets overshadow memories of guns and war.

I look forward to working with my Senate and House colleagues, the administration, and all interested parties to pass this historic bill by the August recess.

I ask that a copy of the text of the bill be printed into the RECORD. There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

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

SECTION 1. FINDINGS.

Congress finds the following:

(1) In July 2000, President Bill Clinton announced the formal normalization of diplomatic relations between the United States and Vietnam.

(2) Vietnam has taken cooperative steps with the United States under the United States Joint POW/MIA Accounting Com-

mand (formerly the Joint Task Force-Full Accounting) established in 1992 by President George H. W. Bush to provide the fullest possible accounting of MIA and POW cases.

In 2000, the United States and Vietnam concluded a bilateral trade agreement that included commitments on goods, services, intellectual property rights, and investment. The agreement was approved by joint resolution enacted pursuant to section 405(c) of the Trade Act of 1974 (19 U.S.C. 2435(c)), and entered into force in December 2001.

In 2006, the United States and Vietnam concluded a trade agreement that has consistently been extended to Vietnam pursuant to title IV of the Trade Act of 1974.

(3) Vietnam has undertaken significant market-based economic reforms, including the reduction of government subsidies, tariffs, and non-tariff barriers and extensive legal reform. These measures have dramatically improved Vietnam’s business and investment climate.

(4) Vietnam is in the process of acceding to the World Trade Organization. On May 31, 2006, the United States and Vietnam signed a comprehensive bilateral agreement providing greater market access for goods and services and other trade liberalizing commitments as part of the World Trade Organization accession process.

SEC. 2. TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO VIETNAM.

(a) PRESIDENTIAL DETERMINATIONS AND EXTENSION OF NON-DISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may:

(1) determine that such title should no longer apply to Vietnam; and

(2) as provided on or after the effective date of the amendments made by section 6, shall be considered a reference to the rate of basic pay for level III of the Executive Schedule; and

(3) as provided before the effective date of the amendments made by section 6, shall be considered a reference to—

(A) the rate of basic pay for individual holding a position to which section 5376 of title 5, United States Code, applies; or

(B) the determination of rate of pay—

(i) for the purposes of subparagraph (A), the rate of basic pay for an individual described in that subparagraph shall be deemed to be the rate of basic pay set for the individual under such section, plus applicable locality pay paid to the individual as of the effective date under paragraph (1).

(ii) as provided on or after the effective date of the amendments made by section 6, shall be considered a reference to—

(1) as provided before the effective date of the amendments made under paragraph (1), the rate of basic pay for an individual holding a position to which section 5376 of title 5, United States Code, applies; and

(2) as provided on or after the effective date of the amendments made by section 6, shall be considered a reference to—

(i) the rate of basic pay for individual holding a position to which section 5376 of title 5, United States Code, applies; and

(ii) the rate of basic pay for level III of the Executive Schedule; or

(iii) the head of the agency responsible for administering the applicable pay system certifies that the employees are covered by a performance appraisal system meeting requirements established by the Director of the Office of Personnel Management, level II of the Executive Schedule.

(b) CERTIFICATION.—In any case under subsection (a) the President may—

(1) as provided on or after the effective date of the amendments made by section 6, shall be considered a reference to—

(1) as provided before the effective date of the amendments made under paragraph (1), the rate of basic pay for an individual holding a position to which section 5376 of title 5, United States Code, applies; and

(2) as provided on or after the effective date of the amendments made by section 6, shall be considered a reference to—

(i) the rate of basic pay for individual holding a position to which section 5376 of title 5, United States Code, applies; and

(ii) the rate of basic pay for level III of the Executive Schedule; or

(iii) the head of the agency responsible for administering the applicable pay system certifies that the employees are covered by a performance appraisal system meeting requirements established by the Director of the Office of Personnel Management, level II of the Executive Schedule.

(c) DETERMINATION OF RATE OF PAY.—For the purposes of subparagraph (A), the rate of basic pay for an individual described in that subparagraph shall be deemed to be the rate of basic pay set for the individual under such section, plus applicable locality pay paid to the individual as of the effective date under paragraph (1).

(d) REFERENCES TO MAXIMUM RATES.—Except as otherwise provided by law, any reference in a provision of law to the maximum rate of basic pay shall be deemed to be the rate of basic pay for an individual described in that provision.

(e) CONGRESSIONAL REVIEW.—

(1) The President may, in his discretion, submit to Congress a report certifying that the employees are covered by a performance appraisal system meeting requirements established by the Director of the Office of Personnel Management, level II of the Executive Schedule.

(2) In the event the President fails to submit a report as provided in section (a), title IV of the Trade Act of 1974 shall cease to apply to that country.

Mr. SMITH. Mr. President, I rise to join the Senator from Montana, Mr. HAGEL, in offering legislation that would grant Vietnam permanent normalized trade relations treatment and help to pave the way for Vietnam’s accession to the World Trade Organization. I am proud to be involved in this effort by Senators MCCAIN, KERRY, HAGEL, LUGAR, MURkowski, and CARPER.

Last December, I was privileged to lead a delegation of U.S. Senators to Vietnam. During our visit, we met with President Luong and other Vietnamese officials to discuss the importance of our bilateral relationship and the need to get a good market access agreement between the United States and Vietnam that will help cement that relationship.

I congratulate Ambassadors Rob Portman and Susan Schwab and the USTR team for their work to get this agreement. This is a great achievement.

Over the last decade, our relationship with Vietnam has been characterized by increased cooperation and engagement. The passage of this legislation will enhance those ties and create new economic opportunities for U.S. businesses.
In recent years, Vietnam has undertaken a number of market-based economic reforms, including the reduction of government subsidies, tariffs, and non-tariff barriers, and extensive legal reforms. These reforms have spurred dramatic improvements in Vietnam. Vietnam is now the fastest growing economy in Southeast Asia and a growing market for U.S. exporters.

In 2000, the United States and Vietnam concluded a bilateral trade agreement that provided for tariff reductions on a host of goods. This agreement entered into force, U.S. exports to Vietnam increased by 150 percent. Last year alone, U.S. exports to Vietnam rose by 24 percent.

The recently negotiated market access agreement will build upon that success by further lowering trade barriers to a wide range of U.S. industrial and agricultural products and services. Upon Vietnam’s accession to the WTO, U.S. businesses will enjoy greater access to a market of more than 83 million people.

Agricultural producers will benefit from immediate tariff reductions on U.S. exports as well as new commitments by Vietnam to improve implementation of sanitary and phytosanitary measures. Oregon growers will benefit as tariffs on apples and pears are cut from 40 percent to 10 percent over the next 5 years and tariffs on frozen Oregon trimmings are reduced from 50 percent to 13 percent over the next 6 years.

Oregon manufacturing and branding companies have long had a presence in Vietnam. These companies will immediately benefit from increased market access and greater regulatory transparency.

Having Vietnam within the rules-based global trading system will be good for U.S. businesses. This accession agreement will be key to ensuring that Vietnam follows global trade rules.

It will also ensure that the Vietnamese people will be able to realize the benefits of trade liberalization. By increased transparency and implementing market-based reforms, Vietnam is essentially opening itself to international commerce. Countries that open themselves to trade attract investment, which in turn creates jobs and enhances individual welfare.

The passage of PNTR legislation will mark the final step toward normalizing our relationship with Vietnam. This bill represents a historic moment in our relationship with Vietnam and a definitive statement of how we have moved beyond our past divisions.

I am especially pleased with the strong bipartisan support that we have received for this bill. I am hopeful that we will be able to move this bill before Congress leaves for the August recess, so that it can be signed into law before President Bush’s visit to Vietnam in November.

By Mr. KYL (for himself and Mr. McCAIN):

S. 3497. A bill to provide for the exchange of certain Bureau of Land Management land in Pima County, Arizona, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. KYL. Mr. President, today I am pleased to join with Senator McCain to introduce this legislation. This legislation directs a land exchange between the Bureau of Land Management and the Las Cienegas Conservation, LLC. in south-eastern Arizona. The bill is the product of consensus-building by a group of conserverists, conservationists, and other stakeholders. The bill is the product of a land exchange between the Bureau of Land Management and the Las Cienegas Conservation, LLC. in southeast Arizona. The bill is the product of a land exchange between the Bureau of Land Management and the Las Cienegas Conservation, LLC. in southeast Arizona.

The private land to be brought into Federal ownership is approximately 2,000 acres. The land is located near the low-lying Sonoran desert and has been identified for disposal by the BLM through its land-use planning process.

The property lies north of the Las Cienegas National Conservation Area managed by the BLM. The conservation property lies within the “Sonolita Valley Acquisition Planning District” established by Public Law 106-538, which designated the Las Cienegas National Conservation Area. The act directed the Department of the Interior to acquire lands from willing sellers within the planning district for inclusion within the conservation area to further protect the important resources values for which the area was designated.

Although this bill is centered on the land exchange at Las Cienegas, it also accomplishes two other important objectives: addressing water withdrawals at Ciengas Creek and providing road access to a popular recreation destination, the Whetstone Mountains. The bill is both a land exchange and a land-use planning process.

Let’s talk about water. Arizonans understand that protecting our water supply is crucial to the State’s future. For this reason, when we can, we look for ways to promote responsible use of our limited water supply. This bill is one of those examples of responsible use. There is a prior claim to a well site on the private land that will be exchanged. That prior claim would allow the developer to withdraw 1,600 acre-feet per year. Pima County and the community at large are concerned about the future of Ciengas Creek and the entire riparian area if these water withdrawals occur.

To address this concern, the land exchange is conditioned on Las Cienegas Conservation Inc. conveying the well site to Pima County and relinquishing those water rights it controls. The net result is a water savings of 1,050 acre-feet per year. This is a significant benefit to this riparian area.

Overall, this bill allows us to accomplish important environmental and conservation objectives while managing our development. It is a bill with broad support that includes the Governor of Arizona, Pima County, the city of Tucson, and many others. I urge my colleagues to work with me to approve this legislation at the earliest possible date.

By Mr. KYL (for himself, Mr. GRASSLEY, Mr. DEWEY, Mr. CORINTHINOS, Mr. BONDER, Ms. SNOWE, Mr. BURNS, Mrs. HUTCHISON, and Mr. ALLEN):

S. 3499. A bill to amend title 18, United States Code, to protect youthful victims of child pornography and to establish the Cyber Crimes Center.

Let me outline the details of the exchange. The land to be transferred over to Federal ownership, approximately 1,230 acres, is referred to as the “Sahuarita property.” This property is BLM-managed land south of Tucson near the town of Sahuarita. The land is low-lying Sonoran desert and has been identified for disposal by the BLM through its land-use planning process.

Mr. KYL. Mr. President, I rise today to introduce the Internet SAFETY Act of 2006. The word “SAFETY” stands for Stop Adults Facilitating the Exploitation of Youth. It is a fairly descriptive acronym, for the provisions of the Internet SAFETY Act are designed to crack down on the spread of Internet child pornography and related conduct by creating new Federal offenses and causes of action targeted at those who produce or knowingly facilitate Internet child pornography, by increasing penalties for child pornography, sex trafficking, and sexual abuse offenses, and by increasing resources available for prosecution and prevention of child sexual-abuse offenses, including authorizing 200 new assistant U.S. attorneys across the country to prosecute child pornography and sexual exploitation crimes.

The need for renewed law-enforcement attention to child pornography is demonstrated in a recent report of the U.S. Justice Department titled “Project Safe Childhood.” I will ask to have an extended excerpt from the report printed in the RECORD at the conclusion of my remarks. As the report notes, “judging simply by recent statistics, it is clear that the Internet is helping to fuel an epidemic of child pornography” in this country. Unfortunately, by providing greater technical ease and increased anonymity in trading images, the Internet has “taken down barriers that one time served as a deterrent to child pornographers.” In 2003, an estimated 20,000 images of child pornography were posted on the Internet every week. Between 1998 and 2004, child pornography reports made to the National Center for Missing and Exploited Children increased from 3,267 to 106,119—a thirty-fold increase over a 6-year period. The Justice Department also notes that there has been an escalation in the severity of abuse depicted in child pornography in recent years, “with the images found today more frequently involving younger children—including toddlers and even infants—and despicable acts such as penetration of infants.” The Project Safe Child report concludes that “the nation should be alarmed at the fact that child pornography is being produced,
possessed, and distributed in record numbers.” As the report notes, child pornography’s harm extends beyond that done to the children who are sexually abused to produce such images: “child pornography [also] plays a central role in child molestations, serving to induce or to facilitate conduct by them in gaining compliance with their victims, and to provide a means to blackmail the children they have molested in order to prevent exposure.”

The Internet SAFETY Act does the following things. It creates a new Federal offense, punishable by a maximum of 10 years in prison, for the operation of child pornography enterprises. It creates a new Federal offense, punishable by a minimum of 10 years in prison, for the operation of an enterprise that profits from the sexual exploitation of children. The act also imposes mandatory, consecutive 10 year sentences for any child pornography or exploitation offense committed by a registered sex offender. In addition, the act increases penalties for offenses involving child pornography, child prostitution and sex trafficking, child sexual abuse, and sexual assault.

The Internet SAFETY Act also expands the Federal right of action against child pornographers. It allows a victim, including parents of a minor victim, to seek civil remedies, and also allows a victim to seek remedies as an adult. This provision is inspired by a young girl named Mascha who was adopted from Russia by a man who repeatedly molested her, photographed her, and posted pornographic images of her on the Internet. In addition, the act adds the obscenity and child pornography statutes to the RICO predicates and adds electronic mail fraud to the wiretap predicates.

The Internet SAFETY Act also establishes within the Justice Department an Office on Sexual Violence and Crimes Against Children to coordinate sex offender registration and notification programs and grant programs, and to assist State, local, and tribal governments and other entities with sex offender registration or notification and other measures.

Finally, the act authorizes and directs the Attorney General to make grants to States, local governments, Indian tribes, and nonprofit organization

Part II. The Need for a National Initiative to Protect Children

Two types of dangers to children are especially problematic. First, the threat of sexual predators contacting children online, with the advances that at one time seemed to be in per- son, has been amply demonstrated by academic studies as well as recent investigative journalism reports. A Youth Internet Safety Survey conducted in 1999 and January 2000 found that approximately one in five children per year receives an unwanted sexual solicitation online. One in thirteen children per year receives aggressive sexual solicitation—i.e., one in which a solicitor asks to meet them somewhere, calls them on the telephone, or sends mail, money, or gifts. And in four per year has an unwanted exposure to sexually explicit material. Meanwhile, only 25 percent of the youth who encountered a sexual solicitation that resulted in all of these episodes were reported to authorities, such as a law enforcement agency, an Internet service provider, or a hotline. According to a recent study of 50,000 predators are on the Internet prowling for children. These figures make clear that the threat of online enticement of children is immense.

Second, the victimization of children through the production and distribution of child pornography is equally troubling. In the 1990s, the number of images of child pornography reached the Internet each week. NCEMC’s CyberTipline logged a 39 percent increase in reports of the possession, creation, or distribution of child pornography in 2004. The gravity of these increases is more dramatically demonstrated by comparing the actual number of reports in 1998 to those logged in 2004, rather than merely reciting percentage increases. In 1998, the CyberTipline received 267 reports of child pornography. In 2004, the CyberTipline received 106,119 of these reports, marking more than a 30-fold increase in child pornography reports. With the increase in crime, simply by crime statistics, it is clear that the Internet is fueling an epidemic of child pornography. Not only is there an increase in the volume of pornographic images, there is also an escalation in the severity of the abuse depicted.

Experts agree that the escalation in both the prevalence and severity of child pornography is driven at least in part by advances in computer technology and increased access to the Internet. According to a recent study, 78.6 percent of Americans go online, and almost two-thirds of Americans use the Internet to search for information. While it is difficult to determine exactly how many people are looking at child pornography, experts attribute the escalation in the quantity of child pornography being created and distributed to the growth of the Internet, and the concomitant ease with which child predators can now buy, sell, and swap images. The resulting sense of community among child predators is in turn helping to embolden those who may have had misgivings about a sexual interest in children, and it is thus driving a market for new and fresh faces on the Internet. It was difficult and risky for child exploiters to go out and find other child exploiters with whom to share images, which left the child pornography industry relegated to small black markets in underground bookstores or secret mailings. Today, the Internet has provided these pedophiles with an accessible, convenient, and anonymous means for interacting with their community and obtaining illicit material. The Internet has thus taken developers of pedophile websites and served as a deterrent to child pornographers.

These Escalating Trends Present a Serious Risk to our Society

The harm caused by enticement offenses is becoming pressing. Sexual offenses that deeply affects any victim, especially children, and it has dramatic secondary effects on our society. The looming danger of our children being preyed upon by pedophiles in chat rooms or through social networking sites is, in short, among the gravest threats facing children today.

The impact of child pornography on victims, and on society as a whole, is far less appreciated today than the threat of enticement offenses. Child predators are not just pictures, akin to any number of other images legally available on the Internet. Most images of child pornography depict victims—children—who have been exploited and abused. These images are permanent visual records of child sexual abuse. For this reason, the very term commonly used to describe these terrible images, “child pornography”—does not adequately convey the horror these images depict. A more accurate term would be “images of child sexual abuse”, because the very production of the images necessarily involves the sexual abuse of a child. And the child is re-victimized each time they are viewed.

Frighteningly, it is estimated at the fact that child pornography is being produced, possessed, and distributed in record numbers.
According to a 2005 study entitled “Child-Pornography Possessors Arrested in Internet-Related Crimes: Findings from the National Juvenile Online Victimization Study,” 87 percent of offenders had images of children enduring bondage, sadistic sex, and other sexual violence. More than 1 in 3 (39 percent) (child pornography) possessors had videos of child pornography with motion and sound.

Although their identities are often unknown, many of the children in these graphic images were sexually victimized and assaulted. Those who possess these pictures—for sexual gratification, curiosity, as a means of profit, or for other reasons—are adding to the burdens of these young victims, whose trauma may be increased by knowing their pictures are circulating globally on the Internet with no hope of permanence or protection. They may be exploited by others or be confused about their identity. The daily torture of victims who were forced to participate in child pornography years ago and now, as adults, see images of themselves ‘performing’ on the Internet. In addition to the obvious physical injuries that a child can suffer due to sexual abuse, the emotional trauma is often debilitating, lasting, and lasting. Many children suffer from depression, withdrawal, anger, and other conditions that often continue into adulthood. They experience feelings of guilt and responsibility for the abuse, a sense of powerlessness and feelings of worthlessness.

Thus, for the sole fact of the victimization and damage that child pornography visits upon children, possession of child pornography is a heinous crime that must be stamped out. It is only, half of the story of the pernicious effect of child pornography. Possession of child pornography is a serious crime for four additional reasons, each of which can stretch much further.

1. The exchange of child pornography by and between child exploiters validates and encourages them in their beliefs and behavior;
2. The greater availability of child pornography has led to the production, receipt, and distribution of more shocking, graphic images, which are increasingly involving younger children and infants;
3. The compulsion to collect child pornography images may lead to a compulsion to molest children; and
4. Child pornography is frequently used by molesters as an affirmative tool, either to silence their own victimization or to further exploitation, or to entice other children.

VALIDATION AND ENCOURAGEMENT

Use of the Internet by child pornographers to exploit communications regarding these images provides positive reinforcement for them in their beliefs and behaviors, encouraging further exploitation of children by offenders. Offenders revealed that exploiters’ relationships with other offenders, forged online, “legitimize[d] and normalize[d] their interests” in their own minds. In short, the process of collecting and trading child pornography bonds the offender together, and having an extensive child pornography collection strengthens the offender’s status within this community. The incentives to abuse children, capture the abuse, and share the images are strong, allowing offenders to encourage members of the community and a means for obtaining yet more images of abuse from other producers or distributors. Child pornography is used as a means of establishing trust and camaraderie amongst child exploiters and molesters, as proof of good intentions when initiating contacts with one another. It is, in part, for these reasons that they are frequently found with thousands of images.

In considering this factor, one can see the importance of the Internet has played in the growth of the child pornography market. Before the Internet, child exploiters were isolated. Without knowing that others shared their interests and their collection of child pornography images of younger children, in addition to their interests of pedophiles who desire to exploit children in order to know that others have similar interests and their collection, and they no longer feel abnormal. The child exploiter sees in the Internet a way of validating his behavior or obsession is not abnormal, but that in fact shared by thousands of other people who, in the predator’s mind, are sensitive to the subject.

A more distressing trend is that, as pedophiles collect more and more images of child sexual abuse, they become desensitized to the pain within their existing collections, and they seek gratification through novel and yet more disgusting images. The only way that this demand can be met is through a supply of new images involving more horrific images of I hands-on sexual abuse than that already present in the subject’s collection of images. The result has been a rise in demand for pornographic images of younger children, including babies and toddlers. Twenty percent of the images seized depicting sexual exploitation of children involved babies and two- and three-year-olds. And, disturbingly, the abuse is getting worse, with the depictions being more sadistic than ever.

INCREASED INADVERSEITY TO MOLEST CHILDREN

As an offender’s interest in children draws him to the child pornography market, his compulsion to view and collect images may become entwined with, or lead to, a compulsion to molest children. A study conducted by Ethel Quayle and Max Taylor revealed that the subject’s access to child pornography “intensified his levels of sexual arousal and behavior and fueled his desire to engage in a relationship with a child.” The subject progressed from viewing images, to fantasizing about children, to attempting to meet children offline.

Several factors other than mere sexual perversion may cause the tendency of child pornography collectors to begin to molest children. For instance, a collector’s desire for novel and more graphic images could provide an incentive to abuse the images themselves, and computer technology today makes it easier to create the images and distribute them. In addition, collectors often have their own images, because, in order to continue trading for new images, they have to offer up their own new images as part of the rules of some child pornography forums. Empirical studies support the proposition that individuals who view child pornography are often also child molesters. According to a study completed in 2000 by Dr. Andres E. Hernandez, Director of the Sex Offender Treatment Program at the Butner Federal Correctional Complex in North Carolina, 79.6% of 54 offenders convicted of child pornography offenses admitted that they had sexual contact with children over 12 while incarcerated. Treatment Program at the Butner Federal Correctional Complex in North Carolina.

According to a study completed in 2000 by Dr. Andres E. Hernandez, Director of the Sex Offender Treatment Program at the Butner Federal Correctional Complex in North Carolina, 79.6% of 54 offenders convicted of child pornography offenses admitted that they had sexual contact with children over 12 while incarcerated. Treatment Program at the Butner Federal Correctional Complex in North Carolina.

According to a study completed in 2000 by Dr. Andres E. Hernandez, Director of the Sex Offender Treatment Program at the Butner Federal Correctional Complex in North Carolina, 79.6% of 54 offenders convicted of child pornography offenses admitted that they had sexual contact with children over 12 while incarcerated. Treatment Program at the Butner Federal Correctional Complex in North Carolina.
eral of the MMA’s rural health provisions have expired, or are set to expire this year. That is why I have introduced the Rural Hospital and Provider Equity Act—to finish the work we started 3 years ago.

This legislation not only reauthorizes expiring rural MMA provisions but also takes additional steps to address inequities in the Medicare payment system that continually place rural providers at a disadvantage. My bill recognizes the unique needs of rural hospitals and levels the playing field between rural and urban providers.

Rural hospitals are more dependent on Medicare payments as part of their total revenue. In fact, Medicare accounts for almost 70 percent of total revenue for small, rural hospitals. Rural hospitals have lower patient volumes, but must compete nationally to recruit providers due to the nursing—

and other health professional—workforce shortages. Additional burdens are placed on hospital and providers because of higher uninsured and under-insured rates in rural America. Also, seniors living in rural areas tend to be poorer and have more chronic conditions than their urban and suburban counterparts.

First, the Rural Hospital and Provider Equity Act recognizes the special circumstances rural hospitals face and addresses these issues by equalizing Medicare disproportionate share hospital, DSH, payments. These add-on payments help hospitals cover the costs of serving a high proportion of low-income and uninsured patients. Current law allows urban facilities to receive unlimited add-ons corresponding with the amount of patients served. However, small or rural hospital add-on payments are capped at 12 percent. This measure eliminates the rural hospital cap, bringing their payments in line with the benefits urban facilities receive for approximately the same cost.

Second, the bill recognizes that low-volume hospitals have a higher cost per case which results in negative operating margins. To alleviate this problem, we established a low-volume patient payment adjustment for hospitals that have less than 2,000 annual discharges per year and are located more than 15 miles from another hospital. This provision will improve payments for approximately one-third of all rural hospitals.

In addition to these Medicare payment reforms, this legislation strengthens the over 3,000 rural health clinics that serve many rural Americans. Under current law, rural health clinics receive an all-inclusive payment rate that is capped at approximately $63. This payment has not been adjusted—except for inflation—since 1988. To recognize the rising costs of health care, this bill raises the rural health clinic cap to $82, making it comparable to the cap critical access hospitals receive. By caring for folks in underserved areas, rural health clinics and community health centers are a key component of the rural health care delivery system. As not every small town can sustain a hospital, we need to ensure these types of facilities are paid adequately and are provided enough flexibility to meet the health care needs of the communities they serve.

Home health care agencies are another critical element of the continuum of care. These providers face unique circumstances in the distances they are required to travel to provide services. The current Medicare payment system does not make adequate adjustments to reflect the reality of rural and frontier health care. This bill recognizes the situation these providers face by ensuring their Medicare payments cover their costs to provide Medicare services.

As you all may know, there are approximately 1,165 hospitals nationwide that have converted to critical access hospital, CAH, status. This program was created in the Balanced Budget Act of 1997 to ensure folks in small, rural communities would have access to 24-hour emergency services as well as some hospital care in their hometowns. Fifty-two percent of my State’s hospitals have downsized to Critical Access Hospital status. The measure I have introduced contains several provisions to strengthen this important rural hospital program.

The Rural Hospital and Provider Equity Act will also ensure rural areas can maintain access to important emergency medical services, EMS. Rural EMS providers are primarily volunteers who have difficulty recruiting, retaining, and educating EMS personnel. Rural EMS providers also have less capital to buy and upgrade essential, lifesaving equipment. The legislation will assist ambulance providers in competing for payments by diverting patients to the hospital after answering a 911 call regardless of the final diagnosis. This is a commonsense approach and ensures that all aspects of emergency care are operating under the same definition of emergency.

It is important for the Federal Government to remember that one payment system does not fit all. Rural providers care for patients under much different circumstances than their urban counterparts. This legislation is designed to ensure rural hospitals, rural health clinics, rural ambulance providers, rural home health agencies, rural mental health providers, rural physicians, and other critical allied health clinicians are paid accurately and fairly. I strongly encourage all my colleagues with a interest in rural health to cosponsor this legislation.

Finally, I want to thank the American Hospital Association, the National Rural Health Association, the Federation of American Hospitals, the National Association of Rural Health Clinics, the National Association for Home Care, the American Academy of
Nurse Practitioners, the American Ambulance Alliance, and the Association of Marriage and Family Therapists, for their work and support in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3500

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Rural Hospital and Provider Equity (HoPE) Act of 2006".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Fairness in the Medicare disproportionately share hospital (DSH) adjustment for rural hospitals.
Sec. 3. Extension and Expansion of Medicare hold harmless provision under the prospective payment system for hospital outpatient department (HOPD) services.
Sec. 4. Improvement of definition of low-volume hospital for purposes of the Medicare inpatient hospital payment adjustment.
Sec. 5. Extension of Medicare wage index reclassifications for certain hospitals.
Sec. 6. Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.
Sec. 7. Critical access hospital improvements.
Sec. 8. Capital infrastructure revolving loan program.
Sec. 9. Extension of Medicare incentive payments program for physician scarcity areas.
Sec. 10. Extension of floor on medicare work geographic adjustment.
Sec. 11. Medicare home and health care planning improvements.
Sec. 12. Rural health clinic improvements.
Sec. 13. Community health center collaborative access expansion.
Sec. 15. Use of medical conditions for coding ambulance services.
Sec. 16. Extension of increased Medicare payments for ground ambulance services in rural areas.
Sec. 17. Improvement in payments to retain emergency and other capacity for ambulances in rural areas.
Sec. 18. Coverage of marriage and family therapist services and mental health counseling services under part B of the Medicare program.
Sec. 19. Medicare remote monitoring pilot program.
Sec. 20. Facilitating the provision of telehealth services across State lines.

SEC. 2. FAIRNESS IN THE MEDICARE DISPROPORTIONATE SHARE HOSPITAL (DSH) ADJUSTMENT FOR RURAL HOSPITALS.

Section 1886(h)(5)(F)(xiv)(II) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended—

(1) by striking "in the case and all that follows through "paragraph (G)(iv)"; and

(2) by inserting at the end the following new sentence: "The preceding sentence shall apply to any hospital with respect to discharges occurring on or after October 1, 2006;"

SEC. 3. EXTENSION AND EXPANSION OF MEDI-CARE HOLD HARMLESS PROVISION UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR HOSPITAL OUT-PATIENT DEPARTMENT (HOPD) SERVICES.

(a) EXTENSION.—

(1) IN GENERAL.—Section 1833(t)(7)(D)(i) of the Social Security Act (42 U.S.C. 1395f(t)(7)(D)(i)), as amended by section 5105 of the Deficit Reduction Act of 2005 (Public Law 109-171), is amended—

(A) in subclause (I)—

(i) by striking "(i)"; and

(ii) by inserting "(ii)"; and

(B) by striking "before January 1, 2006" and inserting "before January 1, 2009"; and

(C) by striking subclause (II). (2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to covered outpatient services furnished on or after January 1, 2006.

(b) STUDY AND REPORT.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study to determine if, under the prospective payment system for hospital outpatient department services under section 1833(t) of the Social Security Act (42 U.S.C. 1395f(t)), costs incurred by sole community hospitals (as defined in section 1888(d)(5)(D)(ii)) of such Act (42 U.S.C. 1395ww(d)(5)(D)(ii))) located in urban areas by ambulatory payment classification groups (APCs) exceed those costs incurred by other hospitals located in urban areas.

(2) REPORT.—Not later than January 1, 2008, the Secretary of Health and Human Services shall submit to Congress a report on the study conducted under paragraph (1) together with recommendations for such legislation and administrative action as the Secretary determines to be appropriate.

SEC. 4. IMPROVEMENT OF DEFINITION OF LOW-VOLUME HOSPITAL FOR PURPOSES OF THE MEDICARE INPATIENT HOS-PITAL PAYMENT ADJUSTMENT.

Section 1886(d)(4)(C)(i) of the Social Security Act (42 U.S.C. 1395f(d)(4)(C)(i)) is amended by inserting "(or, beginning with fiscal year 2007, 2,000 discharges)" after "800 discharges".

SEC. 5. EXTENSION OF MEDICARE WAGE INDEX RECLASSIFICATIONS FOR CERTAIN HOSPITALS.

(a) MMA PROVISIONS.—Section 508 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (42 U.S.C. 1395w note) is amended by adding at the end the following new subsection:

"(g) THREE-YEAR EXTENSION FOR CERTAIN HOSPITALS.—

(1) IN GENERAL.—In the case of a hospital described in paragraph (f)(1) or (f)(2), subsections (a)(3) and (b) shall be applied by substituting "3-year period" for "2-year period"; and

(2) B) the limitation under subsection (e) shall not apply after March 31, 2007.

(b) HOSPITAL DESCRIBED.—A hospital described in this paragraph is a hospital—

(A) that is reclassified to an area under this section as of the day before the date of enactment of this subsection; and

(B) that is located in a State with less than 10 people per square mile; or

(ii) (I) that is located in a rural area; and

(II) for which the Secretary has determined the extension under this subsection to be appropriate.

(b) ADDITIONAL PROVISION.—The Secretary of Health and Human Services shall extend the special exception reclassification of a sole community hospital located in a State with less than 10 people per square mile (made under the authority of section 1833(i)(4) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(I)(i))) and contained in the final rule promulgated by the Secretary in the Federal Register on August 11, 2004 (69 Fed. Reg. 49107) for 3 years through fiscal year 2010.

SEC. 6. EXTENSION OF MEDICARE REASONABLE COSTS PAYMENTS FOR CERTAIN CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED TO HOSPITAL PATIENTS IN CERTAIN RURAL AREAS.

Section 416(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173, 117 Stat. 2282; 42 U.S.C. 1395f(b)) is amended by striking "2-year" and inserting "4-year".

SEC. 7. CRITICAL ACCESS HOSPITAL IMPROVE-MENTS.

(a) CLASSIFICATION OF PAYMENT FOR CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED BY CRIT-ICAL ACCESS HOSPITALS.—

(1) IN GENERAL.—Section 1834(h)(4) of the Social Security Act (42 U.S.C. 1395m(g)(4)) is amended—

(A) in the heading, by striking "NO BENEFICIAL COST-SHARING" and inserting "TREATMENT AND SERVICES"; and

(B) by striking "or, in the case of a hospital described in paragraph (f)(1) or (f)(2), the percentage of such costs incurred by the entity described in paragraph (f)(1) or (f)(2) that would have been paid by Medicare but for this section shall be" and inserting "or, in the case of a hospital described in paragraph (f)(1) or (f)(2), the percentage of such costs incurred by the entity described in paragraph (f)(1) or (f)(2) that would have been paid by Medicare but for this section shall be".

SEC. 8. CAPITAL INFRASTRUCTURE REVOLVING LOAN PROGRAM.

(a) IN GENERAL.—Part A of title XVI of the Public Health Service Act (42 U.S.C. 300q et seq.) is amended by adding at the end the following new section:

"SEC. 1603. (a) AUTHORITY TO MAKE AND GUARANTEE LOANS.—

"(1) AUTHORITY TO MAKE LOANS.—The Secretary may make loans from the fund established under this section to any rural entity for projects for capital improvements, including—"
“(A) the acquisition of land necessary for the capital improvements;

(B) the renovation or modernization of any building;

(C) the acquisition or repair of fixed or major movable equipment; and

(D) such other project expenses as the Secretary determines appropriate.

(2) AMOUNT OF LOAN.—

(A) IN GENERAL.—The Secretary may guarantee the payment of principal and interest for loans made to rural entities for project and capital improvement described in paragraph (1) to any non-Federal lender.

(B) INTEREST SUBSIDIES.—In the case of a guarantee of any loan made to a rural entity under subparagraph (A), the Secretary may pay the holder of such loan, and on behalf of the project for which the loan was made, amounts sufficient to reduce (by not more than 3 percent) the net effective interest rate otherwise payable on such loan.

(3) AMOUNT OF LOAN.—The principal amount of a loan directly made or guaranteed under subsection (a) for a project for capital improvement may not exceed $50,000,000.

(c) FUNDING LIMITATIONS.—

(1) GOVERNMENT CREDIT SUBSIDY EXPOSURE.—The total of the Government credit subsidy exposure for the Credit Reform Act of 1990 scoring protocol with respect to the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, under subsection (a) may not exceed $50,000,000 per year.

(2) TOTAL AMOUNTS.—Subject to paragraph (1), the total of the principal amount of all loans directly made or guaranteed under subsection (a) may not exceed $250,000,000 per year.

(d) CAPITAL ASSESSMENT AND PLANNING GRANTS.—

(1) NONREPAYABLE GRANTS.—Subject to paragraph (2), the Secretary may make or guarantee any loan under subsection (a) or make a grant under subsection (d) after September 30, 2012.

(b) RURAL ENTITY DEFINED.—Section 1624 of the Public Health Service Act (42 U.S.C. 300f–3) is amended by adding at the end the following paragraph:

“15(A) The term ‘rural entity’ includes—

(i) a rural health clinic, as defined in section 1861(aa)(2) of the Social Security Act;

(ii) any facility with at least 1 bed, but with less than 50 beds, that is located in—

(I) a county that is not part of a metropolitan statistical area; or

(II) a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725));

(iii) a hospital that is classified as a rural, regional, or national referral center under section 1886(d)(5)(C) of the Social Security Act; and

(iv) a hospital that is a sole community hospital (as defined in section 1886(d)(5)(D)(ii) of the Social Security Act).

(B) For purposes of subparagraph (A), the facts that a clinic, facility, or hospital has been properly classified under the Medicare program under title XVIII of the Social Security Act shall not preclude a hospital from being considered a rural entity under clause (I) or (II) of subparagraph (A).”.

(c) CONFORMING AMENDMENTS.—Section 1602 of the Public Health Service Act (42 U.S.C. 1395w(a)(1)) is amended—

(1) in section (b)(2)(D), by inserting “or 1603(a)(2)(B)” after “1601(a)(2)(B)”;

(2) in subsection (c), by striking “section 1601(a)(2)(B)” and inserting “sections 1601(a)(2)(B) and 1603(a)(2)(B)”;

(3) in paragraph (2), by inserting “or 1603(a)(2)(B)” after “1601(a)(2)(B)”;

(4) in paragraph (3), by striking “1601(a)(2)(B)” after “1601(a)(2)(B)”;

SEC. 9. EXTENSION OF MEDICARE INCENTIVE PAYMENT PROGRAM FOR PHYSICIAN ASSISTANTS.

Section 1833(u)(1) of the Social Security Act (42 U.S.C. 1395(u)(1)) is amended by striking “before January 1, 2008” and inserting “before January 1, 2009.”

SEC. 10. EXTENSION OF FLOOR ON MEDICARE WORK GEOGRAPHIC ADJUSTMENT.

Section 1848(e)(1)(E) of the Social Security Act (42 U.S.C. 1395w–6) is amended by striking “before January 1, 2007” and inserting “before January 1, 2009.”

SEC. 11. MEDICARE HOME HEALTH CARE PLANNING IMPROVEMENTS.

(a) IN GENERAL.—Section 1814(a)(2) of the Social Security Act (42 U.S.C. 1395f(a)(2)) is amended in the matter preceding subparagraph (A), is amended—

(1) by striking “(B) INTEREST SUBSIDIES .” and inserting “(B) INTEREST SUBSIDIES. —

(1) in the matter preceding paragraph (1)—

(i) by inserting “, or a nurse practitioner, clinical nurse specialist, or physician assistant (as the case may be)” after “physician” each place it appears;

(ii) by inserting “or clinical nurse specialist, or physician assistant (as those terms are defined in section 1861(aa)(5))” after “physician” the first place it appears; and

(2) in paragraph (2), by inserting “, or a nurse practitioner, clinical nurse specialist, or physician assistant (as those terms are defined in section 1861(aa)(5))” after “physician”;

(B) in the second sentence, by striking “or nurse practitioner, clinical nurse specialist, or physician assistant” and inserting “or physician” the second place it appears; and

(ii) in paragraph (3), by inserting “, or a nurse practitioner, clinical nurse specialist, or physician assistant” after “physician”;

(B) in subsection (e)(2)—

(i) by inserting “, or a nurse practitioner, clinical nurse specialist, or physician assistant” after “physician”;

(2) in paragraph (2)—

(1) in the heading, by striking “PHYSICIAN CERTIFICATION” and inserting “RULE OF CONSTRUCTION REGARDING REQUIREMENT FOR CERTIFICATION”;

(2) by striking “physician”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2007.

SEC. 12. RURAL HEALTH CLINIC IMPROVEMENTS.

Section 1833(f) of the Social Security Act (42 U.S.C. 1395f) is amended—

(1) in paragraph (1)(A), by inserting “, or a nurse practitioner, clinical nurse specialist, or physician assistant” after “physician”;

(2) in paragraph (2)—

(A) by inserting “Before 2007” after “in a subsequent year”;

(3) by striking the period at the end and inserting a semicolon;

(4) in a subsequent year, at the limit established under this subsection for the previous year increased by the percentage increase in the MEI (as so defined) applicable
to primary care services (as so defined) furnished as of the first day of that year.”

SEC. 13. COMMUNITY HEALTH CENTER COLLABORATIVE ACCESS EXPANSION.

Section 154 of the Public Health Service Act (42 U.S.C. 254b) is amended by adding at the end the following:

“(e) MISSIONARY PROVISIONS.—

“(1) RULE OF CONSTRUCTION WITH RESPECT TO RURAL HEALTH CLINICS.—

“(A) IN GENERAL.—Nothing in this section shall be construed to prevent a community health center from contracting with a federally certified rural health clinic (as defined by section 1861(aa)(2) of the Social Security Act) to deliver services that are available at the rural health clinic to individuals who would otherwise be eligible for free or reduced cost care if that individual were able to obtain that care at the community health center. Such services may be limited in scope to those primary health care services available in that rural health clinic.

“(B) ASSURANCES.—In order for a rural health clinic to receive funds under this section through a contract with a community health center under paragraph (1), such rural health clinic shall establish policies to ensure—

“(i) nondiscrimination based upon the ability to pay; and

“(ii) the establishment of a sliding fee scale for low-income patients.

SEC. 14. APPLYING ADD-ON POLICY FOR HOME HEALTH SERVICES FURNISHED IN A RURAL AREA FOR 2007.


“(1) in the heading, by striking “ONE-YEAR” and inserting “TEMPORARY” and

“(2) in subsection (a), by striking “before January 1, 2007” and inserting “before January 1, 2008”.

SEC. 15. USE OF MEDICAL CONDITIONS FOR CODING AMBULANCE SERVICES.

Section 1834(l)(7) of the Social Security Act (42 U.S.C. 1395l(m)(7)) is amended to read as follows:

“(7) CODING SYSTEM.—

“(A) IN GENERAL.—The Secretary shall, in accordance with section 1173(c)(1)(B) and not later than January 1, 2007, establish a mandatory system or systems for the coding of claims for services furnished for which payment is made under this subsection, including a code set specifying the medical condition of the individual who is transported and the level of service that is appropriate for the transportation of an individual with that medical condition.

“(B) MEDICAL CONDITIONS.—The code set established pursuant to subparagraph (A) shall take into account the list of medical conditions developed in the course of the negotiated rulemaking process conducted under paragraph (1).

SEC. 16. EXTENSION OF INCREASED MEDICARE PAYMENTS FOR GROUND AMBULANCE SERVICES IN RURAL AREAS.

Section 1834(l)(13) of the Social Security Act (42 U.S.C. 1395l(m)(13)) is amended—

“(1) in subparagraph (A), in the matter preceding clause (i), by striking “before January 1, 2008” and inserting “before January 1, 2009”;

“(2) in subparagraph (B), in the heading, by striking “AFTER 2006” and inserting “AFTER 2007”.

SEC. 17. IMPROVEMENT IN PAYMENTS TO RETAIN EMERGENCY AND OTHER CAPACITY PROVIDERS IN RURAL AREAS.

(a) IN GENERAL.—Section 1834(l) of the Social Security Act (42 U.S.C. 1395l(m)) is amended by adding at the end the following new paragraph:

“(15) ADDITIONAL PAYMENTS FOR PROVIDERS FURNISHING AMBULANCE SERVICES IN RURAL AREAS.—

“(A) IN GENERAL.—In the case of ground ambulance services furnished on or after January 1, 2007, for which the transportation originated in a rural area (as determined under subparagraph (B)), the Secretary shall provide for a percent increase in the base rate of the fee schedule for a trip identified under this subsection.

“(B) IDENTIFICATION OF RURAL AREAS.—The Secretary, in consultation with the Office of the Administrator of the Rural Health Policy, shall use the Urban Commuting Areas (RUCA) coding system, adopted by that Office, to designate rural areas for the purposes of this paragraph. A rural area is any area in RUCA levels 2 through 10 and any unclassified area.

“(C) TIERING OF RURAL AREAS.—The Secretary shall designate 4 tiers of rural areas, using a ZIP Code population-based methodology generated by the RUCA coding system, as follows:

“(i) TIER 1.—A rural area that is a high metropolitan area, in which 30 percent or more of the commuting flow is to an urban area, as designated by the Bureau of the Census (RUCA level 2).

“(ii) TIER 2.—A rural area that is a low metropolitan commuting area, in which less than 30 percent of the commuting flow is to an urban area or to a large town, as designated by the Bureau of the Census (RUCA levels 3–6).

“(iii) TIER 3.—A rural area that is a small town commuting area, as designated by the Bureau of the Census, in which no significant portion of the commuting flow is to an area of population greater than 10,000 people (RUCA levels 7–9).

“(iv) TIER 4.—A rural area in which there is no dominant commuting flow (RUCA level 10) and any unclassified area.

“The Secretary shall consult with the Office of Rural Health Policy not less often than every 2 years to update the designation of rural areas in accordance with any changes that are made to the RUCA system.

“(D) PAYMENT ADJUSTMENTS FOR TRIPS IN RURAL AREAS.—The Secretary shall adjust the payment rate under this section for ambulance services furnished on or after January 1, 2007, for which the transportation originated in a rural area (as determined under subparagraph (B)), by the percent increase specified in paragraph (A) to reflect the payment rates for ambulance services under section 1834(l) of the Social Security Act (42 U.S.C. 1395l(m)), as amended by section 5112 of the Deficit Reduction Act of 2005 (Public Law 109–171), is amended—

“(1) in subsection (a), by striking “before January 1, 2007” and inserting “before January 1, 2008”;

“(2) in subparagraph (B), by striking “and inserting “before January 1, 2009”;

“(3) in paragraph (2), by striking “and inserting “and” at the end; and

“(4) by adding at the end the following new subparagraph:

“(BB) marriage and family therapist services (as defined in subsection (ccc)(1)) and mental health counselor services (as defined in subsection (ccc)(3)).”.

“(2) DEFINITIONS.—Section 1861 of the Social Security Act (42 U.S.C. 1395s), as amended by section 5112 of the Deficit Reduction Act of 2005 (Public Law 109–171), is amended by adding at the end the following new subsection:

“(CCC) marriage and family therapist services means services performed by a marriage and family therapist (as defined in paragraph (2)) for diagnosis and treatment of mental illness, which the marriage and family therapist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or an incidence to a physician’s professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

“(2) The term ‘marriage and family therapist’ means an individual who—

“(A) possesses a master’s or doctoral degree in marriage and family therapy, or a degree in a field of specialization that qualifies the individual for certification as a marriage and family therapist pursuant to State law;

“(B) after obtaining such degree has performed at least 2 years of supervised experience in marriage and family therapy; and

“(C) in the case of an individual performing marriage and family therapy services in a State that has a State law that requires licensure or certification of marriage and family therapists, is licensed or certified as

SEC. 19. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES UNDER PART B OF THE MEDICARE PROGRAM.

(a) COVERAGE OF SERVICES.—

“(1) IN GENERAL.—Section 1861(a)(2) of the Social Security Act (42 U.S.C. 1395s(a)(2)), as amended by section 5112 of the Deficit Reduction Act of 2005 (Public Law 109–171), is amended—

“(A) by striking subparagraph (B) and inserting subparagraph (B); and

“(B) by striking paragraphs (11) and (12) and inserting paragraphs (11), (12), and (15).”.
a marriage and family therapist in such State.

(3) The term ‘mental health counselor services’ means services performed by a mental health counselor or practicing psychologist who is licensed to perform such services under State law (or the State regulatory mechanism provided by the State law) in the State in which such services are performed, as would be recognized in Florida if furnished by a physician or as incident to a physician’s professional service, but only if no facility or other provider charges or pays any amounts with respect to the furnishing of such services.

(4) The term ‘mental health counselor’ means an individual who:

(A) possesses a master’s or doctor’s degree in mental health counseling or a related field;

(B) after obtaining such a degree has performed at least 2 years of supervised mental health counselor practice; and

(C) in the case of an individual performing services in a State that for licensure or certification of mental health counselors or professional counselors, is licensed or certified as a mental health counselor or professional counselor in such State.

(3) PROVISION FOR PAYMENT UNDER PART B—Section 1833(a)(2)(B) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new paragraph:

“(v) marriage and family therapist services and mental health counselor services.”

(4) AMOUNT OF PAYMENT.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395u(a)(1)) is amended—

(A) by striking “and (V) and inserting “and (V)”;

(B) by inserting before the semicolon at the end the following new clause:

“(V) marriage and family therapist services and mental health counselor services.”

(5) EXCLUSION OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES FROM SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM.—Section 1886(e)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1395x(aa)(2)(A)(ii)) is amended by striking “and family therapist” (as defined in section 1861(ccc)(2)) and inserting “and (V)”.

(6) INCLUSION OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES AS PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395m(b)(18)(C)) is amended by adding at the end the following new clause:

“(vii) A marriage and family therapist (as defined in section 1861(ccc)(2)).

(b) COVERED CERTAIN MENTAL HEALTH SERVICES PROVIDED IN CERTAIN SETTINGS.—

(1) GENERAL.—A mental health counseling or marriage and family therapy services provided at a covered qualified health center—

(A) is a mental health counseling or marriage and family therapy services provided to a covered qualified health center—

(i) is a covered qualified health center (as defined in section 1861(ccc)(4));

(ii) is a mental health counseling or marriage and family therapy services provided to a covered qualified health center—

(A) by a mental health counselor (as defined in section 1861(ccc)(4));

(2) HOSPICE PROGRAMS.—Section 1861(dd)(2)(B)(1)(III) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)(1)(III)) is amended by inserting “or marriage and family therapy services as defined in subsection (ccc)(2))” after “social worker”.

(c) AUTHORIZATION OF MARRIAGE AND FAMILY THERAPISTS TO DEVELOP DISCHARGE PLANS FOR PATIENTS.—Section 1861(ee)(2)(G) of the Social Security Act (42 U.S.C. 1395x(ee)(2)(G)) is amended by inserting “marriage and family therapist (as defined in subsection (ccc)(2))” after “social worker”.

(d) EFFECTIVE DATE.—The amendments made by this section apply with respect to services furnished on or after January 1, 2007.

SEC. 19. MEDICARE REMOTE MONITORING PILOT PROJECTS.

(a) PILOT PROJECTS.—

(1) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Secretary of Health and Human Services (in this section referred to as the Secretary) shall conduct pilot projects under title XVIII of the Social Security Act for the provision of Medicare services in the home to patients with conditions, needs, or disabilities that require ongoing monitoring and communications technologies that—

(A) enhance health outcomes for Medicare beneficiaries;

(B) reduce expenditures under such title.

(2) SITE REQUIREMENTS.—

(A) UNITS IN TWO STATES.—The Secretary shall conduct the pilot projects under this section in both urban and rural areas.

(B) IN A SMALL STATE.—The Secretary shall conduct, at least 3 of the pilot projects in a State with a population of less than 1,000,000.

(3) DEFINITION OF HOME HEALTH AGENCY.—In this section, the term ‘home health agency’ has the meaning given those terms in subparagraphs (F) and (G) of section 1861(ee)(2) of the Social Security Act (42 U.S.C. 1395x(ee)(2)).

(b) MEDICARE BENEFICIARIES WITHIN THE SCOPE OF PROJECTS.—The Secretary shall specify the criteria for identifying those Medicare beneficiaries who shall be considered within the scope of the pilot projects under this section for purposes of the application of section (c) and for the assessment of the effectiveness of the home health agency services for the achievement of the objectives of this section. Such criteria may provide for the inclusion in the projects of Medicare beneficiaries who meet one or more of the following criteria:

(1) PERFORMING TARGETS.—The Secretary shall establish for each home health agency participating in a pilot project under this section a performance target for each of the following performance measures:

(A) ADJUSTED HISTORICAL PERFORMANCE TARGET.—The Secretary shall establish for the agency—

(i) a base expenditure amount equal to the average total payments made to the agency under part B of title XVIII of the Social Security Act for Medicare beneficiaries determined to be within the scope of the pilot project in a base period determined by the Secretary; and

(ii) an annual per capita expenditure target for such beneficiaries, reflecting the base expenditure amount adjusted for risk and adjusted for changes in costs.

(B) COMPARATIVE PERFORMANCE TARGET.—The Secretary shall establish for the agency a comparative performance target equal to the average total payments made to comparable individuals in the same geographic area that are not determined to be within the scope of the pilot project.

(c) INCENTIVE.—Subject to paragraph (3), the Secretary shall pay to each participating agency an incentive payment for each year under the pilot project equal to a portion of the Medicare savings realized for such year relative to the performance target under paragraph (b)(1). In determining the incentive payments under this subsection, the Secretary shall: (A) reduce the incentive payments under this subsection to the extent that the savings realized under the pilot project would have been realized under the nonpilot projects within the applicable period.

(d) WAIVER AUTHORITY.—The Secretary may waive such provisions of titles XI and XVIII of the Social Security Act as the Secretary determines to be appropriate for the conduct of the pilot projects under this section.

(e) REPORT TO CONGRESS.—Not later than 5 years after the date that the first pilot project under this section is implemented, the Secretary shall submit to Congress a report on the pilot projects. Such report shall contain a detailed description of issues related to the expansion of the projects under section (f) and recommendations for such legislation and administrative actions as the Secretary considers appropriate.

(f) EXPANSION.—If the Secretary determines that any of the pilot projects under this section enhance health outcomes for Medicare beneficiaries and reduce expenditures under title XVIII of the Social Security Act, the Secretary may initiate comparable projects in additional areas.

(g) INCENTIVE PAYMENTS HAVE NO EFFECT ON MEDICARE PAYMENTS TO AGENTS.—An incentive payment under this section—

(1) shall be in addition to the payments that a home health agency would otherwise receive under title XVIII of the Social Security Act for the provision of home health services; and

(2) shall have no effect on the amount of such payments.

SEC. 20. FACILITATING THE PROVISION OF TELEHEALTH SERVICES ACROSS STATE LINES.

(a) IN GENERAL.—For purposes of expediting the provision of telehealth services, for which payment is made under the Medicare program, across State lines, the Secretary of Health and Human Services shall, in consultation with representatives of States, physicians, health care practitioners, and patient advocates, encourage and facilitate the adoption of provisions allowing for multistate practitioner practice across State lines.

(b) DEFINITIONS.—In subsection (a): (1) TELEHEALTH SERVICE.—The term ‘telehealth service’ has the meaning given that term in paragraph (3) of the definition of ‘telehealth service’ in subsection 1861(dd)(2)(B)(1)(III) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)(1)(III)).

(2) PHYSICIAN, PRACTITIONER.—The terms ‘physician’ and ‘practitioner’ have the meaning given those terms in paragraphs (D) and (E), respectively, of such section.

(c) MEDICARE PROGRAM.—The term ‘Medicare program’ means the program of medical care administered by the Secretary of Health and Human Services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

Mr. CONRAD. Mr. President, today I am pleased to join Senator Thomas in introducing the Rural Hospital and Provider Equity Act, or R-HoPE. This
The proposal will help shore up health care in rural areas and give rural Americans hope that health care will be available when they need it.

R-HoPÉ is the next step in addressing the inequities that exist in Medicare reimbursement and ensuring access to high-quality, affordable mental health and home health care in rural communities. The proposal has strong bipartisan support. In fact, we’re pleased to have over 12 cosponsors today from both sides of the aisle.

Our proposal also has broad support among provider groups including the National Rural Health Association, the American Hospital Association, the American Ambulance Association, the American Academy of Nurse Practitioners, the American Academy of Family Physicians, the American Ambulance Association, the Federal Emergency Management Association, the National Rural Health Association, the American Hospital Association, and the American College of Nurse Practitioners.

As my colleagues know, prior to the Medicare Modernization Act, Medicare reimbursement was significantly less than our urban counterparts. For example, Mercy Hospital in Devil’s Lake, North Dakota received half as much reimbursement for treating pneumonia as Mercy Hospital in New York City. I should note that Mercy in Devil’s Lake is staffed by volunteers; few first responders are paid. While I will be the first to admit that health care can be more expensive in urban areas, it certainly isn’t twice the cost. And for that matter, rural hospitals don’t get a “rural discount” when they go to buy supplies or new technology. It costs rural hospitals even more to purchase technology and supplies because they can’t achieve the economies of scale that larger, more urban hospitals can.

The MMA recognized this disparity in reimbursement and took steps to close the gap. We secured over $25 billion for rural health care, but most of the changes were only temporary. Even with the MMA funding, many rural hospitals still continue to experience negative margins. In 2003, before the MMA passed, rural hospitals had overall Medicare margins of negative 5.4 percent—compared to negative 0.9 percent for urban providers. In its March 2006 report, the Medicare Payment Advisory Commission projected that rural hospitals would experience negative 4.5 percent margins this year. Facilities cannot continue to provide high quality services if they lose 4 percent of every Medicare patient.

R-HoPÉ will continue the progress made by the MMA and add new provisions that will protect access to rural health care.

First, it will help ensure that everyone who chooses to live in a rural community has a hospital nearby. For example, the proposal recognizes that rural facilities can’t achieve the same economies of scale as large hospitals by giving extra payments to hospitals with fewer than 2,000 patients a year. R-HoPÉ also provides providers with incentives to protect rural hospitals against losses under the current outpatient payment system. Next, the bill extends an MMA provision that has helped rural hospitals to better meet their labor costs by improving their “wage index” calculation. In addition, the proposal would close the gap in payments hospitals receive for serving low-income patients by giving the same level of reimbursement for treating Medicare patients in “rural payment areas” that urban areas enjoy. Lastly, the bill establishes a new loan program to help rural hospitals repair crumbling buildings.

Second, R-HoPÉ would guarantee that rural Americans can see a doctor when they are sick. As is the case with most rural States, much of North Dakota is designated as a health professional shortage area, HPSA. Recruiting doctors to these areas is very difficult, and the Medicare program recognized that extra payments are needed when it established the 10-percent physician scarcity payment for doctors who serve Medicare patients in HPSAs. R-HoPÉ would extend these vital bonus payments to practitioners in rural areas, and create a provision from the MMA that erases geographic inequities in physician payments.

Third, our bill would guarantee that when there is an emergency in a rural area, an ambulance is there to respond. Many rural ambulance services are closing because of low Medicare reimbursement. These services are often staffed by volunteers; few first responders are paid. R-HoPÉ would protect rural ambulance services by improving how Medicare pays EMS providers in rural areas. The bill also extends a 2-percent bonus payment for rural ambulance services and takes steps to reduce the number of wrongful denials of payment by Medicare contractors.

Fourth, R-HoPÉ helps to bolster a vital rural health care safety net provider, rural health clinics. Our bill would help preserve this important source of health care by increasing all-new rural health clinics and reducing the inequity in the Medicare reimbursement for rural health clinics.

In addition, our bill encourages rural health clinics to collaborate with community health centers to provide care in rural areas.

Fifth, R-HoPÉ takes a number of steps to protect the availability of home and mental health in rural areas by increasing the number of providers who are allowed to order and provide these vital services. It also extends the rural add-on payment for home health services provided in rural areas and creates a new project to use home monitoring technology to provide home health services.

This bill also removes barriers to telehealth. Specifically, the bill would address problems that arise when telehealth services are billed across State lines and payment is denied because the practitioner isn’t licensed in the State where the patient resides.

Finally, the bill we are introducing includes two small changes to the critical access hospital, CAH, program that will put these facilities on a much sounder financial footing. These provisions would ensure CAHs could afford to provide quality ambulance care and receive fair reimbursement for lab services provided outside the hospital.

Rural America is the backbone of this country. We must not turn our backs on rural Americans and their health care needs. They have a right to the same quality care enjoyed by other Americans. And that right is being threatened by low Medicare reimbursement and limited access to providers. R-HoPÉ truly gives hope to those living in rural communities by ending the inequitable current law that impedes access to care.

I want to thank my Senate colleagues who have joined in this effort, as well as the organizations who worked with us, for their cooperation in developing this important health care proposal. It is my hope that this legislation will help strengthen our rural health care system and preserve it for generations to come.

By Mr. MCCAIN—S. 3501. A bill to amend the Shivwits Band of the Paiute Indian Tribe of Utah Water Rights Settlement Act to establish an acquisition fund for the water rights and habitat acquisition program; to the Committee on Indian Affairs.

Mr. MCCAIN. Mr. President, today I am introducing legislation to amend the Shivwits Band of Paiute Indian Tribe of Utah Water Rights Settlement Act 2000 in order to bring that settlement to an orderly conclusion. That act ratified a negotiated settlement of the Shivwits Band of Paiute Indian Tribe’s water entitlement to flow from the Santa Clara River in Utah. The Department of the Interior requested the amendment and provided technical assistance in crafting the legislation.

As part of section 10, Water Rights Settlement, of the Shivwits Settlement Act a water rights and habitat acquisition program was authorized. Congress authorized $3.0 million to be appropriated to implement section 10. However, when the Department of the Interior attempted to implement the provision in section 10, which was intended to maintain the $3.0 million in an interest bearing account, the Treasury Department advised that the language in section 10 was insufficient for this purpose. The Treasury Department and Department of the Interior developed technical correction language to address this deficiency in the settlement act by amending the statutory language for the establishment of the acquisition fund and investment of the acquisition fund.

The bill I am introducing today will allow the Shivwits Band water rights and habitat acquisition program authorized under section 10 of the settlement act to move forward. This legislation is supported by the Department of the Interior and will fully implement the Shivwits Band of Paiute Indian Tribe of Utah Water Rights Settlement Act of 2000. I urge my colleagues to support this legislation.
I ask unanimous consent that the text of the bill be printed in the RECORD. There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3501
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. ACQUISITION FUND.

Section 10 of the Shivwits Band of the Paiute Indians of the Utah Water Rights Settlement Act (Public Law 106-263; 114 Stat. 74) is amended—

(1) in subsection (f), by striking the second sentence; and

(2) by adding at the end the following:

"(g) ACQUISITION FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ‘Santa Clara Water Rights and Habitat Acquisition Fund’ (referred to in this section as the ‘Acquisition Fund’), consisting of—

(A) such amounts as are appropriated to the Acquisition Fund under paragraph (2); and

(B) any income earned on investment of amounts in the Acquisition Fund under paragraph (4).

(2) TRANSFERS TO ACQUISITION FUND.—There are appropriated to the Acquisition Fund amounts equivalent to amounts made available under subsection (f).

(3) EXPENDITURES FROM ACQUISITION FUND.—On request by the Secretary, the Secretary of the Treasury shall transfer from the Acquisition Fund to the Secretary such amounts as the Secretary determines to be necessary to carry out this section.

(4) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—On request by the Secretary, the Secretary of the Treasury shall invest such portion of the Acquisition Fund as is not, in the judgment of the Secretary, required to meet current withdrawals.

(B) OBLIGATIONS.—Investments may be made only in public debt securities with maturities suitable to the needs of the Acquisition Fund, as determined by the Secretary, that bear interest at a rate determined by the Secretary of the Treasury, taking into consideration market yields on outstanding marketable obligations of the United States, the maturity date, and the availability of such obligations.

(C) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(D) SALE OF OBLIGATIONS.—Any obligation acquired by the Acquisition Fund may be sold by the Secretary of the Treasury at the market price.

(E) CREDITS TO ACQUISITION FUND.—The income from and the proceeds from the sale or redemption of, any obligations held in the Acquisition Fund shall be credited to, and form a part of, the Acquisition Fund.

(F) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Acquisition Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Acquisition Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(6) MANAGEMENT.—The Acquisition Fund (including the principal of the Acquisition Fund and any interest generated on that principal) shall be managed in accordance with this section.

By Mr. KENNEDY (for himself, Mrs. CLINTON, and Mr. KERRY):
S. 3502. A bill to modernize the education system of the United States, to arm individuals with 21st century knowledge and skills in order to preserve the economic and national security of the United States, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, American families are in a fight for survival dealing with the rapidly changing global economy. The value of their wages is declining, the cost of living is going up, and many jobs are moving overseas.

More and more Americans feel the American dream is slowly slipping out of reach.

We can and must deal more effectively with this problem. We have a responsibility to make the investments that are necessary to our progress—responsibility to our families, to our economy, to our Nation, and even to our national security.

We can guarantee America’s continuing prosperity in the future, but we must work for it. We must sacrifice for it. The rest of the world is playing for keeps. We cannot just tinker at the margins if we expect to continue to be a leader in this rapidly shrinking world.

We must ensure that our citizens can achieve the American dream once again. To do so, our highest priority must be a world class education for every American. We must make the American employee and employer the best educated, best trained, and most capable in the world. We need to strengthen the capacities of every person in the Nation.

This isn’t just my opinion. In recent years, study after study has emphasized education as the solution to keeping America competitive in the years to come.

Last year, the Council on Competitiveness urged a focus on lifelong skill development—through elementary, secondary and higher education, and training and workforce support, as essential to keeping America on the cutting edge of innovation.

A recent National Academy of Sciences report contains these recommendations. Two of the report’s four major recommendations state that education is the solution to meeting the global challenge.

The National Association of Manufacturers has also issued a report urging a renewed focus on education and training to keep American businesses competitive.

Other industrialized countries are embracing education as the key to competing in this new economy, but America is slipping behind. We rank 28th out of 40 nations in math and science, and in 1957, when the Soviet Union launched Sputnik, to meet that crisis, Republican President Eisenhower worked closely with a Democratic Congress to pass the National Defense Education Act. The new law declared a national education emergency, and we doubled the Federal investment in education virtually overnight.

Today I join with my colleagues, Senator CLINTON and Senator KERRY, to introduce a new National Defense Education Act for our own day and generation.

To respond to this major challenge, we must ensure our education standards are internationally competitive, so that our high school graduates can succeed in the new economy. We must ensure American math and science education in this country by making college free for students training to become math or science teachers in high need schools.

Our New National Defense Education Act responds to each of these imperatives. It modernizes our education system and equips Americans with 21st century knowledge and skills. It provides incentives and resources for schools to develop and implement more rigorous standards in math, science and reading.

The legislation updates the Nation’s report card—the National Assessment of Educational Progress. It calls for a framework of accountability that sets a national benchmark which is internationally competitive and is aligned with the demands of the 21st century global economy. It expands our ability to monitor science achievement. It requires the NAEP to measure student preparedness to enter college, the 21st century workforce, or the armed services. It also requires the Secretary of Education to examine the gaps in student performance on State-level assessments and NAEP assessments, and to assist States in understanding those gaps. It provides critical resources to states to create PreK-16 Preparedness Councils to help them with their efforts to improve state standards and ensure that they are aligned with the expectations of colleges, employers, and the Armed Services. It also provides funding to States working in collaboration to establish common standards and assessments.

The New NDEA also directs resources to high need schools, to enable them to invest in math, science, engineering and technology textbooks and laboratories, and give their students equal
access to a curriculum that will provide the skills they need to be successful in the 21st century global economy.

The legislation recognizes the critical role of the National Science Foundation in ensuring our children have access to cutting-edge science and technology programs, by doubling the investment in elementary, secondary, and postsecondary education programs at NSF.

The New NDEA also helps open the doors of college to all by creating the Contract for Educational Opportunity grant program, or “CEO Grants,” which guarantee students that if they work hard and are admitted to college, their financial need will be met through additional State and Federal financial aid.

The legislation also offers additional grants to make college tuition free for low- and middle-income students studying science, technology, engineering or math, as well as critical-need foreign language programs.

The bill provides larger grants to students studying to become teachers in these fields who agree to work in a high poverty school for at least 4 years. It also provides teachers with tax credits, increased loan forgiveness and additional incentives to continue to teach where they are needed the most. It provides grants to institutions of higher education to develop innovative programs for recruiting and training new teachers and other Key Teachers in their training programs to support their continuing education.

The bill recognizes that it is increasingly important for students to be exposed to other languages and cultures. In recent years, foreign language needs have significantly increased throughout the public and private sector because of the wider range of security threats, the emergence of new nation states, and the globalization of the U.S. economy. American businesses increasingly need employees experienced in foreign languages and international cultures to manage a culturally diverse workforce.

The New NDEA responds to these needs by providing grants for elementary and secondary critical-need language programs, summer institutes to improve teachers’ knowledge and instruction of foreign languages and international content, and study abroad and foreign language study opportunities for high school students, and undergraduate and graduate students.

The New NDEA also continues to invest in our current workforce. The bill builds on existing formula funds for job training programs with competitive grants to support innovative strategies to meet emerging labor market needs.

From our earliest days as a nation, education has been the engine of the American dream. Our country is home to the greatest universities in the world, and our education system has produced the world’s leading teachers, scientists, writers, musicians, and inventors. We cannot let these achievements stall. Slogans are not enough. We have to put first things first, and give children, parents, schools, communities and states the support they need to refuel the amazing engine of education in America so that keep our country great in the years ahead.

I urge my colleagues to join us in making this strong new commitment to securing our Nation’s future by supporting the New National Defense Education Act.

Mr. President, I ask unanimous consent that the text of the New National Defense Education Act be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

SEC. 2. FINDINGS.

Congress finds the following:

(1) Throughout our Nation’s history, the skills and education our workforce have been a major determinant of the standard of living of the people of the United States.

(2) Spurred into action by the launch of Sputnik, Congress passed the National Defense Education Act of 1958 (Public Law 85–864, 72 Stat. 1580). The law, now nearly 50 years old, declared a national “educational emergency.” Federal expenditures for education more than doubled in the 4 years after its passage. The programs authorized under the Act helped the United States to improve rapidly in mathematics, science, engineering, technology, and foreign languages and led to our dominance in the arms race and the global economy.

(3) Today, our Nation once again faces an international challenge in education: we must confront a shortage of highly skilled and educated workers, especially in mathematics, science, technology, and critical-need foreign languages. As a percentage of total first university degrees granted, the United States produced fewer graduates in mathematics and engineering in 2002 than the Nation did in 1965. Currently, the United States Government requires 34,000 employees with foreign language skills to join more than 80 Federal agencies. These trends pose a threat to our national security and our economic security.

(4) Student achievement in mathematics and science in elementary and secondary school lags behind other nations, according to the Trends in International Mathematics and Science Study. Including the Programme for International Student Assessment, that recently ranked United States secondary school students 28th out of 40 first- and second-world nations, and tied with Latvia, in mathematics performance and problem solving.

(5) According to the most recent National Assessment of Educational Progress, less than 40 percent of the students in grade 4 and 30 percent of the students in grade 8, and only 17 percent of the students in grade 12, reach the basic level in mathematics, and approximately ½ of the students in grades 4 and 8, and nearly ⅓ of the students in grade 12, do not reach the basic level in science.

(6) A State-by-State comparison of the 2005 National Assessment of Educational Progress average scale scores for 8th grade mathematics reveals that 31 States—more than ½ of the States in the Nation—scored more than 10 points (about 1 grade level) below the highest scoring State, Massachusetts.

(7) More than 200,000,000 children in China are studying English, a compulsory subject for Chinese primary schools. By comparison, only about 24,000 of approximately 54,000,000 elementary and secondary school children in the United States are studying Chinese.

(8) There is a significant shortage of trained and qualified mathematics and science teachers in America. According to the National Science Board, in 2002, between 17 and 28 percent of public secondary school science teachers (depending on the specific scientific field), and 20 percent of public secondary school mathematics teachers, lacked full certification in their teaching field.

(9) More than ¼ of the 20 fastest growing occupations require postsecondary degrees in mathematics or science. According to the National Science Board, out of more than 30,000,000 college students, less than 400,000 Americans a year graduate with a bachelor’s degree in mathematics, science, engineering, or technology. According to the National Science Foundation, 60,000 American undergraduate students obtain a master’s degree in mathematics, science, engineering, or technology.

(10) In the 2002 Government Accountability Office report, it was experiencing serious shortfalls of translators and interpreters in 5 of the 6 critical languages: Arabic, Korean, Mandarin Chinese, Persian-Farsi, and Russian. According to the Modern Language Association, enrollment in foreign languages declined from 16 percent in 1971 to 8 percent in 1974, rebounding to just 8.6 percent in 2002. Less commonly taught languages accounted for only 12 percent of all language enrollments. This means that 1 percent of American undergraduate students are studying these critical languages.

(11) In 2002, 79 percent of Americans agreed that students should have a study-abroad experience sometime during college. Only 1 percent of all United States undergraduate students studied abroad in the 2001–2002 school year.

(12) The Government Accountability Office estimates that the number of students enrolled in science, technology, engineering, or mathematics doctoral degree programs at United States institutions of higher education declined from 217,385 during the 1995–1996 academic year to 196,504 during the 2003–2004 academic year.

(13) The extent of this crisis requires a coordinated Federal response and an increased Federal investment in programs of the Department of Education and the National Science Foundation.

TITLE I—MODERNIZING AMERICA’S EDUCATION SYSTEM

Subtitle A—Prekindergarten Through Grade 16 Education

SEC. 111. PURPOSES.

The purposes of this subtitle are the following:

(1) To ensure students receive an education competitive with other industrialized countries.

(2) To assist States in improving the rigor of standards and assessments.

(3) To provide for the establishment of prekindergarten through grade 16 student performance councils to improve child-
skills with success in secondary school, and secondary student skills and curricula, especially with respect to reading, mathematics, and science, with the demands of higher education, the 21st century workforce, and the Armed Forces, in order to—

(A) ensure that greater number of students, especially low-income and minority students, are prepared to enter secondary school with the coursework and skills necessary to enter—

(i) credit-bearing coursework in higher education without the need for remediation;

(ii) high-paying employment in the 21st century workforce; or

(iii) the Armed Forces.

(B) To establish a system that encourages local educational agencies to adopt a curriculum that meets State academic content standards and prepares all students for success in elementary school, secondary school, and post-secondary endeavors in the 21st century.

SECTION 121. DEFINITIONS.

In this subtitle:

(1) IN GENERAL.—The terms “elementary school,” “academic content standards,” “local educational agency,” “scientifically based research,” “secondary school,” “Secretary,” and “State educational agency” have the meaning given such terms in section 901 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(2) ACADEMIC CONTENT STANDARDS; STUDENT ACHIEVEMENT STANDARDS.—The terms “academic content standards” and “student achievement standards,” when used with respect to a particular State, mean the academic content standards and student achievement standards adopted by a State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1)).

(3) 21ST CENTURY CURRICULUM.—The term “21st century curriculum” means a course of study identified by a State as preparing secondary school students for entrance into credit-bearing coursework in higher education without the need for remediation, employment in the 21st century workforce, or entrance into the Armed Forces. A State shall define the 21st century curriculum in terms of content as well as course names.

(4) END OF COURSE EXAMINATION.—The term “end of course examination” means an assessment of student learning given at the end of a particular course that is used to measure the learning of State academic content standards in the subject matter of the course.

(5) EDUCATION RATE.—The term “education rate” means the percentage of students who graduate from secondary school with a regular diploma in the standard number of years.

(6) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given such term in section 1001(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(7) PROFESSIONAL DEVELOPMENT.—The term “professional development” includes activities that—

(A) improve and increase teachers’ knowledge of the academic subjects the teachers teach, and enable teachers to become highly qualified;

(B) are an integral part of broad educational improvement plans across the school and across the local educational agency.

(G) Three (3) years.

(b) CONTENTS OF REPORT.—

(1) IN GENERAL.—The report described in subsection (a) shall include the following:

(A) The percentage of students who performed at or above the basic level on the State assessment—

(i) for the most recent applicable year;

(ii) for the preceding year; and

(iii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between these assessments.

(B) The percentage of students who performed at or above the proficient level on the State assessment—

(i) for the most recent applicable year;

(ii) for the preceding year; and

(iii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(C) The percentage of students who performed at or above the basic level on the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965—

(i) for the most recent applicable year; and

(ii) for the previous such assessment, and the change in such percentages between those assessments.

(D) The percentage of students who performed at or above the proficient level on the assessment described in section 303 of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Authorization Act (20 U.S.C. 9622(b)(2)) and section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(c)(2)) in reading or mathematics (or, in the case of science, in grades 4 and 8), the Secretary shall—

(i) prepare and submit to Congress the report described in subsection (b) on the results of the State assessments and the assessments of reading and mathematics, and, beginning in 2009, in science, in grades 4 and 8, of the assessments required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965; and

(ii) identify States with significant discrepancies in performance of the 2 assessments, as described in subsection (b)(3).

(b) CONTENTS OF REPORT.—

(1) IN GENERAL.—The report described in this subsection shall include the following information for each subject area and grade described in subsection (a)(1) in each State:

(A) The percentage of students who performed at or above the basic level on the State assessment—

(i) for the most recent applicable year;

(ii) for the preceding year; and

(iii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(B) The percentage of students who performed at or above the proficient level on the State assessment—

(i) for the most recent applicable year;

(ii) for the preceding year; and

(iii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(C) The percentage of students who performed at or above the basic level on the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965—

(i) for the most recent applicable year; and

(ii) for the previous such assessment, and the change in such percentages between those assessments.

(D) The percentage of students who performed at or above the proficient level on the assessment described in section 303 of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Act of 1965; and

(ii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(E) The percentage of students who performed at or above the basic level on the assessment described in section 303 of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Act of 1965; and

(ii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(F) The percentage of students who performed at or above the proficient level on the assessment described in section 303 of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Act of 1965; and

(ii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(G) The percentage of students who performed at or above the basic level on the assessment described in section 303 of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Act of 1965; and

(ii) for the previous year in which the assessment required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 was given in such subject, and the change in such percentages between those assessments.

(H) Include instruction in the use of data and assessments to inform and instruct classroom practice.

(8) STATE.—The term “State” means each of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(9) STATE ASSESSMENT.—The term “State assessment”, when used with respect to a particular State, means the student academic assessments implemented by the State pursuant to section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1)).

(10) STUDENT PREPAREDNESS.—The term “student preparedness” means preparedness focused on the knowledge and skills that—

(A) are prerequisites for entrance into—

(i) credit-bearing coursework in higher education without the need for remediation;

(ii) the 21st century workforce; and

(iii) the Armed Forces;

(B) are measurable, and verified objectively using widely accepted professional assessment standards; and

(C) are consistent with widely accepted professional assessment standards and competitive with those of students in postsecondary success.

SEC. 113. ALIGNING STATE STANDARDS WITH NATIONAL BENCHMARKS.

(a) REPORT ON RESULTS OF STATE ASSESSMENTS AND NATIONAL ASSESSMENT.—Not later than 90 days after each release of the results of the National Assessment of Educational Progress (as carried out under section 303(b)(2) of the National Assessment of Educational Progress Authorization Act (20 U.S.C. 9622(b)(2)) and section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(c)(2)) in reading or mathematics (or, in the case of science, in grades 4 and 8, the Secretary shall—

(1) prepare and submit to Congress the report described in subsection (b) on the results of the State assessments and the assessments of reading and mathematics, and, beginning in 2009, in science, in grades 4 and 8, of the assessments required under section 1111(c)(2) of the Elementary and Secondary Education Act of 1965; and

(2) identify States with significant discrepancies in performance of the 2 assessments, as described in subsection (b)(3).

(b) CONTENTS OF REPORT.—

(1) IN GENERAL.—The report described in this subsection shall include the following information for each subject area and grade described in subsection (a)(1) in each State:
(B) identify those States with the most sig-
nificant discrepancies in performance be-
tween the State assessments and the assess-
ments required under section 1111(c)(2) of the
Elementary and Secondary Education Act of
1965.
(c) REPORT ON STATE PROGRESS.—Begin-
ning 5 years after the date of enactment of
this Act, the Council shall include in the re-
port described in subsection (a)(1) the fol-
lowing:
(1) Information about the progress made by
States to decrease discrepancies in student
performance on the State assessments and the
assessments required under section 1111(c)(2) of
the Elementary and Secondary Education Act
of 1965.
(2) The differences that exist in States
across subject areas and grades.

SEC. 114. NATIONAL ASSESSMENT OF EDU-
CATIONAL PROGRESS CHANGES.

(a) NATIONAL ASSESSMENT GOVERNING
BOARD.—Section 302 of the National As-
sessment of Educational Progress Authoriza-
tion Act (20 U.S.C. 9621) is amended—
(1) in subsection (a), by striking “shall for-
mulate” and all that follows through the pe-
riod at the end and inserting “shall—
(1) formulate policy guidelines for the Na-
tional Assessment of Educational Progress
(carrt out under section 303); and
(2) carry out, upon the request of a State,
an alignment analysis (under section 304)
comparing a State’s academic content stan-
dards and student academic achievement
standards adopted under section 1111(b)(1) of
the Elementary and Secondary Education
Act of 1965, assessment specifications, assess-
ment questions, and performance standards
with national benchmarks reflected in the
assessments authorized under this Act.”;
(2) in subsection (b)(1), by adding at the end
the following:
“(O) One representative of the Armed
Forces with expertise in military personnel
requirements and military preparedness, who
shall serve as an ex-officio, nonvoting mem-
ber;”;
(3) in subsection (c), by striking paragraph
(4);
(4) in subsection (e)—
(A) in paragraph (1)—
(i) in subparagraph (B), by inserting “and
grade 12 student preparedness levels” after
“achievement levels”;
(ii) in subparagraph (D), by inserting “and
subject matter as specified in this section.
that are competitive with rigorous inter-
cultural workforce, and the Armed Forces or,
6. Participation in the 21st century coursework in
higher education without the need for
remediation, the 21st century workforce, and the
Armed Forces; and
7. (A) identifying the knowledge and skills
that—
(aa) are prerequisite to credit-bearing coursework in
higher education without the need for
remediation in English, mathematics, or science,
participation in the 21st century workforce, and the
Armed Forces or, in the case of grade 4 and grade 8
students, and prerequisite to grades 12 student
preparation levels;
(bb) are competitive with rigorous inter-
cultural content and performance standards;
and
(cc) can be measured and verified objec-
tively using widely accepted professional
assessment standards; and
(ii) GRADE 12 STUDENT PREPAREDNESS LEVELS.
The grade 12 student preparedness levels
described in paragraph (1) shall be deter-
mined by—
(I) identifying the knowledge and skills
that—
(aa) are prerequisite to credit-bearing coursework in
higher education without the need for
remediation in English, mathematics, or science;
and
(bb) based on the appropriate level of subject
matter knowledge for the grade levels to be
assessed, or the age of the students, as the
case may be; and
(cc) consistent with relevant widely ac-
cepted professional assessment standards.
(ii) GRADE 12 STUDENT PREPAREDNESS LEVELS.
The grade 12 student preparedness levels
described in paragraph (1) shall be deter-
minal by—
(I) identifying the knowledge and skills
that—
(aa) are prerequisite to credit-bearing coursework in
higher education without the need for
remediation in English, mathematics, or science;
and
(bb) are competitive with rigorous inter-
cultural content and performance standards;
and
(cc) can be measured and verified objec-
tively using widely accepted professional
assessment standards; and

“(II) developing grade 12 student preparedness levels that are—

“(aa) based on the knowledge and skills identified in subclause (I); and

“(bb) that are widely accepted professional assessment standards;”;

and

(ii) in subparagraph (C), by striking “achievement levels” and inserting “student achievement levels and grade 12 student preparedness levels”;

(D) in paragraph (3)—

(i) by striking “After determining that such achievements and—” and inserting “After determining that the student achievement levels and grade 12 student preparedness levels;” and

(ii) by striking “an evaluation” and inserting “a review”; and

(E) in paragraph (4), by inserting “or grade 12 student preparedness levels” after “achievement levels”; and

(5) in subsection (f)(1)—

(A) in subparagraph (A), by inserting “and grade 12 student preparedness levels” after “student achievement levels”; and

(B) in subparagraph (B)—

(i) in clause (i), by inserting “or grade 12 student preparedness levels” after “achievement levels”;

(ii) in clause (ii), by inserting “and grade 12 student preparedness levels” after “achievement levels”; and

(iii) by striking clause (iii) and inserting the following:

“(iii) whether any authorized assessment is being conducted as a random sample and is reporting the trends in student achievement or grade 12 student preparedness in a valid and reliable manner in the subject areas being assessed;”;

(iv) in clause (iv), by striking “and” after the semicolon;

(v) in clause (v), by striking “and mathematical and scientific knowledge;” and inserting “and mathematical knowledge and scientific knowledge;”; and

(vi) by adding at the end the following:

“(vii) whether the appropriate authorized assessments are measuring, consistent with this section, the readiness of students in grade 12 in the United States for entry into—

“(I) credit-bearing coursework in higher education without the need for remediation; (II) the 21st century workforce; or

“(III) the Armed Forces.”; and

(c) NATIONAL BENCHMARKS.—The National Assessment of Educational Progress Authorization Act (20 U.S.C. 9221 et seq.) is amended—

(1) by redesignating sections 304 and 305 as sections 305 and 306, respectively; and

(2) by inserting after section 303 the following:

“SEC. 304. NATIONAL BENCHMARKS.

“(a) PURPOSES.—The purposes of this section are—

“(1) to encourage the coordination of, and consistency between—

“(A) a State’s academic content standards and—

(i) the national achievement standards adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, assessment specifications, and assessment questions;

and

(ii) the identified subject, with national benchmarks reflected in the National Assessment of Educational Progress in such subject in grades 4 and 8; and

“(B) the 21st century workforce; or

“(C) the Armed Forces.

“(2) to encourage the coordination of, and consistency between—

“(A) a State’s academic content standards and—

(i) the national achievement standards adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, assessment specifications, and assessment questions for the subject identified by the State, and national benchmarks reflected in the National Assessment of Educational Progress in such subject in grades 4 and 8; and

“(B) at the State’s request, recommend steps for, and policy questions such State may consider in the development of, the State’s academic content standards and student academic achievement standards in the identified subject, with national benchmarks reflected in the National Assessment of Educational Progress in such subject in grades 4 and 8; and

“(C) at the State’s request, and in conjunction with the State’s request, enter into a contract with an entity that possesses the technical expertise to conduct the analysis described in this subsection.

“(3) STATE PANEL.—The chief State school officer of a State participating in an alignment analysis described in this subsection shall appoint a panel of not less than 6 individuals to conduct such analysis in conducting the alignment analysis.

Such panel shall—

“(A) shall include—

“(i) local and State curriculum experts;

“(ii) relevant content and pedagogy experts, including representatives of entities with widely accepted national educational standards and’;

“(iii) not less than 1 entity that possesses the technical expertise to assist the State in implementing standards-based reform, which may be the same panel described in subsection (a) and inserts the National Assessment of Educational Progress Board in conducting the alignment analysis.

Such panel shall—

“(a) shall include—

“(1) local and State curriculum experts;

“(2) relevant content and pedagogy experts, including representatives of the Secretary of Education; and

“(b) may include other State and local education organizations and representatives of organizations with relevant expertise.”;

(d) DEFINITION OF SECRETARY.—Section 305 of the National Assessment of Educational Progress Authorization Act (20 U.S.C. 9622(b)(2)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

“(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Education; and

“(e) AUTHORIZATION OF APPROPRIATIONS.—

Section 306(a) of the National Assessment of Educational Progress Authorization Act (as redesignated by subsection (c)(1)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) for fiscal year 2007—

“(A) $7,500,000 to carry out section 302;

“(B) $200,000,000 to carry out section 303; and

“(C) $10,000,000 to carry out section 304; and

(2) by striking—

“(A) by striking “5 succeeding” and inserting “4 succeeding”; and

“(B) by striking “333, as amended by section 401 of this Act” and inserting “333, and 304”. 

(f) CONFORMING CHANGES AND AMENDMENTS.—

(1) CONFORMING CHANGES TO ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) STATE PLANS.—Section 1111(c)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(c)(2)) is amended by striking “and mathematics” and inserting “, mathematics, and science”.

(B) LOCAL EDUCATIONAL AGENCY PLANS.—

Section 1112(b)(1)(P) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6312(b)(1)(P)) is amended by striking “reading and mathematics” and inserting “reading, mathematics, and science”.

(2) CONFORMING AMENDMENT.—


SEC. 115. PREKINDERGARTEN THROUGH GRADE 16 STUDENT PREPAREDNESS COUNCIL GRANTS.

(a) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts appropriated under subsection (g) for a fiscal year, the Secretary is authorized to award, on a competitive basis, grants to States for the purpose of allowing the States to establish a prekindergarten through grade 16 student preparedness council (referred to in this section as “council”) that—

(A) convene stakeholders within the State and create a forum for identifying and deliberating on educational issues that cut across prekindergarten through grade 12 education and higher education, and transcend any single system of education’s ability to address; and

(B) develop and implement a plan for improving the rigor of a State’s academic content standards, student academic achievement standards, assessment specifications, and assessment questions as necessary, to ensure such standards and assessments meet national and international benchmarks as reflected in the assessments required under section 308(b)(2) of the National Assessment of Educational Progress Authorization Act (20 U.S.C. 9622(b)(2)) or as defined by the council as necessary for success in credit-bearing coursework in higher education and bearing coursework in the 21st century workforce, or the Armed Forces;

(C) inform the design and implementation of integrated prekindergarten through grade 16 data systems, which—

(i) will allow the State to track the progress of individual students from prekindergarten through grade 12 and into higher education; and

(ii) shall be capable of being linked with appropriate databases on service in the Armed Forces and participation in the 21st century workforce; and

(D) shall develop challenging—

(i) school readiness standards; and

(ii) curricula for elementary schools and middle schools; and

(iii) 21st century curricula for secondary schools.
(2) DURATION.—The Secretary shall award grants under this section for a period of not more than 5 years.

(3) EXISTING STATE COUNCIL.—A State with an existing State council may qualify for the purposes of a grant under this section if—

(A) such council—

(i) has the authority to carry out this section;

(ii) includes the members required under subsection (b); or

(B) the State amends the membership or responsibilities of the existing council to meet the requirements of subparagraph (A).

(b) COMPOSITION.—

(1) IN GENERAL.—The council described in subsection (a) shall include—

(A) the Governor of the State or the designee of the Governor;

(B) the chief executive officer of the State public institution of higher education system, if such a position exists; or

(C) a dean or similar representative for a school of education at an institution of higher education;

(D) the chief State school officer;

(E) not less than 1 representative each from—

(i) the business community; and

(ii) the Armed Forces;

(F) public elementary and secondary school teacher employed in the State; and

(G) a public secondary school teacher employed in the State.

(c) OPTIONAL MEMBERS.—The council described in subsection (a) may also include—

(A) a representative from—

(i) a private institution of higher education;

(ii) the Chamber of Commerce for the State;

(iii) a civic organization;

(iv) a civil rights organization;

(v) a community organization; or

(vi) an organization with expertise in world cultures;

(B) the State official responsible for economic development, if such a position exists; or

(C) a dean or similar representative for a school of education at an institution of higher education or a similar teacher certification or licensure program.

(d) TIMELINE.—A State receiving a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

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

(D) explain how the State and the council will leverage additional State, local, and other funds to pursue curricular alignment and student success;

(e) USE OF GRANTS.—

(1) REQUIRED ACTIVITIES.—A State receiving a grant under this section shall use the grant funds to establish a council that shall carry out the following:

(A) Design and implement an integrated prekindergarten through grade 16 longitudinal data system for the State, if such system does not exist, that will allow the State to track the progress of students from prekindergarten through grade 12, and into higher education, the 21st century workforce, and the Armed Forces. The data system shall—

(i) include—

(I) a unique statewide student identifier for each student;

(II) student-level enrollment, demographic, and program participation information, including race or ethnicity, gender, and income status;

(III) the ability to match individual students’ test records from year to year to measure academic progress;

(IV) information on untested students;

(V) a teacher identifier system with the ability to match students;

(VI) student-level transcript information, including information on courses completed and grades earned;

(VII) standardized college readiness or college preparedness examination scores;

(VIII) student-level graduation and dropout data;

(IX) the ability to match student records between the prekindergarten through grade 12 and the postsecondary systems;

(X) a State data audit system assessing data quality, validity, and reliability;

(XI) rates of student attendance at institutions of higher education;

(XII) rates of student enrollment and retention in the Armed Forces; and

(XIII) student nonmilitary postsecondary employment information;

(ii) to the extent possible, coordinate with other relevant State databases, such as criminal justice or social services data systems;

(iii) allow the State to analyze correlations between course-taking patterns in prekindergarten through grade 12 and outcomes after secondary school graduation, including—

(I) entry into higher education;

(II) the need for, and cost of, remediation in higher education;

(III) rates from higher education;

(IV) entry into the 21st century workforce;

(V) entry into the Armed Forces; and

(VI) to the extent possible through linkages to appropriate databases on service in the Armed Forces and participation in the 21st century workforce, persistence in the Armed Forces and continued participation in the 21st century workforce; and

(iv) ensure that the use of any available data does not allow for the public identification of the individual student’s personally identifiable information, and that all data shall be collected and maintained in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g; commonly referred to as the Family Educational Rights and Privacy Act of 1974).

(B) If an integrated prekindergarten through grade 16 longitudinal data system does not exist, or is currently being built, ensure that it complies with the requirements described in subparagraph (A).

(C) Develop and implement a plan to integrate and align State data with the National Assessment of Educational Progress in grades 4 and 8 (in accordance with the results of the alignment analysis required under section 394 of the National Assessment of Educational Progress Authorization Act), and in other grades to ensure the alignment of kindergarten through grade 12 standards or assessments with the revisions made in grades 4 and 8, or to align such standards or assessments with the demands of higher education, the 21st century workforce, or the Armed Forces or other national and international benchmarks identified by the council. Such plan may include—

(i) an articulation of the steps necessary—

(I) for revising the State academic content standards and student academic achievement standards, assessment specifications, and assessment questions for the identified subject; and

(II) to better align the standards and the assessment specifications and questions described in subclause (I) with—

(aa) national benchmarks as reflected in the National Assessment of Educational Progress required under section 385 of the National Assessment of Educational Progress Authorization Act (20 U.S.C. 9622) for the identified subject; or

(bb) the demands of higher education, the 21st century workforce, or other national or international benchmarks identified by the council;

(ii) to the extent possible, coordinate with the revisions described in subparagraphs (I) and (II), the demands of higher education, the 21st century workforce, or the Armed Forces or other national or international benchmarks identified by the council;

(iii) a description of the partners the State will work with to revise standards or assessments, or both, in the identified subject;

(iv) a description of the partners the State will work with to revise standards or assessments, or both; and

(iv) a description of the activities the State will undertake to implement the revised standards or assessments, or both, at the State educational agency level and the local educational agency level, which activities may include—

(I) preservice and in-service teacher, para-professional, principal, and school administrator training;

(II) statewide meetings to provide professional development opportunities for teachers and administrators;

(III) development of curricula and instructional methods and materials; and

(iv) the redesign of existing assessments, or the development or purchase of new high quality assessments, ensuring that such assessments are rigorous, measure significant depth of knowledge, use multiple measures and formats (such as student portfolios), and are sensitive to inquiry-based, project-based, or differentiated instruction; and

(V) other activities necessary for the effective implementation of the new State standards or assessments, or both.

(D) Analyze the State’s level of prekindergarten through grade 16 curricular alignment and consistency with the success of the education system in preparing students for higher education, the 21st century workforce, and the Armed Forces by—

(i) using the data produced by a data system described in subparagraph (A) or (B), or other information as appropriate; and

(ii) exploring a possible agreement between the State educational agency and the higher education system in the State on a common assessment or assessments that—

(I) shall follow established guidelines to guarantee reliability and validity;

(II) shall provide adequate accommodations for students who are limited English proficient and students with disabilities; and

(iii) to the extent possible, coordinate with the requirements described in subparagraph (A).

(E) Information shared under this section is to remain confidential and shall not be used for purposes of educational improvement and instructional effectiveness without the prior written consent of the parent or legal guardian of the student.
admissions examination, that measures sec-
ondary students’ preparedness to succeed in
postsecondary, credit-bearing courses.

(E) If the State has an officially designated
college preparatory curriculum at the time
the State applies for a grant under this sec-
tion—

(i) describe the extent to which students
who completed the college preparatory cur-
riculum are more or less successful than
other students, including students who did
not complete a college preparatory cur-
rriculum but who graduated from a program
of study at an institution of higher
education or entering the 21st century work-
force or the Armed Forces; and

(ii) submit to the Secretary an overall
plan of study at an institution of higher
education without the need for remediation; and

(iii) examine the extent to which the cur-
rriculum allows graduates to attain the skills
necessary to enter the 21st century work-
force or the Armed Forces.

(F) If the State has not designated a col-
lege preparatory curriculum at the time the
State applied for a grant under this section,
or if the curriculum described in subpara-
graph (E) or (F) of subsection (e) of section
9101 of the Elementary and Secondary Edu-
cation Act of 1965 (20 U.S.C. 7801), to teach credit-bearing postsecondary courses in secondary schools; and

(ii) provides opportunities for higher edu-
fication faculty who are highly qualified, as
such term is defined in section 9101 of the El-
ementary and Secondary Education Act of
1965 (20 U.S.C. 7801), to teach credit-bearing
postsecondary courses in secondary schools; and

(I) professional development activities for
students, which may include—

(aa) mentoring opportunities; and

(bb) summer institutes;

(iv) expanding opportunities for students
to enroll in highly rigorous postsecondary pro-
courses; and

(vi) an analysis of the strengths and weak-
lesses of the State’s curriculum described
in subparagraph (E) or (F).

(H) Develop a plan to provide remediation
and additional learning opportunities for
students who believe that level to ensure that
all students will have the opportunity to meet
the curricular standards of a curriculum de-
scribed in subparagraph (E) or (F).

(I) Implement activities designed to en-
sure the enrollment of all students in rig-
orous coursework, which may include—

(i) specifying the courses and performance
levels that must be met to graduate from public in-
stitutions of higher education;

(ii) collaborating with institutions of high-
er education or other State educational
agencies to develop agreements aligning
State academic content standards and a cur-
rriculum described in subparagraph (E) or (F),
which assessments may be used as measures
of student performance aligned with the
State’s college preparatory curriculum.

(a) Definitions.—In this section:

(1) ELIGIBLE STATE.—The term ‘‘eligible
State’’ means a State that—

(A) is a State that demonstrates
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
that it has analyzed and, where applicable,
revised the State standards and assessments,
technical expertise to carry out a grant under this section.

(b) PROGRAM AUTHORIZED.—From amounts authorized under subsection (f), the Secretary, in the case of assessments, on a competitive basis, to eligible consortia to develop common standards and assessments that:

(1) are highly rigorous, internationally competitive, and aligned with the demands of higher education, the 21st century workforce, and the Armed Forces; and

(2) in the case of assessments, set rigorous performance standards comparable to rigorous national and international benchmarks.

(c) APPLICATION.—An eligible consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) REPORT.—Not later than 90 days after the end of the grant period, an eligible consortium, in order to receive funds under this section shall prepare and submit a report to the Secretary describing the grant activities.

(e) AVAILABILITY OF ASSESSMENTS.—The Secretary may:

(1) make available, to a State that so requests and at no charge to the State, any rigorous, high-quality assessment developed by an eligible consortium under this section; and

(2) notify eligible States, at reasonable intervals, of all assessments currently under development by eligible consortia under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $75,000,000 for fiscal year 2007 and such sums as are necessary for each of the 4 succeeding fiscal years.

Subtitle B—Investing in Teachers

SEC. 121. PURPOSE.

The purpose of this subtitle is to increase the number and quality of teachers of mathematics, science, engineering and technology education, and critical-need foreign languages, in order to prepare students for education, and critical-need foreign languages, in order to prepare students for:

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Higher Education Act of 1965 (20 U.S.C. 7801) is amended—

(1) by redesignating paragraphs (5) through (16) as paragraphs (6) through (17), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) ENGINEERING AND TECHNOLOGY EDUCATION.—The term ‘engineering and technology education’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965."

SEC. 123. ENGINEERING TEACHER LOAN FORGIVENESS.

(a) INCREASED AMOUNT; APPLICABILITY OF EXPANDED PROGRAM TO READING SPECIALISTS.—Sections 428j(c)(3) and 460(c)(5) of the Higher Education Act of 1965 (20 U.S.C. 1078-10(c)(3), 1087(c)(5)) are each amended—

(1) by striking the paragraph heading and inserting "ADDITIONAL AMOUNTS FOR TEACHERS IN MATHEMATICS, SCIENCE, ENGINEERING AND TECHNOLOGY EDUCATION, A CRITICAL-NEED FOREIGN LANGUAGE, OR SPECIAL EDUCATION";

(2) in the matter preceding subparagraph (A), by striking "$17,500" and inserting "$23,000"; and

(3) in subparagraph (A)(1), by striking ‘or science’ and inserting ‘or science’ and critical-need foreign language (as determined by the Secretary under section 222 of the National Defense Education Act of 2006), on a full-time basis; and

(b) ANNUAL INCREMENTS INSTEAD OF END OF SERVICE LOAN.—

(1) PPPF EL LOANS.—Section 423(c) of the Higher Education Act of 1965 (20 U.S.C. 1078-10(c)) is amended by adding at the end the following:

"(4) ANNUAL INCREMENTS.—Notwithstanding paragraph (1), in the case of an individual qualifying for loan forgiveness under paragraph (3), the Secretary shall, in lieu of waiting to assume an obligation only upon completion of 5 complete years of service, assume the obligation to repay:

(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest of the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

(B) after each of the third and fourth years of service, 20 percent of such total amount; and

(C) after the fifth year of such service, 30 percent of such total amount."

(c) LIMITATION ON TOTAL REMUNERATION.—The term ‘high-need’ subject means mathematics, science, engineering and technology education, or a critical-need foreign language (as determined by the Secretary of Education under section 222 of the National Defense Education Act of 2006), special education, teaching English language learners, or any other subject that is identified as a high-need subject by the Secretary of Education for purposes of this section.

(d) LIMITATION ON TOTAL REMUNERATION TAKEN INTO ACCOUNT.—In the case of any individual whose employment is described in subsections (a) and (b)(1), the total amount of remuneration which may be taken into account with respect to such employment under this section for the taxable year shall not exceed $25,000.

SEC. 127. COMPENSATION OF CERTAIN TEACHERS AND PRINCIPALS.

(a) PRINCIPALS IN HIGH-NEED SCHOOLS.—In the case of an individual employed as a principal in a high-need school during the taxable year, gross income does not include so much remuneration for such employment (which would but for this paragraph be includible in gross income) as does not exceed $15,000.

(b) TEACHERS IN HIGH-NEED SCHOOLS AND OF HIGH-NEED SUBJECTS.—

(1) IN GENERAL.—In the case of an individual employed as a teacher of high-need subjects and in a high-need school during the taxable year, gross income does not include so much remuneration for such employment (which would but for this paragraph be includible in gross income) as does not exceed $15,000.

(2) EXCEPTION.—The term ‘principal in high-need subjects’ means any teacher in a public elementary or secondary school who—

(A)(i) teaches primarily 1 or more high-need subjects in 1 or more of grades 9 through 12, or

(B)(i) teaches 1 or more high-need subjects in 1 or more of grades kindergarten through 8.

(c) HIGHER EDUCATION ACT OF 1965.

(a) NOTIFICATION.—The term ‘high-need subject’ means any subject that is identified as a high-need subject by the Secretary of Education for purposes of this section.

(b) LIMITATION ON TOTAL REMUNERATION TAKEN INTO ACCOUNT.—In the case of any individual whose employment is described in subsections (a) and (b)(1), the total amount of remuneration which may be taken into account with respect to such employment under this section for the taxable year shall not exceed $25,000.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration received in taxable years beginning after the date of the enactment of this Act.
SEC. 125. MATHEMATICS AND SCIENCE EDUCATION PARTNERSHIPS AND TEACHER INSTITUTES FOR THE 21ST CENTURY THROUGH THE NATIONAL SCIENCE FOUNDATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—The purposes of this section are

(2) Authorization of Appropriations for NSF Mathematics and Science Education Partnerships and Teacher Institutes for the 21st Century through the National Science Foundation (as defined in section 111(a) of the Elementary and Secondary Education Act of 1965):—

(iv) focus on the theme and structure developed by the Director under subparagraph (C);

(iv) be content-based and build on school year curricula that are object-centered, experiential-oriented, and student-based, and grounded in current research;

(vi) ensure that any pedagogy component is designed around specific strategies that are relevant to the content and context on which teachers are being trained, which may include training teachers in the essential components of adolescent literacy instruction and student reading skills within the subject areas of mathematics, science, and engineering and technology education (as defined in section 9101 of the Elementary and Secondary Education Act of 1965);

(vi) be a multiyear program that is conducted for a period of not less than 2 weeks per year;

(vii) provide for direct interaction between students and faculty of the teacher institute;

(ix) have a component that includes the use of the Internet;

(x) provide for followup training in the classroom during the academic year for a period of not less than 2 weeks, which may not be consecutive, for participants in the teacher institute, except that for teachers in rural local educational agencies, the followup training may be provided through the Internet;

(xi) provide teachers participating in the teacher institute with travel expense reimbursement, subject to the authority of the Secretary to place an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system required by paragraph (1).

(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the payment of grants to eligible institutions in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects to participate in a reimbursement system required by paragraph (1).

(3) DISTRIBUTION OF GRANTS TO STUDENTS.—Payments under this part shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this part. Any disbursement allowed under this section shall be included in the student’s account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student’s account.

(4) REDISTRIBUTIONS IN AMOUNT.—

(1) PART-TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education under such section which student is in attendance at an institution of higher education.

(2) NO EXCEEDING COST OF ATTENDANCE.—No TEACH Grant for a student under this part shall exceed the cost of attendance (as defined in section 472) at the institution that such student attends. If, with respect to any student, it is determined that the amount of a TEACH Grant exceeds the cost of attendance for that year, the amount of the TEACH Grant shall be reduced until the TEACH Grant does not exceed the cost of attendance at such institution.

(3) PERIOD OF ELIGIBILITY FOR GRANTS.—

(1) UNDERGRADUATE STUDENTS.—The period during which an undergraduate student may receive TEACH Grants is the period required for the completion of the first undergraduate baccalaureate course of study being pursued by the student at the institution that the student attends. (A) Any period during which the student is enrolled in a noncredit or remedial course...
of study, subject to paragraph (3), shall not be counted for the purpose of this paragraph; and

(2) in the event that the applicant is determined to be a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965; or

(3) if the applicant is a Teacher with Limited English Proficiency, a Teacher with Limited English Proficiency; or a Teacher with Limited English Proficiency.

"(b) AGREEMENTS TO SERVE. — Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that:

(1) the applicant will:

(A) serve as a full-time teacher for a total of not less than 4 academic years within 8 years after completing the course of study for which the applicant receives a TEACH Grant under this part;

(B) teach:

(i) in a school eligible for assistance under section 111(a) of the Elementary and Secondary Education Act of 1965; and

(ii) in any of the following fields: mathematics, science, engineering and technology education, a critical-need foreign language (as determined by the Secretary under section 222 of the New National Defense Education Act of 2006), bilingual education, or special education, or as a reading specialist, or another field documented as high-need by the Federal Government, a State government, or local educational agency and submitted to the Secretary;

(C) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

(D) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965 or, in the case of a special education teacher, in section 602(c)(1) of the Individuals With Disabilities Education Act; and

(2) in the event that the applicant is determined to be a student who teaches for 5 years or more in a high-need school;

(3) the applicant will:

(A) serve as a full-time teacher for a total of 5 years or more in a high-need school;

(B) teach:

(i) in a school eligible for assistance under section 111(a) of the Elementary and Secondary Education Act of 1965; and

(ii) in any of the following fields: mathematics, science, engineering and technology education, a critical-need foreign language (as determined by the Secretary under section 222 of the New National Defense Education Act of 2006), bilingual education, or special education, or as a reading specialist, or another field documented as high-need by the Federal Government, a State government, or local educational agency and submitted to the Secretary;

(C) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

(D) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965 or, in the case of a special education teacher, in section 602(c)(1) of the Individuals With Disabilities Education Act; and

(4) is a Teacher with Limited English Proficiency.

"(c) REPAYMENT FOR FAILURE TO COMPLETE SERVICE. — In the event that any recipient of a TEACH Grant fails or refuses to comply with the service obligation in the agreement under subsection (b), the amounts of such TEACH Grants will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

"(d) USE OF FUNDS. — Funds made available by grant under this section may be used to:

(1) be applied to repay the Secretary for any amount that was refused to be carried out such service obligation, the sum of the amounts of such TEACH Grants will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

(2) be used to develop strategic plans for increasing the number of teachers described in this section, the term "high-need school means a school described in section 1114(a) of the Elementary and Secondary Education Act of 1965 or, in the case of a special education teacher, in section 602(c)(1) of the Individuals With Disabilities Education Act; and

(3) be used to upgrade the curriculum in order to provide all students studying to become teachers with high-quality instructional strategies for teaching reading and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs.

"PART D — RECRUITING TEACHERS WITH MATHEMATICS, SCIENCE, ENGINEERING, TECHNOLOGY, OR LANGUAGE MAJOR OR MINOR

"SEC. 241. PROGRAM AUTHORIZED.

"(a) DEFINITION OF HIGH-NEED SCHOOL. — In this section, the term ‘high-need school’ means a school described in section 111(a) of the Elementary and Secondary Education Act of 1965.

"(b) GRANTS AUTHORIZED. —

(1) In each of the amounts appropriated under section 222, the Secretary shall make competitive grants to institutions of higher education to improve the availability of high-quality alternative certification routes for teachers in the following fields:

(A) mathematics, science, engineering and technology education, a critical-need foreign language (as determined by the Secretary under section 222 of the New National Defense Education Act of 2006), special education, or teaching the English language to students with limited English proficiency.

(2) Prior to awarding grants under paragraph (1), the Secretary shall give priority to institutions of higher education offering programs that:

(A) focus on preparing teachers in subjects in which there is a shortage of highly qualified teachers and the number of teachers from minority or underrepresented groups; and

(B) prepare students to teach in high-need schools.

"(c) APPLICATION. — Any institution of higher education desiring to obtain a grant under this section shall submit to the Secretary an application at such time, in such form, and containing such information and assurances as the Secretary may require, which shall include:

(1) a description of the programs of study that will be offered, and

(2) a description of the policies and procedures that will be in effect to ensure that the program of study leading to a credential in high-need subject areas results in the development of effective teachers.

"(d) GRANT AWARD AMOUNTS. — In determining the amounts of grants to be awarded under this section to an institution of higher education, the Secretary shall consider:

(1) the extent to which the institution:

(A) focuses on preparing teachers in high-need schools; and

(B) in the case of an institution that has previously received a grant under this section, the progress made by the institution in increasing the number of teachers described in subsection (c)(1), as compared to the baseline production of such teachers reported in the institution’s initial application.

(2) the extent to which the institution:

(A) prepares to teach in high-need schools and

(B) prepares students to teach in high-need schools; and

(3) the extent to which the institution:

(A) uses high-quality alternative certification routes to improve the availability of highly qualified teachers and increasing the number of teachers from minority or underrepresented groups; and

(B) prepares students to teach in high-need schools.

"(e) USE OF FUNDS. — Funds made available by grant under this section may be used to:

(1) be used to integrate school of education faculty with other arts and science faculty in mathematics, science, engineering, technology, a critical-need foreign language, special education, and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs.

(2) be used to upgrade the curriculum in order to provide all students studying to become teachers with high-quality instructional strategies for teaching reading and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs.

(3) be used to develop strategic plans for increasing the number of teachers described in this section, the term ‘high-need school means a school described in section 1114(a) of the Elementary and Secondary Education Act of 1965 or, in the case of a special education teacher, in section 602(c)(1) of the Individuals With Disabilities Education Act; and

(4) be used to upgrade the curriculum in order to provide all students studying to become teachers with high-quality instructional strategies for teaching reading and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs.
for high-need schools, including the creation of professional development partnerships for training new teachers in state-of-the-art practice;

(5) may be used to create pilot programs to foster collaborations at the institution of higher education between a school of science, mathematics, or engineering, or a foreign language department or language center, and a school of education in order to enable the collaborating entities to develop a 4-year program of study that would combine a baccalaureate degree in mathematics, science, engineering, or technology with concurrent teacher certification or licensure; and

(6) may be used to develop and implement a master’s degree program for current mathematics, science, or engineering and technology education teachers that—

(A) will strengthen the participating teachers’ subject area knowledge and pedagogical skills; and

(B) shall be designed to allow a teacher to enroll in the program on a part-time basis and obtain a master’s degree within a 2-year period.

(7) REPORTS.—For each year that an institution of higher education receives a grant under this section, the institution of higher education shall prepare and submit to the Secretary an annual report documenting the baseline data regarding the teachers described in subsection (c)(1) and the progress made toward increasing the number of such teachers, as described in subsection (c)(2).

SEC. 131. CONTRACT FOR EDUCATIONAL OPPORTUNITY (CEO) GRANTS.

(a) DEFINITIONS.—In this section:

(1) COHORT.—The term “cohort” means a group of students in a State who are in the same grade for an identified school year.

(2) EXPRESSED FAMILY CONTRIBUTION.—The term “expressed family contribution”, with respect to a student, means the student’s expressed family contribution as determined in accordance with paragraph (1) of the Higher Education Act of 1965 (20 U.S.C. 1087k et seq.).

(3) UNMET NEED.—The term “unmet need”, with respect to a student, means the difference between the cost of attendance (as defined in section 472 of the Higher Education Act of 1965) and the enrollment, persistence, graduation and graduation rates at the State’s 2- and 4-year degree-granting public and private institutions of higher education, as well as a description of strategies and activities the State will employ to achieve the State’s goals as reflected in the application for a grant under this section.

(b) PURPOSES.—The purposes of this section are—

(1) to encourage States to provide a financial aid guarantee for low-income students;

(2) to increase student academic preparation and performance.

(c) FUNDING.—

(1) IN GENERAL.—The Secretary shall pay to the State the Federal share, as determined under subsection (e), in order to assist the States in awarding contract for educational opportunity grants (referred to in this section as “CEO grants”), under subsection (g) for a contract for educational opportunity in grade 8 and satisfy the requirements of the contract. A CEO grant shall provide each such student with a financial aid guarantee, in an amount equal to the student’s calculated unmet need to attend a 2- or 4-year degree-granting public institution of higher education the student is not attending, at a public or private institution of higher education in the State.

(2) MANDATORY SPENDING.—This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to award grants under this section for the payment of amounts provided under this subsection.

(d) APPLICATION.—

(1) IN GENERAL.—A State desiring a payment under subsection (c) shall submit, through the State agency identified in the application, to the Secretary an application no later than such time, during the calendar year, as may be established by the Secretary, which application, to the Secretary an application no later than such time, during the calendar year, as may be established by the Secretary, may be revised at any time during the time for which the State is under contract for educational opportunity in grade 8.

(2) REQUIRED INFORMATION.—An application submitted under paragraph (1) shall include the following:

(A) a description of how the State will establish and report on the progress the State is making toward increasing the overall public school secondary school graduation rate and the enrollment, persistence, and graduation rates at the State’s 2- and 4-year degree-granting public and private institutions of higher education, as well as a description of strategies and activities the State will employ to achieve the State’s goals as reflected in the application for a grant under this section.

(B) a description of how the State agency will administer the CEO grants program, and a description of the State agency’s capacity to administer such program.

(C) a description of the entities that will contribute funds for the non-Federal share of the CEO grants program.

(D) a description of the State’s academic and nonacademic components of the contract for educational opportunity, including 100 hours of community service, and how the State defines satisfactory academic progress toward completing coursework that leads to a secondary school diploma.

(E) a description of how the State agency will provide access for all students to a State curriculum that prepares the students to enter into college or into college and the Armed Forces, the 21st century workforce, or the Armed Forces.

(F) a description of the State agency will make available to the students in the cohort a financial aid guarantee program to pay 100% of the cost of attendance (as defined in section 472 of the Higher Education Act of 1965) and, in the case of a student who is not currently enrolled, the enrollment, persistence, and graduation rates at the State’s 2- and 4-year degree-granting public and private institutions of higher education, as well as a description of strategies and activities the State will employ to achieve the State’s goals as reflected in the application for a grant under this section.

(G) a description of how the State agency will provide for the non-Federal share described in paragraph (4), to each State that submits a complete application pursuant to subsection (d).

(H) the terms and goals of the contract with the State setting forth the terms and conditions under which the State may use the Federal funds to the Secretary. Any return of excess funds shall be used by the Secretary to carry out the program under this section.

(i) ELIGIBILITY NOT TO AFFECT CERTAIN COHORTS.—A determination of ineligibility to receive subsequent payments for future cohorts under clause (i) with respect to a State shall not apply to payments for students in a cohort in the State who are in grade 8, 9, 10, 11, or 12 at the time of the determination.

(ii) REINSTATEMENT.—If the Secretary determines, based on information submitted in the annual report submitted under subsection (h), that—

(aa) the State is not effectively meeting the Federal share of the CEO grant for the temporary unmet need for all students in a cohort who have successfully met the components of the State’s contract, except that a State may use not more than 2 percent of such funds for administrative purposes.

(bb) that the State is not making satisfactory progress toward the benchmark set forth in subsection (d)(2)(A).

(iii) REINSTATEMENT.—If the Secretary determines, based on information submitted in the annual report submitted under subsection (h), that—

(aa) the State is not effectively meeting the Federal share of the CEO grant for the temporary unmet need for all students in a cohort who have successfully met the components of the State’s contract, except that a State may use not more than 2 percent of such funds for administrative purposes.

(bb) that the State is not making satisfactory progress toward the benchmark set forth in subsection (d)(2).
(A) successfully completes the requirements of the contract for educational opportunity; and

(B) enrolls in a 2- or 4-year degree-granting institution of higher education in the State not later than 2 years after receiving a secondary school diploma.

(2) CONTRACTS FOR EDUCATIONAL OPPORTUNITY.—

(A) IN GENERAL.—A student who is in a cohort for which a State is eligible for payments under subsection (c) and who desires to receive a CEO grant shall sign a contract for educational opportunity when the student begins grade 8 stating that the student will carry out all of the following by the time the student graduates from secondary school:

(i) Receive a secondary school diploma.

(ii) By the beginning of grade 11 (except as provided in subparagraph (B)), demonstrate satisfactory academic progress (as determined by the State) toward completing coursework that leads to a secondary school diploma.

(iii) Complete the academic components of the State contract for educational opportunity, as determined by the State agency.

(iv) Complete the nonacademic portion of the State contract for educational opportunity (as determined by the State agency), including 100 hours of community service, of which 30 hours of community service shall be completed before the student begins grade 11 (except as provided in subparagraph (B)).

(v) Apply for admission to a 2- or 4-year degree-granting institution of higher education in the State.

(vi) Preceding the date that the student intends to enroll in an institution of higher education, file for Federal financial aid.

(B) SPECIAL CIRCUMSTANCES.—

(i) TRANSITION.—During the academic year following the date of enrollment in grade 8, in the case of students in a cohort who are in grade 9, 10, 11, or 12 for such academic year, the students of such cohort shall be eligible for CEO grants if such students sign the contract for educational opportunity during the academic year and otherwise complete all of the eligibility requirements for the contract for educational opportunity under subparagraph (A) as applicable and by such time as determined by the State and approved by the Secretary.

(ii) STUDENTS WHO MOVE INTO THE STATE.—In the case of a student who moves into a State after the student begins grade 8, such student shall be eligible for a CEO grant from such State if such student signs the contract for educational opportunity at the time the student moves into the State and the student otherwise complies with all of the eligibility requirements for the contract for educational opportunity under subparagraph (A), as applicable and by such time as determined by the State and approved by the Secretary.

(3) AMOUNT OF CEO GRANTS.—

(A) IN GENERAL.—A CEO grant for an academic year shall be in an amount equal to the net cost of attendance at the institution of higher education in the State for a student who elects to enroll in a private 2- or 4-year degree-granting public institution of higher education in the State for the academic year.

(B) CONTRACT INSTITUTIONS.—A CEO grant for a student who elects to enroll in a private 2- or 4-year degree-granting public institution of higher education in the State shall be the amount described in subparagraph (A).

(4) MULTIPLE GRANTS.—

(A) IN GENERAL.—A State shall award a CEO grant to any student who meets the requirements of this section for each academic year that the student attends a 2- or 4-year degree-granting institution of higher education in the State.

(B) MAXIMUM NUMBER OF GRANTS.—During the 6-year period beginning on the date of receipt of a CEO grant under this subsection, a student who meets the requirements of this subsection shall be eligible to receive a CEO grant for each year that the student is enrolled at a degree-granting institution of higher education in the State, except that no student shall receive a total of more than 4 CEO grants.

(i) INELIGIBLE STUDENTS.—A student who otherwise meets the requirements for a CEO grant shall be ineligible if the student fails to maintain an acceptable level of academic performance as determined by the institution of higher education that the student attends, or is dismissed from the institution of higher education for disciplinary reasons.

(ii) EVALUATION AND REPORT.—A State receiving a payment under subsection (c) for a cohort shall prepare and submit an annual report to the Secretary on the success of the cohort. The State report shall include the following:

(1) The following information relating to the students in the cohort who sign a contract for educational opportunity, as applicable:

(A) The participation and completion rates for CEO grants if such students sign the contract for educational opportunity under subsection (d).

(B) The rate of enrollment in public and private institutions of higher education and how the rate relates to the established State benchmark.

(C) The rate of graduation from public and private institutions of higher education and how the rate relates to the established State benchmark.

(D) The rate of persistence in public and private institutions of higher education and how the rate relates to the established State benchmark.

(E) The rate of graduation from public and private institutions of higher education and how the rate relates to the established State benchmark.

(F) Average CEO grant aid per student.

(G) A description of, and justification for, any increase in tuition and fees at the public 2- or 4-year degree-granting institutions of higher education.

(2) A comparison of the rates described in subparagraphs (B) through (E) of paragraph (1) for students in the cohort who sign a contract for educational opportunity to such rates for a representative sample of students in the cohort in the State who do not sign a contract.

TITLE II—ARMING AMERICANS WITH 21ST CENTURY KNOWLEDGE AND SKILLS

Subtitle A—Increasing the Number of New American Scientists, Engineers, and Language Experts

SEC. 211. PURPOSE.

The purpose of this subtitle is to increase the number of low-income and middle-income students majoring in mathematics, science, technology, engineering, and critical-need foreign languages.

SEC. 212. GRANTS FOR STRENGTHENING MATHEMATICS, SCIENCE, AND ENGINEERING INFRASTRUCTURE.

(A) GRANTS FOR STRENGTHENING MATHEMATICS, SCIENCE, AND ENGINEERING AND TECHNOLOGY EDUCATION INFRASTRUCTURE.—Part D of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7241 et seq.) is amended by adding at the end the following:
paragraph (1) or subsection (e), the Secretary shall provide the local educational agency with—

(A) a written explanation of why the application did not comply with such requirements; and

(B) an opportunity to submit an amended application.

(3) PRIORITIZATION.—In awarding grants under this section, the Secretary shall give priority to local educational agencies with a high percentage of high-need schools.

(4) REQUIRED USE OF FUNDS.—A local educational agency that receives a grant under subsection (c) shall use grant funds, in accordance with obligations of the educational agency, to carry out not less than 1 of the following:

(1) The purchase or refurbishment of mathematics, science, and engineering instructional materials, and technology education equipment, including laboratory equipment.

(2) The purchase of instructional materials or curricula with proven effectiveness in improving mathematics, science, and engineering and technology education outcomes, including age-appropriate reading materials on varying grade levels that provide poor readers with access to mathematics, science, and engineering and technology education.

(3) Support for a science, mathematics, or engineering and technology education specialist in each school who is responsible for—

(A) implementing the state’s science, mathematics, or engineering and technology education program;

(B) assisting other teachers in delivering quality instruction;

(C) assessing the performance of students and identifying and developing professional development opportunities tied to the curriculum; and

(D) advising on curricula, equipment, and other components necessary for high-quality instruction.

(4) Any other directly related activity—

(A) identified by the local educational agency in the application required under subsection (e); and

(B) approved by the Secretary, in consultation with the Director of the National Science Foundation.

(h) REPORT.—

(1) GENERAL.—A local educational agency that receives a grant under this section for a fiscal year shall submit, not later than January 31 of the succeeding fiscal year, a report to the Secretary that contains such information as the Secretary determines to be reasonably necessary to evaluate the compliance of the local educational agency with the provisions of this section.

(2) CONTENTS.—The report described in paragraph (1) shall include the following:

(A) A description of the activities carried out with grant funds under this section.

(B) A complete and detailed accounting of the use of funds awarded under this section, including how the local educational agency gave priority to projects benefiting students served by high-need schools.

(C) A description of how the local educational agency assesses the impact of the program.

(D) A description of how students were served by the projects assisted under this section, including any expansion of inquiry-based learning opportunities, and an accounting of the approximate number of students so served.

(E) An accounting of student academic progress, including the number of students who completed 2 years of a program of undergraduate education (or consortia) to provide scholarships to make high-need undergraduate and graduate students who are enrolled at institutions of higher education eligible for grants under section 481 of the Higher Education Act of 1965 (20 U.S.C. 1078).

(3) PENALTY.—A local educational agency that receives a grant under this section for a fiscal year but does not submit the report required under this subsection shall not be eligible to receive any subsequent grant funds under this section.

(b) AUTHORIZATION OF APPROPRIATIONS.—

Section 5601 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7241) is amended—

(1) by striking “this part” and inserting “this part (excluding subsection (2));” and

(2) by striking “There are” and inserting the following:

(a) GENERAL AUTHORIZATION.—There are

(b) by adding at the end the following:

(2) MATHEMATICS, SCIENCE, AND ENGINEERING AND TECHNOLOGY EDUCATION INFRASTRUCTURE.—There are authorized to be appropriated to carry out subpart 22, $500,000,000 for fiscal year 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(C) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 5618 the following:


Sec. 5621. Grants for strengthening mathematics, science, and engineering and technology education infrastructure.

SEC. 213. SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICSES, AND CRITICAL-NEED FOREIGN LANGUAGE SCHOLARSHIPS.

(a) DEFINITION.—

(1) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given in subsection (a) of the Higher Education Act of 1965 (20 U.S.C. 1001).

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

(b) PROGRAM AUTHORIZED.—From amounts appropriated under subsection (j) for a fiscal year, the Secretary shall carry out a program to award grants, on a competitive basis, to institutions of higher education (or consortia of such institutions) to enable the institutions of higher education (or consortia) to provide scholarships to make high-need undergraduate and graduate students who are enrolled at institutions of higher education eligible for grants under section 482 of the Higher Education Act of 1965 (20 U.S.C. 1070).

(c) SCHOLARSHIPS.—

(1) SCHOLARSHIP REQUIREMENTS.—An institution of higher education or consortium that receives a grant under this section shall use the grant funds to carry out a program to encourage low-income and middle-income undergraduate and graduate students enrolled at the institution of higher education or at an institution of higher education that is a member of the consortium, respectively, to enroll in courses in science, technology, engineering, mathematics, or a critical-need foreign language, through administering scholarships in accordance with subsection (1).

(II) SCHOLARSHIP REQUIREMENTS.—Grant under this section shall be available to a student enrolled at an institution of higher education or is a member of a consortium that receives a grant under this section—

(A) that student has an adjusted gross income for the most recent tax year available of—

(i) less than $53,000 if single; or

(ii) less than $107,000 if married; or

(2) in the case of a student who is independent (as defined in section 480 of the Higher Education Act of 1965 (20 U.S.C. 1087)), who meets the adjusted gross income requirements of clause (1); and

(B) in the case of a student in the first or second year of a program of undergraduate education who chooses to enroll in courses for a baccalaureate degree with a major in science, technology, engineering, mathematics, or a critical-need foreign language;

(3) USE OF FUNDS.—Any other directly related activity—

(A) identified by the local educational agency in the application required under subsection (e); and

(B) approved by the Secretary, in consultation with the Director of the National Science Foundation.

(h) REPORT.—

(1) GENERAL.—A local educational agency that receives a grant under this section for a fiscal year shall submit, not later than January 31 of the succeeding fiscal year, a report to the Secretary that contains such information as the Secretary determines to be reasonably necessary to evaluate the compliance of the local educational agency with the provisions of this section.

(2) CONTENTS.—The report described in paragraph (1) shall include the following:

(A) A description of the activities carried out with grant funds under this section.

(B) A complete and detailed accounting of the use of funds awarded under this section, including how the local educational agency gave priority to projects benefiting students served by high-need schools.

(C) A description of how the local educational agency assesses the impact of the program.

(D) A description of how students were served by the projects assisted under this section, including any expansion of inquiry-based learning opportunities, and an accounting of the approximate number of students so served.

(E) An accounting of student academic progress, including the number of students who completed 2 years of a program of undergraduate education (or consortia) to provide scholarships to make high-need undergraduate and graduate students who are enrolled at institutions of higher education eligible for grants under section 482 of the Higher Education Act of 1965 (20 U.S.C. 1070).

(c) SCHOLARSHIPS.—

(1) SCHOLARSHIP REQUIREMENTS.—The term “scholarship” means an institution of higher education or consortium that receives a grant under this section shall award a scholarship to a student described in paragraph (1) in that amount that is more than the cost of attendance, as determined under section 422 of the Higher Education Act of 1965 (20 U.S.C. 1087a).

(2) AMOUNT.—

(A) ANNUAL AMOUNT.—An institution of higher education or consortium that receives a grant under this section shall award a scholarship to a student described in paragraph (1) in an amount that does not exceed $5,500 per academic year, except that no student shall receive a scholarship of an amount that is more than the cost of attendance, as determined under section 422 of the Higher Education Act of 1965 (20 U.S.C. 1087a).

(B) REDUCTIONS IN AMOUNT FOR PART-TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the scholarship for which that student is eligible shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis. In any case, the schedule of reductions established by the Secretary for the purpose of this section, computed in accordance with this subsection, shall be published by regulation and published in the Federal Register in accordance with the schedule described in section 482 of the Higher Education Act of 1965 (20 U.S.C. 1070).

(C) CUMULATIVE AMOUNT.—An institution of higher education or consortium receiving a grant under this section may award an individual a scholarship under this section or is a member of a consortium that receives a grant under this section for more than 1 year, or for both undergraduate and graduate study, except that—

(1) no individual shall receive a total amount of scholarships under this subsection for undergraduate study that is more than $22,000; and

(2) no individual shall receive a total amount of scholarships under this subsection for graduate study that is more than $11,000.
(ii) no individual shall receive a total amount of scholarship support under this section for graduate study that is more than $22,000.

(3) CONDITIONS OF SUPPORT.—As a condition of acceptance of a scholarship under this section, a recipient shall enter into an agreement with the institution of higher education or consortium—

(1) accepting the terms of the scholarship; and

(2) agreeing to provide the awarding institution of higher education or consortium with up-to-date contact information and to participate in surveys provided by the Secretary of Education to improve education, or consortium as part of an assessment program.

(b) FAILURE TO COMPLETE OBLIGATION.—(1) GENERAL RULE.—An individual who has received a scholarship under this section shall be liable to the institution of higher education or consortium that awarded the scholarship, as well as to the United States, for the amount of the scholarship, if such individual—

(A) fails to maintain an acceptable level of academic standing in the institution of higher education in which the individual is enrolled, as determined by the institution of higher education;

(B) is dismissed from such institution for disciplinary reasons; or

(C) withdraws from the baccalaureate or graduate degree program for which the scholarship was awarded before the completion of such program, and does not transfer into another program that meets the requirements of subsection (f)(1).

(2) USE OF RECOVERED SCHOLARSHIP FUNDS.—If a circumstance described in paragraph (1) occurs, all of the following shall apply—

(A) NONRENEWAL OF SCHOLARSHIP.—The institution of higher education or consortium shall not renew the scholarship to the individual. However, at the discretion of the institution of higher education or consortium awarding the scholarship, an individual may regain eligibility for a scholarship under this section after completing not less than 1 academic term at the institution, if the individual—

(i) maintains an acceptable level of academic standing in the institution of higher education, as determined by the institution; and

(ii) reenrolls in the baccalaureate or graduate degree program for which the scholarship was awarded;

(B) INELIGIBILITY FOR FEDERAL SCHOLARSHIPS.—The individual shall become automatically ineligible to participate in any Federal scholarship programs for future years.

(3) USE OF RECOVERED SCHOLARSHIP FUNDS.—An institution of higher education or consortium that recovers funds under paragraph (1) shall use such funds to provide additional scholarships under subsection (f).

(4) FEDERAL SCHOLARSHIPS.—An institution of higher education or consortium receiving a grant under this section shall provide such funds to eligible entities to develop programs that allow students to be exposed to and immersed in other languages and cultures from the early grades throughout the students’ education.

(c) TECHNICAL ASSISTANCE CENTERS.—

(1) IN GENERAL.—An entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(2) AWARD BASIS.—In granting awards under this section, the Secretary shall give priority to eligible entities that will use grant funds for programs that target a high-need school.

(3) USE OF FUNDS.—An eligible entity receiving a grant under this section shall use grant funds to carry out 1 or more of the following:

(A) Establish and maintain programs in a critical-need language (as determined by the Secretary under section 222) in the elementary schools served by the eligible entity.

(B) Offer additional advanced critical-need language classes in middle schools and secondary schools.

(C) Create and implement effective models of instruction in critical-need languages and world cultures.

(D) Create and maintain internationally themed schools that—

(i) offer dual language immersion programs;

(ii) focus on international content; and

(iii) use technology to bring the world into the classroom virtually.

(d) TECHNICAL ASSISTANCE CENTERS.—

(1) IN GENERAL.—The Secretary shall enter into contracts with entities to establish a system of regional language technical assistance centers focused on developing critical-need language programs in kindergarten through grade 12 education.

(2) AWARD BASIS.—Each center established under this subsection shall—

(A) assist States and local educational agencies in developing critical-need language curricula and

(B) disseminate best practices in the field.

(e) REPORT.—Not later than 90 days after the last day of the grant or contract period,
an eligible entity receiving a grant under subsection (a) or an entity receiving a contract under subsection (f) shall prepare and submit a report to the Secretary describing the supported activities.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 224. INTERNATIONAL SUMMER INSTITUTE GRANTS.

(a) PROGRAM AUTHORIZED.—The Secretary shall award grants, on a competitive basis, to institutions of higher education or nonprofit organizations (or a consortium of such institutions or organizations) that have as their primary purpose: (1) to develop and implement summer institute programs that help teachers integrate international content into the curricula and improve the teachers’ knowledge and teaching of foreign cultures;

(b) PARTNERSHIP.—In order to receive a grant under this section, an institution of higher education or a nonprofit organization (or a consortium of such institutions or organizations) shall enter into a partnership with a local educational agency to carry out the grant activities.

(c) APPLICATION.—An institution of higher education, nonprofit organization, or consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) USE OF FUNDS.—An institution of higher education, nonprofit organization, or consortium receiving a grant under this section shall use grant funds to carry out 1 or more of the following:

(1) Integrate international content into existing summer institute programs.

(2) Assist States in creating new summer institutes to prepare teachers—

(A) to teach international subjects, such as world history, global economics, and geography; and

(B) to integrate international content into other subjects to improve global competence.

(e) REPORT.—Not later than 90 days after the last day of the grant period, the institution of higher education, nonprofit organization, or consortium receiving a grant under this section shall prepare and submit a report to the Secretary describing the grant activities.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 225. INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

(a) PURPOSE.—The purpose of this section is to increase study abroad and foreign language study opportunities in critical-need languages for secondary school, undergraduate, and graduate students.

(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term “eligible entity” means—

(1) an institution of higher education;

(2) a consortium of institutions of higher education;

(3) an institution of higher education in partnership with an international university;

(4) an institution of higher education in partnership with a local educational agency;

(5) a State educational agency; or

(6) a local educational agency.

(c) PROGRAM AUTHORIZED.—From amounts appropriated under this subsection for a fiscal year, the Secretary shall award grants, on a competitive basis, to eligible entities to establish or strengthen foreign language study programs in critical-need languages, as determined by the Secretary under section 222.

(d) AMOUNT AND DURATION OF GRANT.—Each grant awarded under this section shall be—

(1) for an amount of not less than $500,000 for each year of the grant; and

(2) for a period of not less than 4 years.

(e) A PPLICATION.—In order to receive a grant under this section, an eligible entity that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(f) USE OF FUNDS.—An eligible entity receiving a grant under this section shall use the grant funds to establish or strengthen foreign language study programs in critical-need languages, which may include the following activities:

(1) The recruitment and retention of faculty and teaching of foreign cultures.

(2) Curriculum development.

(3) The acquisition of materials to improve instructional programs.

(4) The expansion of study abroad programs for participating students.

(5) The development of foreign language immersion programs.

(6) Summer institutes for faculty development.

(7) Bridge programs that allow dual enrollment for secondary school students in institutions of higher education.

(8) Programs to expand the understanding and knowledge of cultural, geographic, and political factors within countries with populations who speak critical-need languages.

(9) Research on, and evaluation of, the teaching of critical-need foreign languages.

(10) Participation in national programs impacting critical-need language programs.

(11) Data collection and analysis regarding the outcomes of various student recruitment strategies and program design and curricula approaches, and their impact on increasing—

(A) the number of students studying critical-need languages; and

(B) the fluency of the students in the languages.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.

Subtitle C—Investing in Workers Through Job Training

SEC. 231. PROGRAMS TO PROVIDE LITERACY, TECHNOLOGY, AND TECHNICAL SKILLS TRAINING.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of Labor.

(2) SMALL BUSINESS.—The term “small business” means a business with not more than 100 employees.

(b) PROJECTS.—The Secretary shall carry out projects to provide literacy, technology, and technical skills training for workers, including both employed and unemployed workers.

(c) GRANTS.—In carrying out projects described in subsection (b), the Secretary shall —

(1) give consideration to an applicant that—

(A) 1 State or local workforce investment board established under section 111 or 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2821 or 2832) (including a consortium of such boards in a region);

(B) 1 institution of higher education, as defined under section 101(a) of the Higher Education Act of 1965, (including a consortium of such institutions);
provides a specific, measurable commitment—
(A) upon successful completion of a training course by a participant—
(i) who is unemployed, to hire or effectuate the hiring of the participant (where applicable); and
(ii) who is an incumbent worker, to increase the average salary of the worker (where applicable); or
(iii) to provide skill certification to the participant.
(b) To provide training that is linked to industry-accepted occupational skill standards, certificates, or licensing requirements; or
(c) To provide a project that will lead to attainment of baccalaureate or associate degrees.

2. EXPANDED AND COLLABORATIVE PROJECTS.—In making grants under this section, the Secretary shall give consideration to an applicant that proposes to use grant funds—
(A) to demonstrate a significant ability to expand a training project through such means as training more workers or offering more courses; and
(B) to carry out a training project resulting from a collaboration, especially with more than 1 small business or with an entity carrying out a labor-management training project.

3. PARTNERSHIPS INVOLVING SMALL BUSINESSES.—In making grants under this section, the Secretary shall give consideration to an application that involves and directly benefits more than 1 small business.

4. DONATIONS FROM PUBLIC OR PRIVATE ENTITIES.—In making grants under this section, the Secretary shall give consideration to an application that involves donations from other public or private entities, so as to demonstrate the long-term sustainability of the project after the expiration of the grant period.

5. ADMINISTRATIVE COSTS.—A partnership that receives a grant to carry out a project described in subsection (b) may not use more than 10 percent of the funds made available through the grant to pay for administrative costs associated with the project.

6. APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $300,000,000 for fiscal year 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.

By Mr. AKAKA:
S. 3506. A bill to prohibit the unauthorized removal or use of personal information contained in a database owned, operated, or maintained by the Federal government; to the Committee on the Judiciary.

Mr. AKAKA. Mr. President, I am introducing the Data Theft Prevention Act of 2006 in response to concerns that arose following the recent theft of computer equipment from the home of a Department of Veterans Affairs employee in early May. I would like to thank our friends, Senator Schumer, Senator MURRAY, and Senator CLINTON for being original cosponsors of this legislation.

The stolen equipment contained personal information of as many as 26.5 million veterans, Active Duty, Reserve, National Guard and Reserve personnel. These files had been downloaded from VA databases over a period of 3 years by the employee without any authorization, then taken out of VA and placed on personal computer equipment at the employee’s home.

I am sure my colleagues will be as alarmed as I was when I tell them that this unlawful removal of the personal information from the Department of Veterans Affairs was not an illegal act. In fact, I was told by VA’s inspector general that the employee’s only misdeed was of a recently established VA Security Guideline which only carries the weight of suggested employee behavior. Despite VA’s efforts to provide cyber security for the myriad of databases the Department controls, at the time of the theft there was no policy or law in place to prevent or deter an unauthorized act.

The legislation I am introducing today would establish Federal penalties for anyone, whether a government employee or government contractor, who knowingly and without authorization views, downloads, or removes any means of identification or individually identifiable health information that is in a Federal database. Although the incident which triggered my concern occurred in a VA, the legislation applies to all Federal departments and agencies. The legislation would also penalize those who would use any such personal information for criminal purposes.

This legislation is intended to complement existing Federal personal information security policies and to emphasize the need for all Federal departments and agencies to review existing policies and clearly lay out who is and isn’t authorized to use, view, or download personal information.

This legislation would send the clear message that anyone who knowingly and without authorization removes personal or health information from a Federal database does so at their own risk.

VA Secretary Nicholson testified last week before the House Government Reform Committee that he thought that there should be consideration of “putting some kind of teeth in an enforcement mechanism for the compromising and careless and negligent handling of personal information.” This measure would do just that.

If enacted, violation of the provisions of this law could result in a fine of up to $100,000, imprisonment for 1 year, or both. These penalties are similar to those which currently apply to Internal Revenue Service employees who are responsible for breaches of tax information.

Given the potential impact to our veterans, Active Duty, National Guard, and Reserve personnel through identity theft and the incredible disruption and costs incurred by the government from the theft of the VA data, it is vital that we take steps to deter any future incidents and hold accountable those who are responsible.

I urge our colleagues to support this important legislation and to work with me for its prompt enactment. We must do all we can to prevent any further compromise of personal data in the hands of the government.

Mr. President, I ask unanimous consent that the text of this legislation be published in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3506

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 “Data Theft Prevention Act of 2006”.

SEC. 2. FEDERAL DATABASES.

(a) IN GENERAL.—Chapter 101 of title 18, United States Code, is amended by adding at the end the following:

“2077. Means of identification and individually identifiable health information in Federal databases

“(a) DEFINITIONS.—In this section:

“(1) FEDERAL DATABASE.—The term ‘Federal database’ means any electronic database owned, operated, or maintained by or for the Federal Government.

“(2) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term ‘individually identifiable health information’ has the meaning given the term in the regulations issued under section 264(e) of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note).

“(3) MEANS OF IDENTIFICATION.—The term ‘means of identification’ has the meaning given in section 1522 of this title.

“(b) UNAUTHORIZED USE.—It shall be unlawful for any person knowingly and without authorization—

“(1) to view, use, download, or remove any means of identification or individually identifiable health information that is in a Federal database; or

“(2) to transfer such means of identification or individually identifiable health information to, or store such means of identification or individually identifiable health information in, any computer, network, database, or other format used to store information that is not a Federal database.

“(c) USE FOR CRIMINAL PURPOSES.—It shall be unlawful for any person to use a means of identification or individually identifiable health information obtained directly or indirectly from a Federal database in furtherance of a violation of any Federal or State criminal law.

“(d) PENALTY.—Any person who violates subsection (b) or (c) shall be fined not more than $100,000, imprisoned not more than 1 year, or both.”.

(b) CHAPTER ANALYSIS.—The table of sections for chapter 101 of title 18, United States Code, is amended by adding after the item relating to section 2076 the following:

“2077. Means of identification and individually identifiable health information in Federal databases.”.