Union Calendar No. 325

103D CONGRESS
2D SESSION

H. R. 6

[Report No. 103–425]

A BILL

To extend for six years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes.

FEBRUARY 16, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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U.S. GOVERNMENT
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IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. KILDEE (for himself, Mr. FORD of Michigan, and Mr. GOODLING) introduced the following bill; which was referred to the Committee on Education and Labor

OCTOBER 22, 1993

Additional sponsors: Mrs. UNSOELD, Ms. BYRNE, Mr. GUTIERREZ, Mr. DICKEY, Mr. GENE GREEN of Texas, Mr. TRAFICANT, Mr. CLAY, Mr. MARTINEZ, Mr. JEFFERSON, Mr. SCOTT, Mr. ROMERO-BARCELÓ, Mr. PETERSON of Minnesota, Mr. DURBIN, Mr. PENNY, Mr. TOWNS, Mrs. MALONEY, Mr. KLINK, Mrs. CLAYTON, Mr. LAFALCE, Mr. MINETA, Mr. RANGEL, Mr. FROST, Mr. FILNER, Mr. HASTINGS, Mr. MILLER of California, Mr. PARKER, Mr. PAYNE of New Jersey, Miss COLLINS of Michigan, Mr. BLACKWELL, Mr. FAZIO, Mr. HUGHES, Mr. INSLEE, and Mr. STUPAK

FEBRUARY 16, 1994

Additional sponsors: Mr. MCCLOSKEY, Mr. ENGEL, and Mr. MARKEY

FEBRUARY 16, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on January 5, 1993]

A BILL

To extend for six years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes.

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 ''Improving America's Schools Act of 1994''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title.
Sec. 2. Effective dates; transition.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Sec. 101. Amendments to the Elementary and Secondary Education Act of 1965.
''Sec. 1. Short title.

''TITLE I—IMPROVED EDUCATION FOR DISADVANTAGED CHILDREN

''Sec. 1001. Declaration of policy and statement of purpose.
''Sec. 1002. Authorization of appropriations.

''PART A—BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

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''Sec. 1111. State plans.
''Sec. 1112. Local educational agency plans.
''Sec. 1113. Eligible school attendance areas.
''Sec. 1114. Schoolwide programs.
''Sec. 1115. Targeted assistance schools.
''Sec. 1116. Assessment and school and local educational agency improvement.
''Sec. 1117. State assistance for school support and improvement.
''Sec. 1118. Parental involvement.
''Sec. 1119. Professional development.
''Sec. 1120. Participation of children enrolled in private schools.
''Sec. 1121. Fiscal requirements.

''SUBPART 2—ALLOCATIONS

''Sec. 1122. Grants for the outlying areas and the Secretary of the Interior.
''Sec. 1123. Allocations to States.
''Sec. 1124. Basic grants to local educational agencies.

''Sec. 1124A. Concentration grants to local educational agencies.
''Sec. 1125. Targeted grants to local educational agencies.
''Sec. 1126. Special allocation procedures.
''Sec. 1127. Carryover and waiver.

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''Sec. 1203. State programs.
''Sec. 1204. Uses of funds.
''Sec. 1205. Program elements.
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''Sec. 1207. Applications.
''Sec. 1208. Award of subgrants.
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''PART C—EDUCATION OF MIGRATORY CHILDREN

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''Sec. 1302. Program authorized.
''Sec. 1303. State allocations.
''Sec. 1304. State applications; services.
''Sec. 1305. Secretarial approval; peer review.
''Sec. 1306. Comprehensive needs assessment and service-delivery plan; authorized activities.
''Sec. 1307. Bypass.
''Sec. 1308. Coordination of migrant education activities.
''Sec. 1309. Distance learning.
''Sec. 1310. Definitions.

''PART D—PREVENTION AND INTERVENTION SERVICES FOR DELINQUENT YOUTH AND YOUTH AT RISK OF DROPPING OUT

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''Sec. 1402. Payments for programs under this part.

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''SUBPART 2—LOCAL AGENCY PROGRAMS

''Sec. 1410. Programs operated by local educational agencies.
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SEC. 2. EFFECTIVE DATES; TRANSITION.

(a) EFFECTIVE DATES.—(1)(A) Except as provided in subparagraph (B), the provisions of title I of this Act shall take effect July 1, 1995, except that those provisions of title I that apply to programs under title VIII of the Elementary and Secondary Education Act of 1965, as amended by this Act, and to programs that are conducted on a competitive basis, shall be effective with respect to appropriations for use under such programs in fiscal year 1995 and in subsequent fiscal years.

(B) Title VIII of the Elementary and Secondary Education Act of 1965, as amended by title I of this Act, shall take effect on October 1, 1994.

(2) The provisions of title II of this Act shall be effective upon enactment, except that section 250 of such title shall be effective—

(A) July 1, 1995 for non-competitive programs in which funds are allocated on the basis of a formula; and

(B) for programs that are conducted on a competitive basis, with respect to appropriations for use under such programs in fiscal year 1995 and in subsequent fiscal years.

(3)(A) Parts A and B of title III of this Act shall take effect July 1, 1995.

(B) Part C of title III of this Act shall take effect on October 1, 1994.

(b) TRANSITION.—Notwithstanding any other provision of law, a recipient of funds under the Elementary and Secondary Education Act of 1965, as in effect prior to amendment by this Act, may use funds available to it under such predecessor authority to carry out necessary and reasonable planning and transition activities in order to ensure a smooth implementation of programs authorized by this Act.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 101. AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

The Elementary and Secondary Education Act of 1965 is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the ''Elementary and Secondary Education Act of 1965''.

''TITLE I—IMPROVED EDUCATION FOR DISADVANTAGED CHILDREN

''SEC. 1001. DECLARATION OF POLICY AND STATEMENT OF PURPOSE.

''(a) STATEMENT OF POLICY.—The Congress declares it to be the policy of the United States that a high-quality education for all persons and a fair and equal opportunity to obtain such education—

''(1) are a societal good necessary for creating a vibrant future for our complex and diverse democracy and for meeting the challenge of an internationally competitive economy;

''(2) are a private good because individual opportunity is greatly enhanced by being well educated;

''(3) are a moral imperative in our society and simple justice demands that the opportunity to acquire skills and knowledge deemed necessary for basic citizenship and economic opportunity be equally available to all; and

''(4) improve the life of every person, because the quality of individual lives ultimately depends on the quality of the lives of others.

''(b) RECOGNITION OF NEED.—The Congress recognizes that—

''(1) although the achievement gap between disadvantaged children and other children has been reduced by half over the past two decades, a sizable gap remains, and many segments of our society lack the opportunity to become well educated;

''(2) the most urgent need for educational improvement is in schools with high concentrations of children from low-income families and achieving the National Education Goals will not be possible without substantial improvement in these schools;

''(3) educational needs are particularly great for low-achieving children in the highest-poverty schools, children with limited English proficiency, children of migrant workers, Indian children, children who are neglected or delinquent, and young children and their parents who are in need of family-literacy services; and

''(4) while title I and other programs funded under this Act contribute to narrowing the achievement gap between children in high-poverty and low-poverty schools, such programs need to become even more effective in improving schools in order to enable all children to achieve high standards.

''(c) WHAT HAS BEEN LEARNED.—To enable schools to provide all children a high-quality education, this title builds upon what has been learned:

''(1) All children can master challenging content and complex problem-solving skills and research clearly shows that children, including low-achieving children, can succeed when expectations are high and they are given the opportunity to learn challenging material.

''(2) Conditions outside the classroom such as hunger, unsafe living conditions, homelessness, unemployment, violence, inadequate health care, child abuse, and drug and alcohol abuse can adversely affect children's academic achievement and must be addressed through the coordination of services, such as health and social services, in order for the Nation to meet the National Education Goals.

''(3) A better understanding of the principles of good health can help children and adolescents succeed in school, become active, productive members of society, and successfully compete in a rapidly changing global economy. Schools that provide quality physical and health education contribute to enhanced knowledge, behavior, and fitness of children and adolescents.

''(4) Use of low-level tests that are not aligned with schools' curricula fails to provide adequate information about what children know and can do and encourages curricula and instruction that focus on the low-level skills measured by such tests.

''(5) Resources are more effective when they ensure that children have full access to effective regular school programs and receive supplemental help through extended-time activities.

''(6) The disproven theory that children must first learn basic skills before engaging in more complex tasks continues to dominate strategies for classroom instruction, resulting in emphasis on repetitive drill and practice at the expense of content-rich instruction, accelerated curricula, and effective teaching to high standards.

''(7) Intensive and sustained professional development for teachers and other school staff (focused on teaching and learning and on helping children attain high standards) is too often not provided.

''(8) Insufficient attention and resources are directed toward the effective use of technology in schools and the role it can play in professional development and improved teaching and learning.

''(9) All parents can contribute to their children's success by helping at home and becoming partners with teachers so that children can achieve high standards.

''(10) Decentralized decisionmaking is a key ingredient of systemic reform. Schools need the resources, flexibility, and responsibility to design and implement effective strategies for bringing children to high levels of performance and should accept responsibility to do so.

''(11) Opportunities for students to achieve high standards can be enhanced through a variety of approaches such as public school choice and public charter schools.

''(12) Attention to academics alone cannot ensure that all children will reach high standards. The health and other needs of children that affect learning are frequently unmet, particularly in high-poverty schools, thereby necessitating coordination of services to better meet children's needs.

''(13) Resources provided under this title can be better targeted on the highest-poverty local educational agencies and schools that have children most in need.

''(d) STATEMENT OF PURPOSE.—The purpose of this title is to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the rigorous State content standards and to meet the challenging State performance standards developed for all children under the Goals 2000: Educate America Act or, in their absence, under this title. This purpose shall be accomplished by—

''(1) ensuring high standards for all children and aligning the efforts of States, local educational agencies, and schools to help children served under this title to reach such standards;

''(2) providing children an enriched and accelerated educational program through schoolwide programs or through additional services that increase the amount and quality of instructional time so that children served under this title receive at least the classroom instruction that other children receive;

''(3) promoting schoolwide reform and ensuring access of children (from the earliest grades) to effective instructional strategies and challenging academic content that includes intensive complex thinking and problem-solving experiences;

''(4) significantly upgrading the quality of curricula and instruction by providing staff in partici-

pating schools with substantial opportunities for intensive and sustained professional development;

''(5) coordinating services under all parts of this title with each other, with other educational services, and, to the extent feasible, with health and social service programs funded from other sources;

''(6) affording parents meaningful opportunities to participate in the education of their children at home and at school;

''(7) distributing resources, in amounts sufficient to make a difference, to schools where needs are greatest;

''(8) improving accountability, as well as teaching and learning, by using State assessment systems designed to measure how well children are achieving high State standards of performance expected of all children; and

''(9) providing greater decisionmaking authority and flexibility to schools and teachers in exchange for greater responsibility for student performance.

''SEC. 1002. AUTHORIZATION OF APPROPRIATIONS.

''Appropriations are authorized for the following programs and activities under this title:

''(1) LOCAL EDUCATIONAL AGENCY GRANTS.—For the purpose of carrying out part A of this title,

other than sections 1117, and 1120(d), there are authorized to be appropriated $7,400,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(2) EVEN START.—For the purpose of carrying out part B of this title, there are authorized to be appropriated $118,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(3) EDUCATION OF MIGRATORY CHILDREN.—For the purpose of carrying out part C of this title, there are authorized to be appropriated $310,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(4) PREVENTION AND INTERVENTION SERVICES FOR DELINQUENT YOUTH AND YOUTH AT RISK OF DROPPING OUT.—For the purpose of carrying out part D of this title, there are authorized to be appropriated $40,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(5) CAPITAL EXPENSES.—For the purpose of carrying out section 1120(d) of this title, there are authorized to be appropriated $41,434,000 for fiscal

year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(6) SCHOOL IMPROVEMENT.—For the purpose of carrying out the activities authorized in section 1117 of this title, there are authorized to be appropriated $30,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(7) FEDERAL ACTIVITIES.—(A) For the purpose of carrying out section 1501 of this title, there are authorized to be appropriated $9,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(B) For the purpose of carrying out sections 1502 and 1503 of this title, there are authorized to be appropriated $20,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART A—BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

''Subpart 1—Basic Program Requirements

''SEC. 1111. STATE PLANS.

''(a) PLANS REQUIRED.—(1) Any State desiring to receive a grant under this part shall submit to the Secretary

a plan, developed in consultation with local educational agencies, teachers, administrators, and parents, that—

''(A)(i) is integrated with the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, and satisfies the requirements of this section that are not already addressed by that State plan; and

''(ii) is integrated with other State plans, if any, under the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, to the extent that these plans have not already been incorporated in the State's plan under title III of the Goals 2000: Educate America Act; or

''(B) if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan—

''(i) is integrated with other State plans under this Act and other plans, including those under the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, where such plans exist; and

''(ii) satisfies the requirements of this section.

''(2) The plan may be submitted as part of a consolidated application under section 9302.

''(3) A State may satisfy all or part of the requirements of this section by referencing applicable sections of its approved State plan under title III of the Goals 2000: Educate America Act.

''(b) STANDARDS AND ASSESSMENT PROVISIONS.—(1)(A) Each State plan shall demonstrate that the State has developed or adopted high-quality standards for children served under this title that will be used by the State, its local educational agencies, and its schools to carry out this Act and that these standards be as challenging and of the same high-quality as they are for all children. These standards shall include—

''(i) challenging content standards in the core academic subjects that—

''(I) specify what children served under this title are expected to know and be able to do;

''(II) contain coherent and rigorous content; and

''(III) emphasize the teaching of advanced skills;

''(ii) challenging performance standards that—

''(I) are aligned with the State's content standards;

''(II) describe two levels of high performance, 'proficient' and 'advanced', that determine how well children served under this title are mastering the material in the content standards; and

''(III) include a third benchmark below proficient, if necessary, to provide complete information about the progress of the lower-performing children toward achieving the high 'proficient' and 'advanced' performance standards; and

''(iii) opportunity to learn standards that address—

''(I) the quality and availability of curricula, instructional materials, and technologies for all students served under this title;

''(II) the capability of teachers to provide high-quality instruction to all students served under this title;

''(III) the extent to which teachers, principals, and administrators have ready and continuing access to professional development, including the best knowledge about teaching, learning and school improvement;

''(IV) the extent to which curricula, instructional practices, and assessments for students served under this title are aligned to content standards;

''(V) the extent to which school facilities provide a safe and secure environment for learning and instruction and have the requisite libraries, laboratories, and other resources necessary to provide students served under this title an opportunity to learn;

''(VI) the extent to which schools which receive funds under this title utilize policies, curricula, and instructional practices which ensure nondiscrimination on the basis of gender;

''(VII) the capability of local educational agencies and schools to comply with the requirements in section 1112(c)(3) with respect to addressing the comprehensive needs of children and the requirements of section 1114(b) or section 1115(c), whichever is applicable; and

''(VIII) such other factors that the State deems appropriate to ensure that students served under this title receive a fair opportunity to achieve the knowledge and skills described in

content and performance standards adopted by the State.

''(B) For those core academic subjects in which a State has not adopted challenging content and performance standards, the State plan shall include a schedule for their development that includes the completion of standards in mathematics and reading/language arts by the end of the interim period as described in paragraph (8).

''(2)(A) Each State plan shall demonstrate, based on assessments described under paragraph (3), what constitutes adequate yearly progress of—

''(i) any school served under this part toward enabling children to meet the State's 'proficient' and 'advanced' performance standards; and

''(ii) any local educational agency that received funds under this part toward enabling children in schools receiving assistance under this part to meet the State's 'proficient' and 'advanced' performance standards.

''(B) Adequate yearly progress shall be defined in a manner—

''(i) that is consistent with criteria of general applicability established by the Secretary and results in continuous and substantial yearly improvement for economically disadvantaged, limited-English pro-

ficient, and all students under this title in each school and local educational agency toward the goal of all children under this title meeting the State's challenging 'advanced' performance standards; and

''(ii) links progress primarily to performance on the assessments carried out under this section while permitting progress to be established in part through the use of other outcome-based measures such as reductions in drop-out rates.

''(3) Each State plan shall demonstrate that the State has developed or adopted a set of high-quality, yearly student assessments that will be used as the primary means of determining the yearly performance of each local educational agency and school receiving assistance under this part in enabling children served under this title to meet the State's performance standards and that these assessments be challenging and of the same high-quality as they are for all children. These assessments shall—

''(A) be aligned with the State's challenging content and performance standards and provide coherent information about student attainment of such standards;

''(B) be used for purposes for which they are valid and reliable, and be consistent with relevant na-

tionally recognized professional and technical standards of assessments;

''(C) shall measure the proficiency of students in the core academic subjects in which a State has adopted challenging content and performance standards and be administered at some time during—

''(i) grades 3 through 5;

''(ii) grades 6 through 9;

''(iii) grades 10 through 12.

''(D) be comprised of multiple, up-to-date measures of student performance;

''(E)(i) include limited-English proficient students who shall be assessed, to the extent practicable in the language and form most likely to yield accurate and reliable information on what these students know and can do, to determine their mastery of skills in subjects other than English;

''(ii) include students who have been resident in a local educational agency for a full academic year but have not attended a single school for a full year, provided that the performance of students who have attended more than one school in the local educational agency in any academic year shall be used only in determining the progress of the local educational agency; and

''(iii) include students with disabilities who shall be assessed, to the extent practicable, in a manner and form most likely to yield accurate and reliable information on what these students know and can do, including assessment accommodations and modifications necessary to make such determinations, provided that those students who are determined, through valid evaluation conducted by qualified personnel, to be so severely cognitively impaired as to permanently lack the capacity to make any educational progress, with the provision of special education and related services, in meeting the State content and performance standards may be exempted from the assessment process;

''(F) provide individual student scores; and

''(G) provide for disaggregated results within each State, local educational agency, and school by gender, by each major racial and ethnic group, by English proficiency status, and by economically disadvantaged students as compared to students who are not economically disadvantaged.

''(4) Each State plan shall identify the languages other than English that are present in the participating student population and indicate the languages for which yearly student assessments are not available and are needed. The State shall make every effort to develop such assessments

and shall notify the Secretary if linguistically-accessible assessment measures are needed. Upon notification, the Secretary shall assist with the identification of appropriate assessment measures in the needed languages through the Office of Bilingual Education and Minority Language Affairs.

''(5) Each State plan shall include a description of how the State will annually evaluate and report to the public about the extent to which local educational agencies and schools within the State which receive funds under this title meet the State's opportunity-to-learn standards.

''(6) If a State has developed or adopted challenging content and performance standards and an aligned set of assessments for all students such as those developed under title III of the Goals 2000: Educate America Act, or another process, the State shall use such standards and assessments, modified, if necessary, to conform with the requirements of paragraphs (1)(A)(ii), (2), and (3).

''(7) If, after 2 years, a State does not have challenging content and performance standards that meet the requirements of paragraph (1) or after 3 years, a State does not have assessments that meet the requirements of paragraph (3), a State shall adopt a set of standards and aligned assessments such as the standards and assessments contained in other State plans that the Secretary has approved.

''(8)(A) If a State does not have assessments that meet the requirements of paragraph (3), the State may propose to use an interim set of yearly statewide assessments that will assess the performance of complex skills and challenging subject matter.

''(B) For any year during which a State is using an interim assessment system, the State shall devise a means for identifying schools and local educational agencies in need of improvement under section 1116.

''(c) OTHER PROVISIONS TO SUPPORT TEACHING AND LEARNING.—Each State plan shall also describe—

''(1)(A) the means by which the State educational agency will work with other agencies, including educational service agencies or other local consortia, and institutions to provide technical assistance to local educational agencies and schools to carry out the State educational agency's responsibilities under this part, including assistance in providing high quality professional development under section 1119 and technical assistance under section 1117; and

''(B)(i) where educational service agencies exist, the State educational agency shall consider providing professional development and technical assistance through such agencies; and

''(ii) where educational service agencies do not exist, the State educational agency shall consider providing professional development and technical assistance through other cooperative agreements such as a consortium of local educational agencies;

''(2) the measure of poverty that local educational agencies shall use which shall include such measures as the number of children age 5 to 7 in poverty counted in the most recent census data approved by the Secretary, the number of children eligible to receive free and reduced price lunches under the National School Lunch Act, the number of children in families receiving assistance under Aid to Families With Dependent Children or the number of children eligible to receive medical assistance under the Medicaid program; or a composite of such indicators;

''(3) how the State educational agency will notify local educational agencies of the authority to operate schoolwide programs, and fulfill its local educational agency and school improvement responsibilities under section 1116, including the corrective actions it will take under section 1116(d)(6);

''(4) how the State educational agency will encourage the use of funds from other Federal, State,

and local sources for schoolwide reform in schoolwide programs under section 1114;

''(5) how the Committee of Practitioners established under section 1601 was substantially involved in the development of the plan and will continue to be involved in monitoring its implementation by the State;

''(6) how the State educational agency will assess the needs of local educational agencies serving rural areas, and the plans the State educational agency has to meet those needs;

(7) how the State educational agency will assess the needs of local educational agencies serving rural areas and the plans the State educational agency has to meet those needs; and

''(8) how the State educational agency will encourage the establishment and operation of cooperative education, mentoring, and apprenticeship programs, involving business and industry.

''(d) PEER REVIEW AND SECRETARIAL APPROVAL.—The Secretary—

''(1) shall establish a peer review process to assist in the review and revision of State plans;

''(2) shall, following an initial peer review, approve a State plan the Secretary determines meets the requirements of subsections (a), (b), and (c);

''(3)(A) shall, if the Secretary determines that the State plan does not meet the requirements of subsection (a), (b), or (c), immediately notify the State of such determination and the reasons for it;

(B) shall not decline to approve a State's plan before offering the State an opportunity to revise its plan or application, provide technical assistance in order to assist the State to meet the requirements under subsections (a), (b), and (c) and a hearing; and

(C) may withhold funds until determining that the plan meets the requirements of this section, provided, however, that the Secretary may not withhold funds on the basis of the specific content of the opportunity-to-learn standards adopted by a State under this section.

''(e) DURATION OF THE PLAN.—(1) Each State plan shall—

''(A) remain in effect for the duration of the State's participation under this part; and

''(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

''(2) If the State makes significant changes in its plan, such as the adoption of new content and performance standards, new assessments, or a new definition of adequate progress, the State shall submit this information to the Secretary for approval.

''(f) Nothing in this title shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's specific instructional content or pupil performance standards and assessments, curriculum, or program of instruction as a condition of eligibility to receive funds under this title.

''(g) Nothing in this title shall be construed to authorize an officer, or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's specific opportunity-to-learn standards as a condition of eligibility to receive funds under this title.

''(h) If aggregate State expenditure by the State educational agency for operation of elementary and secondary education programs is less than the State educational agency's aggregate Federal allocation for State operation of all Federal elementary and secondary education programs, then the State plan for title I must include assurances and specific provisions for State expenditures for operation of elementary and secondary education programs to equal or

exceed the level of Federal expenditures for such operation by fiscal year 1999.

''SEC. 1112. LOCAL EDUCATIONAL AGENCY PLANS.

''(a) PLANS REQUIRED.—(1) A local educational agency may receive a subgrant under this part for any fiscal year only if it has on file with the State educational agency a plan, approved by the State educational agency, that—

''(A)(i) is integrated with the local educational agency's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, and satisfies the requirements of this section that are not already addressed by that State plan; and

''(ii) is integrated with local plans, if any, under the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, to the extent that such plans have not already been incorporated into the local educational agency's plan under title III of the Goals 2000: Educate America Act; or

''(B) if the local educational agency does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan—

''(i) is integrated with other local plans under this Act and other plans, including those

under the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, where such plans exist; and

''(ii) satisfies the requirements of this section.

''(2) The plan may be submitted as part of a consolidated application under section 9302.

''(3) A local educational agency may satisfy all or part of the requirements of this section by referencing applicable sections of its approved plan under title III of the Goals 2000: Educate America Act.

''(b) STANDARDS AND ASSESSMENT PROVISIONS.—Each local educational agency plan shall include—

''(1) a description of its challenging content and performance standards, if any, in the core subjects, in addition to the content and performance standards adopted by the State under section 1111, that the local educational agency expects children served under this title to meet;

''(2) a description, based on the assessments described under paragraph (3), of what constitutes adequate yearly progress if a local educational agency elects to establish such measures that are more strin-

gent than the measures described in the State plan under section 1111;

''(3) a description of additional high-quality student assessments, if any, other than the assessments described in the State plan under section 1111, that the local educational agency and schools served under this part will use to—

''(A) determine the success of children served under this title in meeting the State's performance standards;

''(B) assist in diagnosis, teaching, and learning in the classroom in ways that best enable children served under this title to meet State standards and do well in the local curriculum; and

''(C) determine what revisions are needed to projects under this part so that such children will meet the State's performance standards; and

''(4) a description of the strategies the local educational agency will use to implement opportunity-to-learn standards for all students served under this title.

''(c) OTHER PROVISIONS TO SUPPORT TEACHING AND LEARNING.—(1) To ensure high-quality instruction to enable participating children to meet the State's challenging

performance standards expected of all students, each local educational agency plan shall describe a coherent strategy for intensive and sustained professional development for teachers, administrators, and other staff, including staff of such agency, in accordance with section 1119.

''(2) Each local educational agency plan shall describe how the local educational agency will—

''(A) notify schools of the authority to operate schoolwide programs;

''(B) work in consultation with schools as the schools develop their plans pursuant to section 1114 or 1115 and assist schools as they implement such plans so that each school can make adequate yearly progress toward meeting the State's standards; and

''(C) fulfill its school improvement responsibilities under section 1116, including the corrective actions it will take under section 1116(c)(5).

''(3) To address the comprehensive needs of children served under this title, each local educational agency plan shall describe how the local educational agency will—

''(A) coordinate and integrate services provided under this part with other educational services at the local educational agency or individual school level, including—

''(i) Even Start, Head Start, and other preschool programs, including plans for the transition of participants in such programs to local elementary school programs, vocational education programs, and school-to-work transition programs; and

''(ii) services for children with limited English proficiency or with disabilities, migratory children served under part C of this title or who were formerly eligible for services under part C in the 2-year period preceding the date of the enactment of this title, delinquent youth and youth at risk of dropping out served under part D of this title, homeless children, and immigrant children in order to increase program effectiveness, eliminate duplication, and reduce fragmentation of the children's instructional program;

''(B) coordinate and collaborate with other agencies providing services to children, youth, and families, including health and social services.

''(4) The local educational agency plan also shall include a description of—

''(A) the poverty criteria that will be used to select school attendance areas under section 1113;

''(B) the multiple criteria that will be used by targeted assistance schools under section 1115 to identify children eligible for services under this part;

''(C) the nature of the programs to be conducted by its schools under sections 1114 and 1115 and services outside such schools for children in local institutions for neglected or delinquent children and eligible homeless children, in accordance in section 1115(b)(2)(D);

''(D) how the local educational agency will ensure that migratory children and formerly migratory children who are eligible to receive services under this part are selected to receive such services on the same basis as other children who are selected to receive services under this part;

''(E) how a school that plans to serve preschool children through the Head Start or Even Start programs will use its funds to expand such programs to serve preschool children from its attendance area that otherwise would not have been served or increase the level of service to children presently being served;

''(F) how the local educational agency will provide services to eligible children attending private elementary and secondary schools in accordance with section 1120, and how timely and meaningful con-

sultation with private school officials regarding such services will occur; and

''(G) the number of schoolwide programs that will be operating in the local educational agency.

''(d) PLAN DEVELOPMENT AND DURATION.—Each local educational agency plan shall—

''(1) be developed in consultation with teachers, including vocational teachers, where appropriate, and parents of children in schools served under this part; and

''(2)(A) remain in effect for the duration of the local educational agency's participation under this part; and

''(B) periodically be reviewed and revised, as necessary, to reflect changes in the local educational agency's strategies and programs.

''(e)(1) STATE APPROVAL.—The State educational agency shall approve a local educational agency's plan only if the State educational agency determines that the plan will enable schools served under this part to substantially help children served under this title to meet the State's challenging performance standards expected of all children.

''(2) The State educational agency shall review the local educational agency's plan to determine if such agen-

cy's professional development activities are in accordance with section 1119.

''(f) PROGRAM RESPONSIBILITY.—The local educational agency plan shall reflect the shared responsibility of schools, teachers, and the local educational agency in making decisions required under sections 1114 and 1115.

''SEC. 1113. ELIGIBLE SCHOOL ATTENDANCE AREAS.

''(a) IN GENERAL.—(1)(A)(i) A local educational agency shall use funds received under this part only in school attendance areas with high concentrations of children from low-income families, hereafter in this section referred to as 'eligible school attendance areas'.

''(ii) For the purposes of this part—

''(I) 'school attendance area' means, in relation to a particular school, the geographical area in which the children who are normally served by such school reside; and

''(II) 'eligible school attendance area' means a school attendance area in which the percentage of children from low-income families is at least as high as the percentage of children from low-income families in the local educational agency as a whole.

''(B) If funds allocated in accordance with subsection (c) are insufficient to serve all eligible school attendance areas, a local educational agency shall—

''(i) annually rank, without regard to grade spans, its eligible school attendance areas in which the concentration of children from low-income families exceeds 75 percent from highest to lowest according to the percentage of children from low-income families; and

''(ii) serve such eligible school attendance areas in rank order.

''(C) If funds remain after serving all eligible school attendance areas under subparagraph (B), a local educational agency shall—

''(i) annually rank its remaining eligible school attendance areas from highest to lowest either by grade span or for the entire local educational agency according to the percentage of children from low-income families; and

''(ii) serve such eligible school attendance areas in rank order either within each grade-span grouping or within the local educational agency as a whole.

''(2) The local educational agency shall use as the measure of poverty, the number of children ages 5–17 in poverty counted in the most recent census data approved by the Secretary, the number of children eligible for free and reduced priced lunches under the National School Lunch Act, the number of children in families receiving as-

sistance under Aid to Families with Dependent Children or the number of children eligible to receive medical assistance under the Medicaid program, or a composite of such indicators, with respect to all school attendance areas in the local educational agency—

''(A) to identify eligible school attendance areas;

''(B) to determine the ranking of each area; and

''(C) to determine allocations under subsection (c).

''(3) This subsection shall not apply to a local educational agency with a total enrollment of less than 1,000 children.

''(b) LOCAL EDUCATIONAL AGENCY DISCRETION.—Notwithstanding subsection (a)(1), a local educational agency may—

''(1) designate as eligible any school attendance area or school in which at least 50 percent of the children are from low-income families;

''(2) use funds received under this part in a school that is not in an eligible school attendance area, if the percentage of children from low-income families enrolled in the school is equal to or greater than the percentage of such children in a participating school attendance area of such agency; and

''(3)(A) elect not to serve an eligible school attendance area or eligible school that has a higher percentage of children from low-income families if—

''(i) the school meets the comparability requirements of section 1121(c);

''(ii) the school is receiving supplemental funds from other State or local sources that are spent according to the requirements of section 1114 or 1115; and

''(iii) the funds expended from such other sources equal or exceed the amount that would be provided under this part.

''(B) Notwithstanding subparagraph (A), the number of children attending private elementary and secondary schools who are to receive services, and the assistance they are to receive under this part, shall be determined without regard to whether the public school attendance area in which such children reside is passed over under this paragraph.

''(c) ALLOCATIONS.—(1) A local educational agency shall allocate funds received under this part to eligible school attendance areas or eligible schools, identified under subsection (a) or (b), in rank order, on the basis of the total number of children from low-income families in each area or school.

''(2)(A) Except as provided in subparagraph (B), the per-pupil amount of funds allocated to each school attendance area or school under paragraph (1) shall be not less than 80 percent of the per-pupil amount of funds the local educational agency received for such year under sections 1124, 1124A, and 1125.

''(B) A local educational agency may reduce the amount of funds allocated under subparagraph (A) for a school attendance area or school by the amount of any supplemental State and local funds expended in such school attendance area or school for programs that meet the requirements of section 1114 or 1115.

''(3) A local educational agency shall reserve such funds as are necessary under this part to provide services comparable to the services provided to children in schools funded under this part to serve—

''(A) homeless children in accordance with section 1115(b)(2)(D); and

''(B) children in local institutions for delinquent children.

''SEC. 1114. SCHOOLWIDE PROGRAMS.

''(a) USE OF FUNDS FOR SCHOOLWIDE PROGRAMS.—(1) A local educational agency may use funds under this part, in combination with other Federal, State, and local funds, to upgrade the entire educational program in an eli-

gible school if, for the initial year of the schoolwide program, the school meets the following criteria:

''(A) For the school year 1995–96—

''(i) the school serves an eligible school attendance area in which at least 65 percent of the children are from low-income families; or

''(ii) at least 65 percent of the children enrolled in the school are from such families.

''(B) For school year 1996–97 and thereafter, the percentage requirement of clauses (i) and (ii) of subparagraph (A) shall be 60 percent.

''(2) The provisions of paragraph (1) notwithstanding, a local educational agency may start new schoolwide programs only after the State educational agency provides written information to each local educational agency in the State that—

''(A) demonstrates that such State agency has established the statewide system of support and improvement required by section 1117; and

''(B) describes how such statewide system has the capability of providing on-site assistance if necessary to each eligible school, including a listing of school support teams and the eligible schools assigned to each such team.

''(3) A schoolwide program school shall use such funds only to supplement the amount of funds that would, in the absence of funds under this part, be made available from non-Federal sources for the school, including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency.

''(4) A school may use funds received under any non-competitive, formula-grant program administered by the Secretary, excluding programs under the Individuals With Disabilities Education Act, and any discretionary program contained on a list (updated as necessary) issued by the Secretary to support a schoolwide program, notwithstanding any provision of the statute or regulations governing any such program.

''(b) COMPONENTS OF A SCHOOLWIDE PROGRAM.—(1) A schoolwide program shall include the following components:

''(A) A comprehensive needs assessment of the entire school that is based on information on the performance of children in relation to the State's standards.

''(B) Schoolwide reform strategies that—

''(i) provide opportunities for all children to meet the State's 'proficient' and 'advanced' performance standards expected of all children;

''(ii) are based on research on effective means of improving the achievement of children;

''(iii) use effective instructional strategies which may include the integration of vocational and academic learning (including applied learning and team teaching strategies) that increase the amount and quality of learning time, such as providing an extended school year and before- and after-school programs and opportunities, and help provide an enriched and accelerated curriculum rather than remedial drill and practice, and that incorporate gender-equitable methods and practices;

''(iv) address the needs of all children in the school, but particularly the needs of low-achieving children, children with limited-English proficiency, children from migratory families, and children who are members of the target population of any program that is included in the schoolwide program, address how the school will determine if such needs have been met, describe the current program being offered to limited-

English proficient students, and address how the school will build upon, expand, or coordinate the schoolwide program with the current program; and

''(v) are consistent with, and are designed to implement, the State and local reform plans, if any, approved under title III of the Goals 2000: Educate America Act.

''(C) Instruction by highly qualified professional staff.

''(D) Intensive and sustained professional development for teachers, principals, and other staff, including aides, in accordance with section 1119, to enable all children in the school to meet the State's performance standards.

''(E) Strategies to increase parental involvement, including family literary services.

''(F) Plans for assisting preschool children in the transition from early childhood programs, such as Head Start, Even Start, or a State-run preschool program, to local elementary school programs.

''(G) Additionally, in schools serving children beyond grade six, in coordination with funds available from other programs and, as appropriate, drawing on private and public organizations—

''(i) counseling and mentoring services;

''(ii) college and career awareness, exploration, and preparation, such as college and career guidance, comprehensive career development, enhancement of employability and occupational skills, personal finance education, job placement services, and innovative teaching methods which may include applied learning and team teaching strategies; and

''(iii) services to prepare students for the transition from school to work, including the formation of partnerships between elementary, middle, and secondary schools and local businesses, and the integration of school-based and work-based learning.

''(2)(A) Any eligible school that desires to operate a schoolwide program shall first develop, in consultation with the local educational agency, a comprehensive plan for reforming the total instructional program in the school that—

''(i) incorporates the components described in paragraph (1);

''(ii) describes how the school will use resources under this part and from other sources to implement such components;

''(iii) includes a list of State and local educational agency programs and other Federal programs under paragraph (a)(3) that will be included in the schoolwide program; and

''(iv) describes how the school will provide individual student assessment results, including an interpretation of those results, to the parents of a child who participates in the assessment required by section 1111(b)(3).

''(B) Plans developed before a State has adopted standards and a set of assessments that meet the criteria in section 1111(b) (1) and (3) shall be based on an analysis of available data on the achievement of students in the school and a review of the school's instructional practices in the context of available research on effective instructional and school improvement practices.

''(C) The comprehensive plan shall be—

''(i) developed during a one-year period, unless—

''(I) the local educational agency, based on the recommendation of the technical assistance providers under section 1117, determines that less time is needed to develop and implement the schoolwide program; or

''(II) the school is operating a schoolwide program at the time this section takes effect, in which case it may continue to operate such program, but shall develop a new plan during the first year to reflect the provisions of this section;

''(ii) developed with the involvement of the community to be served and individuals who will carry it out, including teachers, principals, other staff, parents, and, if the plan relates to a secondary school, students from the school;

''(iii) reviewed and revised, as necessary, by the school;

''(iv) made available to parents and the public with the information contained in such plan translated, to the extent feasible, into any language that a significant percentage of the parents of participating children in the school speak as their primary language; and

''(v) developed where appropriate in coordination with programs under the School-to-Work Opportunities Act, the Carl D. Perkins Vocational and Applied Technology Education Act, and the National and Community Service Trust Fund Act.

''(c) ACCOUNTABILITY.—

''(1) As provided in subsection (c) of section 1116, each schoolwide program shall be subject to school improvement for failure to make adequate progress for two consecutive years.

''(2) A schoolwide program identified for school improvement under such subsection that has not made adequate progress by the third year following such identification shall forfeit its schoolwide status in addition to corrective actions, if any, taken by the local educational agency.

''(3) A school that has forfeited its schoolwide status may not regain such status until such school shows improvement by making adequate progress for one year.

''SEC. 1115. TARGETED ASSISTANCE SCHOOLS.

''(a) IN GENERAL.—In all schools selected to participate under section 1113 that are ineligible for a schoolwide program, or that choose not to operate a schoolwide program, a local educational agency may use funds received under this part only for programs that provide services to eligible children identified as having the greatest need for special assistance.

''(b) ELIGIBLE CHILDREN.—(1)(A) The eligible population for services under this part is—

''(i) children up to age 21 who are entitled to a free public education through grade 12; and

''(ii) children who are not yet at a grade level where the local educational agency provides a free public education, yet are of an age at which they can benefit from an organized instructional program provided in a school or other educational setting.

''(B) From the population described in subparagraph (A), eligible children are children identified by the school as failing, or most at risk of failing, to meet the State's challenging performance standards on the basis of multiple, educationally related, objective criteria established by the local educational agency and supplemented by the school, except that children from preschool through grade two shall be selected solely on the basis of such criteria as teacher judgment, interviews with parents, and developmentally appropriate measures.

''(2)(A)(i) Children receiving services to overcome a disability or limited English proficiency are eligible for services under this part on the same basis as other children selected to receive services under this part.

''(ii) Funds received under this part may not be used to provide services that are otherwise required by law to be made available to such children.

''(B) A child who, at any time in the previous two years, participated in a Head Start, Even Start, or State-run preschool program shall be automatically eligible for services under this part;

''(C)(i) A child who, at any time in the previous two years received services under the program for delinquent youth and youth at risk of dropping out under part D of this title (or its predecessor authority) may be eligible for services under this part.

''(ii) Any child in a local institution for neglected or delinquent children or attending a community day program for such children is eligible for services under this part.

''(D) A local educational agency shall use funds received under this part to serve eligible homeless children who attend a school in the local educational agency that receives funds under this title. To the extent feasible, a local educational agency shall use funds received under this part to serve eligible homeless children who attend schools in noneligible attendance areas, including providing educationally related support services to children in shelters, where appropriate.

''(c) COMPONENTS OF A TARGETED ASSISTANCE SCHOOL PROGRAM.—(1) To assist targeted assistance schools and local educational agencies to meet their responsibility to provide all students with the opportunity to meet

the State's challenging performance standards, each targeted assistance program under this section shall—

''(A) use its resources under this part to help participating children meet the challenging performance standards expected for all children;

''(B) be based on research on effective means for improving achievement of children;

''(C) use effective instructional strategies that—

''(i) give primary consideration to providing extended learning time such as an extended school year and before- and after-school programs and opportunities;

''(ii) involve an accelerated, high-quality curriculum, including applied learning, rather than remedial drill and practice; and

''(iii) minimize removing children from the regular classroom for instruction provided under this part;

''(D) be coordinated with and support the regular program in providing an enriched and accelerated curriculum for eligible children;

''(E) provide instruction by highly qualified professional staff;

''(F) provide opportunities for intensive and sustained professional development in accordance with

section 1119 with resources under this part and from other sources for administrators and for teachers and other school staff who work with participating children in programs under this section or in the regular education program;

''(G) provide strategies to increase parental involvement, including family literary services;

''(H) provide plans for assisting preschool children in the transition from early childhood programs, such as Head Start, Even Start, or a State-run preschool program, to local elementary school programs; and

''(I) include, additionally, in schools serving children beyond grade six, in coordination with funds available from other programs and, as appropriate, drawing on private and public organizations—

''(i) counseling and mentoring;

''(ii) college and career awareness and preparation, such as college and career guidance, comprehensive career development, enhancement of employability skills, personal finance education, and job placement services; and

''(iii) services to prepare students for the transition from school to work, including the for-

mation of partnerships between elementary, middle, and secondary schools and local businesses.

''(2)(A) Each school conducting a program under this section shall develop, in consultation with the local educational agency, a plan to assist participating children to meet the State's 'proficient' and 'advanced' performance standards that describes—

''(i) the selection of children to participate in accordance with subsection (b);

''(ii) the program to be conducted that incorporates the components described in paragraph (1) and how the resources provided under this part will be coordinated with other resources to enable the children served to meet the State's standards;

''(iii) how the school will review, on an ongoing basis, the progress of participating children and revise the program, if necessary, to provide additional assistance to enable such children to meet the State's challenging performance standards such as an extended school year and before- and after-school programs and opportunities, training for teachers regarding how to identify students that require additional assistance, and training for teachers regarding how to implement performance standards in the classroom; and

''(iv) if the school is eligible to operate a schoolwide program under section 1114, why it chose not to do so.

''(B) Plans developed before a State has adopted standards and a set of assessments that meet the criteria of section 1111(b) (1) and (3) shall be based on an analysis of available data on the achievement of participating children and a review of the school's instructional practices in the context of available research on effective instructional practices.

''(C) Each plan shall be—

''(i) developed with the involvement of the community to be served and the individuals who will carry it out, including teachers, administrators, other staff, parents, representatives from business and industry, and, if the plan relates to a secondary school, students from the school;

''(ii) approved by the local educational agency and made available to parents and the information contained therein translated, to the extent feasible, into any language that a significant percentage of the parents of participating children in the school speak as their primary language; and

''(iii) reviewed and revised, as necessary, by the school.

''(d) ASSIGNMENT OF PERSONNEL.—To promote the integration of staff paid with funds under this part and children served under this part into the regular school program and overall school planning and improvement efforts, public school personnel who are paid with funds received under this part may—

''(1) assume limited duties that are assigned to similar personnel who are not so paid, including duties beyond classroom instruction or that do not benefit participating children so long as the amount of time spent on such duties is the same proportion of total work time as prevails with respect to similar personnel at the same school;

''(2) participate in general professional development and school planning activities; and

''(3) collaboratively teach with regular classroom teachers, so long as their efforts directly benefit participating children.

''SEC. 1116. ASSESSMENT AND SCHOOL AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.

''(a) LOCAL REVIEW.—Each local educational agency receiving funds under this part shall—

''(1) use the State assessments described in the State plan and any additional measures described in the local educational agency's plan to review annu-

ally the progress of each school served under this part to determine whether the school is meeting, or making adequate progress as defined in section 1111(b)(2)(A)(i) or section 1112(b)(2), as appropriate, toward enabling its students to meet, the State's performance standards;

''(2) review annually the progress of each school which receives funds under this title in meeting State opportunity-to-learn standards;

''(3) publicize and disseminate to teachers, parents, students, and the community the results of the annual review under paragraphs (1) and (2) of all schools served under this part in individual school performance profiles that include disaggregated results as required by section 1111(b)(3)(G); and

''(4) provide the results of the local annual review to schools so that they can continually refine the program of instruction to help all children in such schools to meet the State's high performance standards.

''(b) DESIGNATION OF DISTINGUISHED SCHOOLS.—Each State educational agency and local educational agency receiving funds under this part shall designate distinguished schools in accordance with section 1117.

''(c) SCHOOL IMPROVEMENT.—(1) A local educational agency shall identify for school improvement any school served under this part that—

''(A) has been in program improvement under section 1021 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as in effect before the effective date of the Improving America's Schools Act of 1994, for at least two consecutive school years prior to such date;

''(B) has not made adequate progress as defined in the State's plan under section 1111(b)(2)(A)(i) or section 1112(b)(2), as appropriate, for two consecutive school years; or

''(C) has failed to meet the criteria established by the State through its interim procedure under section 1111(b)(5)(C) for two consecutive years.

''(2) A school shall not be identified for school improvement if virtually all its students meet the State's advanced performance standards.

''(3)(A) Each school identified under paragraph (1) shall—

''(i) in consultation with parents, the local educational agency, and, for schoolwide programs, the school support team, revise its school plan under section 1114 or 1115 in ways that have the greatest like-

lihood of improving the performance of participating children in meeting the State's performance standards; and

''(ii) submit the revised plan to the local educational agency for approval.

''(B) Before identifying a school for program improvement under paragraph (1), the local educational agency shall provide the school with an opportunity to review the school-level data, including assessment data, on which such identification would be based. If the school believes that its identification for school improvement would be in error, it may provide evidence to the local educational agency to support such belief.

''(C) During the first year immediately following identification under paragraph (1), the school shall implement its revised plan.

''(4) For each school identified under paragraph (1), the local educational agency shall make technical assistance available as the school determines why the school's plan failed to bring about increased achievement and develop and implement its revised plan. Such technical assistance may be provided directly by the local educational agency, through mechanisms authorized under section 1117, or by an institution of higher education, a private nonprofit organization, an educational service agency, Federal technical

assistance centers under part D of title II of this Act, or other entities with experience in helping schools improve achievement.

''(5)(A) After providing technical assistance pursuant to paragraph (4) and other remediation measures, the local educational agency may take corrective action at any time against a school that has been identified under paragraph (1), but, during the third year following identification under paragraph (1), shall take such action against any school that still fails to make adequate progress.

''(B) Corrective actions are those listed in the local educational agency plan adopted in compliance with State law, which may include decreasing decisionmaking authority at the school level, making alternative governance arrangements such as the creation of a charter school, reconstituting the school staff; and authorizing students to transfer, including paying transportation costs to other schools in the local educational agency.

''(6) The State educational agency shall—

''(A) make technical assistance under section 1117 available to the schools furthest from meeting the State's standards, if requested by the school or local educational agency; and

''(B) if it determines that a local educational agency failed to carry out its responsibility under

paragraphs (4) and (5), take such corrective actions that it deems appropriate.

''(7) Schools that for at least two of the three years following identification under paragraph (1) make adequate progress toward meeting the State's 'proficient' and 'advanced' performance standards no longer need to be identified for school improvement.

''(d) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—(1) A State educational agency shall—

''(A) annually review the progress of each local educational agency receiving funds under this part to determine whether all students in schools receiving assistance under this part are making adequate progress as defined in section 1111(b)(2)(A)(ii) or section 1112(b)(2), as appropriate, toward meeting the State's performance standards; and

''(B) publicize and disseminate to teachers, parents, students, and the community the results of the State review, including disaggregated results, as required by section 1111(b)(3)(G).

''(2) In the case of a local educational agency that for three consecutive years has a school or schools receiving assistance under this part which have exceeded the State's definition of adequate progress as defined in section 1111(b)(2)(A)(ii) or section 1112(b)(2), as appropriate, the

State may make institutional and individual rewards of the kinds described for individual schools in subsection 1117(c)(2)(B).

''(3) A State educational agency shall identify for improvement any local educational agency that—

''(A) for two consecutive years, has a school or schools receiving assistance under this part that are not making adequate progress as defined in section 1111(b)(2)(A)(ii) or section 1112(b)(2), as appropriate, toward meeting the State's performance standards; or

''(B) has failed to meet the criteria established by the State through its interim procedure under section 1111(b)(8)(A) for two consecutive years.

''(4) Each local educational agency identified under paragraph (3) shall, in consultation with schools, parents, and educational experts, revise its local educational agency plan under section 1112 in ways that have the greatest likelihood of improving the performance of its schools in meeting the State's performance standards.

''(5) For each local educational agency identified under paragraph (3), the State educational agency shall—

''(A) determine why the local educational agency's plan failed to bring about increased achievement;

''(B) provide technical assistance, if requested, as authorized under section 1117 to better enable the local educational agency to develop and implement its revised plan and work with schools needing improvement; and

''(C) make available to the local educational agencies furthest from meeting the State's standards, if requested, assistance under section 1117.

Technical assistance under subparagraph (B) may be provided by the State educational agency directly, or by an institution of higher education, a private nonprofit organization, an educational service agency or other local consortium, a technical assistance center, or other entities with experience in assisting local education agencies improve achievement.

''(6)(A) After providing technical assistance pursuant to paragraph (5) and other remediation measures, the State educational agency may take corrective action at any time against a local educational agency that has been identified under paragraph (3), but, during the fourth year following identification under paragraph (3), shall take such action against any local educational agency that still fails to make adequate progress.

''(B) Corrective actions are those listed in the State educational agency plan adopted in compliance with State

law, which may include reconstitution of district personnel, appointment by the State educational agency of a receiver or trustee to administer the affairs of the local educational agency in place of the superintendent and school board, removal of particular schools from the jurisdiction of the local educational agency and establishment of alternative arrangements for governing and supervising such schools, the abolition or restructuring of the local educational agency, and the authorizing of students to transfer from 1 local educational agency to another.

''(7) Local educational agencies that for at least two of the three years following identification under paragraph (3) make adequate progress toward meeting the State's standards no longer need to be identified for local educational agency improvement.

''(e) STATE ALLOCATIONS FOR SCHOOL IMPROVEMENT.—From the amount appropriated under section 1002(6) for any fiscal year, each State shall be eligible to receive an amount that bears the same ratio to the amount appropriated as the amount allocated to the State under sections 1124, 1124A, and 1125 bears to the total amount allocated to all States under such sections, except that each State shall receive at least $180,000, or $30,000 in the case of Guam, American Samoa, the Virgin Islands, the North-

ern Marianas, and Palau (until the Compact of Free Association goes into effect).

"SEC. 1117. STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

"(a) SYSTEM FOR SUPPORT.—(1) Each State educational agency shall establish a statewide system of intensive and sustained support and improvement for schools receiving funds under this title, including all schoolwide programs and all schools in need of program improvement, in order to increase the opportunity for all students in such schools to meet the State's content and performance standards and opportunity-to-learn standards.

"(2) Funds appropriated pursuant to section 1002(6) shall be used to meet the requirements of this section. In addition and notwithstanding section 1002(1), a State or local educational agency may use funds made available under section 1002(1) and other available funds to meet such requirements.

"(b) REGIONAL CENTERS.—Such a statewide system shall be linked to and receive support and assistance from the regional technical assistance centers authorized under part D of title II and the regional labs authorized under section 205 of the General Education Provisions Act.

"(c) PROVISIONS.—The system shall include at a minimum the following:

''(1) SCHOOL SUPPORT TEAMS.—

''(A) Each State, in consultation with local educational agencies, shall establish a system of school support teams to provide information and assistance to each schoolwide program and to assist such program in providing an opportunity to all students to meet the State's performance standards.

''(B) Each such team shall be composed of individuals with experience in successfully improving the educational opportunities for low achieving students, especially individuals identified in paragraph (3), and individuals knowledgeable about research and practice on teaching and learning, including alternative and applied learning, especially for low achieving students.

''(C) A school support team shall work with each school as it develops its schoolwide program plan, review each plan, and make recommendations to the school and the local educational agency.

''(D) During the operation of the schoolwide programs, a school support team shall periodically review the progress of the school in enabling children in the school to meet the State's

performance standards, identify problems in the design and operation of the instructional program, and make suggestions for the improvement to the school and the local educational agency.

''(2) DISTINGUISHED SCHOOLS.—

''(A) Each State shall designate as a distinguished school any school served under this part which, for 3 consecutive years, has exceeded the State's definition of adequate progress as defined in section 1111(b)(2), and, any school in which virtually all students have met the State's advanced performance standards and in which equity in participation and achievement of students by sex has been achieved or significantly improved.

''(B) Schools designated under this paragraph may serve as models and provide support to other schools, especially schoolwide programs and schools in program improvement, to assist such schools in meeting the State's performance standards.

''(C) States shall use funds available under section 1002(6) to allow schools identified under this paragraph to carry out the activities described in subparagraph (B) and may use such

funds to provide awards to such schools to further their education programs under this part, provide additional incentives for continued success, and reward individuals or groups in the school for exemplary performance.

''(D) A local educational agency may also recognize the success of a distinguished school by providing additional institutional and individual rewards, such as greater decisionmaking authority at the school building level, increased access to resources or supplemental services such as summer programs that may be used to sustain or increase success, additional professional development opportunities, opportunities to participate in special projects, and individual financial bonuses.

''(3) DISTINGUISHED EDUCATORS.—

''(A) In order to provide assistance to schools and local educational agencies identified as needing improvement or schoolwide programs, each State, in consultation with local educational agencies and using funds available under section 1002(6), shall establish a corps of distinguished educators.

''(B) When possible, distinguished educators shall be chosen from schools served under this part that have been especially successful in enabling children to meet or make outstanding progress toward meeting the State's performance standards, such as the schools described in paragraph (2).

''(C) Distinguished educators shall provide, as part of the statewide system, intensive and sustained assistance to the schools and local educational agencies furthest from meeting the State's standards and schoolwide programs as they develop and implement their plans, including participation in the support teams described in paragraph (1).

''(d) In order to implement this section, funds under section 1002(6) may be used by a State for release time for teachers and administrators, travel, training, and other related costs.

''(e) ALTERNATIVES.—If a State has devised alternative or additional approaches to providing the assistance described in paragraphs (1) and (3) of subsection (c), such as providing assistance through institutions of higher education and educational service agencies or other local consortia, the State may seek approval from the Secretary to

use funds authorized in section 1002(6) for such approaches as part of the State plan.

"SEC. 1118. PARENTAL INVOLVEMENT.

"(a) IN GENERAL.—A local educational agency may receive funds under this part only if it implements programs, activities, and procedures for the involvement of parents in programs assisted under this title. Such activities shall be planned and implemented with meaningful consultation with parents of participating children.

"(b) LOCAL EDUCATIONAL AGENCY POLICY.—(1) Each local educational agency that receives funds under this part shall develop jointly with, and make available to, parents of participating children a written parental involvement policy that is incorporated into the local educational agency's plan developed under section 1112, establishes the expectations for parental involvement, and describes how the local educational agency will—

"(A) involve parents in the development of the plan described under section 1112, and the process of school review and improvement described under section 1116;

"(B) provide the coordination, technical assistance, and other support necessary to assist participating schools in planning and implementing effective parent involvement;

''(C) build the schools' and parents' capacity for strong parent involvement as described in subsection (f);

''(D) coordinate and integrate parental involvement strategies in this part with parental involvement strategies under other programs, including Head Start, Even Start, and State-run preschool programs;

''(E) conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of the parental involvement policy developed under this section in increasing the participation of parents to identify barriers to greater participation by parents in activities authorized by this section, giving particular attention to parents who are economically disadvantaged, are disabled, have limited-English proficiency, have limited literacy, or are of any racial or ethnic minority background and use the findings of such reviews in designing strategies for school improvement.

''(2) If the local educational agency has an agency-wide parental involvement policy that applies to all parents, it may amend such policy, if necessary, to meet the requirements of this subsection.

''(3) Each local educational agency shall reserve not less than 1 percent of its allocation under this part for the purposes of carrying out this section, including family literacy and parenting skills.

''(c) SCHOOL PARENTAL INVOLVEMENT PLAN.—(1) Each school served under this part shall jointly develop with, and make available to, parents of participating children a written parental involvement plan that shall be incorporated into the school plan developed under section 1114 or 1115 and shall describe the means for carrying out the requirements of subsections (c) through (f).

''(2) If the school has a parental involvement policy that applies to all parents, it may amend such policy, if necessary, to meet the requirements of this subsection.

''(d) POLICY INVOLVEMENT.—Each school served under this part shall—

''(1) convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of the school's participation under this part and to explain this part, its requirements, and the parent's right to be involved;

''(2) involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the

development of the school plan under section 1114 or 1115 or if a school has in place a process for involving parents in the planning and design of its programs, the school may use such process, provided that the process includes an adequate representation of parents of participating children; and

''(3) provide parents of participating children—

''(A) timely information about programs under this part;

''(B) school performance profiles required under section 1116(a)(2) and individual student assessment results, including an interpretation of such results, required under section 1111(b)(3);

''(C) opportunities for regular meetings to formulate suggestions, if such parents so desire; and

''(D) timely responses to parents' recommendations.

''(e) SHARED RESPONSIBILITIES FOR HIGH STUDENT PERFORMANCE.—As a component of the school-level parental involvement plan developed under subsection (b), each school served under this part shall jointly develop with parents for all children a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student achievement and the

means by which the school and parents will build and develop a partnership to help children achieve the State's high standards. Such compact shall—

''(1) describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enable the children to meet the State's challenging performance standards, and the ways in which each parent will be responsible for supporting his or her children's learning, including monitoring attendance, homework completion, television watching, and positive use of extracurricular time; and

''(2) address the importance of communication between teachers and parents on an ongoing basis through at a minimum—

''(A) parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as it relates to the individual child's achievement;

''(B) frequent reports to parents on their children's progress; and

''(C) reasonable access to staff and observation of classroom activities.

''(f) BUILDING CAPACITY FOR INVOLVEMENT.—To ensure effective involvement of parents and to support a part-

nership among the school, parents, and the community to improve student achievement, each school and local educational agency—

''(1) shall provide assistance to participating parents in such areas as understanding the National Education Goals, the State's content and performance standards, opportunity-to-learn standards, State and local assessments, the requirements of this part, and how to monitor a child's progress and work with educators to improve the performance of their children;

''(2) shall provide materials and training, including—

''(A) coordinating necessary literacy training from other sources to help parents work with their children to improve their children's achievement; and

''(B) training to enable parents to work more effectively with teachers, schools, and school systems;

''(3) shall educate teachers, principals, and other staff in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between home and school;

''(4) shall develop appropriate roles for community-based organizations and businesses in parent involvement activities, including providing information about opportunities for them to work with parents and schools, and encouraging the formation of partnerships between elementary, middle, and secondary schools and local businesses that include a role for parents;

''(5) shall ensure, to the extent possible, that information related to school and parent programs, meetings, and other activities is sent to the homes of participating children in the language used in such homes;

''(6) shall involve parents in the development of training for teachers, principals, and other educators for the purpose of improving the effectiveness of such training in improving instruction and services to the children of such parents;

''(7) may provide necessary literacy training from funds received under this part if the local educational agency has exhausted all other reasonably available sources of funding for such activities;

''(8) may pay reasonable and necessary expenses associated with local parental involvement activities, including transportation and child care costs to en-

able parents to participate in school-related meetings and training sessions;

''(9) may coordinate and integrate parent involvement programs and activities with Head Start, Even Start, and State-run preschool programs;

''(10) may train and support parents to enhance the involvement of other parents;

''(11) may arrange meetings at a variety of times, such as in the mornings and evenings in order to maximize opportunities of parents to participate in school related activities;

''(12) may arrange for teachers or other educators, who work directly with participating children, to conduct in-home conferences with parents who are unable to attend such conferences at school; and

''(13) may adopt and implement model approaches to improving parental involvement such as Even Start.

''(g) ACCESSIBILITY.—In carrying out the parental involvement requirements of this part, local educational agencies and schools shall, to the extent practicable, ensure that parents of limited-English proficient children or disabled children are afforded the same access to parental involvement opportunities as their children are afforded to other programs funded under this part, including the provision

of information in a language and form that the parents of such children can understand.

"SEC. 1119. PROFESSIONAL DEVELOPMENT.

"(a) PROGRAM REQUIREMENTS.—(1) Local educational agencies receiving assistance under this part shall provide high-quality, sustained professional development that will improve the teaching of the core academic subjects, consistent with the State content standards, in order to enable all children to meet the State's performance standards.

"(2) Professional development activities shall be designed by teachers and other school staff in schools receiving assistance under this part.

"(b) PROFESSIONAL DEVELOPMENT ACTIVITIES.—

"(1) Professional development activities shall—

"(A) support instructional practices that are geared to challenging State content standards and create a school environment conducive to high achievement in the core academic subjects;

"(B) support local educational agency plans under section 1112 and school plans under sections 1114 and 1115;

"(C) draw on resources available under this part, title III of the Goals 2000: Educate American Act, part A of title II of this Act, and from other sources;

''(D) where appropriate, include strategies for developing curricula and teaching methods that integrate academic and vocational instruction (including applied learning and team teaching strategies); and

''(E) include strategies for identifying and eliminating gender and racial bias in instructional materials, methods, and practices.

(2) Professional development activities may include—

''(A) instruction in the use of assessments;

''(B) instruction in ways that teachers, principals, and school administrators may work more effectively with parents;

''(C) the forming of partnerships with institutions of higher education to establish school-based teacher training programs that provide prospective teachers and novice teachers with an opportunity to work under the guidance of experienced teachers and college faculty;

''(D) instruction in the use of technology;

''(E) the creation of career ladder programs for paraprofessionals (assisting teachers under this part) to obtain the education necessary for them to become licensed and certified teachers;

''(F) instruction in ways to teach special needs children;

''(G) instruction in gender-equitable education methods, techniques, and practices;

''(H) joint professional development activities involving programs under this part, Head Start, Even Start, or State-run preschool program personnel; and

''(I) instruction in experiential-based teaching methods such as service learning.

''(c) PROGRAM REQUIREMENTS.—Programs should be designed so that—

''(1) all school staff in schoolwide program schools can participate in professional development activities;

''(2) all school staff in targeted assistance schools may participate in professional development activities if such participation will result in better addressing the needs of students served under this part.

''(d) PARENTAL PARTICIPATION.—Parents may participate in professional development activities under this part if the school determines that parental participation would be appropriate.

''(e) CONSORTIA.—In carrying out such professional development programs, local educational agencies may pro-

vide such services through consortia arrangements with other local educational agencies, educational service agencies or other local consortia, institutions of higher education or other public or private institutions or organizations.

''(f) EFFECTIVE TEACHING STRATEGIES.—Knowledge of effective teaching strategies that is gained through professional development activities under this section may be shared with teachers who are not participating in schoolwide or targeted assistance programs under this part.

''(g) COMBINATIONS OF FUNDS.—Funds provided under this part that are used for professional development purposes may be combined with funds provided under part A of title II of this Act, title III of the Goals 2000: Educate America Act, and other sources.

''(h)(1) The State educational agency shall review the local educational agency's plan to determine if such agency's professional development activities—

''(A) are tied to challenging State student content and performance standards and opportunity-to-learn standards;

''(B) reflect recent research on teaching and learning;

''(C) are of sufficient intensity and duration to have a positive impact on the teacher's performance in the classroom;

''(D) are part of the everyday activities of the school and create an orientation toward continuous improvement in the classroom or throughout the school;

''(E) include methods to teach children with special needs;

''(F) are developed with the extensive participation of teachers; and

''(G) include gender-equitable education methods, techniques, and practices.

''(2) If a local educational agency's plan for professional development does not meet such criteria, the State educational agency shall assist such local educational agencies in making progress toward inclusion of such elements in the local educational agency's professional development activities.

''(i) INSTRUCTIONAL AIDES.—(1) If a local educational agency uses funds received under this part to employ instructional aides, the local educational agency shall ensure that such aides—

''(A) possess the knowledge and skills sufficient to assist participating children in meeting the educational goals of this part;

''(B)(i) have a high school diploma, a General Education Development certificate, or earn either within 2 years of employment, except that

''(ii) a local educational agency may employ an instructional aide that does not meet the requirement in clause (i) if such aide possesses proficiency in a language other than English that is needed to enhance the participation of children in programs under this part; and

''(C) are under the direct supervision of a teacher who has primary responsibility for providing instructional services to eligible children.

''(2) Local educational agencies receiving funds under this part shall include instructional aides in professional development activities.

''SEC. 1120. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

''(a) GENERAL REQUIREMENT.—(1) To the extent consistent with the number of eligible children identified under section 1115(b) in a local educational agency who are enrolled in private elementary and secondary schools, a local educational agency shall, after timely and meaningful consultation with appropriate private school officials, provide such children, on an equitable basis, special educational services or other benefits under this part (such as dual en-

rollment, educational radio and television, computer equipment and materials, other technology, and mobile educational services and equipment).

''(2) The educational services or other benefits, including materials and equipment, must be secular, neutral, and nonideological.

''(3) Educational services and other benefits for such private school children shall be equitable in comparison to services and other benefits for public school children participating under this part.

''(4) Expenditures for educational services and other benefits to eligible private school children shall be equal to the proportion of funds allocated to participating school attendance areas based on the number of children from low-income families who attend private schools.

''(5) The local educational agency may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

''(b) PUBLIC CONTROL OF FUNDS.—(1) The control of funds provided under this part, and title to materials, equipment, and property purchased with such funds, shall be in a public agency, and a public agency shall administer such funds and property.

''(2)(A) The provision of services under this section shall be provided—

''(i) by employees of a public agency; or

''(ii) through contract by such public agency with an individual, association, agency, or organization.

''(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency.

''(c) STANDARDS FOR A BYPASS.—If a local educational agency is prohibited by law from providing for the participation on an equitable basis of eligible children enrolled in private elementary and secondary schools or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for such participation, as required by this section, the Secretary shall—

''(1) waive the requirements of this section for such local educational agency; and

''(2) arrange for the provision of services to such children through arrangements that shall be subject to the requirements of this section and sections 9505 and 9506 of this Act.

''(d) CAPITAL EXPENSES.—(1)(A) From the amount appropriated for this subsection under section 1002(5) for any fiscal year, each State is eligible to receive an amount

that bears the same ratio to the amount so appropriated as the number of private school children who received services under this part in the State in the most recent year for which data satisfactory to the Secretary are available bears to the number of such children in all States in that same year.

''(B) The Secretary shall reallocate any amounts allocated under subparagraph (A) that are not used by a State for the purpose of this subsection to other States on the basis of their respective needs, as determined by the Secretary.

''(2)(A) A local educational agency may apply to the State educational agency for payments for capital expenses consistent with this subsection.

''(B) State educational agencies shall distribute such funds to local educational agencies based on the degree of need set forth in their respective applications.

''(3) Any funds appropriated to carry out this subsection shall be used only for capital expenses incurred to provide equitable services for private school children under this section.

''(4) For the purpose of this subsection, the term 'capital expenses' is limited to—

''(A) expenditures for noninstructional goods and services, such as the purchase, lease, or renovation of real and personal property, including, but not limited

to, mobile educational units and leasing of neutral sites or spaces;

''(B) insurance and maintenance costs;

''(C) transportation; and

''(D) other comparable goods and services.

''SEC. 1121. FISCAL REQUIREMENTS.

''(a) MAINTENANCE OF EFFORT.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency finds that the local educational agency has maintained its fiscal effort in accordance with section 9501 of this Act, including such effort for professional development activities.

''(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS.—(1)(A) Except as provided in subparagraph (B), a State or local educational agency shall use funds received under this part only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.

''(B) For the purpose of complying with subparagraph (A), a State or local educational agency may exclude supplemental State and local funds expended in any eligible school attendance area or school for programs that meet the requirements of section 1114 or 1115.

''(2) No local educational agency shall be required to provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate its compliance with paragraph (1).

''(c) COMPARABILITY OF SERVICES.—(1)(A) Except as provided in paragraphs (4) and (5), a local educational agency may receive funds under this part only if State and local funds will be used in schools served under this part to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.

''(B) If the local educational agency is serving all of its schools under this part, such agency may receive funds under this part only if it will use State and local funds to provide services that, taken as a whole, are substantially comparable in each school.

''(C) A local educational agency may meet the requirements of subparagraphs (A) and (B) on a grade-span by grade-span basis or a school-by-school basis.

''(2)(A) To meet the requirements of paragraph (1), a local educational agency shall demonstrate that—

''(i) expenditures per pupil from State and local funds in each school served under this part are equal to or greater than the average expenditures per pupil in schools not receiving services under this part; or

''(ii) instructional salaries per pupil from State and local funds in each school served under this part are equal or greater than the average instructional salaries per pupil in schools not receiving services.

''(B) A local educational agency need not include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year in determining comparability of services under this subsection.

''(3) Each local educational agency shall—

''(A) develop procedures for compliance with this subsection; and

''(B) maintain records that are updated biennially documenting its compliance.

''(4) This subsection shall not apply to a local educational agency that does not have more than one building for each grade span.

''(5) For the purpose of determining compliance with paragraph (1), a local educational agency may exclude State and local funds expended for—

''(A) bilingual education for children of limited English proficiency; and

''(B) excess costs of providing services to children with disabilities.

"Subpart 2—Allocations

"SEC. 1122. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

"(a) RESERVATION OF FUNDS.—From the amount appropriated for payments to States for any fiscal year under section 1002(a), the Secretary shall reserve a total of 1 percent to provide assistance to—

"(1) the outlying areas on the basis of their respective need for such assistance according to such criteria as the Secretary determines will best carry out the purpose of this part; and

"(2) the Secretary of the Interior in the amount necessary to make payments pursuant to subsection (b).

"(b) ALLOTMENT TO THE SECRETARY OF THE INTERIOR.—

"(1) The amount allotted for payments to the Secretary of the Interior under subsection (a)(2) for any fiscal year shall be, as determined pursuant to criteria established by the Secretary, the amount necessary to meet the special educational needs of—

"(A) Indian children on reservations served by elementary and secondary schools for Indian children operated or supported by the Department of the Interior; and

''(B) out-of-State Indian children in elementary and secondary schools in local educational agencies under special contracts with the Department of the Interior.

''(2) From the amount allotted for payments to the Secretary of the Interior under subsection (a)(2), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary of Education determines will best carry out the purposes of this part, with respect to out-of-State Indian children described in paragraph (1). The amount of such payment may not exceed, for each such child, the greater of—

''(A) 40 percent of the average per-pupil expenditure in the State in which the agency is located; or

''(B) 48 percent of such expenditure in the United States.

''SEC. 1123. ALLOCATIONS TO STATES.

''(a) GENERAL.—For each fiscal year, an amount of the appropriations for this part equal to the appropriation for fiscal year 1994 for part A of chapter 1, title I, Elementary and Secondary Education Act, shall be allocated in accordance with sections 1124 and 1124A. Any additional appropriations for this part for any fiscal year, after appli-

cation of the preceding sentence, shall be allocated in accordance with section 1125.

''(b) ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.—

''(1) If the sums available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year, the Secretary shall ratably reduce the allocations to such local educational agencies, subject to subsections (c) and (d) of this section.

''(2) If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as they were reduced.

''(c) HOLD-HARMLESS AMOUNTS.—Notwithstanding subsection (b), the total amount made available to each local educational agency under each of sections 1124 and 1125 for any fiscal year shall be at least 85 percent of the total amount such local educational agency was allocated under such sections (or, for fiscal year 1995, their predecessor authorities) for the preceding fiscal year.

''(d) DEFINITION.—For the purpose of this section and sections 1124 and 1125, the term State means each of the

50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 1124. BASIC GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) AMOUNT OF GRANTS.—

"(1) GRANTS FOR LOCAL EDUCATIONAL AGENCIES AND PUERTO RICO.—

"(A) The grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in section 1126), be determined by multiplying the number of children counted under subsection (c) by 40 percent of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (i) if the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, such amount shall be 80 percent of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, such amount shall be 120 percent of the average per pupil ex-

penditure in the United States. For each local educational agency serving an area with a total population of at least 20,000 persons, the grant under this section shall be the amount determined by the Secretary. For local educational agencies serving areas with total population of fewer than 20,000 persons, the State education agency may either (I) distribute to such local educational agencies grants under this section equal to the amounts determined by the Secretary; or (II) use an alternative method, approved by the Secretary, to distribute the share of the State's total grants under this section that is based on local educational agencies with total populations of fewer than 20,000 persons. Such an alternative method of distributing grants under this section among a State's local educational agencies serving areas with total populations of fewer than 20,000 persons shall be based upon population data that the State education agency determines best reflect the current distribution of children in poor families among the State's local educational agencies serving areas with total populations of fewer than 20,000 persons. If a local educational agency serving an

area with total population of less than 20,000 persons is dissatisfied with the determination of its grant by the State education agency, then it may appeal this determination to the Secretary. The Secretary must respond to this appeal within 45 days of receipt. The Secretary shall consult with the Secretary of Commerce regarding whether available data on population for local educational agencies serving areas with total populations of fewer than 20,000 persons are sufficiently reliable to be used to determine final grants to such areas.

''(B) If, and only if, there are portions of any of the States for which the Department of Commerce has not prepared data on the number of children, aged 5–17, from families below the poverty level for local educational agencies, then the Secretary shall use such data compiled for counties in those portions of the States, treating the counties as if they were local educational agencies. In such cases, subject to section 1126, the grant for any local educational agency in such an area of a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in

which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with basic criteria prescribed by the Secretary.

''(C) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for the Commonwealth of Puerto Rico by the product of—

''(i) the percentage determined under the preceding sentence; and

''(ii) 32 percent of the average per pupil expenditure in the United States.

''(2) DEFINITION.—For purposes of this subsection, the term 'State' does not include Guam,

American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau.

''(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under this subpart only if the number of children counted under subsection (c) in the school district of such local educational agency is at least 10.

''(c) CHILDREN TO BE COUNTED.—

''(1) CATEGORIES OF CHILDREN.—The number of children to be counted for purposes of this section is the aggregate of—

''(A) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A),

''(B) the number of children aged 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2)(B), and

''(C) the number of children aged 5 to 17, inclusive, in the school district of such agency in institutions for neglected and delinquent children (other than such institutions operated by the United States) or attending community day programs for such children, but not counted pursu-

ant to subpart 3 of part D for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

''(2) DETERMINATION OF NUMBER OF CHILDREN.—

''(A) For the purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (as produced and published under section 181a of title 13, United States Code). If, and only if, there are portions of any of the States for which the Department of Commerce has not prepared data on the number of children, aged 5–17, from families below the poverty level for local educational agencies, then the Secretary shall use such data compiled for counties in those portions of the States, treating the counties as if they were local educational agencies. The District of Columbia and the Commonwealth of Puerto Rico shall be treated as individual local educational agencies. If a local educational agency contains two or more counties in their entirety, then each county

will be treated as if it were a separate local educational agency for purposes of calculating grants under this part. The total of grants for such counties shall be allocated to such a local educational agency, which shall distribute to schools in each county within it a share of the local educational agency's total grant that is no less than the county's share of the population counts used to calculate the local educational agency's grant. If the Department of Commerce has updated data on the number of children, aged 5–17, from families below the poverty level for local educational agencies, then the Secretary shall use the updated data. In determining the families which are below the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics.

''(B) For purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such

children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to the Secretary before

January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to the Secretary at the time of such determination. The Secretary of Health and Human Services shall collect and transmit the information required by this subparagraph to the Secretary not later than January 1 of each year.

''(C) When requested by the Secretary, the Secretary of Commerce shall make a special updated estimate of the number of children of such ages who are from families below the poverty level (as determined under subparagraph (A) of this paragraph) in each school district, and the Secretary is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

''(d) STATE MINIMUM.—

''(1) The aggregate amount allotted for all local educational agencies within a State may not be less than one-quarter of 1 percent of the total amount available for such fiscal year under this section.

''(2)(A) No State shall, by reason of the application of the provisions of paragraph (1) of this subsection, be allotted more than—

''(i) 150 percent of the amount that the State received in the fiscal year preceding the fiscal year for which the determination is made, or

''(ii) the amount calculated under subparagraph (B), whichever is less.

''(B) For the purpose of subparagraph (A)(ii), the amount for each State equals—

''(i) the number of children in such State counted under subsection (c) in the fiscal year specified in subparagraph (A), multiplied by

''(ii) 150 percent of the national average per pupil payment made with funds available under this section for that year.

''SEC. 1124A. CONCENTRATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''(a) ELIGIBILITY FOR AND AMOUNT OF GRANTS.—

''(1)(A) Except as otherwise provided in this paragraph, each local educational agency, in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau, which is eligible for a grant under this part for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if—

''(i) the number of children counted under section 1124(c) of this part in the local educational agency for the preceding fiscal year exceeds 6,500, or

''(ii) the number of children counted under section 1124(c) exceeds 15 percent of the total number of children aged five to seventeen, inclusive, in the local educational agency in that fiscal year.

''(B) Except as provided in subparagraph (C), no State described in subparagraph (A) shall receive less than—

''(i) one-quarter of 1 percent of the sums appropriated under paragraph (6) of this section for such fiscal year; or

''(ii) $250,000, whichever is higher.

''(C) No State shall, by reason of the application of the provisions of subparagraph (B)(i) of this paragraph, be allotted more than—

''(i) 150 percent of the amount that the State received in the fiscal year preceding the fiscal year for which the determination is made, or

''(ii) the amount calculated under subparagraph (D), whichever is less.

''(D) For the purpose of subparagraph (C), the amount for each State equals—

''(i) the number of children in such State counted for purposes of this section in the fiscal year specified in subparagraph (B), multiplied by

''(ii) 150 percent of the national average per pupil payment made with funds available under this section for that year.

''(2) For each local educational agency eligible to receive an additional grant under this section for any fiscal year the Secretary shall determine the product of—

''(A) the greater of—

''(i) the number of children in excess of 6,500 counted under section 1124(c) for the

preceding fiscal year, in a local educational agency which qualifies on the basis of subparagraph (A)(i) of paragraph (1); or

''(ii) the number of children counted under section 1124(c) for the preceding fiscal year in a local educational agency which qualifies on the basis of subparagraph (A)(ii) of paragraph (1); and

''(B) the quotient resulting from the division of the amount determined for those agencies under section 1124(a)(1) for the fiscal year for which the determination is being made divided by the total number of children counted under section 1124(c) for that agency for the preceding fiscal year.

''(3) The amount of the additional grant to which an eligible local educational agency is entitled under this section for any fiscal year shall be an amount which bears the same ratio to the amount reserved under paragraph (6) for that fiscal year as the product determined under paragraph (2) for such local educational agency for that fiscal year bears to the sum of such products for all local educational agencies in the United States for that fiscal year.

''(4) For the purposes of this section, the Secretary shall determine the number of children counted under section 1124(c) for any local educational agency, and the total number of children aged five to seventeen, inclusive, in local educational agencies, on the basis of the most recent satisfactory data available at the time the payment for such local educational agency is determined under section 1124.

''(5)(A) For each local educational agency serving an area with a total population of at least 20,000 persons, the grant under this section shall be the amount determined by the Secretary. For local educational agencies serving areas with total populations of fewer than 20,000 persons, the State education agency may either (i) distribute to such local educational agencies grants under this section equal to the amounts determined by the Secretary; or (ii) use an alternative method, approved by the Secretary, to distribute the share of the State's total grants under this section that is based on local educational agencies with total populations of fewer than 20,000 persons. Such an alternative method of distributing grants under this section among a State's local educational agencies serving areas with total populations of fewer than 20,000 persons shall be based upon population

data that the State education agency determines best reflects the current distribution of children in poor families among the State's local educational agencies serving areas with total populations of fewer than 20,000 persons and meeting the eligibility criteria of paragraph (1)(A). If a local educational agency serving an area with total population of less than 20,000 persons is dissatisfied with the determination of its grant by the State education agency, then it may appeal this determination to the Secretary. The Secretary must respond to this appeal within 45 days of receipt. The Secretary shall consult with the Secretary of Commerce regarding whether available data on population for local educational agencies serving areas with total populations of fewer than 20,000 persons are sufficiently reliable to be used to determine final grants to such areas meeting the eligibility criteria of paragraph (1)(A).

''(B) If, and only if, there are portions of any of the States for which the Department of Commerce has not prepared data on the number of children, aged 5–17, from families below the poverty level for local educational agencies, then the Secretary shall use such data compiled for counties in those portions of the States, treating the counties as if they were

local educational agencies. In such cases, subject to section 1126, the grant for any local educational agency in such an area of a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with the basic criteria prescribed by the Secretary.

''(b) RESERVATION OF FUNDS.—Of the total amount of funds available for sections 1124 and 1124A, 10 percent of the amount appropriated for that fiscal year shall be available to carry out this section.

''(c) RATABLE REDUCTION RULE.—If the sums available under subsection (b) for any fiscal year for making payments under this section are not sufficient to pay in full the total amounts which all States are entitled to receive under subsection (a) for such fiscal year, the maximum amounts which all States are entitled to receive under subsection (a) for such fiscal year shall be ratably reduced. In case additional funds become available for making such

payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"SEC. 1125. TARGETED GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGENCIES.—A local educational agency in a State is eligible to receive a targeted grant under this section for any fiscal year if the number of children in the local educational agency under subsection 1124(c), before application of the weighting factor, is at least 10.

"(b) GRANTS FOR LOCAL EDUCATIONAL AGENCIES, THE DISTRICT OF COLUMBIA, AND PUERTO RICO.—(1) The amount of the grant that a local educational agency in a State or that the District of Columbia is eligible to receive under this section for any fiscal year shall be the product of—

"(A) the number of children counted under subsection (c); and

"(B) the amount in the second sentence of subparagraph 1124(a)(1)(A).

"(2) For each fiscal year, the amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section shall be equal to the number of children counted

under subsection (c) for Puerto Rico, multiplied by the amount determined in subparagraph 1124(a)(1)(C).

''(c) CHILDREN TO BE COUNTED.—

''(1) CATEGORIES OF CHILDREN.—The number of children to be counted for purposes of this section shall be the number counted in subsection 1124(c) multiplied by the weighting factor for the local educational agency. The weighting factor shall be established on the basis of the percentage that the number of children counted under section 1124(c) represents of the total population aged 5–17 years in the local educational agency or the number of such children. Weighted pupil counts will be calculated based upon both percentage and number and the larger of the two counts will be used in calculating grants for each local educational agency. Weighting factors shall be assigned according to the following scale: if the percentage is greater than 0 but less than 14.265, the weighting factor shall be 1.00 for all children counted in section 1124(c); if the percentage is greater than 14.265 but less than 21.553, the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 14.265 percent of the total school age population and 1.50 for children counted under section 1124(c) in excess of 14.265 percent of the total

school age population; if the percentage is greater than 21.553 percent but less than 29.223 percent, then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 14.265 percent of the total school age population, 1.50 for a number of children counted under section 1124(c) equal to 7.288 percent of the total school age population, and 2.00 for children counted under section 1124(c) in excess of 21.553 percent of the total school age population; if the percentage is greater than 29.223 percent but less than 36.538 percent, then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 14.265 percent of the total school age population, 1.50 for a number of children counted under section 1124(c) equal to 7.288 percent of the total school age population, 2.00 for a number of children counted under section 1124(c) equal to 7.67 percent of the total school age population, and 2.50 for children counted under section 1124(c) in excess of 29.223 percent of the total school age population; and if the percentage is greater than 36.538, then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 14.265 percent of the total school age population, 1.50 for a number of children counted

under section 1124(c) equal to 7.288 percent of the total school age population, 2.00 for a number of children counted under section 1124(c) equal to 7.67 percent of the total school age population, 2.50 for a number of children counted in section 1124(c) equal to 7.315 percent of the total school age population, and 3.00 for children counted in section 1124(c) in excess of 36.538 percent of the total school age population. Separately, if the number of children counted under section 1124(c) is greater than 0 but less than 575, the weighting factor shall be 1.00 for all children counted in section 1124(c); if the number is greater than 575 but less than 1,870, the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 575, and 1.50 for children counted under section 1124(c) in excess of 575; if the number is greater than 1,870 but less than 6,910, then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 575, 1.50 for a number of children counted under section 1124(c) equal to 1,295, and 2.00 for children counted under section 1124(c) in excess of 1,870; if the number is greater than 6,910 but less than 42,000 then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 575, 1.50 for

a number of children counted under section 1124(c) equal to 1,295, 2.00 for a number of children counted under section 1124(c) equal to 5,040, and 2.50 for children counted under section 1124(c) in excess of 6,910; and if the number is greater than 42,000, then the weighting factor shall be 1.00 for a number of children counted in section 1124(c) equal to 575, 1.50 for a number of children counted under section 1124(c) equal to 1,295, 2.00 for a number of children counted under section 1124(c) equal to 5,040, 2.50 for a number of children counted in section 1124(c) equal to 35,090 and 3.00 for children counted in section 1124(c) in excess of 42,000. For the Commonwealth of Puerto Rico, the weighting factor shall be no greater than 1.62.

''(d) LOCAL EDUCATIONAL AGENCY ALLOCATIONS.—For each local educational agency serving an area with a total population of at least 20,000 persons, the grant under this section shall be the amount determined by the Secretary. For local educational agencies serving areas with total populations of fewer than 20,000 persons, the State education agency may either (1) distribute to such local educational agencies grants under this section equal to the amounts determined by the Secretary; or (2) use an alternative method, approved by the Secretary, to distribute the

share of the State's total grants under this section that is based on local educational agencies with total populations of fewer than 20,000 persons. Such an alternative method of distributing grants under this section among a State's local educational agencies serving areas with total populations of fewer than 20,000 persons shall be based upon population data that the State education agency determines best reflects the current distribution of children in poor families among the State's local educational agencies serving areas with total populations of fewer than 20,000 persons. If a local educational agency serving an area with total populations of less than 20,000 persons is dissatisfied with the determination of its grant by the State education agency, then it may appeal this determination to the Secretary. The Secretary must respond to this appeal within 45 days of receipt. If, and only if, there are portions of any of the States for which the Department of Commerce has not prepared data on the number of children, aged 5–17, from families below the poverty level for local educational agencies, then the Secretary shall use such data compiled for counties in those portions of the States, treating the counties as if they were local educational agencies. The Secretary shall consult with the Secretary of Commerce regarding whether available data on population for local educational agencies serving areas with total populations of fewer than 20,000

persons are sufficiently reliable to be used to determine final grants to such areas.

''(e) STATE MINIMUM.—Notwithstanding any other provision of this section, from the total amount available for any fiscal year to carry out this section, each State shall be allotted at least the lesser of—

''(1) one quarter of one percent of such amount;

''(2) 150 percent of the national average grant under this section per child described in section 1124(c), without application of a weighting factor, multiplied by the State's total number of children described in section 1124(c), without application of a weighting factor.

''SEC. 1126. SPECIAL ALLOCATION PROCEDURES.

''(a) ALLOCATIONS FOR NEGLECTED OR DELINQUENT CHILDREN.—(1) If a State educational agency determines that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children who are living in institutions for neglected or delinquent children as described in subparagraph 1124(c)(1)(C), the State educational agency shall, if it assumes responsibility for the special educational needs of such children, receive the portion of such local educational agency's allocation under sections 1124, 1124A, and 1125 that is attributable to such children.

''(2) If the State educational agency does not assume such responsibility, any other State or local public agency that does assume such responsibility shall receive that portion of the local educational agency's allocation.

''(b) ALLOCATIONS AMONG LOCAL EDUCATIONAL AGENCIES.—The State educational agency may allocate the amounts of grants under sections 1124, 1124A, and 1125 between and among the affected local educational agencies when—

''(1) two or more local educational agencies serve, in whole or in part, the same geographical area; or

''(2) a local educational agency provides free public education for children who reside in the school district of another local educational agency.

''(c) REALLOCATION.—If a State educational agency determines that the amount of a grant a local educational agency would receive under sections 1124, 1124A, and 1125 is more than such local agency will use, the State educational agency shall make the excess amount available to other local educational agencies in the State that need additional funds in accordance with criteria established by the State educational agency.

"SEC. 1127. CARRYOVER AND WAIVER.

''(a) LIMITATION ON CARRYOVER.—Notwithstanding section 412 of the General Education Provisions Act or any other provision of law, not more than 15 percent of the funds allocated to a local educational agency for any fiscal year under this subpart (but not including funds received through any reallocation under this subpart) may remain available for obligation by such agency for one additional fiscal year.

''(b) WAIVER.—A State educational agency may, once every three years, waive the percentage limitation in subsection (a) if—

''(1) the agency determines that the request of a local educational agency is reasonable and necessary; or

''(2) supplemental appropriations for this subpart become available.

''(c) EXCLUSION.—The percentage limitation under subsection (a) shall not apply to any local educational agency that receives less than $50,000 under this subpart for any fiscal year.

"PART B—EVEN START FAMILY LITERACY PROGRAMS

"SEC. 1201. STATEMENT OF PURPOSE.

''It is the purpose of this part to help break the cycle of poverty and illiteracy by improving the educational op-

portunities of the Nation's low-income families by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified family literacy program, to be referred to as 'Even Start', that is implemented through cooperative projects that build on existing community resources to create a new range of services, that promotes achievement of the National Education Goals, and that assists children and adults from low-income families to achieve challenging State standards.

''SEC. 1202. PROGRAM AUTHORIZED.

''(a) RESERVATION FOR MIGRANT PROGRAMS, OUTLYING AREAS, INDIAN TRIBES, AND OTHER PURPOSES.—(1) In each fiscal year, the Secretary shall reserve not less than 5 percent of the amount appropriated under section 1002(b) of this title for programs, under such terms and conditions as the Secretary shall establish, that are consistent with the purpose of this part, and according to their relative needs, for—

''(A) children of migratory workers;

''(B) the outlying areas;

''(C) Indian tribes and tribal organizations; and

''(2) If the amount of funds made available under subsection (a) exceeds $4,600,000, the Secretary shall make a grant of sufficient size and for a period of sufficient duration to demonstrate the effectiveness of a family literacy

program in a prison that houses women and their preschool age children and that has the capability of developing a program of high quality.

''(b) RESERVATION FOR FEDERAL ACTIVITIES.—From amounts appropriated under section 1002(b), the Secretary may reserve not more than three percent of such amounts or the amount reserved for such purposes in the fiscal year 1994, whichever is greater, for purposes of—

''(1) carrying out the evaluation required by section 1209; and

''(2) providing, through grants or contracts, technical assistance, program improvement, and replication activities through eligible organizations.

''(c) STATE ALLOCATION.—(1) After reserving funds under subsections (a) and (b), the Secretary shall allocate the remaining funds appropriated for this part to States, to be used in accordance with section 1203.

''(2) Except as provided in paragraph (3), from the total amount available for allocation to States in any fiscal year, each State shall be eligible to receive a grant under paragraph (1) in an amount that bears the same ratio to such total amount as the amount allocated to such State under section 1122 of this title bears to the total amount allocated under that section to all the States.

''(3) No State shall receive less than $250,000 under paragraph (1) for any fiscal year.

''(d) DEFINITIONS.—For the purpose of this part—

''(1) the term 'eligible entity' means a partnership composed of both—

''(A) a local educational agency; and

''(B) a nonprofit community-based organization, public agency, institution of higher education, or other public or private nonprofit organization of demonstrated quality;

''(2) the terms 'Indian tribe' and 'tribal organization' have the meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act;

''(3) the term 'State' includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

''(4) the term 'eligible organization' means any public or private nonprofit organization with a record of providing effective services to family literacy providers, such as the National Center for Family Literacy, Parents as Teachers, Inc., and the Home Instruction Program for Preschool Youngsters.

"SEC. 1203. STATE PROGRAMS.

''(a) STATE-LEVEL ACTIVITIES.—Each State that receives a grant under section 1202(c)(1) may use not more than 5 percent for—

''(1) administrative costs; and

''(2) the provision, through one or more subgrants or contracts, of access to technical assistance for program improvement and replication to eligible entities that receive subgrants under subsection (b).

''(b) SUBGRANTS FOR LOCAL PROGRAMS.—(1) Each State shall use the remainder of its grant to make subgrants to eligible entities to carry out Even Start programs.

''(2) No State shall award a subgrant under paragraph (1) for an amount less than $75,000.

"SEC. 1204. USES OF FUNDS.

''(a) IN GENERAL.—In carrying out an Even Start program under this part, a recipient of funds under this part shall use such funds to pay the Federal share of the cost of providing family-centered education programs that involve parents and children, from birth through age 7, in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

''(b) FEDERAL SHARE LIMITATION.—(1)(A) Except as provided in paragraph (2), the Federal share under this part may not exceed—

''(i) 90 percent of the total cost of the program in the first year that that program receives assistance under this part or its predecessor authority;

''(ii) 80 percent in the second such year;

''(iii) 70 percent in the third such year;

''(iv) 60 percent in the fourth such year; and

''(v) 50 percent in any subsequent such year.

''(B) The remaining cost of a program under this part may be provided in cash or in kind, fairly evaluated, and may be obtained from any source other than funds received under this title.

''(2) The State educational agency may waive, in whole or in part, the cost-sharing requirement of paragraph (1) if an eligible entity—

''(A) demonstrates that it otherwise would not be able to participate in the program under this part; and

''(B) negotiates an agreement with the State educational agency with respect to the amount of the remaining cost to which the waiver would be applicable.

''(3) Federal funds under this part may not be used for the indirect costs of an Even Start program, except that the Secretary may waive this limitation if a recipient of funds reserved under section 1202(a)(3) demonstrates to the Secretary's satisfaction that it otherwise would not be able to participate in the program under this part.

''SEC. 1205 PROGRAM ELEMENTS.

''Each Even Start program assisted under this part shall—

''(1) include the identification and recruitment of families most in need of services provided under this part, as indicated by a low level of income, a low level of adult literacy or English language proficiency of the eligible parent or parents, and other need-related indicators;

''(2) include screening and preparation of parents and children to enable them to participate fully in the activities and services provided under this part, including testing, referral to necessary counselling, other developmental and support services, and related services;

''(3) be designed to accommodate the participants' work schedule and other responsibilities, including the provision of support services, when un-

available from other sources, necessary for participation, such as—

''(A) scheduling and locating of services to allow joint participation by parents and children;

''(B) child care for the period that parents are involved in the program provided under this part; and

''(C) transportation for the purpose of enabling parents and their children to participate in programs authorized by this part;

''(4) include high-quality instructional programs that promote adult literacy, empower parents to support the educational growth of their children, developmentally appropriate early childhood educational services, and preparation of children for success in regular school programs;

''(5) include special training of staff, including child care staff, to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this part;

''(6) provide and monitor integrated instructional services to participating parents and children through home-based programs;

''(7) operate on a year-round basis, including the provision of some program services, either instructional or enrichment, or both, during the summer months;

''(8) be coordinated with—

''(A) programs assisted under other parts of this title and this Act;

''(B) any relevant programs under the Adult Education Act, the Individuals With Disabilities Education Act, and the Job Training Partnership Act; and

''(C) the Head Start program, volunteer literacy programs, and other relevant programs; and

''(9) provide for an independent evaluation of the program.

''SEC. 1206. ELIGIBLE PARTICIPANTS.

''(a) IN GENERAL.—Except as provided in subsection (b), eligible participants in an Even Start program are—

''(1) a parent or parents—

''(A) who are eligible for participation in an adult basic education program under the Adult Education Act; or

''(B) who are within the State's compulsory school attendance age range, so long as a local

educational agency provides (or ensures the availability of) the basic education component required under this part; and

''(2) the child or children, from birth through age seven, of any parent described in paragraph (1).

''(b) ELIGIBILITY FOR CERTAIN OTHER PARTICIPANTS.—(1) Family members other than those described in subsection (a) may participate in program activities and services, when deemed by the program to serve the purpose of this part.

''(2) Any family participating in a program under this part that becomes ineligible for such participation as a result of one or more members of the family becoming ineligible for such participation may continue to participate in the program until all members of the family become ineligible for participation, which—

''(A) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of eight, shall be in two years or when the parent or parents become ineligible due to educational advancement, whichever occurs first; and

''(B) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of eight.

"SEC. 1207. APPLICATIONS.

''(a) SUBMISSION.—To be eligible to receive a subgrant under this part, an eligible entity shall submit an application to the State educational agency in such form and containing or accompanied by such information as the State educational agency shall require.

''(b) REQUIRED DOCUMENTATION.—Each application shall include documentation, satisfactory to the State educational agency, that the eligible entity has the qualified personnel needed—

''(1) to develop, administer, and implement an Even Start program under this part; and

''(2) to provide access to the special training necessary to prepare staff for the program, which may be offered by an eligible organization.

''(c) PLAN.—Such application shall also include a plan of operation for the program which shall include—

''(1) a description of the program goals;

''(2) a description of the activities and services that will be provided under the program, including a description of how the program will incorporate the program elements required by section 1205;

''(3) a description of the population to be served and an estimate of the number of participants;

''(4) as appropriate, a description of the applicant's collaborative efforts with institutions of higher

education, community-based organizations, the State educational agency, private elementary schools, or other eligible organizations in carrying out the program for which assistance is sought;

''(5) a statement of the methods that will be used—

''(A) to ensure that the programs will serve families most in need of the activities and services provided by this part;

''(B) to provide services under this part to individuals with special needs, such as individuals with limited English proficiency and individuals with disabilities; and

''(C) to encourage participants to remain in the program for a time sufficient to meet the program's purpose; and

''(6) a description of how the plan—

''(A)(i) is consistent with and promotes the goals of the State and local plans, either approved or being developed, under title III of the Goals 2000: Educate America Act; and

''(ii) is consistent with the State and local plans under sections 1111 and 1112; or

''(B) is consistent with the State and local plans under sections 1111 and 1112 is the State

does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan.

''(d) The plan described in subsection (c)(6) may be submitted as part of a consolidated application under section 9302.

''SEC. 1208. AWARD OF SUBGRANTS.

''(a) SELECTION PROCESS.—(1) The State educational agency shall establish a review panel that will approve applications that—

''(A) are most likely to be successful in meeting the purpose of this part, and in effectively implementing the program elements required under section 1205;

''(B) demonstrate that the area to be served by such program has a high percentage or a large number of children and families who are in need of such services as indicated by high levels of poverty, illiteracy, unemployment, or limited English proficiency;

''(C) provide services for at least a three-year age range, which may begin at birth;

''(D) demonstrate the greatest possible cooperation and coordination between a variety of relevant service providers in all phases of the program;

''(E) include cost-effective budgets, given the scope of the application;

''(F) demonstrate the applicant's ability to provide the additional funding required by section 1204(b);

''(G) are representative of urban and rural regions of the State; and

''(H) show the greatest promise for providing models that may be adopted by other local educational agencies.

''(2) The State educational agency shall give priority for subgrants under this subsection to proposals that either—

''(A) target services primarily to families described in paragraph (1)(B); or

''(B) are located in areas designated as empowerment zones or enterprise communities.

''(b) REVIEW PANEL.—A review panel shall consist of at least three members, including one early childhood professional, one adult education professional, and one or more of the following individuals:

''(1) A representative of a parent-child education organization.

''(2) A representative of a community-based literacy organization.

''(3) A member of a local board of education.

''(4) A representative of business and industry with a commitment to education.

''(5) An individual who has been involved in the implementation of programs under this title in the State.

''(c) DURATION.—(1) Subgrants may be awarded for a period not to exceed four years.

''(2) The State educational agency may provide a subgrantee, at the subgrantee's request, a 3- to 6-month start-up period during the first year of the four-year period, which may include staff recruitment and training, and the coordination of services, before requiring full implementation of the program.

''(3)(A) In reviewing any application for a subgrant to continue a program for the second, third, or fourth year, the State educational agency shall review the progress being made toward meeting the objectives of the program after the conclusion of the start-up period, if any.

''(B) The State educational agency may refuse to award a subgrant if such agency finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

''(4)(A) An eligible entity that has previously received a subgrant under this part may reapply under the terms of this part for a second project period.

''(B) During the second project period, the Federal share of the subgrant shall not exceed 50 percent in any year.

''SEC. 1209. EVALUATION.

''From funds reserved under section 1202(b)(1), the Secretary shall provide for an independent evaluation of programs under this part—

''(1) to determine the performance and effectiveness of programs; and

''(2) to identify effective Even Start projects that can be replicated and used in providing technical assistance to national, State, and local programs.

''PART C—EDUCATION OF MIGRATORY CHILDREN

''SEC. 1301. PROGRAM PURPOSE.

''It is the purpose of this part to assist States to—

''(1) support high-quality and comprehensive educational programs for migratory children to help reduce the educational disruptions and other problems that result from repeated moves;

''(2) ensure that migratory children are provided with appropriate educational services (including sup-

portive services) that address their special needs in a coordinated and efficient manner;

''(3) ensure that migratory children have the opportunity to meet the same challenging performance standards that all children are expected to meet;

''(4) design programs to help migratory children overcome educational disruption, cultural and language barriers, social isolation, various health-related problems, and other factors that inhibit their ability to do well in school, and to prepare these children to make a successful transition to postsecondary education or employment; and

''(5) ensure that migratory children benefit from State and local systemic reforms.

''SEC. 1302. PROGRAM AUTHORIZED.

''In order to carry out the purpose of this part, the Secretary shall make grants to State educational agencies, or combinations of such agencies, to establish or improve, directly or through local operating agencies, programs of education for migratory children in accordance with this part.

''SEC. 1303. STATE ALLOCATIONS.

''(a) STATE ALLOCATIONS.—Each State (other than the Commonwealth of Puerto Rico) is entitled to receive under this part, for each fiscal year, an amount equal to—

''(1) the sum of the estimated number of migratory children aged three through 21 who reside in the State full time and the full-time equivalent of the estimated number of migratory children aged three through 21 who reside in the State part time, as determined in accordance with subsection (e); multiplied by

''(2) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent, or more than 48 percent, of the average expenditure per pupil in the United States.

''(b) ALLOCATION TO PUERTO RICO.—For each fiscal year, the amount for which the Commonwealth of Puerto Rico is eligible under this section shall be equal to—

''(1) the number of migratory children in Puerto Rico, determined under subsection (a)(1); multiplied by

''(2) the product of—

''(A) the percentage that the average expenditure per pupil in Puerto Rico is of the lowest average per-pupil expenditure of any of the 50 States; and

''(B) 32 percent of the average expenditure per pupil in the United States.

''(c) RATABLE REDUCTIONS; REALLOCATIONS.—(1)(A) If, after the Secretary reserves funds under section 1308(c), the amount appropriated to carry out this part for any fiscal year is insufficient to pay in full the amounts for which all States are eligible, the Secretary shall ratably reduce each such amount.

''(B) If additional funds become available for making such payments for any fiscal year, the Secretary shall allocate such funds to States in amounts that the Secretary finds would best carry out the purpose of this part.

''(2)(A) The Secretary shall further reduce the amount of any grant to a State under this part for any fiscal year if the Secretary determines, based on available information on the numbers and needs of migratory children in the State and the program proposed by the State to address such needs, that such amount exceeds the amount required under section 1304.

''(B) The Secretary shall reallocate such excess funds to other States whose grants under this part would otherwise be insufficient to provide an appropriate level of services to migratory children, in such amounts as the Secretary determines are appropriate.

''(d) CONSORTIUM ARRANGEMENTS.—(1) In the case of a State that receives a grant of $1,000,000 or less under this section, the Secretary shall consult with the State edu-

cational agency to determine whether consortium arrangements with another State or other appropriate entity would result in delivery of services in a more effective and efficient manner.

''(2) A State, irrespective of the amount of its allocation, may propose a consortium arrangement.

''(3) The Secretary shall approve a consortium arrangement under paragraph (1) or (2) if the proposal demonstrates that the arrangement will—

''(A) reduce administrative costs or program function costs for State programs; and

''(B) make more funds available for direct services to add substantially to the welfare or educational attainment of children to be served under this part.

''(e) DETERMINING NUMBERS OF ELIGIBLE CHILDREN.—In order to determine the estimated number of migratory children residing in each State for purposes of this section, the Secretary shall—

''(1) use such information as the Secretary finds most accurately reflects the actual number of migratory children;

''(2) as soon as feasible develop and implement a procedure for more accurately reflecting cost factors for different types of summer program designs which will be used to adjust the estimated number of chil-

dren who reside in a State in order to reflect the number of migratory children who are served in summer programs (which may include intersession programs) in the State and the additional costs of operating such programs; and

''(3) conduct an analysis of the options for adjusting the formula so as to better direct services to the child whose education has been interrupted.

''SEC. 1304. STATE APPLICATIONS; SERVICES.

''(a) APPLICATION REQUIRED.—Any State wishing to receive a grant under this part for any fiscal year shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(b) PROGRAM INFORMATION.—Each such application shall include—

''(1) a description of how, in planning, implementing, and evaluating programs and projects under this part, the State and its operating agencies will ensure that the special educational needs of migratory children are identified and addressed through a comprehensive plan for needs assessment and service delivery that meets the requirements of section 1306, including, when feasible, recording the migratory status of such children and their average daily attendance on State student collection data;

''(2) a description of the steps the State is taking to provide migratory students with the opportunity to meet the same challenging performance standards that all children are expected to meet;

''(3) a description of how the State will use its funds to promote interstate and intrastate coordination of services for migratory children, including how, consistent with procedures the Secretary may require, it will provide for educational continuity through the timely transfer of pertinent school records, including information on health, when children move from one school to another, whether or not during the regular school year;

''(4) a description of the State's priorities for the use of funds received under this part, and how they relate to the State's assessment of needs for services in the State;

''(5) a description of how the State will determine the amount of any subgrants it will award to local operating agencies, taking into account the requirements of paragraph (1); and

''(6) such budgetary and other information as the Secretary may require.

''(c) ASSURANCES.—Each such application shall also include assurances, satisfactory to the Secretary, that—

''(1) funds received under this part will be used only—

''(A) for programs and projects, including the acquisition of equipment, in accordance with section 1306(b)(1); and

''(B) to coordinate such programs and projects with similar programs and projects within the State and in other States, as well as with other Federal programs that can benefit migratory children and their families;

''(2) such programs and projects will be carried out in a manner consistent with the objectives of sections 1114, 1115(b) and (d), 1120, and 1121(b) and (c), and part F of this title;

''(3) in the planning and operation of programs and projects at both the State and local operating agency level, there is appropriate consultation with parent advisory councils for programs lasting a school year, and that all such programs and projects are carried out, to the extent feasible, in a manner consistent with section 1118 of this title;

''(4) in planning and carrying out such programs and projects, there has been, and will be, adequate provision for addressing the unmet education needs of preschool migratory children;

''(5) the effectiveness of such programs and projects will be determined, where feasible, using the same approaches and standards that will be used to assess the performance of students, schools, and local educational agencies under part A of this title; and

''(6) the State will assist the Secretary in determining the number of migratory children under section 1303(e), through such procedures as the Secretary may require.

''(d) PRIORITY FOR SERVICES.—In providing services with funds received under this part, each recipient of such funds shall give priority to migratory children who are failing, or most at risk of failing, to meet the State's challenging performance standards, and whose education has been interrupted during the regular school year.

''(e) CONTINUATION OF SERVICES.—Notwithstanding any other provision of this part—

''(1) a child who ceases to be a migratory child during a school term shall be eligible for services until the end of such term;

''(2) a child who is no longer a migratory child may continue to receive services for one additional school year, but only if comparable services are not available through other programs; and

''(3) secondary school students who were eligible for services in secondary school may continue to be served through credit accrual programs until graduation.

''SEC. 1305. SECRETARIAL APPROVAL; PEER REVIEW.

''(a) SECRETARIAL APPROVAL.—The Secretary shall approve each State application that meets the requirements of this part.

''(b) PEER REVIEW.—The Secretary may review any such application with the assistance and advice of State officials and other individuals with relevant expertise.

''SEC. 1306. COMPREHENSIVE NEEDS ASSESSMENT AND SERVICE-DELIVERY PLAN; AUTHORIZED ACTIVITIES.

''(a) COMPREHENSIVE PLAN.—Each State that receives a grant under this part shall ensure that the State and its local operating agencies identify and address the special educational needs of migratory children in accordance with a comprehensive State plan that—

''(1)(A) is integrated with the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act and satisfies the requirements of this section that are not already addressed by such State plan; and

''(B) is integrated with other State plans, if any, under the School-To-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Act to the extent that such plans have not already been incorporated in the State's plan under title III of the Goals 2000: Educate America Act;

''(2) if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan—

''(A) is integrated with other State plans, such as those under the School-To-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Act, where such plans exist; and

''(B) satisfies the requirements of this section;

''(3) may be submitted as a part of a consolidated application under section 9302;

''(4) provides that migratory children will have an opportunity to meet the same challenging performance standards, set out in those plans, that all children are expected to meet;

''(5) specifies measurable program goals and outcomes;

''(6) encompasses the full range of services that are available for migratory children from appropriate local, State and Federal educational programs;

''(7) is the product of joint planning among such local, State, and Federal programs, including those under part A of this title, early childhood programs, and bilingual education programs under title VII of this Act;

''(8) provides for the integration of services available under this part with services provided by such other programs; and

''(9) to the extent feasible, provides for—

''(A) advocacy and outreach activities for migratory children and their families, including informing them of, or helping them gain access to, other education, health, nutrition, and social services;

''(B) professional development programs, including mentoring, for teachers and other program personnel;

''(C) parent involvement programs (as defined under section 1118) and, when feasible, the establishment of instructional programs such as use of the model developed under the Even Start Family Literacy Programs that promote adult

literacy and train parents to support the educational growth of their children;

''(D) the integration of communication and information technology into educational and related programs; and

''(E) programs to facilitate the transition of high school students to postsecondary education or employment.

A State may satisfy all or part of the requirements of this section by referencing applicable sections of its approved plan under title III of the Goals 2000: Educate America Act.

''(b) AUTHORIZED ACTIVITIES.—(1) In implementing the comprehensive plan described in subsection (a), each local operating agency shall have the flexibility to determine the activities to be provided with funds made available under this part, provided that—

''(A) before funds provided under this part are used to provide services described in subparagraph (B), those funds shall be used to meet the identified needs of migratory children that—

''(i) result from the effects of their migratory lifestyle, or are needed to permit migratory children to participate effectively in school; and

''(ii) are not addressed by services provided under other programs, including part A of this title; and

''(B) all migratory children who are eligible to receive services under part A of this title shall receive such services with funds provided under this part or under part A of this title.

''(2) This subsection shall not apply to funds under this part that are used for schoolwide programs under section 1114 of this title.

''SEC. 1307. BYPASS.

''The Secretary may use all or part of any State's allocation under this part to make arrangements with any public or private nonprofit agency to carry out the purpose of this part in such State if the Secretary determines that—

''(1) the State is unable or unwilling to conduct educational programs for migratory children;

''(2) such arrangements would result in more efficient and economic administration of such programs; or

''(3) such arrangements would add substantially to the welfare or educational attainment of such children.

"SEC. 1308. COORDINATION OF MIGRANT EDUCATION ACTIVITIES.

"(a) IMPROVEMENT OF COORDINATION.—The Secretary, in consultation with the States, may make grants to, or enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, and other public and private nonprofit entities to improve the interstate and intrastate coordination among State and local educational agencies of their educational programs, including the establishment or improvement of programs for credit accrual and exchange, available to migratory students. Grants under this subpart may be made for up to 5 years.

"(b) ASSISTANCE AND REPORTING.—(1) Within 60 days of enactment, the Secretary shall convene a panel of Chief State School Officers and technical experts to assess alternative methods by which student records may be transferred from one school to another. Within 150 days of having been convened, the panel shall make recommendations to the Secretary on how schools may adopt the most cost-effective means of exchanging of school records. The Secretary shall also develop the most cost-effective and accurate method of determining the number of students or full-time equivalent students in each State on a yearly basis. The Secretary shall report to the Committee on Education and Labor of the House of Representatives and the Committee

on Labor and Human Resources of the Senate the panel's findings and the Secretary's recommendations.

''(2) The Secretary may contract for services for purposes of this section.

''(c) AVAILABILITY OF FUNDS.—For the purpose of carrying out this section, the Secretary shall reserve up to $6,000,000 from the amount appropriated under section 1002(3) for each fiscal year to carry out this part.

''(d) COMPETITIVE GRANTS.—From the amounts made available for this section, the Secretary shall reserve not more than $1,500,000 to award, on a competitive basis, grants in the amount of up to $100,000 each to State educational agencies with consortium agreements described under section 1303(d). Not less than 10 of such grants shall be awarded to States which receive allocations of less than $1,000,000 if such States have approved agreements.

''SEC. 1309. DISTANCE LEARNING.

''(a) PROGRAM.—The Secretary may establish a distance learning program to provide, through competitive grants, continuity in the education of migrant children using technology, interactive learning, computers, and automated technology links achieved with modems and telephone networks.

''(b) FUNDS.—Not more than $3,000,000 may be used to establish the program under subsection (a).

"SEC. 1310. DEFINITIONS.

''As used in this part, the following terms have the following meanings:

''(1) The term 'local operating agency' means—

''(A) a local educational agency to which a State educational agency makes a subgrant under this part;

''(B) a public or nonprofit private agency with which a State educational agency or the Secretary makes an arrangement to carry out a project under this part; or

''(C) a State educational agency, if the State educational agency operates the State's migrant education program or projects directly.

''(2) The term 'migratory child' means—

''(A) for fiscal year 1996 and subsequent years, a child who is, or whose parent or spouse is, a migratory agricultural worker (including a migratory dairy worker) or a migratory fisher, and who, in the preceding 24 months, in order to obtain, or accompany such parent or spouse in order to obtain, temporary or seasonal employment in agricultural or fishing work—

''(i) has moved from one local educational agency to another; or

''(ii) in a State that is comprised of a single local educational agency, has moved from one administrative area to another within such agency; or

''(B) for fiscal year 1995 only, a child fulfilling the requirements of subparagraph (A) for a period of 36 months instead of for 24 months.

''PART D—PREVENTION AND INTERVENTION SERVICES FOR DELINQUENT YOUTH AND YOUTH AT RISK OF DROPPING OUT

''SEC. 1401. FINDINGS; PURPOSE; PROGRAM AUTHORIZED.

''(a) FINDINGS.—Congress finds the following:

''(1) A large percentage of youth in the juvenile justice system have poor academic achievement, are a year or more behind grade level, and have dropped out of school.

''(2) There is a strong correlation between academic failure and involvement in delinquent activities.

''(3) Preventing students from dropping out of local schools and addressing the educational needs of delinquent youth can help reduce the dropout rate and involvement in delinquent activities at the same time.

''(4) Many schools and correctional facilities fail to communicate regarding a youth's academic needs and students often return to their home school ill-prepared to meet current curriculum requirements.

''(5) Schools are often reluctant to deal with youth returning from facilities and receive no funds to deal with the unique educational and other needs of such youth.

''(6) A continuing need exists for activities and programs to reduce the incidence of youth dropping out of school.

''(7) Federal dropout prevention programs have demonstrated effectiveness in keeping children and youth in school.

''(8) Pregnant and parenting teens are a high at-risk group for dropping out of school and should be targeted by dropout prevention programs.

''(9) Such youth need a strong dropout prevention program which provides them with high level skills and which provides supports to youth returning from correctional facilities in order to keep them in school.

''(b) PURPOSE.—It is the purpose of this part—

''(1) to improve educational services to children in local and State institutions for delinquent children

so that they have the opportunity to meet the same challenging State performance standards that all children in the State will be expected to meet;

''(2) to provide such children the services they need to make a successful transition from institutionalization to further schooling or employment; and

''(3) to prevent at-risk youth from dropping out of school and to provide dropouts and youth returning from institutions with a support system to ensure their continued education.

''(c) PROGRAM AUTHORIZED.—In order to carry out the purpose of this part, the Secretary shall make grants to State educational agencies, which shall make subgrants to State agencies and local educational agencies to establish or improve programs of education for delinquent children and youth at risk of dropping out of school before graduation.

''SEC. 1402. PAYMENTS FOR PROGRAMS UNDER THIS PART.

''(a) AGENCY SUBGRANTS.—Based on the allocation amount computed under section 1403, the Secretary shall allocate to each State educational agency amounts necessary to make subgrants to State agencies.

''(b) LOCAL SUBGRANTS.—Each State shall retain, for purposes of subpart 2, funds generated throughout the State under part A based on youth residing in local correctional

facilities, or attending community day programs for delinquent children.

''(c) USE OF REMAINING FUNDS.—Each State shall use any funds remaining after allocations are made under subsection (a).

''Subpart 1—State Agency Programs

''SEC. 1403. AMOUNT OF ALLOCATION TO STATE.

''(a) STATE ALLOCATION.—Each State educational agency is eligible to receive under this part, for each fiscal year, an amount equal to the product of—

''(1) the number of delinquent children in State correctional facilities serving youth under the age of 21 who are enrolled for at least 20 hours per week in education programs operated or supported by facilities serving youth, and 10 hours a week in adult facilities serving youth.

''(2) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent or more than 48 percent of the average per-pupil expenditure in the United States.

''(b) SUBGRANTS TO STATE AGENCIES IN PUERTO RICO.—For each fiscal year, the amount of the grant for which a State agency in the Commonwealth of Puerto Rico is eligible under this part shall be equal to—

''(1) the number of children counted under subsection (a)(1) for Puerto Rico; multiplied by the product of—

''(A) the percentage that the average per-pupil expenditure in Puerto Rico is of the lowest average per-pupil expenditure of any of the 50 States; and

''(B) 32 percent of the average per-pupil expenditure in the United States.

''SEC. 1404. STATE PLAN.

''(a) STATE PLAN.—(1)(A) Each State educational agency that desires to receive payments under this part shall submit, for approval by the Secretary, a plan, which shall be revised and updated as needed, for meeting the needs of delinquent youth and children at risk of dropping out that—

''(i) is integrated with the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, and satisfies the requirements of this section that are not already addressed by such State plan; or

''(ii) if the State does not have an approved plan under title III of the Goals 2000: Educate America Act or is not developing such a plan, is integrated

with other State plans under this Act and satisfies the requirements of this section.

''(B) A State plan submitted under paragraph (1)(A)(i) may, if necessary, be submitted as an amendment to the State's plan under title III of the Goals 2000: Educate America Act.

''(2) Each such plan shall also—

''(A) describe the State-established program goals, objectives, and performance measures that will be used to assess the effectiveness of the program in improving academic and vocational skills of children in the program;

''(B) provide that, to the extent feasible, such children will have the same opportunities to learn as they would have if they were in schools of local educational agencies in the State;

''(C) describe the manner in which such State educational agency will make subgrants; and

''(D) contain assurances that the State educational agency will—

''(i) ensure that programs assisted under this part will be carried out in accordance with the State plan described in this subsection;

''(ii) carry out the evaluation requirements of section 1408;

''(iii) ensure that its State agencies comply with all applicable statutory and regulatory requirements; and

''(iv) provide such other information as the Secretary may reasonably require.

''(b) SECRETARIAL APPROVAL; PEER REVIEW.—(1) The Secretary shall approve each State plan that meets the requirements of this part.

''(2) The Secretary may review any such plan with the assistance and advice of individuals with relevant expertise.

''(c) SUBGRANTS TO STATE AGENCIES.—A State agency is eligible for assistance under this part if it is responsible for providing free public education for children in institutions for delinquent children.

''(d) STATE AGENCY APPLICATIONS.—A State agency that desires to receive funds to carry out a program under this part shall submit an application to the State educational agency that—

''(1) describes the procedures to be used, consistent with the State plan under part A of this title, to assess the educational needs of the children to be served;

''(2) provides assurances that in making services available to youth in adult correctional facilities, pri-

ority will be given to such youth who are likely to complete incarceration within a 2-year period;

''(3) describes the program, including a budget for the first year of the program, with annual updates to be provided;

''(4) describes how the program will meet the goals and objectives of the State plan under this part;

''(5) describes how the State agency will consult with experts and provide the necessary training for appropriate staff, to ensure that the planning and operation of institution-wide projects under section 1406 are of high quality;

''(6) describes how the agency will carry out the evaluation requirements of section 1408 and how the results of the most recent evaluation are used to plan and improve the program;

''(7) includes data showing that the agency has maintained fiscal effort required of a local educational agency, in accordance with section 9501 of this title;

''(8) describes how the programs will be coordinated with other appropriate State and Federal programs, including the Job Training Partnership Act, vocational education, State and local dropout prevention programs, and special education;

''(9) describes how appropriate professional development will be provided to teachers and other instructional and administrative personnel;

''(10) designates an individual in each affected institution to be responsible for issues relating to the transition of children from an institution to locally operated programs;

''(11) describes how the agency will, endeavor to coordinate with businesses for training and mentoring for participating youth;

''(12) describes how the agency will assist in locating alternative programs through which students can continue their education if they are not returning to school after leaving the correctional facility;

''(13) describes how the agency will work with parents to secure their assistance in improving the educational achievement of their children and preventing their further involvement in delinquent activities;

''(14) describes how the agency works with special education youth in order to meet an existing individualized education program and an assurance that the agency will notify the youth's local school if such youth is identified as in need of special edu-

cation services while the youth is in the facility and if the youth intends to return to the local school;

''(15) describes how the agency will work with youth who dropped out of school before entering the facility to encourage such youth to reenter school once their term has been completed or provide the youth with the skills necessary to gain employment, continue their education, or achieve a high school equivalency certificate if the youth does not intend to return to school;

''(16) provides assurances that teachers and other qualified staff are also trained to work with children with disabilities and other students with special needs taking into consideration the unique needs of such students;

''(17) describes any additional services provided to youth, including career counseling, assistance in securing student loans, grants; and

''(18) describes how this program will be coordinated with any programs operated under the Juvenile Justice and Delinquency Act, if applicable.

''SEC. 1405. USE OF FUNDS.

''(a) GENERAL.—(1) A State agency shall use funds received under this part only for programs and projects that—

''(A) are consistent with the State plan referred to in section 1404(a); and

''(B) concentrate on providing participants with the knowledge and skills needed to make a successful transition to high school completion, further education, or employment.

''(2) Such programs and projects—

''(A) may include the acquisition of equipment;

''(B) shall be designed to support educational services that—

''(i) except for institution-wide projects under section 1406, are provided to children identified by the State agency as failing, or most at risk of failing, to meet the State's challenging performance standards;

''(ii) supplement and improve the quality of the educational services provided to such children by the State agency; and

''(iii) afford such children an opportunity to learn to such challenging State standards;

''(C) shall be carried out in a manner consistent with section 1119(b) and part F of this title; and

''(D) may include the costs of meeting the evaluation requirements of section 1408.

''(b) SUPPLEMENT, NOT SUPPLANT.—A program under this part that supplements the number of hours of instruction students receive from State and local sources shall be considered to comply with the 'supplement, not supplant' requirement of section 1119(b) of this title without regard to the subject areas in which instruction is given during those hours.

''SEC. 1406. INSTITUTION-WIDE PROJECTS.

''A State agency that provides free public education for children in an institution for delinquent children may use funds received under this part to serve all children in, and upgrade the entire educational effort of, such institution or program if the State agency has developed, and the State educational agency has approved, a comprehensive plan for such institution or program that—

''(1) provides for a comprehensive assessment of the educational needs of all youth in the institution or program serving juveniles;

''(2) provides for a comprehensive assessment of the educational needs of youth aged 20 and younger in adult facilities who are expected to complete incarceration within a 2-year period;

''(3) describes the steps the State agency has taken, or will take, to provide all children under 21 with the opportunity to meet challenging academic

and vocational standards in order to improve the likelihood that the students will complete high school, attain high school equivalency, or find employment after leaving the institution;

''(4) describes the instructional program, pupil services, and procedures that will be used to meet the needs described in paragraph (1), including, to the extent feasible, the provision of mentors for secondary school students;

''(5) specifically describes how such funds will be used;

''(6) describes the measures and procedures that will be used to assess student progress;

''(7) describes how the agency has planned, and will implement and evaluate, the institution-wide or program-wide project in consultation with personnel providing direct instructional services and support services in institutions for delinquent children and personnel from the State educational agency; and

''(8) includes an assurance that the State agency has provided for appropriate training to teachers and other instructional and administrative personnel to enable them to carry out the project effectively.

"SEC. 1407. THREE-YEAR PROJECTS.

"If a State agency operates a program under this part in which individual children are likely to participate for more than one year, the State educational agency may approve the State agency's application for a subgrant under this part for a period not to exceed 3 years.

"SEC. 1408. TRANSITION SERVICES.

"(a) TRANSITION SERVICES.—Each State agency shall reserve not more than 10 percent of the amount it receives under this part for any fiscal year to support projects that facilitate the transition of children from State-operated institutions to local educational agencies.

"(b) CONDUCT OF PROJECTS.—A project supported under this section may be conducted directly by the State agency, or through a contract or other arrangement with one or more local educational agencies, other public agencies, or private nonprofit organizations.

"(c) LIMITATION.—Any funds reserved under subsection (a) shall be used only to provide transitional educational services, which may include counseling and mentoring, to delinquent children in schools other than State-operated institutions.

"Subpart 2—Local Agency Programs

"SEC. 1410. PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES.

"(a) LOCAL SUBGRANTS.—With funds retained under section 1402(2), the State educational agency shall make subgrants to local educational agencies with—

"(1) a high number or percentage of youth who are residing in local (including county) correctional facilities for youth (including those involved in day programs); and

"(2) which have the highest numbers or percentage of youth in the State which have dropped out of school in the preceding fiscal year.

"(b) NOTIFICATION.—A State educational agency shall notify local educational agencies which meet the criteria of subsection (a) of their eligibility for participation in the program.

"(c) PURPOSE OF LOCAL EDUCATIONAL AGENCY PROGRAMS.—The purpose of this section is the operation of local educational agency programs which involve collaboration between local educational agencies and local correctional facilities serving such youth to—

"(1) continue transition activities for youth returning from such facilities;

''(2) to operate dropout prevention programs in local schools for youth at risk of dropping out and youth returning from correctional facilities; and

''(3) to prepare youth who have finished their period of incarceration for employment, high school completion, and further education.

''(d) LOCAL EDUCATIONAL AGENCY APPLICATIONS.—(1) Eligible local educational agencies which choose to take part in programs funded under this section shall submit an application to the State educational agency, containing such information on programs to be operated under this section as the State educational agency may require, and which shall include—

''(1) a description of formal agreements between the local educational agency and correctional facilities and alternative school programs serving youth involved with the juvenile justice system to operate programs for delinquent youth;

''(2) a description of how participating schools will coordinate with facilities working with delinquent youth to ensure that such youth are participating in an education program comparable to one operating in the local school such youth would attend;

''(3) a description of the dropout prevention program operated by participating schools and the types

of services such schools will provide to at risk youth in participating schools and youth returning from correctional facilities;

''(4) a description of the youth expected to be served by the dropout prevention program and how the school will be coordinating existing educational programs to meet unique education needs;

''(5) a description of how schools will coordinate with existing social and health services to meet the needs of students at risk of dropping out of school and other participating students, including prenatal health care and nutrition services related to the health of the parent and child, parenting and child development classes, child care, targeted re-entry and outreach programs, referrals to community resources, and scheduling flexibility;

''(6) a description of any partnerships with local businesses to develop training and mentoring services for participating students;

''(7) a description of how the program will involve parents in efforts to improve the education achievement of their children, assist in dropout prevention activities, and prevent the involvement of their children in delinquent activities;

''(8) a description of how this program will be coordinated with other Federal, State, and local programs, including the Job Training and Partnership Act and vocational education programs serving this at risk population of youth;

''(9) a description of how the program will be coordinated with programs operated under the Juvenile Justice and Delinquency Prevention Act, if applicable;

''(10) a description of how schools will work with probation officers to assist in meeting the needs of youth returning from correctional facilities;

''(11) a description of efforts participating schools will make to ensure correctional facilities working with youth are aware of a child's existing individualized education program; and

''(12) a description of the steps participating schools will take to find alternative placements for youth interested in continuing their education but unable to participate in a regular public school program.

''(e) USES OF FUNDS.—Funds provided to local educational agencies under this section may be used for—

''(1) dropout prevention programs which serve youth at educational risk, including pregnant and

parent teens, youth who have come in contact with the juvenile justice system, youth at least one year behind their expected grade level, migrants, immigrants, students with limited-English proficiency and gang members;

''(2) the coordination of health and social services for such youth if there is a likelihood that the provision of such services including day care and drug and alcohol counseling, will improve the likelihood such students will complete their education; and

''(3) programs to meet the unique education needs of youth at risk of dropping out, which may include vocational education, special education, career counseling, and assistance in securing student loans or grants.

''(f) PROGRAM REQUIREMENTS FOR CORRECTIONAL FACILITIES RECEIVING FUNDS UNDER THIS SECTION.—Each facility entering into a partnership with a local educational agency to provide services to youth under this section shall—

''(1) ensure educational programs in juvenile facilities are coordinated with the student's home school, particularly with respect to special education students with an individualized education program;

''(2) notify the local school of a youth if the youth is identified as in need of special education servicers while in the facility;

''(3) provide transition assistance to help the youth stay in school, including coordination of services for the family, counseling, assistance in accessing drug and alcohol abuse prevention programs, tutoring, and family counseling;

''(4) provide support programs which encourage the youth who have dropped out to reenter school once their term has been completed or provide such youth with the skills necessary for them to gain employment or seek a high school equivalency certificate;

''(5) work to ensure facilities are staffed with teachers and other qualified staff who are also trained to work with children with disabilities and other special needs students taking into consideration such unique needs;

''(6) ensure educational programs in correctional facilities are related to assisting students meet high educational standards;

''(7) use, to the extent possible, technology to assist coordinating educational programs between the juvenile facility and community school;

''(8) involve parents in efforts to improve the educational achievement of their children and prevent the further involvement of such children in delinquent activities;

''(9) coordinate funds received under this program with other available State, local, and Federal funds to provide services to participating youth, including the Job Training Partnership Act, and vocational education;

''(10) coordinate programs operated under this section with activities funded under the Juvenile Justice and Delinquency Prevention Act, if applicable; and

''(11) if appropriate, work with local businesses to develop training and mentoring programs for participating youth.

''(g) ACCOUNTABILITY.—The State educational agency may—

''(1) reduce or terminate funding for projects funded under this section in local educational agencies if such agencies do not show progress in reducing dropout rates for male students and for female students over a 3-year period; and

''(2) require juvenile facilities to demonstrate, after 3 years, that there has been an increase in the

number of youth returning to school, obtaining high school equivalency certificates, or obtaining employment after such youth are released.

"SEC. 1411. PROGRAM EVALUATIONS.

"(a) SCOPE OF EVALUATION.—Each State agency or local educational agency that conducts a program under subpart 1 or 2 shall evaluate the program, disaggregating data on participation by sex, and if feasible, by race, ethnicity, and age, not less than once every 3 years to determine its impact on the ability of participants to—

"(1) maintain and improve educational achievement;

"(2) accrue school credits that meet State requirements for grade promotion and high school graduation;

"(3) for delinquent youth, make the transition to a regular program or other education program operated by a local educational agency; and

"(4) complete high school (or high school equivalency requirements) and obtain employment after leaving the institution.

"(b) EVALUATION MEASURES.—In conducting each such evaluation with respect to subsection (a)(1), a State agency or local educational agency shall use multiple and appropriate measures of student progress.

''(c) EVALUATION RESULTS.—Each State agency and local educational agency shall —

''(1) submit evaluation results to the State educational agency; and

''(2) use the results of evaluations under this section to plan and improve subsequent programs for participating children.

''SEC. 1412. DEFINITIONS.

''For the purpose of this part, the following terms have the following meanings:

''(1) The term 'adult correctional institution' means a facility in which persons are confined as a result of a conviction for a criminal offense, including persons under 21 years of age.

''(2) The term 'at risk youth' means school aged youth who are at risk of academic failure, have drug or alcohol problems, are pregnant or are parents, have come into contact with the juvenile justice system in the past, are at least one year behind the expected grade level for such age, have limited-English proficiency, are gang members, have dropped out in the past, or have high absenteeism rates.

''(3) The term 'community-day program' means a regular program of instruction provided by a State

agency at a community-day school operated specifically for delinquent children.

''(4) The term 'institution for delinquent children' means a public or private residential facility for the care of children who have been adjudicated to be delinquent or in need of supervision.

''PART E—FEDERAL EVALUATIONS, DEMONSTRATIONS, AND TRANSITION PROJECTS

''SEC. 1501. EVALUATIONS.

''(a) NATIONAL ASSESSMENT.—(1) The Secretary shall conduct a national assessment of programs under this title, in coordination with the ongoing Chapter 1 Longitudinal Study under subsection (b) of this section, that shall be planned, reviewed, and conducted in consultation with an independent panel of researchers, State practitioners, local practitioners, and other appropriate individuals.

''(2) The assessment shall examine how well schools, local educational agencies, and States—

''(A) are progressing toward the goal of all children served under this title reaching the State's content and performance standards; and

''(B) are accomplishing the specific purposes set out in section 1001(d) of this title to achieve this goal, including—

''(i) ensuring high standards for all children and aligning the efforts of States, local educational agencies, and schools to help children reach them;

''(ii) providing children an enriched and accelerated educational program through schoolwide programs or through additional services that increase the amount and quality of instructional time that children receive;

''(iii) promoting schoolwide reform and access of all children to effective instructional strategies and challenging academic content;

''(iv) significantly upgrading the quality of the curriculum and instruction by providing staff in participating schools with substantial opportunities for professional development;

''(v) coordinating services under all parts of this title with each other, with other educational services, including preschool services, and, to the extent feasible, with health and social service programs funded from other sources;

''(vi) affording parents meaningful opportunities to participate in the education of their children at home and at school, including the provisions of family literacy services;

''(vii) distributing resources to areas where needs are greatest;

''(viii) improving accountability, as well as teaching and learning, by making assessments under this title congruent with State assessment systems; and

''(ix) providing greater decisionmaking authority and flexibility to schools in exchange for greater responsibility for student performance.

''(3) Where feasible, the Secretary shall use information gathered from a variety of sources, including the National Assessment of Educational Progress, State evaluations, and available research studies in carrying out this subsection.

''(4) The Secretary shall submit a biennial report summarizing the cumulative findings to date of the assessment to the President and the appropriate committees of the Congress.

''(b) STUDIES AND DATA COLLECTION.—The Secretary may collect such data, as necessary, at the State, local, and school levels and conduct studies and evaluations, including national studies and evaluations, to assess on an ongoing basis the effectiveness of programs under this title and to report on such effectiveness on a periodic basis.

''(c) NATIONAL EVALUATION OF TITLE I.—The Secretary shall carry out an ongoing evaluation of the program under part A of this title in order to provide the public, Congress, and educators involved in such program, an accurate description of the effectiveness of such program and provide information that can be used to improve such program's effectiveness. Such evaluation shall—

''(1) have a longitudinal design tracking cohorts of students for at least 3 years which, when the cohorts are taken as a whole, provides a picture of such program's effectiveness over the elementary and secondary grades;

''(2) be separate and independent from State and local assessments and evaluations as required under this part;

''(3) utilize the highest available content standards that are generally accepted as national in scope;

''(4) provide information on all students, students served under this part, and, if funds are sufficient, information on students from low-income families and limited English proficient students; and

''(5) when feasible, collect, cross-tabulate, and report data by sex within race or ethnicity and socioeconomic status.

The Secretary shall use the information from this evaluation as part of the national assessment required by subsection (a) and shall report the data from this evaluation to the Congress and the public at least as frequently as that assessment.

''(d)(1) In conducting the National Assessment under subsection (a) and the National Evaluation under subsection (b), the Secretary shall not assess the progress of students in grade 1, kindergarten, and pre-kindergarten on the basis of outcome measures such as content and performance standards;

''(2) any assessments of children in grade 2 shall utilize matrix sampling and be performance-based; and

''(3) any data collected regarding children in grade 2 shall—

''(A) be collected at multiple points in time;

''(B) not be used to stigmatize, label, or place any child; and

''(C) be collected in multiple domains.

''(e) PARENTAL INVOLVEMENT, STUDY, REPORT AND DISSEMINATION.—(1) The Secretary, through the Office of Education Research and Improvement, shall conduct a study to identify and describe—

''(A) common barriers to effective parental involvement in the education of participating children; and

''(B) successful local policies and programs which improve parental involvement and the performance of participating children.

''(2) The Secretary shall—

''(A) complete such study by December 31, 1995;

''(B) report the findings of such study to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate; and

''(C) disseminate the findings, relating to the successful local policies and programs which improve parental involvement and the performance of participating children, to local educational agencies.

''SEC. 1502. DEMONSTRATIONS OF INNOVATIVE PRACTICES.

''(a) DEMONSTRATION PROGRAMS TO IMPROVE ACHIEVEMENT.—(1) From the funds appropriated for any fiscal year under section 1002(7)(B), the Secretary may make grants to State educational agencies, local educational agencies, other public agencies, nonprofit organizations, public/private partnerships involving business and industry organizations, and consortia of such bodies to carry out demonstration projects that show the most promise of ena-

bling children served under this title to meet challenging State standards. Such projects shall include promising strategies such as—

''(A) accelerated curricula, the application of new technologies to improve teaching and learning, extended learning time, and a safe and enriched full-day environment for children to provide them the opportunity to reach high standards;

''(B) integration of education services with each other and with health, family, and other social services such as mentoring programs, particularly in empowerment zones and enterprise communities;

''(C) effective approaches to whole school reform;

''(D) programs that have been especially effective with limited English proficient children, migratory children and other highly mobile students, children leaving institutions for neglected or delinquent children and returning to school, and homeless children and youth; and

''(E) programs that are built upon partnerships developed between elementary and middle schools, employers, and the community which emphasize the integration of high quality academic and vocational learning, stress excellence and high expectations for success in core academic subjects, instill responsibil-

ity, decisionmaking, problem solving, interpersonal skills, and other competencies in students, and make school relevant to the workplace and the community, through applied and interactive teaching methodologies, team teaching strategies, learning opportunities connecting school, the workplace, and the community, and career exploration, awareness, and career guidance opportunities.

''(2) The Secretary shall evaluate the demonstration projects supported under this title, using rigorous methodological designs and techniques, including control groups and random assignment, to the extent feasible, to produce reliable evidence of effectiveness.

''(b) PARTNERSHIPS.—(1) From funds appropriated under section 1002(7)(B) for any fiscal year, the Secretary may, directly or through grants or contracts, work in partnership with State educational agencies, local educational agencies, other public agencies, and non-profit organizations to disseminate and use the highest quality research and knowledge about effective practices to improve the quality of teaching and learning in schools supported under this title.

''SEC. 1503. INNOVATIVE ELEMENTARY SCHOOL TRANSITION PROJECTS.

''(a) IN GENERAL.—From not less than $10,000,000 of the amount appropriated under section 1002(7)(B) the Secretary shall provide financial assistance to support innovative transition projects in elementary schools.

''(b) GRANTS.—(1) From 70 percent of the amount reserved under subsection (a) to carry out this section, the Secretary shall make grants to local educational agencies for the purpose of supporting projects, for children from low-income families who previously attended Head Start, Even Start, or similar preschool programs, which provide educational and other services in kindergarten and early elementary grades.

''(2) The purpose of such projects are to assist such children to—

''(A) make a successful transition from preschool through the early elementary grades; and

''(B) achieve challenging academic standards.

''(3) A program assisted under this subsection shall—

''(A) provide transition-to-elementary school activities, such as—

''(i) development of a transition plan for each child, which provides for support and assistance through the third grade;

''(ii) transfer of each child's preschool records to the elementary school (with parental consent);

''(iii) formal meetings between a child's parent, preschool teacher, and kindergarten or first grade teacher; and

''(iv) kindergarten visits and other orientation activities for preschool children prior to enrollment in elementary school;

''(B) use a model instructional approach for which financial assistance is provided under subsection (d);

''(C) provide directly or through referral comprehensive educational, health, nutritional, social, and other services as will aid in the continued development of eligible children to their full potential; and

''(D) provide for the direct participation of the parents of such children in the development, operation, and evaluation of such program.

''(c) APPLICATIONS AND GRANT PRIORITY.—(1) An application for a grant under subsection (b) shall—

''(A) describe the transition-to-elementary school activities which the applicant plans to administer;

''(B) describe the model instructional approach the applicant will use, and the manner in which the applicant will implement such approach;

''(C) provide evidence that the applicant has made a formal arrangement to receive technical assistance and training from the agency, organization, or institution which sponsors such approach and receives funds under subsection (d);

''(D) describe the manner in which the applicant will provide comprehensive services to the children to be served;

''(E) describe how the applicant will provide for direct participation by parents in the planning, operation, and evaluation of such program;

''(F) describe how such program will be coordinated with title I, title VII, and other programs authorized under this Act; and

''(G) provide evidence that—

''(i) the applicant has entered into formal arrangements with local Head Start, Even Start, and other preschool programs to ensure that the transition activities supported by such program are effective; and

''(ii) the transition activities, instruction, and other services to be provided by the appli-

cant have been specifically designed to build upon, and coordinate with, those services provided to eligible children and their parents in local Head Start, Even Start and other similar preschool programs.

''(2) In making grants under subsection (b), the Secretary shall—

''(A) give priority to applicants that—

''(i) propose to administer a project in schools designated as a schoolwide program under section 1114 of this Act; and

''(ii) propose to use an innovative transition and instructional approach which has been shown to be effective for the purpose described in paragraph (2) of subsection (b); and

''(B) provide sufficient funds to enable programs to meet the purposes of paragraph (1) and the requirements of paragraph (2).

''(d) TECHNICAL ASSISTANCE AND TRAINING.—From 30 percent of the amount reserved under subsection (a), the Secretary shall make grants to public and private nonprofit agencies, institutions, and organizations to provide—

''(1) technical assistance in the implementation and expanded use of model transition and instructional approaches; and

''(2) training in conjunction with the implementation and operation of such model approaches.

''(e) GENERAL PROVISIONS.—

''(1) An application for assistance under this section may not be approved unless the Secretary is satisfied that the services to be provided by the applicant will supplement, and not supplant, services previously provided without Federal assistance.

''(2) A program which receives assistance under subsection (b) must demonstrate that such program achieved the purposes described in paragraph (2) of such subsection in order to be eligible for a renewal grant.

''PART F—GENERAL PROVISIONS

''SEC. 1601. FEDERAL REGULATIONS.

''(a) IN GENERAL.—The Secretary is authorized to issue such regulations as are necessary to reasonably ensure that there is compliance with this title.

''(b) NEGOTIATED RULEMAKING PROCESS.—(1) Prior to publishing proposed regulations in the Federal Register to carry out this title, the Secretary shall obtain the advice and recommendations of representatives of Federal, State, and local administrators, parents, teachers, and members of local boards of education involved with the implementation and operation of programs under this title.

''(2) Such advice and recommendations may be obtained through such mechanisms as regional meetings and electronic exchanges of information.

''(3) After obtaining such advice and recommendations, and prior to publishing proposed regulations, the Secretary shall—

''(A) establish a negotiated rulemaking process on a minimum of 4 key issues, including—

''(i) schoolwide projects;

''(ii) standards and assessment;

''(iii) parental involvement; and

''(iv) professional development;

''(B) select individuals to participate in such process from among individuals or groups which provided advice and recommendations, with representation from all geographic regions; and

''(C) prepare a draft of proposed policy options that shall be provided to the individuals selected by the Secretary under subparagraph (A) not less than 45 days prior to the first meeting under such process.

''(4) Such process—

''(A) shall be conducted in a timely manner to ensure that final regulations are issued by the Secretary not later than the 240-day period required by section 437 of the General Education Provisions Act;

''(B) shall not be subject to the Federal Advisory Committee Act but shall otherwise follow the provisions of the Negotiated Rulemaking Act of 1990 (5 U.S.C. 561 et seq.).

''(5) In an emergency situation in which regulations to carry out this title must be issued with a very limited time to assist State and local educational agencies with the operation of the program, the Secretary may issue proposed regulations without following such process but shall, immediately thereafter and prior to issuing final regulations, conduct regional meetings to review such proposed regulations.

''(c) SPECIAL RULE.—Funds made available under section 1002(7) may not be released by the Secretary for expenditure until such time as final regulations to carry out part A are published in the Federal Register.

''(d) LIMITATION.—Regulations to carry out this part may not require local programs to follow a particular instructional model, such as the provision of services outside the regular classroom or school program.

''SEC. 1602. COORDINATION OF FEDERAL, STATE, AND LOCAL ADMINISTRATION.

''(a) PROGRAM ASSISTANCE MANUAL.—The Secretary shall, not later than 6 months after the publication of final regulations under this title, prepare and distribute to State

educational agencies, State agencies operating programs under parts C and D, and local educational agencies, and shall make available to parents and other interested individuals, organizations, and agencies, a manual for this title to—

''(1) assist such agencies in—

''(A) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this title;

''(B) applying for program funds under this title; and

''(C) meeting the program objectives under this title;

''(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this title;

''(3) assist parents to become involved in the planning for, and implementation and evaluation of, programs and projects under this title; and

''(4) ensure that officers and employees of the Department of Education, including officers and employees of the Secretary and officers and employees of such Department charged with auditing programs carried on under this title, uniformly interpret,

apply, and enforce requirements under this title throughout the United States.

''(b) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried out under this title, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code, to be published or made available. The manual shall include—

''(1) a statement of the requirements applicable to the programs carried out under this title, including such requirements contained in this title, the General Education Provisions Act, other applicable statutes, and regulations issued under the authority of such statutes;

''(2) an explanation of the purpose of each requirement and its interrelationship with other applicable requirements; and

''(3) model forms and instructions developed by the Secretary for use by State and local educational agencies, at their discretion, including, application forms, application review checklists, and instruments for monitoring programs under this title.

''(c) RESPONSE TO INQUIRIES.—The Secretary shall respond with written guidance not more than 90 days after any written request (return receipt requested) from a State or local educational agency regarding a policy, question, or interpretation under this title. In the case of a request from a local educational agency, such agency is required to address its request to the State educational agency first.

''SEC. 1603. STATE ADMINISTRATION.

''(a) RULEMAKING.—(1) Each State that receives funds under this title shall—

''(A) ensure that any State rules, regulations, and policies relating to this title conform to the purposes of this title and provide any such proposed rules, regulations, and policies to the Committee of Practitioners for their review and comment;

''(B) minimize such rules, regulations, and policies to which their local educational agencies and schools are subject; and

''(C) identify any such rule, regulation, or policy as a State-imposed requirement.

''(2) State rules, regulations, and policies under this title shall support and facilitate local educational agency and school-level systemic reform designed to enable all children to meet the State's standards.

''(b) COMMITTEE OF PRACTITIONERS.—(1) Each State educational agency shall create a State committee of practitioners to advise the State in carrying out its responsibilities under this title.

''(2) Each such committee shall include—

''(A) as a majority of its members, representatives from local educational agencies;

''(B) administrators;

''(C) teachers, including vocational educators;

''(D) parents;

''(E) members of local boards of education;

''(F) representatives of private school children; and

''(G) counselors.

''(3) The duties of the committee shall include a review, prior to publication, of any proposed or final State rule or regulation pursuant to this title. In an emergency situation where such rule or regulation must be issued within a very limited time to assist local educational agencies with the operation of the program, the State educational agency may issue a regulation without prior consultation, but shall immediately thereafter convene the State committee of practitioners to review the emergency regulation prior to issuance in final form.

''(c) PAYMENT FOR STATE ADMINISTRATION.—Each State may reserve for the proper and efficient performance of its duties under this title the greater of—

''(1) one percent of the funds received under section 1002(a) and (c) through (f); or

''(2) $325,000, or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau (until the Compact of Free Association takes effect).

''TITLE II—IMPROVING TEACHING AND LEARNING

''PART A—DWIGHT D. EISENHOWER PROFESSIONAL DEVELOPMENT PROGRAM

''SEC. 2101. FINDINGS.

''The Congress finds that—

''(1) reaching the National Education Goals requires a comprehensive educational reform strategy that involves parents, schools, government, communities, and other public and private organizations at all levels;

''(2) a crucial component of the strategy for achieving these goals is ensuring, through sustained and intensive high-quality professional development, and through the development and adoption of high quality curriculum, that all teachers are capable of

providing challenging learning experiences in the core academic subjects for their students;

''(3) decisionmaking as to what activities a State or local educational agency should undertake to improve teaching and learning are best made by individuals in the schools closest to the classroom and most knowledgeable about the needs of schools and students;

''(4) the potential positive impact of high-quality professional development is underscored by recent research findings that—

''(A) professional development must be focused on teaching and learning in order to change the opportunities of all students to achieve higher standards; and

''(B) effective professional development focuses on discipline-based knowledge and subject-specific pedagogical skills, involves teams of teachers and administrators in a school and, through professional networks of teachers and administrators, is interactive and collaborative, motivates by its intrinsic content and relationship to practice, builds on experience and learning-by-doing, and becomes incorporated into the everyday life of the school;

''(5) engaging teachers in the development of high quality curricula is a powerful professional development activity that improves teaching and learning;

''(6) special attention must be given in professional development activities to ensure that education professionals are knowledgeable of, and make use of, strategies for serving populations that historically have lacked access to equal opportunities for advanced learning and career advancement;

''(7) States and local educational agencies also need to engage teachers in the development of high quality curricula that are aligned with State or local content and performance standards in order to improve teaching and learning and ensure that students achieve the State standards;

''(8) professional development is often a victim of budget reductions in fiscally difficult times and curricula development is almost nonexistent in many State and local school systems; and

''(9) the Federal Government has a vital role in helping States and local educational agencies to make sustained and intensive high-quality professional development in the core academic subjects become an integral part of the elementary and secondary education

system and in providing assistance to such agencies to engage teachers in the development of high quality curricula that are aligned with State or local content and performance standards.

"SEC. 2102. PURPOSES.

''The purposes of this part are to provide assistance to States and local educational agencies and to institutions of higher education with teacher education programs so that such agencies can determine how best to improve the teaching and learning of all students through—

''(1) helping to ensure that teachers, other staff, and administrators have access to sustained and intensive high-quality professional development that is aligned to challenging State content and performance standards in the care academic subjects and that—

''(A) is tied to challenging State and local curriculum content and student performance standards;

''(B) reflects recent research on teaching and learning;

''(C) incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse students, including females, minorities, individuals with disabilities, limited-English proficient individuals, and eco-

nomically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging performance standards;

''(D) includes strong academic content and pedagogical components;

''(E) is of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom; and

''(F) is part of the everyday life of the school and creates an orientation toward continuous improvement throughout the school; and

''(2) assisting States and local educational agencies to engage teachers in the development of high quality curriculum that is aligned with State or local content and performance standards.

''SEC. 2103. AUTHORIZATION OF APPROPRIATIONS; ALLOCATION BETWEEN SUBPARTS.

''(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $800,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996, 1997, 1998, and 1999.

''(b) ALLOCATION BETWEEN SUBPARTS.—Of the funds appropriated to carry out this part for a fiscal year, the Secretary shall use—

''(1) 5 percent to carry out subpart 1; and

''(2) 95 percent to carry out subpart 2.

''Subpart 1—Federal Activities

''SEC. 2111. PROGRAM AUTHORIZED.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, local educational agencies, State educational agencies, State agencies for higher education, educational service agencies, institutions of higher education, and other public and private agencies, other organizations, and institutions to—

''(1) support activities of national significance that will contribute to the development and implementation of high-quality professional development activities in the core academic subject areas;

''(2) support the development of challenging curriculum that is aligned with State or local content and performance standards; and

''(3) evaluate activities carried out under this subpart and under subpart 2.

''(b) COORDINATION WITH OTHER AGENCIES.—In carrying out this program, the Secretary shall consult and coordinate with the National Science Foundation, the National Endowment for the Humanities, the National En-

dowment for the Arts, and other appropriate Federal agencies and entities.

"SEC. 2112. AUTHORIZED ACTIVITIES.

''(a) The Secretary shall use funds available to carry out this subpart—

''(1) to provide seed money to eligible entities to develop their capacity to offer sustained and intensive high-quality professional development;

''(2) for the development and maintenance of a national clearinghouse for science, mathematics, and technology education materials which shall be administered as an adjunct clearinghouse of the ERIC system of clearinghouses supported by the Office of Educational Research and Improvement;

''(3) to support consortia of educational agencies and organizations in disseminating information and providing assistance regarding curricula, teaching methods, and assessment tools that support national or State content standards in mathematics and science; and

''(4) the evaluation of programs under this subpart and under subpart 2.

''(b) The Secretary may use funds available to carry out this subpart—

''(1) for the development and maintenance of national clearinghouses for core academic subjects as the Secretary determines are needed and which shall be administered as adjunct clearinghouses of the ERIC system of clearinghouses supported by the Office of Educational Research and Improvement;

''(2) to provide grants to entities to develop high quality curricula that are aligned with voluntary national or State content standards;

''(3) to sponsor institutes that provide teachers and administrators with professional development that is based on strong and integrated disciplinary content and pedagogical components;

''(4) for efforts to train teachers in the innovative uses and applications of technology to enhance student learning;

''(5) to encourage the development of local and national professional networks of educators;

''(6) to disseminate standards in the core academic subjects, including information on voluntary national content and performance standards and related models of high-quality professional development;

''(7) for efforts to train teachers in innovative uses of applied learning strategies such as service learning;

''(8) to disseminate models of high-quality professional development activities that train educators in strategies, techniques, methods, and practices for meeting the educational needs of historically underserved populations, including females, minorities, individuals with disabilities, limited-English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging performance standards;

''(9) to promote the transferability of licensure and certification of teachers and administrators among State and local jurisdictions; and

''(10) to support the National Board for Professional Teaching Standards.

''(c) In carrying out subsection (a), the Secretary shall ensure that each program, project, and activity contained in such subsection receives an allocation that is no less than the amount that each such program, project, or activity received in fiscal year 1994.

''Subpart 2—State and Local Activities

''SEC. 2121. PROGRAM AUTHORIZED.

''The Secretary is authorized to make grants to State educational agencies for the improvement of teaching and learning through sustained and intensive high-quality pro-

fessional development activities in the core academic subjects at the State and local levels and the development by teachers and others of high-quality curricula that are aligned with State or local content and performance standards.

''SEC. 2122. ALLOCATION OF FUNDS.

''(a) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall—

''(1) reserve one half of one percent for the outlying areas, to be distributed among them on the basis of relative need, as determined by the Secretary in light of the purposes of this part; and

''(2) reserve one half of one percent for the Secretary of the Interior for programs under this subpart for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

''(b) STATE ALLOTMENTS.—The Secretary shall allocate the remaining amount to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico as follows, except that no State shall receive less than one-half of one percent of such remaining amount:

''(1) 50 percent shall be allocated among such jurisdictions on the basis of their relative populations

of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

''(2) 50 percent shall be allocated among such jurisdictions in accordance with the relative amounts such jurisdictions received under part A of title I of this Act for the preceding fiscal year.

''(c) REALLOCATION.—If any jurisdiction does not apply for its allotment under subsection (b) for any fiscal year, the Secretary shall reallocate such amount to the remaining jurisdictions in accordance with such subsection.

''SEC. 2123. WITHIN-STATE ALLOCATIONS.

''(a) RESERVATIONS.—Of the amounts received by a State under this subpart for a fiscal year—

''(1) not more than 5 percent shall be used for the administrative costs of programs carried out by the State educational agency and the State agency for higher education;

''(2) not more than 5 percent may be used for State-level activities, as described in section 2125; and

''(3) of the remaining amount—

''(A) 87 percent shall be distributed to local educational agencies, to be used in accordance with section 2129, as follows:

''(i) 50 percent of such amount shall be distributed in accordance with the relative enrollments in public and private nonprofit schools within their boundaries.

''(ii) 50 percent of such amount shall be distributed in accordance with the relative amount such agencies received under part A of title I of this Act for the preceding fiscal year; and

''(B) 13 percent shall be used for competitive grants to institutions of higher education as described in section 2129.

''(b) LIMITATION.—

''(1) GENERAL RULE.—Except as provided in paragraph (2), any local educational agency that receives an allocation of less than $10,000 under subsection (a) shall, for the purpose of providing services under this subpart, form a consortium with at least 1 other local educational agency or institution of higher education receiving assistance under this section.

''(2) WAIVER.—The State educational agency shall waive the application of paragraph (1) in the case of any local educational agency that demonstrates that the amount of its allocation is suffi-

cient to provide a program of sufficient size, scope, and quality to be effective. In granting waivers under the preceding sentence, the State educational agency shall—

''(A) give special consideration to local educational agencies serving rural areas; and

''(B) consider cash or in-kind contributions provided from State or local sources that may be combined with the local educational agency's allocation for the purpose of providing services under this part.

''SEC. 2124. STATE APPLICATIONS.

''(a) APPLICATIONS REQUIRED.—Each State educational agency that wishes to receive its allotment under this subpart for any fiscal year shall submit an application to the Secretary at such time and in such form as the Secretary may require.

''(b) STATE PLAN TO IMPROVE TEACHING AND LEARNING—(1) Each application under this section shall include a State plan that—

''(A) is integrated with the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, and satisfies the requirements of this section that are not already addressed by that State plan; or

''(B) if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan, is integrated with other State plans under this Act and satisfies the requirements of this section.

''(2) Each such plan shall also—

''(A) be developed in conjunction with the State agency for higher education, institutions of higher education, schools of education, and with the extensive participation of teachers and administrators and members of the public who are interested in improving education in the State and show the role of each in implementation;

''(B) be designed to give teachers and administrators in the State the knowledge and skills to provide all students the opportunity to meet challenging State performance standards;

''(C) include an assessment of State and local needs for professional development and for the development of curricula that are aligned with State or local content and performance standards;

''(D) include a description of how the plan has assessed the needs of local education agencies serving rural areas, and what actions are planned to meet those needs;

''(E) include a description of how the plan has maintained funding for professional development activities in mathematics and science education;

''(F) include a description of how the activities funded under this subpart will address the needs of teachers in schools receiving assistance under part A of title I of this Act;

''(G) a description of how programs in all core academic subjects, but especially in mathematics and science, will take into account the need for greater access to, and participation in, such disciplines by students from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the economically disadvantaged, and the disabled, by incorporating pedagogical strategies and techniques which meet their educational need;

''(H) if the State's needs assessment under subsection (C) demonstrates a need for professional development, describe how the State will—

''(i) work with teachers, including teachers in schools receiving assistance under part A of title I of this Act, administrators, local educational agencies, schools, and institutions of higher education to ensure that they develop the

capacity to support sustained and intensive, high-quality professional development programs in all the core academic subject areas, but especially in mathematics and science;

''(ii) take specific steps to review and, if necessary, reform State requirements for licensure of teachers and administrators, including certification and recertification, to align such requirements with challenging State content and performance standards; and

''(iii) address the need for improving teaching and learning through teacher development beginning with recruitment, pre-service, and induction, and continuing throughout the professional teaching career; and

''(I) if the State's needs assessment under subparagraph (C) demonstrates a need for curricula development, describe—

''(i) a strategy for engaging teachers in the development of curricula that are aligned with State or local content and performance standards; and

''(ii) how the State will also work with administrators, parents, school board members, and other members of the community in developing

high quality curricula that are aligned with State or local content and performance standards.

''(c) ADDITIONAL MATERIAL.—Each State application shall also include—

''(1) a description of how the activities funded under this subpart will be coordinated, as appropriate, with—

''(A) other activities conducted with Federal funds, especially activities supported under part A of title I of this Act;

''(B) State and local funds;

''(C) resources from business and industry; and

''(D) funds from other Federal agencies, such as the National Science Foundation, the Departments of Commerce, Energy, and Health and Human Services, the National Endowment for the Arts, and the National Endowment for the Humanities; and

''(2) a description of the activities to be sponsored under the State-level activities and the higher education components of its program under this subpart.

''(d) PEER REVIEW AND SECRETARIAL APPROVAL.—(1) The Secretary shall approve the application of a State educational agency if it meets the requirements of this section and holds reasonable promise of achieving the purposes of this part.

''(2) In reviewing applications, the Secretary shall obtain the advice of non-Federal experts on education in the core academic subjects and on teacher education, including teachers and administrators.

''(e) ASSURANCE.—Each State applying for funds under this title shall provide the Secretary with the assurance that after July 1, 1998, it will require each local educational agency within the State to certify that each full time teacher in schools under the jurisdiction of the agency is certified to teach in the subject area to which he or she is assigned. Nothing in this subsection shall be construed to prevent a State from implementing alternative methods of teacher certification.

''SEC. 2125. STATE-LEVEL ACTIVITIES.

''Each State may use funds reserved under section 2123(a)(2) to carry out activities referred to in section 2124(b), such as—

''(1) reviewing and reforming State requirements for teacher and administrator licensure, including certification and recertification, to align such require-

ments with the State's content standards and ensure that teachers and administrators have the knowledge and skills necessary to help students meet challenging State performance standards;

''(2) developing performance assessments and peer review procedures, as well as other methods, for licensing teachers and administrators;

''(3) providing technical assistance to schools and local educational agencies especially schools and local educational agencies that receive assistance under part A of title I of this Act, to help such schools and agencies provide effective professional development in the core academic subjects and develop high quality curricula;

''(4) developing or supporting professional development networks, either within a State or in a regional consortium of States, that provide a forum for interaction among teachers and that allow exchange of information on advances in content assessment and pedagogy;

''(5) supporting partnerships between schools, consortia of schools, or local education agencies and institutions of higher education, including but not limited to schools of education, which would encourage teachers to participate in intensive, ongoing pro-

fessional development programs, both academic and pedagogical, at institutions of higher education, and to encourage students at institutions of higher education studying to become teachers to have direct, practical experience at the schools;

''(6) enhancing the effective use of educational technology as an instructional tool for increasing student understanding of the core academic subject areas including—

''(A) efforts to train teachers in the innovative uses and application of instructional technology;

''(B) utilizing and strengthening existing telecommunications infrastructure dedicated to educational purposes; and

''(C) efforts to train teachers in methods for achieving gender equity both in access to and teaching practices used in the application of educational technology;

''(7) providing incentives for teachers to be involved in curriculum development and technical assistance processes for teachers and students;

''(8) professional development enabling teachers and other school staff to ensure that girls, young women, minorities, limited English proficient stu-

dents, individuals with disabilities, and economically disadvantaged individuals have the opportunity to achieve challenging State performance standards in the core academic subjects by, for example, encouraging girls, young women, and minorities to pursue advanced courses in mathematics and science;

''(9) designing professional development activities that increase the numbers of members of minority and other underrepresented groups in the teaching force in the core subjects;

''(10) developing high quality curriculum that is aligned with State or local content and performance standards; and

''(11) providing financial or other incentives for teachers to become certified by the National Board for Professional Teaching Standards.

''SEC. 2126. LOCAL PLAN AND APPLICATION FOR IMPROVING TEACHING AND LEARNING.

''(a) LOCAL APPLICATION.—(1) Each local educational agency that wishes to receive a subgrant under this subpart shall submit an application (singly or as a consortia as described in section 2123(b)) to the State educational agency at such time as the State educational agency shall require, but not less frequently than every 3rd year.

''(2) If the local educational agency has an application approved by the State under title III of the Goals 2000: Educate America Act, the application required by this section shall be a component of (or, if necessary, an addendum to) its Goals 2000 application.

''(3) A local education agency shall set specific performance indicators for improving teaching and learning through professional development and curriculum development.

''(4) A local educational agency shall submit, as part of its application, the results of the needs assessment conducted under subsection (b), and the local educational agency plan developed in accordance with subsection (c).

''(b) NEEDS ASSESSMENT.—(1) A local educational agency that wishes to receive a subgrant under this subpart shall include in its application an assessment of such agency's need for professional development, for the development of high quality curricula that are aligned with State or local content and performance standards.

''(2) Such needs assessment shall be carried out with the involvement of teachers, including teachers in schools receiving assistance under part A of title I of this Act, and shall take into account what activities need to be conducted in order to give teachers and administrators the means, including the knowledge and skills, to provide students with

the opportunity to meet challenging State or local performance standards.

''(c) PLAN DEVELOPMENT.—(1) The plan required under this subsection shall be developed jointly by the local educational agency and by teachers from the core academic disciplines.

''(2) Such teachers shall also be representative of the grade spans within schools to be served and of schools which receive assistance under part A of title I of this Act.

''(3) Based on the needs assessment required under subsection (b), the local educational agency's plan shall include the following—

''(A) a description of the local educational agency's strategy to improve teaching and learning in every school;

''(B) a description of how the plan contributes to the local educational agency's overall efforts for school reform and educational improvement;

''(C) a description of the activities the local educational agency intends to undertake under this subpart consistent with such agency's needs assessment conducted under subsection (b);

''(D) a description of how the plan has maintained funding for professional development activities in mathematics and science education;

''(E) a description of how the activities funded under this section will address the needs of teachers in schools receiving assistance under part A of title I of this Act;

''(F) a description of how programs in all core academic subjects, but especially in mathematics and science, will take into account the need for greater access to, and participation in, such disciplines by students from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the economically disadvantaged, and the disabled, by incorporating pedagogical strategies and techniques which meet their educational need;

''(G) an assurance that the activities conducted with funds received under this program will be assessed at least every 3 years using the performance indicators; and

''(H) a description of how the program funded under this subpart will be coordinated, as appropriate, with—

''(i) activities conducted under section 2130 and other services of institutions of higher education;

''(ii) similar State and local activities;

''(iii) resources provided under part A of title I and other parts of this Act, particularly part B of title II;

''(iv) resources from business, industry, private nonprofit organizations (including museums, libraries, educational television stations, community-based organizations, professional organizations and associations specializing in, or with a demonstrated expertise in the core academic disciplines);

''(v) funds or programming from other Federal agencies, such as the National Science Foundation, the Department of Energy, the Department of Health and Human Services, the National Endowment for the Humanities, and the National Endowment for the Arts; and

''(vi) an identification of funding that will provide the local educational agency's contribution under section 2127.

''SEC. 2127. LOCAL COST SHARING.

''(a) IN GENERAL.—Each local educational agency shall bear not less than 33 percent of the cost of any program carried out under this subpart, but not including the cost of services provided to private schoolteachers.

''(b) AVAILABLE RESOURCES FOR COST-SHARING.—A local educational agency may meet the requirements of subsection (a) through one or more of the following:

''(1) Cash expenditures from non-Federal sources, including private contributions, directed toward professional development and curriculum development activities.

''(2) Release time for teachers participating in professional development or curricula development funded under this subpart.

''(3) Funds received under one or more of the following programs, if used for professional development or curricula development activities consistent with this subpart and consistent with the statutes under which such funds are provided, then such funds must be used for the benefit of students and teachers in the schools that would otherwise have been served with such funds:

''(A) Part A of title I of this Act.

''(B) The Safe and Drug Free Schools program under title IV of this Act.

''(C) The bilingual education program under title VII of this Act.

''(D) The Women's Educational Equity Program under title III of this Act.

''(E) Title III of the Goals 2000: Educate America Act.

''(F) Programs that are related to the purposes of this Act that are administered by other agencies, including the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and the Department of Energy.

''(c) WAIVER.—The State educational agency may approve an application which has not fully met the requirements of subsection (a) and waive the requirements of subsection (a) if a local educational agency can demonstrate that it is unable to meet the requirements of subsection (a) due to economic hardship and that compliance with such requirements would preclude its participation in the program.

''SEC. 2128. LOCAL ALLOCATION OF FUNDS AND ALLOWABLE ACTIVITIES.

''(a) LOCAL ALLOCATION OF FUNDS.—Each local educational agency that receives funds under this subpart for any fiscal year—

''(1) shall use not less than 80 percent of such funds for—

''(A) professional development of teachers, principals, and other instructional staff who work directly with children; and

''(B) engaging teachers and other staff in the development of high quality curricula aligned with State and local content and performance standards, in a manner that is determined by such teachers and staff and is consistent with the provisions of such local educational agency's application under section 2126, any school plan under part A of title I of this Act, and any other plan for professional development or curricula development carried out with Federal, State, or local funds; and

''(2) may use not more than 20 percent of such funds for district-level professional or curricula development activities, which may include the participation of administrators and policymakers if such activities directly support instructional personnel.

''(b) AUTHORIZED ACTIVITIES.—Each local educational agency and school that receives funds under this subpart shall use such funds for activities that give teachers and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local content and performance standards. Funds received

by local educational agencies under this subpart only shall be used for the activities specified under subsections (c) and (d). No less than 80 percent of those funds shall be used for activities under subsection (c) and not more than 20 percent for activities under subsection (d).

''(c) PROFESSIONAL DEVELOPMENT.—If a needs assessment conducted under section 2126(b) determines that funds under this subpart should be used to provide professional development in the core academic subjects for teachers and other school staff, the local educational agency shall use such funds for professional development for teachers and other staff to support teaching consistent with State, or local content standards, and shall, to the extent practicable, coordinate such activities with institutions of higher education and activities under section 2129:

''(1) Professional development activities funded under this subpart shall—

''(A) be tied to challenging State or local content and student performance standards;

''(B) reflect recent research on teaching and learning;

''(C) incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse students, including females, minorities, individuals with disabilities,

limited-English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging performance standards;

''(D) include strong academic content and pedagogical components;

''(E) be of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom; and

''(F) be part of the everyday life of the school and create an orientation toward continuous improvement throughout the school.

''(2) Funds under this subpart may be used for professional development activities such as—

''(A) professional development for teams of teachers, administrators, or other staff from individual schools, to support teaching consistent with State or local content standards;

''(B) support and time for teachers and other school staff to participate in professional development in the core subjects offered through professional associations, universities, community-based organizations, and other providers including museums and educational partnership organizations;

''(C) activities that provide followup for teachers who have participated in professional development activities that are designed to ensure that knowledge and skills learned by the teacher are implemented in the classroom;

''(D) support for partnerships between schools, consortia of schools, or local education agencies and institutions of higher education, including but not limited to schools of education, which would encourage teachers to participate in intensive, ongoing professional development programs, both academic and pedagogical, at institutions of higher education, and to encourage students at institutions of higher education studying to become teachers to have direct, practical experience at the schools;

''(E) the establishment and maintenance of local professional networks that provide a forum for interaction among teachers and that allow exchange of information on advances in content and pedagogy;

''(F) activities to prepare teachers in the effective use of educational technology as an instructional tool for increasing student understanding of the core academic subject areas;

''(G) activities to enable teachers to ensure that girls, young women, minorities, limited-English proficient students, individuals with disabilities, and economically disadvantaged individuals the opportunity to achieve the challenging State performance standards in the core academic subjects;

''(H) professional development and recruitment activities designed to increase the number of minorities, individuals with disabilities, and females teaching in the core academic subject in which they are underrepresented;

''(I) the development of incentive strategies for rewarding schools where a substantial portion of the teachers achieve certification by the National Board for Professional Teaching Standards; and

''(J) other sustained and intensive high-quality professional development activities in the core academic subjects.

''(d) CURRICULUM DEVELOPMENT.—(1) If the needs assessment of a local educational agency determines that funds under this subpart should be used for curriculum development, such agency shall use the funds provided to de-

velop high quality curricula that is aligned with State or local content and performance standards.

''(2) Funds may be used to purchase the curriculum materials to the extent such materials are essential components of the local educational agency's plan to improve teaching and learning in the core academic subjects.

''SEC. 2129. HIGHER EDUCATION ACTIVITIES.

''(a) GENERAL.—(1) The State agency for higher education, working in conjunction with the State educational agency (if it is a separate agency), shall make grants to, or enter into contracts or cooperative agreements with, institutions of higher education and nonprofit organizations including museums and educational partnership organizations, which demonstrate consultation and cooperation with a local education agency, consortium of local education agencies, or schools, for—

''(A) professional development activities in the core academic subject areas that contribute to the State plan for professional development;

''(B) engaging teachers in the development of high-quality curricula that are aligned with State or local content and performance standards;

''(C) developing and providing assistance to local education agencies, and the teachers and

staff of each such agency, for sustained, high-quality professional development activities; and

''(D) improving teacher education programs in order to promote further innovation in teacher education programs within an institution of higher education and to better meet the needs of the local education agencies for well-prepared teachers;

''(2) All such awards shall be made on a competitive basis.

''(3) No institution of higher education may receive assistance under subsection (a)(1) of this subsection unless the institution enters into an agreement with a local education agency, or consortium of such agencies, to provide sustained, high-quality professional development for the elementary and secondary school teachers in the schools of each such agency.

''(4) Each project funded under this section shall involve a joint effort of the recipient's school or department of education and the schools or departments in the specific disciplines in which assistance may be provided.

''(b) ALLOWABLE ACTIVITIES.—A recipient of funds under this section shall use those funds for—

''(1) sustained and intensive high-quality professional development for teams of teachers, or teachers

and administrators from individual schools or districts;

''(2) other sustained and intensive professional development activities related to achievement of the State plan for professional development such as—

''(A) establishment and maintenance of professional networks of teachers that provide a forum for interaction among teachers and that allow exchange of information on advances in content and pedagogy;

''(B) programs that prepare teachers to be effective users of information technology, able to integrate technology into their pedagogy and their instructional practices, and able to enhance their curricular offerings by appropriate applications of technology;

''(C) programs that utilize information technology to deliver sustained and intensive high quality professional development activities for teachers;

''(D) activities to enable teachers to ensure that girls, young women, minorities, limited-English proficient students, individuals with disabilities, and economically disadvantaged individuals have the opportunity to achieve the chal-

lenging State performance standards in the core academic subjects;

''(E) professional development and recruitment activities designed to increase the number of minorities, individuals with disabilities, and other underrepresented groups teaching in the core academic subjects, particularly in mathematics and science;

''(F) establishment of professional development academies operated as partnerships between one or more elementary or secondary schools and one or more institutions of higher education to provide school-based teacher training that provides prospective, novice, and experienced teachers with an opportunity to work under the guidance of master teachers and college faculty members; and

''(G) technical assistance to local educational agencies in providing sustained and intensive high quality professional development activities for teachers.

''Subpart 3—General Provisions

''SEC. 2131. REPORTING AND ACCOUNTABILITY.

''(a) STATES.—Each State that receives funds under this part shall submit a report to the Secretary every 3

years on the State's progress toward the performance indicator identified in its State plan, as well as on the effectiveness of State and local activities under this part.

''(b) LOCAL EDUCATIONAL AGENCIES.—Each local educational agency that receives funds under this part shall submit a report to the State every 3 years on its progress toward the outcome performance indicators in its plan.

''(c) FEDERAL EVALUATION.—The Secretary shall report to the President and Congress on the effectiveness of programs and activities funded under this part.

''(d) PROHIBITION ON FUNDS BEING USED FOR CONSTRUCTION OR RENOVATION.—Funds received under this part shall not be used for construction or renovation of buildings, rooms, or any other facilities.

''SEC. 2132. DEFINITIONS.

''As used in this part, the following terms have the following meanings:

''(1) The term 'core academic subjects' means those subjects listed in the State plan under title III of the Goals 2000: Educate America Act or under National Education Goal Three as set out in section 102(3) of such Act.

''(2) The term 'performance indicators' means measures of specific outcomes that the State or local educational agency identifies as assessing progress to-

ward the goal of ensuring that all teachers have the knowledge and skills to assist their students to meet challenging State standards in the core academic subject areas. Examples of such indicators include—

''(A) the degree to which licensure requirements are tied to State standards;

''(B) specific increases in the number of elementary and secondary teachers with strong content backgrounds in the core academic subjects;

''(C) incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse students, including females, minorities, individuals with disabilities, limited-English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging performance standards; and

''(D) specific increases in the number of Board certified teachers licensed in each core subject.

''(3) The term 'sustained and intensive high-quality professional development' means professional development activities that—

''(A) are tied to challenging State or voluntary national content and performance standards;

''(B) reflect up-to-date research in teaching and learning and include integrated content and pedagogical components;

''(C) incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse students, including females, minorities, individuals with disabilities, limited English proficient individuals, and economically disadvantaged individuals, in order to assure that all students have the opportunity to achieve challenging performance standards;

''(D) are of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom or the administrator's performance on the job; and

''(E) recognize teachers as an important source of knowledge that should inform and help shape professional development.

''(4) The term 'local standard' means challenging content and performance standards in the core subjects (in addition to State content and performance standards approved by the State for title I).

''PART B—TECHNOLOGY EDUCATION ASSISTANCE

''Subpart 1—Assistance to State and Local Educational Agencies

''SEC. 2201. SHORT TITLE.

''This title may be cited as the 'Technology Education Assistance Act of 1994'.

''SEC. 2202. FINDINGS.

''The Congress finds that—

''(1) technology can produce far greater opportunities for all students to learn to high standards and promote efficiency and effectiveness in education;

''(2) the use of technology as a tool in the teaching and learning process is essential to the development and maintenance of a technologically literate citizenry and an internationally competitive workforce;

''(3) the acquisition and use of technology in education throughout the United States has been inhibited by the absence of Federal leadership, the inability of many State and local educational agencies to invest in and support needed technologies, and the limited availability of appropriate technology-enhanced curriculum, instruction, teacher training, and administrative support resources and services in the educational marketplace;

''(4) educational equalization concerns and school restructuring needs can be addressed through educational telecommunications and technology by offering universal access to high-quality teaching and programs, particularly in urban and rural areas;

''(5) in the absence of appropriate educational technology policies, the disparity between rich and poor students will become even greater in a world where technology and telecommunications increasingly have become an integral part of many households;

''(6) the increasing use of new technologies and telecommunications systems in business and industry has furthered the gap between schooling and work force preparation;

''(7) telecommunications can be a conduit for ongoing teacher training and improved professional development by providing to teachers constant access to updated research in teaching and learning;

''(8) research consistently shows that the planned use of technology combined with teachers who are adequately trained in its use can increase opportunities for more students to develop higher order thinking and technical skills than is possible with traditional instruction;

''(9) technology can engage students in learning through media with which they are comfortable, and prove to be an effective learning tool, particularly when correlated with State and national curriculum standards;

''(10) schools need new ways of financing the acquisition and maintenance of educational technology; and

''(11) the needs for educational technology differ from State to State.

''SEC. 2203. STATEMENT OF PURPOSE.

''The purpose of this Act is to support a comprehensive system for the acquisition and use by elementary and secondary schools in the United States of technology and technology-enhanced curricula, instruction, and administrative support resources and services to improve the delivery of educational services, such system shall include—

''(1) national leadership with respect to the need for, and the provision of, appropriate technology-enhanced curriculum, instruction and administrative programs to improve learning in the United States;

''(2) funding mechanisms which will support the development, interconnection, implementation, improvement and maintenance of an effective educational technology infrastructure;

''(3) information dissemination networks to facilitate access to information on effective learning programs, assessment and evaluation of such programs, research findings, and supporting resources (including instructionally based, technology-enhanced programs, research and resources) by educators throughout the United States;

''(4) an extensive variety of opportunities for teacher, inservice training, and administrative training and technical assistance with respect to effective uses of technologies in education;

''(5) utilizing and strengthening, not duplicating, existing telecommunications infrastructures dedicated to educational purposes;

''(6) development and evaluation of new and emerging educational technologies and telecommunications networks;

''(7) assessment data regarding state-of-the-art uses of technologies in United States education upon which commercial and noncommercial telecommunications entities, and governments can rely on for decisionmaking about the need for, and provision of, appropriate technologies for education in the United States; and

''(8) authorize grants to States that—

''(A) improve the academic performance of students through technology;

''(B) strengthen the skills of teachers in effectively utilizing technology for student learning;

''(C) promote the planned application of technology in education by those who will use the technology; and

''(D) encourage collaborative relationships between the State agency for higher education, the State library administrative agency and the State telecommunications agency for education and the State educational agency in the area of technology support to strengthen the system of education.

''SEC. 2204. DEFINITIONS.

''For purposes of this title—

''(1) the terms 'library' and 'State library administrative agency' shall have the same meaning given to such terms in section 3 of the Library Services and Construction Act (Public Law 84–579);

''(2) the term 'Regional Education Laboratory' shall have the same meaning given to such term in section 405 of the Department of Education Organization Act (Public Law 96–88);

''(3) the term 'technology' includes closed circuit television systems, public telecommunications entities, cable television, satellite, copper and fiber optic transmission, computer, video and audio laser and CD ROM disc, video and audio tapes or other technologies;

''(4) the term 'credit enhancement' means a financial arrangement that enhances the credit quality of the issuer or the financial instrument being used; and

''(5) the term 'interoperability' means the ability to communicate with operating systems developed nationally and internationally using multiple network media.

''SEC. 2205. IN-STATE APPORTIONMENT.

''(a) AUTHORIZATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this title to strengthen the skills of educators and improve learning through the use of technology.

''(b) ELEMENTARY, SECONDARY EDUCATION PROGRAMS.—(1) For each fiscal year, an amount equal to 70 percent of each State's allotment under section 2212(a)(2) shall be used for elementary and secondary education programs by the State educational agency in accordance with section 2206.

''(2) Not less than 90 percent of a State's allotment under this subsection shall be available to local educational agencies including services to adults and families of which not more than 5 percent of the funds available to the local educational agency for any fiscal year may be used for local administration.

''(3) Not more than 10 percent of the amount allocated under subsection (a) may be used by the State educational agency for technical assistance and administrative costs of which not less than 50 percent shall be used for technical assistance.

''(c) HIGHER EDUCATION PROGRAMS.—(1) For each fiscal year 20 percent of each State's allotment under section 2212(a)(2) shall be used by the State higher education agency designated in the State plan for partnership programs between local educational agencies, including educational services to adults and families and higher education institutions in accordance with section 2207.

''(2) Not less than 90 percent of the amount available for this subsection shall be used by the State for grants to institutions of higher education for partnership programs in accordance with the provisions of section 2207.

''(3) Not more than 10 percent of the amount allocated to the State's higher education partnership program under this section, may be used for the costs incurred for the eval-

uation of programs assisted under section 2207; and for administrative costs of the State's higher education agency designated in the State plan.

''(d) LIBRARY AND LITERACY PROGRAMS.—(1) For each fiscal year 10 percent of each State's allocation under section 2212(a)(2) shall be used by the State library administrative agency to support collaborative activities among libraries, literacy programs, and local educational agencies in accordance with section 2208.

''(2) Not less than 90 percent of the amount available for this section shall be used by the State for grants to local public libraries and literacy programs in accordance with the provisions of section 2208.

''(3) Not more than 10 percent of the amount available under this section may be used by the State for the costs incurred for evaluation of programs assisted under section 2208 and for administrative costs of the State library administrative agency.

''SEC. 2206. ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

''(a) IN GENERAL.—The amount apportioned under section 2205(b) from each State's allotment shall be used by the State educational agency to strengthen elementary and secondary education programs in accordance with the provisions of this section.

''(b) LOCAL EDUCATIONAL AGENCIES.—(1) Each local educational agency, including educational services for adults and families, shall use the educational technology funds available under section 2205(b)(2) for—

''(A) developing, adapting, or expanding existing and new applications of technology to support the school reform effort; and

''(B) funding projects of sufficient size and scope to improve student learning and, as appropriate, support professional development, and provide administrative support.

''(2) To be eligible to receive educational technology funds under this section for school or other school managed alternative learning environment, a local educational agency must submit an application to the State educational agency. If the local educational agency has an application approved by the State under title III of the Goals 2000: Educate America Act, the application required by this section shall be a component of (or if necessary an addendum to) its Goals 2000 application. The local educational agency must also receive State approval of a technology use plan which includes—

''(A) a description of how the local educational agency plans to use the financial assistance received under section 2205(b)(2) to improve the use of tech-

nology in instruction, professional development and administration;

''(B) a description of how funds under section 2205(b)(2) will be coordinated with other State, local and Federal resources;

''(C) a description of how the school programs will use other resources of the community and involve public agencies, private industry, institutions of higher education, public and private nonprofit organizations, and other appropriate institutions;

''(D) assurances that the programs will be evaluated and outcomes reported in terms of the level of implementation of the technology-based resources funded by this title, the impact on teaching and learning, the changes in the school program, and the extent to which the school will sustain the project after funding is terminated;

''(E) a description of how the plan will support State and local content and performance standards;

''(F) provisions to support, as needed, individual teachers to develop and implement technology-based intervention projects, including those which respond to the needs of students with disabilities;

''(G) a description of how the financial assistance will be used as appropriate for the expansion

and improvement of professional development of teachers and other appropriate personnel regarding the use of technology, including the educational use of computers, videos, and telecommunications to enhance learning such training and instruction may be carried out through agreements with public agencies, private industry, institutions of higher education, regional educational laboratories and national research centers, nonprofit organizations, (including museums) libraries, educational television stations;

''(H) a description of a strategy for the enhanced involvement of parents through the use of technology; and

''(I) a description of how the plan will address the needs of students with disabilities.

''(3) A local educational agency for any fiscal year may apply for financial assistance as part of a consortium with other local educational agencies, institutions of higher education, intermediate educational units, libraries, or other appropriate educational entities to provide local programs. The State educational agency may assist in the formation of consortia between local educational agencies, providers of educational services for adults and families, institutions of higher education, intermediate educational units, libraries, or other appropriate educational entities to pro-

vide services for the teachers and students in a local educational agency at the request of such local educational agency.

''SEC. 2207. HIGHER EDUCATION PROGRAMS.

''(a) IN GENERAL.—The amount apportioned under section 2205(c) from each State's allotment shall be used by the State for education programs in accordance with the provisions of this section.

''(b) GRANTS TO INSTITUTIONS OF HIGHER EDUCATION.—(1) The State agency for higher education, in accordance with the State educational technology plan filed under section 2209, shall make grants available on a competitive basis to institutions of higher education in the State which form partnerships with one or more local educational agencies.

''(2) The amount available under section 2205(c)(2) shall be used for—

''(A) professional development for new teachers in the use of technology as an educational tool;

''(B) professional development for elementary, secondary, adult and family, and vocational school teachers and training for other appropriate school personnel to improve their ability to use educational technology in their teaching; and

''(C) programs to improve student performance in academic and work skill areas through the use of technology.

''(3) No institution of higher education may receive assistance under paragraph (2)(A), (B), and (C) unless the institution enters into an agreement with a local educational agency, or consortium of such agencies, to provide professional development for the elementary and secondary school teachers in the public and private schools of the school district of each agency.

''(c) COOPERATIVE PROGRAM.—The State higher education agency may use funds described in section 2205(c)(2) to achieve the objectives of section 2207 by establishing cooperative programs among institutions of higher education, private industry, and non-profit organizations, that include one or more local education agencies, for the development and dissemination of projects to improve student performance in academic or work skill areas.

''(d) REPORTING.—In accordance with section 2205(c), 5 percent of the funding available for higher education partnerships may be used by the agency for higher education for evaluating the programs funded under this section. Reports on the progress of programs shall be provided to the State educational agency annually.

"SEC. 2208. LIBRARY AND LITERACY PROGRAMS.

''(a) IN GENERAL.—Except as provided in paragraph (2), the amount apportioned under section 2205(d) from each State's allotment under this section shall be used by the State to assist literacy and education programs in accordance with the provisions of this section.

''(b) GRANTS TO LOCAL PUBLIC LIBRARIES.—(1) In accordance with the State education technology plan filed under section 2209, the State library administrative agency shall make grants available on a competitive basis to local public libraries in the State which demonstrate involvement of one or more local educational agencies and literacy programs or organizations in their activities.

''(2) The amount available under section 2205(d)(2) shall be used for—

''(A) developing programs that help libraries, local educational agencies, and literacy programs use technology to share services and resources and develop collaborative activities that improve their performance and that of the students in academic and work skill areas; and

''(B) professional development for library, literacy, and other appropriate personnel to improve their skills in the use of educational technology and telecommunications.

''(c) COOPERATIVE PROGRAM.—The State library administration agency may use funds described in section 2205(d)(2) to achieve the objectives of section 2208 by establishing cooperative programs among public libraries, literacy organizations, private industries, and nonprofit education organizations, if such programs include one or more local educational agencies.

''(d) REPORTING.—In accordance with section 2205(d), funding available for library and literacy programs may be used by the library administrative agency for reporting and evaluating the programs funded under this section. Reports on the progress of programs shall be provided to the State educational agency annually.

''SEC. 2209. STATE EDUCATIONAL TECHNOLOGY PLAN.

''(a) APPLICATION.—(1) Each State educational agency which desires to receive a grant under this title shall, in consultation with the State agency for higher education and the State library administrative agency, file a single educational technology plan with the Secretary of Education which covers a period of 5 fiscal years. The State educational agency shall be responsible for funding, supervising, and coordinating programs described under this title and shall file the educational technology plan at such time, in such manner, and containing or accompanied by such financial, educational and technological information

as this section requires or as the Secretary may reasonably require.

''(2) Such plan shall be—

''(A) integrated with the State's plan either approved or being developed under the Goals 2000: Educate America Act, and shall satisfy the requirements of this section that are not already addressed by that State plan; or

''(B) if the State does not have an approved plan under the Goals 2000: Educate America Act and is not developing such a plan, integrated with other State plans under this Act and satisfy the requirements of this section.

''(b) CONTENTS OF THE PLAN.—Each such plan shall—

''(1) designate the State agency or agencies responsible for administering the elementary and secondary adult and family programs under section 2206, and the higher education programs under section 2207 and designate the State library administrative agency to administer the library and literacy programs under section 2208 in support of improved student learning;

''(2) describe a financial plan developed by the State educational agency, which shall describe—

''(A) financial assistance mechanisms to best fit the technology needs of the State. Such mechanisms, which must be included in the plan, may include, but not be limited to—

''(i) grants;

''(ii) matching grants;

''(iii) loans;

''(iv) loan guarantees; and

''(v) other credit enhancements.

''(B) describe criteria and approving procedures for submitting applications for programs described in sections 2206, 2207, and 2208 for funding assistance under section 2205 within the State;

''(C) delineate processes for auditing and monitoring the use of funds by recipients;

''(D) describe priorities for awarding funds under various funding mechanisms; and

''(E) construe nothing in subsection (b)(2) to implicitly or explicitly imply that the funds made available under this subsection, through whatever mechanism is chosen by the State agency, and recommended for approval to the Secretary are backed by the full faith and credit of the Federal Government;

''(3) designate the State education agency or another single agency to carry out the financial plan developed by the State education agency and to allocate funds received under sections 2205 and 2212(a)(2). Such designated agency shall be responsible for—

''(A) maintaining appropriate records of allocation of funds, and, in the case of loans, adequate collection procedures and records;

''(B) reporting annually to the Secretary on the use of funds received under section 2212(a)(2);

''(4) describe an implementation strategy to coordinate the expenditure of financial assistance paid under sections 2205 and 2212(a)(2) with other State and local funds, other Federal funds and resources;

''(5) provide assurances that financial assistance provided under section 2205 shall supplement, not supplant, State and local funds;

''(6) describe how business, industry, and other public and private agencies, including libraries, literacy programs, and institutions of higher education, can participate in the implementation, ongoing planning, and support of the plan;

''(7) delineate educational problems and needs in the State, describe all learning environments sup-

ported by the State plan, and specify how the application of technology will address those and other needs including but not limited to the special needs of—

''(A) urban and rural schools;

''(B) students with disabilities; and

''(C) disadvantaged students;

''(8) provide assurances that—

''(A) during the 5-year period of the plan, the State shall evaluate its standards for teacher preparation in the use of technology; and

''(B) programs conducted with State funds available under this title shall be evaluated and an evaluation report shall be submitted to the Secretary at the close of the third year of funding;

''(9) describe how the State educational agency will promote the purchase of equipment by local school districts and schools that, when placed in operation, will provide the greatest accessibility and equity for students and meet the highest level of interoperability and open system design within the emerging broad-based electronic information highway that includes schools within the State;

''(10) describe the State's strategy for ensuring that teachers, administrators and other education personnel have access to the necessary staff development and technical assistance to improve teaching and learning, school administration, and the electronic transfer of, and access to, information;

''(11) establish a method for continuously gathering and disseminating current and emerging information on all aspects of educational technology to all educators within the State;

''(12) describe how the State's planned use of technology is supportive of the national education goals;

''(13) provide performance indicators and an evaluation method for the State plan; and

''(14) create a planning process through which such plan is reviewed and updated periodically.

''(c) APPROVAL OF PLANS.—(1) The State educational agency shall submit a plan for approval to the Secretary who shall expeditiously review such State plan.

''(2) Any State that submits a plan that is not approved shall receive assistance from the Secretary to improve its plan.

"SEC. 2210. LOCAL EDUCATIONAL TECHNOLOGY PLAN.

''(a) APPLICATION.—A local educational agency that desires to receive financial assistance under section 2205, shall submit to the State educational agency (singly or in conjunction with other local educational agencies, institutions of higher education, or an intermediate educational unit) a plan which covers a 3-year period.

''(b) CONTENTS OF THE PLAN.—A local educational agency plan shall—

''(1) assure that the programs will be evaluated, and outcomes reported in terms of —

''(A) the level of implementation of the technology-based resources funded by this title;

''(B) the impact on teaching and learning; and

''(C) the extent to which the school or other appropriate learning environments will sustain the project after funding is terminated;

''(2) be consistent with district level planning for educational technology, and shall support the local and State's curriculum frameworks;

''(3) make provision for technical support and professional development as needed for individual teachers to develop and implement technology-assisted instruction; and

''(4) provide a strategy for the enhanced involvement of parents through the use of technology.

''SEC. 2211. FEDERAL ADMINISTRATION.

''(a) EVALUATION PROCEDURES.—The Secretary shall, with State and local representatives, develop procedures for State and local evaluations of the programs under this title.

''(b) EVALUATION SUMMARY.—The Secretary shall submit to the Congress 4 years after the enactment of this bill a summary of the State evaluations of programs under this subpart.

''SEC. 2212. ALLOCATION OF FUNDS.

''(a) IN GENERAL.—(1) From the amount appropriated under section 2213 for any fiscal year, the Secretary shall reserve—

''(A) not more than one half of one percent for allocation among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this subpart; and

''(B) one half of 1 percent for programs for Indian students served by schools funded by the Secretary of the Interior consistent with the purposes of this subpart;

''(2) The remainder of the amount so appropriated after meeting the requirements of paragraph (1) shall be

allocated among the States (for purposes of this section, the District of Columbia and Puerto Rico shall be considered as States) with approved State plans under section 2209 as follows—

''(A) ½ of such remainder shall be allocated among the States by allocating to each State an amount which bears the same ratio to such ½ of such remainder as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all States;

''(B) ½ of such remainder shall be allocated among the States according to each State's share of allocations under part A of title I of the Elementary and Secondary Education Act of 1965, except that no State shall receive less than ½ of 1 percent of the amount available under this subsection in any fiscal year or less than the amount allotted to such State for fiscal year 1988 under title II of the Education for Economic Security Act;

''(C) for the purposes of this subsection, the term ''State'' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; and

''(D) the number of children aged 5 to 17, inclusive, in the State and in all States shall be deter-

mined by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

''(3) The Secretary shall make payments under paragraphs (1)(A) and (1)(B) on whatever terms the Secretary determines will best carry out the purposes of title I of this Act.

''(b) REALLOTMENT OF UNUSED FUNDS.—(1) The amount of any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year to carry out part B of title II shall be available for reallotment from time to time, on such dates during such year as the Secretary may determine, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year.

''(2) The total of reductions under paragraph (1) shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a subpart of its allotment under subsection (a) for such year.

"SEC. 2213. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $300,000,000 for this subpart for 1995 and such sums as may be necessary for each of the fiscal years 1996 through 1999.

"Subpart 2—Research, Development, and Demonstration of Educational Technology

"SEC. 2214. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds that—

''(1) technology has the potential to assist and support the improvement of teaching and learning in schools and other settings;

''(2) technology can provide students, parents, teachers, and other education professionals with increased access to information, instruction, and educational services in schools and other settings, including homes, libraries, preschool and child-care facilities, and postsecondary institutions;

''(3) technology can produce far greater opportunities for all students to learn to high standards and to promote efficiency and effectiveness in education; and

''(4) the rapidly changing nature of technology requires coordination and flexibility in Federal leadership.

''(b) PURPOSES.—The purposes of this subpart are to promote achievement of the National Education Goals and

to increase the opportunity for all students to achieve to challenging State standards by—

''(1) promoting awareness of the potential of technology for improving teaching and learning;

''(2) supporting State and local efforts to increase the effective use of technology for education;

''(3) demonstrating ways in which technology can be used to improve teaching and learning, and to help ensure that all students have an equal opportunity to meet challenging State education standards;

''(4) ensuring the availability of knowledge drawn from research and experience that can form the basis for sound State and local decisions about investment in, and effective uses of, educational technology;

''(5) promoting high-quality professional development opportunities for teachers and administrators on the integration of technology into instruction and administration;

''(6) ensuring that Federal technology-related policies and programs facilitate the use of technology in education; and

''(7) ensuring that, as technological advances are made, the educational uses of these advances are considered and their applications are developed.

"SEC. 2215. OFFICE OF EDUCATIONAL TECHNOLOGY.

''There is established in the Department an Office of Educational Technology, which shall be administered by a Director of Educational Technology appointed by the Secretary. The Office of Educational Technology, in consultation with other appropriate agencies, shall provide leadership to the Nation in the use of technology to promote achievement of the National Education Goals and to increase opportunities for all students to achieve to challenging State standards, and shall perform such additional functions as the Secretary may require.

"SEC. 2216. NATIONAL LONG-RANGE PLAN.

''(a) IN GENERAL.—(1) The Secretary shall develop and publish by September 30, 1995, and update when appropriate, a national long-range plan to carry out the purposes of this subpart.

''(2) The Secretary shall—

''(A) develop the plan in consultation with other Federal agencies, State and local education practitioners and policy-makers, experts in technology and the educational applications of technology, and providers of technology services and products;

''(B) transmit the plan to the President and to the appropriate committees of the Congress; and

''(C) publish the plan in a form that is readily accessible to the public.

''(b) CONTENTS OF THE PLAN.—The national long-range plan shall describe the Secretary's activities to promote the purposes of this subpart, including—

''(1) how the Secretary will encourage the effective use of technology to provide all students the opportunity to achieve to challenging State standards, especially through programs administered by the Department;

''(2) joint activities with other Federal agencies, such as the National Endowment for the Humanities, the National Endowment for the Arts, the National Aeronautics and Space Administration, the National Science Foundation, and the Departments of Commerce, Energy, Health and Human Services, and Labor, to promote the use of technology in education, and training and lifelong learning, including plans for the educational uses of a national information infrastructure, and to ensure that the policies and programs of such agencies facilitate the use of technology for educational purposes to the extent feasible;

''(3) how the Secretary will work with educators, State and local educational agencies, and appropriate representatives of the private sector to facilitate the effective use of technology in education;

''(4) how the Secretary will promote—

''(A) increased access to the benefits of technology for teaching and learning for schools with high concentrations of children from low-income families;

''(B) the use of technology to assist in the implementation of State systemic reform strategies;

''(C) the application of technological advances to use in education; and

''(D) increased opportunities for the professional development of teachers in the use of new technologies;

''(5) how the Secretary will determine, in consultation with appropriate individuals, organizations, and agencies, the feasibility and desirability of establishing guidelines and protocols to facilitate effective use of technology in education; and

''(6) the Secretary's long-range measurable goals and objectives relating to the purposes of this subpart.

''SEC. 2217. FEDERAL LEADERSHIP.

''(a) PROGRAM AUTHORIZED.—(1) In order to provide Federal leadership in promoting the use of technology in education, the Secretary, in consultation with the National Science Foundation, the Department of Commerce, and other appropriate Federal agencies, may carry out activi-

ties designed to achieve the purposes of this subpart directly or by awarding grants (pursuant to a peer review process) to, or entering into contracts with, State educational agencies, local educational agencies, institutions of higher education, or other public and private nonprofit or for-profit agencies and organizations.

''(2) For the purpose of carrying out coordinated or joint activities consistent with the purposes of this subpart, the Secretary may accept funds from, and transfer funds to, other Federal agencies.

''(b) USES OF FUNDS.—The Secretary may use funds appropriated under this subpart for activities designed to carry out the purpose of this subpart, and to meet the goals and objectives of the national long-range plan under section 2216, including—

''(1) planning grants to States and local education agencies, to enable such entities to examine and develop strategies for the effective use of technology to help achieve the objectives of the Goals 2000: Educate America Act and the School-to-Work Opportunities Act of 1993;

''(2) development grants to technical assistance providers, to enable them to improve substantially the services they offer to educators on the educational uses of technology, including professional development;

''(3) consulting with representatives of industry, elementary and secondary education, higher education, and appropriate experts in technology and its educational applications in carrying out activities under this subpart;

''(4) research on, and the development of, guidelines and protocols to facilitate efficient and effective use of technology in education;

''(5) research on, and the development of, educational applications of the most advanced and newly emerging technologies;

''(6) the development, demonstration, and evaluation of applications of existing technology in preschool education, elementary and secondary education, training and lifelong learning, and professional development of educational personnel;

''(7) the development and evaluation of software and other products, including television programming, that incorporate advances in technology and help achieve the National Education Goals and challenging State standards;

''(8) the development, demonstration, and evaluation of model strategies for preparing teachers and other personnel to use technology effectively to improve teaching and learning;

''(9) the development of model programs to demonstrate the educational effectiveness of technology in urban and rural areas and economically-distressed communities;

''(10) research on, and the evaluation of, the effectiveness and benefits of technology in education;

''(11) conferences on, and dissemination of information about, the uses of technology in education;

''(12) the development of model strategies to promote gender equity concerning access to, and the use of, technology in the classroom; and

''(13) such other activities as the Secretary determines would meet the purposes of this subpart.

''(c) NON-FEDERAL SHARE.—(1) Subject to paragraph (2), the Secretary is authorized to require any recipient of a grant or contract under this subpart to share in the cost of its project, which share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

''(2) The Secretary may increase the non-Federal share required of such recipient after the first year of the recipient's project, except that such share may not exceed 50 percent at any time during the recipient's project.

"SEC. 2218. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1999.

"Subpart 3—Star Schools Program

"SEC. 2219. FINDINGS.

"SEC. 3121. The Congress finds that—

"(1) the Star Schools program has helped to encourage the use of distance learning strategies to serve multi-State regions primarily by means of satellite and broadcast television;

"(2) in general, distance learning programs have been used effectively to provide students in small, rural, and isolated schools with courses and instruction, such as science and foreign language instruction, that the local educational agency would not otherwise have been able to provide; and

"(3) distance learning programs could also be used to—

"(A) provide students in all types of schools and local educational agencies with greater access to high-quality instruction in the full range of core academic subjects that would enable them to meet challenging, internationally competitive, educational standards;

''(B) expand professional development opportunities for teachers;

''(C) contribute to achievement of the National Education Goals; and

''(D) expand learning opportunities for everyone.

''SEC. 2220. STATEMENT OF PURPOSE.

''The purpose of this subpart is to encourage the expansion and use of distance learning programs and technologies to help—

''(1) improve teaching and learning;

''(2) achieve the National Education Goals;

''(3) all students learn to challenging State content standards; and

''(4) increase participation in State and local educational reform.

''SEC. 2221. PROGRAM AUTHORIZED.

''(a) STAR SCHOOL AWARDS.—The Secretary is authorized, in accordance with this subpart, to make grants to eligible entities for the Federal share of the cost of providing distance learning programs, including—

''(1) developing, constructing, and acquiring telecommunications facilities and equipment;

''(2) developing and acquiring instructional programming; and

''(3) providing technical assistance regarding the use of such facilities and instructional programming.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1999.

''(c) LIMITATIONS.—(1) A grant under this section shall not exceed—

''(A) five years in duration; and

''(B) $10,000,000 in any one fiscal year.

''(2) Not less than 25 percent of the funds available to the Secretary for any fiscal year under this subpart shall be used for the cost of instructional programming.

''(3) Not less than 50 percent of the funds available to the Secretary for any fiscal year under this subpart shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies that are eligible to receive assistance under part A of title I of this Act.

''(d) FEDERAL SHARE.—(1) The Federal share of the cost of projects funded under this section shall not exceed 75 percent for the first and second years of the award, 60 percent for the third and fourth years, and 50 percent for the fifth year.

''(2) The Secretary may reduce or waive the requirement of the non-Federal share under paragraph (1) upon a showing of financial hardship.

''(e) AUTHORITY TO ACCEPT FUNDS FROM OTHER AGENCIES.—The Secretary is authorized to accept funds from other agencies to carry out the purposes of this section, including funds for the purchase of equipment.

''SEC. 2222. ELIGIBLE ENTITIES.

''(a) ELIGIBLE ENTITIES.—(1) The Secretary may make a grant under section 2221 to any eligible entity, provided that at least one local educational agency is participating in the proposed project.

''(2) An eligible entity may include—

''(A) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interests of elementary and secondary schools that are eligible to participate in the program under part A of title I of this Act; or

''(B) any two or more of the following, which will provide a telecommunications network:

''(i) a local educational agency that has a significant number of elementary and secondary schools that are eligible for assistance under part A of title I of this Act, or elementary and secondary schools operated or funded for Indian children by the Department of the Interior eligible under section 1121(b)(1) of this Act;

''(ii) a State educational agency;

''(iii) an institution of higher education or a State higher education agency;

''(iv) a teacher training center or academy that—

''(I) provides teacher pre-service and in-service training; and

''(II) receives Federal financial assistance or has been approved by a State agency;

''(v)(I) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through satellite, cable, telephone, or computer; or

''(II) a public broadcasting entity with such experience; or

''(vi) a public or private elementary or secondary school.

''SEC. 2223. APPLICATIONS.

''(a) GENERAL REQUIREMENT.—Each eligible entity that desires to receive a grant under this subpart shall submit an application to the Secretary in such form, at such time, and containing such information and assurances as the Secretary may require.

''(b) STAR SCHOOL AWARD APPLICATIONS.—Each application for a grant authorized under section 2221 shall—

''(1) describe—

''(A) how the proposed project will assist in achieving the National Education Goals set out in title I of the Goals 2000: Educate America Act, how it will assist all students to have an opportunity to learn to challenging State standards, and how it will assist State and local educational reform efforts;

''(B) the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

''(i) the design, development, construction, and acquisition of district, multidistrict, State, or multistate edu-

cational telecommunications networks and technology resource centers;

''(ii) microwave, fiber optics, cable, and satellite transmission equipment, or any combination thereof;

''(iii) reception facilities, satellite time, production facilities, and other telecommunications equipment capable of serving the intended geographic area;

''(iv) the provision of training services to instructors who will be using the facilities and equipment for which assistance is sought in using such facilities and equipment, and in integrating programs into the class curriculum; and

''(v) the development of educational and related programming for use on a telecommunications network;

''(C) the types of programming that will be developed to enhance instruction and training, including an assurance that such programming will be designed in consultation with professionals who are experts in the applicable subject matter and grade level;

''(D) how the eligible entity has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible entity will increase the availability of courses of instruction in English, mathematics, science, foreign languages, arts, history, geography, or other disciplines;

''(E) the professional development policies for teachers and other school personnel to be implemented to ensure the effective use of the telecommunications facilities and equipment for which assistance is sought;

''(F) the manner in which historically underserved students (such as students from low-income families, limited English proficient students, disabled students, or students who have low literacy skills) and their families will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this subpart;

''(G) how existing telecommunications equipment, facilities, and services, where available, will be used;

''(H) the activities or services for which assistance is sought, such as—

''(i) providing facilities, equipment, training services, and technical assistance;

''(ii) making programs accessible to individuals with disabilities through mechanisms such as closed captioning and descriptive video services;

''(iii) linking networks around issues of national importance (such as elections) or to provide information about employment opportunities, job training, or student and other social service programs;

''(iv) sharing curriculum materials between networks;

''(v) providing teacher and student support services;

''(vi) incorporating community resources such as libraries and museums into instructional programs;

''(vii) providing professional development for teachers, including, as appropriate, training to early childhood development and Head Start teachers and staff and vocational education teachers and staff; and

''(viii) providing programs for adults at times other than the regular school day in order to maximize the use of telecommunications facilities and equipment; and

''(I) how the proposed project as a whole will be financed and how arrangements for future financing will be developed before the project expires;

''(2) provide an assurance that a significant portion of any facilities, equipment, technical assistance, and programming for which assistance is sought for elementary and secondary schools will be made available to schools in local educational agencies that have a high percentage of children counted for the purpose of part A of title I of this Act; and

''(3) provide an assurance that the applicant will provide such information and cooperate in any evaluation that the Secretary may conduct under this subpart.

''(c) PRIORITIES.—The Secretary shall, in approving applications for grants authorized under section 2221, give priority to applications that—

''(1) propose high-quality plans to assist in achieving one or more of the National Education

Goals as set out in title I of the Goals 2000: Educate America Act, would provide instruction consistent with State content standards, or would otherwise provide significant and specific assistance to States and local educational agencies undertaking systemic education reform under title III of the Goals 2000: Educate America Act; and

''(2) would serve schools with significant numbers of children counted for the purposes of part A of title I of this Act.

''(d) GEOGRAPHIC DISTRIBUTION.—In approving applications for grants authorized under section 2221, the Secretary shall, to the extent feasible, ensure an equitable geographic distribution of services.

''SEC. 2224. LEADERSHIP AND EVALUATION ACTIVITIES.

''(a) SET-ASIDE.—From amounts appropriated under section 2221(b), the Secretary may reserve up to 10 percent for national leadership, evaluation, and peer review activities.

''(b) METHOD OF FUNDING.—The Secretary may fund the activities described in subsection (a) directly or through grants, contracts, and cooperative agreements.

''(c) USES OF FUNDS.—(1) Funds reserved for leadership activities may be used for—

''(A) disseminating information, including lists and descriptions of services available from recipients; and

''(B) other activities designed to enhance the quality of distance learning activities nationwide.

''(2) Funds reserved for evaluation activities shall be used to conduct independent evaluations of the Star Schools program under this subpart and of distance learning in general, including—

''(A) analyses of distance learning efforts, including both Star Schools projects and efforts not funded by the program under this subpart; and

''(B) comparisons of the effects, including student outcomes, of different technologies in distance learning efforts.

''(3) Funds reserved for peer review activities may be used for peer review of both proposals and funded projects.

''SEC. 2225. DEFINITIONS.

''For the purpose of this subpart, the following terms have the following meanings:

''(1) The term 'educational institution' means an institution of higher education, a local educational agency, or a State educational agency.

''(2) The term 'instructional programming' means courses of instruction and training courses for

elementary and secondary students, teachers, and others, and materials for use in such instruction and training that have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices.

''(3) The term 'public broadcasting entity' has the same meaning given that term in section 397 of the Communications Act of 1934.

''Subpart 4—Development of Educational Technology Products

''SEC. 2226. EDUCATIONAL TECHNOLOGY PRODUCT DEVELOPMENT.

''(a) PURPOSE.—It is the purpose of this section to support the development of curriculum-based learning resources and systems using state-of-the-art technologies and techniques designed to improve student learning.

''(b) FEDERAL ASSISTANCE AUTHORIZED.—

''(1) IN GENERAL.—The Secretary shall provide assistance, on a competitive basis, to eligible consortia to enable such entities to develop, produce, and distribute state-of-the-art technology-enhanced instructional resources and programming for use in the classroom or to support professional development for teachers.

''(2) GRANTS AND LOANS AUTHORIZED.—In carrying out the purposes of this section, the Secretary is authorized to pay the Federal share of the cost of the development, production, and distribution of state-of-the-art technology enhanced instructional resources and programming—

''(A) by awarding grants to, or entering into contracts or cooperative agreements with eligible consortia; or

''(B) by awarding loans to eligible consortia which—

''(i) shall be secured in such manner and be repaid within such period, not exceeding 20 years, as may be determined by the Secretary;

''(ii) shall bear interest at a rate determined by the Secretary which shall be not more than the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury;

''(iii) may be forgiven by the Secretary, in an amount not to exceed 25 percent of the total loan, under such terms and

conditions as the Secretary may consider appropriate.

''(3) FEDERAL SHARE.—The Secretary shall require any recipient of a grant, contract, or loan under this section to share in the cost of the activities supported with such assistance.

''(4) ELIGIBLE CONSORTIUM.—For the purpose of this section, the term 'eligible consortium' means a consortium consisting of—

''(A) State or local educational agencies in partnership with business, industry, or telecommunications entity;

''(B) a business, industry, or telecommunications entity;

''(C) a public or private nonprofit organization; or

''(D) an institution of higher education.

''(5) PRIVATE SECTOR ADVISORY BOARD.—The Secretary shall establish an advisory board which shall provide advice and counsel to the Secretary concerning the most effective means of implementing the provisions of this section. Such board shall—

''(A) include educators, school administrators, and policymakers knowledgeable about the

technology and curriculum needs of State and local education agencies;

''(B) include representatives of private for-profit and nonprofit entities engaged in the production and development of educational software and other technology-based learning resources;

''(C) make recommendations to the Secretary concerning the types and terms of Federal financial assistance which promise to be most effective in advancing the purposes of this section;

''(D) regularly evaluate the implementation of this section.

''(6) PRIORITIES.—In awarding assistance under this section, the Secretary shall give priority to applications describing programs or systems that—

''(A) promote the acquisition of higher-order thinking skills and promise to raise the achievement levels of all students, particularly disadvantaged students who are not realizing their potential;

''(B) are aligned with challenging content standards and State and local curriculum frameworks;

''(C) may be adapted and applied nationally at a reasonable cost;

''(D) covert technology resources developed with support from the Department of Defense and other Federal agencies for effective use in the classroom;

''(E) promise to reduce the costs of providing high-quality instruction;

''(F) promise to expand access to high-quality instruction in content areas which would otherwise not be available to students in rural and urban communities or who attend other educational agencies with limited financial resources.

''(7) REQUIREMENTS FOR FEDERAL ASSISTANCE.—Each eligible consortium desiring Federal assistance under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe. Each application shall include—

''(A) a description of how the program or system shall improve the achievement levels of students;

''(B) a description of how teachers associated with the program will be trained to integrate technology in the classroom;

''(C) a description of how the design, development, piloting, field testing, and distribution of the program or system will be carried out;

''(D) an assurance that the program or system shall effectively serve a large number or percentage of economically disadvantaged students;

''(E) plans for dissemination to a wide audience of learners; and

''(F) provisions for closed captioning or descriptive video where appropriate.

''(c) EVALUATION.—The Secretary shall provide for the independent evaluation of programs or systems developed with assistance under this section and shall regularly collect and disseminate to State and local educational agencies and to the public information about the usefulness and effectiveness of such programs or systems.

''(d) ROYALTIES.—Notwithstanding any other provision of law, the Secretary is authorized to require that a portion of any royalty paid as a result of assistance provided under this section be deposited in a central fund for the purposes of—

''(1) recovering all or part of the Federal share of the costs of developing, producing, and distributing the product for which such royalty is paid; and

''(2) carrying out the provisions of this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $50,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996, 1997, 1998, and 1999.

''PART C—LIBRARY MEDIA PROGRAM

''SEC. 2231. ESTABLISHMENT OF PROGRAM.

''The Secretary shall award grants from allocations under section 2232 to States for the acquisition of school library media resources for the use of students, library media specialists, and teachers in elementary and secondary schools.

''SEC. 2232. ALLOCATION TO STATES.

''From the amount appropriated pursuant to section 2205 in each fiscal year, the Secretary shall allocate to each State having an approved plan under section 2233 as follows:

''(1) For appropriations below $50,000,000, at the discretion of the Secretary, taking into account such factors as the age and condition of the State's existing library media collections.

''(2) For appropriations of $50,000,000 and above to each State an amount which bears the same ratio to such funds as the amount such State received under section 1122 of title I bears to the amount all

States received under section 1122 in such year; except that no State shall receive less than one-half of one percent of such funds.

"SEC. 2233. STATE PLANS.

"(a) IN GENERAL.—In order for a State to receive an allocation of funds under section 2232 for any fiscal year, such State shall have in effect for such fiscal year a State plan. Such plan shall—

"(1) designate the State educational agency as the State agency responsible for the administration of the program described in this part;

"(2) set forth a program under which funds paid to the State from its allocation under section 2202 will be expended solely for—

"(A) acquisition of school library media resources, including foreign language resources, for the use of students, school library media specialists, and teachers in elementary and secondary schools in the United States; and

"(B) administration of the State plan, including development and revision of standards, relating to school library media resources; except that the amount used for administration of the State plan in any fiscal year shall not exceed 5

percent of the amount allocated to such State under section 2232 for such fiscal year; and

''(3) set forth the criteria to be used in allotting funds for school library media resources among the local educational agencies of the State, which allotment shall take into consideration the relative need of the students, school media specialists, and teachers to be served.

''(b) PLAN SUBMISSION.—The State plan may be submitted as part of a consolidated application under section 9302.

''SEC. 2234. DISTRIBUTION OF ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

''From the funds allocated to a State under section 2202 in each fiscal year, such State shall distribute not less than 99 percent of such funds in such year to local educational agencies within such State according to the relative enrollment of students in elementary and secondary schools within the school districts of such State, adjusted to provide higher per-pupil allotments to local educational agencies that have the greatest number or percentages of students whose education imposes a higher than average cost per child, such as those students—

''(1) living in areas with high concentrations of low-income families;

''(2) from low-income families; and

''(3) living in sparsely populated areas.

''SEC. 2235. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $200,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART D—SUPPORT AND ASSISTANCE FOR ESEA PROGRAMS

''SEC. 2341. FINDINGS.

''The Congress finds that—

''(1) high-quality technical assistance can enhance the improvements in teaching and learning achieved through the implementation of programs under this Act;

''(2) comprehensive technical assistance and effective program dissemination are essential ingredients of the overall strategy of the reauthorization of this Act to improve programs and to provide all children opportunities to meet challenging State performance standards;

''(3) States, local educational agencies, tribes, and schools serving students with special needs, such as students with limited English proficiency, have great need for comprehensive technical assistance in

order to use funds under this Act to provide such students with opportunities to learn to challenging State standards;

''(4) current technical assistance and dissemination efforts are fragmented and categorical in nature, and thus fail to address adequately the needs of States and local educational agencies and tribes for help in integrating into a coherent strategy for improving teaching and learning the various programs under this Act with State and local programs and other education reform efforts;

''(5) too little creative use is made of technology as a means of providing information and assistance in a cost-effective way;

''(6) comprehensive technical assistance can help schools and school systems focus on improving opportunities for all children to reach challenging State performance standards, as they implement programs under this Act;

''(7) comprehensive technical assistance would provide coordinated assistance to help States, local educational agencies, tribes, participating colleges and universities, and schools integrate Federal, State, and local education programs in ways that contribute to improving schools and entire school systems;

''(8) technical assistance in support of programs under this Act should be coordinated with the Department's regional offices, the regional educational laboratories, State Literacy Resource Centers, vocational resource centers, and other technical assistance efforts supported by the Department;

''(9) technical assistance providers should prioritize assistance to local educational agencies and schools; and

''(10) technical assistance should both encourage the integration of categorical programs and ensure that students with special needs, such as limited English proficiency students, are served fully.

''SEC. 2342. PURPOSE.

''The purpose of this part is to create a national technical assistance and dissemination system to make available to States, local educational agencies, tribes, schools, and other recipients of funds under this Act technical assistance in—

''(1) implementing programs authorized by this Act in a manner that improves teaching and learning for all students;

''(2) coordinating those programs with other Federal, State, and local education plans and activities, so that all students are provided opportunities to

meet challenging State performance standards, in particular students at risk of educational failure; and

''(3) adopting, adapting, and implementing promising and proven practices for improving teaching and learning.

''SEC. 2343. PROGRAMS AUTHORIZED.

''(a) COMPREHENSIVE ASSISTANCE CENTERS.—The Secretary is authorized to award grants or enter into contracts with public or private nonprofit entities or consortia to establish a networked system of 15 centers to provide comprehensive research-based training and technical assistance to States, local educational agencies, schools, tribes, community-based organizations, and other recipients of funds under this Act in their administration and implementation of programs authorized by this Act. In establishing centers and allocating resources among the centers, the Secretary shall consider the geographic distribution of title I students; the geographic and linguistic distribution of students of limited English proficiency; the geographic distribution of Indian students; the special needs of students living in rural areas; and the special needs of States and territories in geographic isolation.

''(b) STATE-BASED ASSISTANCE.—The Secretary is authorized to award grants or enter into contracts with public and private nonprofit entities to establish an assist-

ance agency in each State and territory and in the Bureau of Indian Affairs. This program shall be called the National Diffusion Network and will assist States, local educational agencies, and schools in identifying and securing appropriate, high-quality technical assistance, provide information on and assistance in adopting effective programs and practices, and work cooperatively with the Comprehensive Assistance Centers to improve teaching and learning and raise standards for all students.

''(c) ACCOUNTABILITY.—To ensure the quality and effectiveness of the comprehensive assistance centers supported under this part, the Secretary shall—

''(1) provide for an external peer review (including representatives of the populations served under this Act) of the centers under this part every 2 years;

''(2) develop, in consultation with the Assistant Secretary for Elementary and Secondary Education, the Director of Bilingual Education and Minority Languages Affairs, and the Assistant Secretary for Educational Research and Improvement, a set of performance indicators, for use during the peer reviews required by paragraph (1), that assesses whether the work of the centers assists in improving teaching and learning under this Act for all children, in particular children at risk of educational failure;

''(3) require each center to publish, and disseminate widely throughout its region, an annual report on its services and accomplishments and how those services and accomplishments relate to the performance indicators developed under paragraph (2);

''(4) conduct periodic surveys of users of the centers' services to determine if users are satisfied with the access to and quality of such services;

''(5) collect, as part of the Department's reviews of programs under this Act, information about the availability and quality of services provided by the centers, and share that information with the centers;

''(6) take whatever steps are reasonable and necessary to ensure that each center performs its responsibilities in a satisfactory manner, which may include termination of an award under this part (if the Secretary concludes that performance has been unsatisfactory) and the selection of a new center, as well as whatever interim arrangements the Secretary determines are necessary to ensure the satisfactory delivery of services under this part to the affected region; and

''(7) provide for an independent evaluation of the system of technical assistance centers authorized by this part and report the results of that evaluation

to Congress prior to the next reauthorization of this Act.

''(c) CONTRACT PERIOD.—Grants or contracts awarded under this section shall be awarded for a period of 5 years following the extension of contracts and grants under section 2206(c).

''SEC. 2344. REQUIREMENTS OF COMPREHENSIVE ASSISTANCE CENTERS.

''Each comprehensive assistance center established under section 2343(a)—

''(1) shall maintain staff expertise in at least all of the following areas:

''(A) Instruction, curriculum improvement, assessment, school reform, and other aspects of title I of this Act.

''(B) Meeting the needs of children served under this Act, including children in high-poverty areas, migratory children, immigrant children, children with limited English proficiency, neglected or delinquent children, homeless children and youth, Indian children, and children with disabilities and where applicable, Alaskan Native children and Native Hawaiian children.

''(C) Professional development for teachers, other school staff, and administrators to help stu-

dents meet challenging State performance standards.

''(D) Bilingual education, including programs that emphasize English and native language proficiency and promote multicultural understanding.

''(E) Safe and drug-free schools.

''(F) Educational applications of technology.

''(G) Parent involvement and participation.

''(H) The reform of schools and school systems.

''(I) Program evaluation.

''(J) Coordination of services.

''(K) School governance and management.

''(L) Partnerships between the public and private sector, including the formation of partnerships between schools and businesses.

''(2) shall ensure, where appropriate, staff expertise in the special needs of students living in rural areas and in the special needs of local education agencies serving rural areas;

''(3) shall ensure that technical assistance staff have sufficient training, knowledge, and expertise in how to integrate and coordinate programs under this

Act with each other, as well as with other Federal, State, and local programs and reforms, and reflect the diverse linguistic and cultural expertise appropriate to the region served;

''(4) shall provide technical assistance using the highest quality and most cost-effective strategies possible;

''(5) shall coordinate services, work cooperatively, and regularly share information with the regional education laboratories, the Eisenhower Regional Math and Science consortia, research and development centers, and other entities engaged in research, development, dissemination, and technical assistance activities which are supported by the Department of Education as part of a Federal technical assistance system, to provide a broad range of support services to schools in the region while minimizing the duplication of such services; and

''(6) shall provide services to States, local educational agencies, tribes, and schools through or in coordination with the State Facilitators of the National Diffusion Network as authorized in section 2343(b) in order to better implement the purposes of this section and provide the support and assistance diffusion agents need to carry out their mission effectively.

"SEC. 2345. DUTIES OF COMPREHENSIVE ASSISTANCE CENTERS.

"(a) IN GENERAL.—Each center established under section 2303(a) shall provide comprehensive, integrated technical assistance services focused on improving teaching and learning.

"(b) SUPPORT AND ASSISTANCE.—Comprehensive centers shall provide support and assistance to State educational agencies, tribal divisions of education, local educational agencies, schools, and other grant recipients under this Act in—

"(1) the development of plans for integrating programs under this Act with other Federal programs and with State, local and tribal reform efforts;

"(2) the development, selection, and use of challenging, high-quality curricula aligned with high standards and assessments;

"(3) the identification, adaptation, or development of instructional strategies and materials which meet the needs of children receiving assistance under this Act;

"(4) the development of valid, reliable, and nondiscriminatory systems of assessment which reflect recent advances in the field of education assessment;

"(5) the development, selection, and implementation of effective schoolwide projects;

''(6) improving the capacity of educators, school administrators, counselors, and other school personnel to assist students to reach challenging standards, especially those students furthest from such standards, through the expansion and strengthening of professional development activities;

''(7) expanding and improving opportunities for parents to participate in the education of their children at home and at school;

''(8) creating safe and drug-free environments, especially in areas experiencing high levels of drug use and violence in the community and schools;

''(9) the coordination of services and programs to meet the needs of students so that they can fully participate in the educational program of the school;

''(10) the evaluation of educational programs;

''(11) educational applications of technology, when appropriate, in coordination with the regional mathematics and science education consortia;

''(12) reforming the governance and management of schools; and

''(13) establishing public/private education partnerships, including school/business partnerships.

''(c) ADDITIONAL DUTIES.—Additional duties include—

''(1) assisting States, local educational agencies, tribal divisions of education, and schools in replicating and adapting exemplary and promising educational programs, policies, and practices through or in coordination with the National Diffusion Network State Facilitator;

''(2) assisting State educational agencies and local educational agencies to develop school support teams to work with schoolwide programs under title I of this Act; and

''(3) assisting State educational agencies, local educational agencies, and the National Diffusion Network State Facilitators to increase their capacity to provide high-quality technical assistance in support of programs under this Act.

''SEC. 2346. MAINTENANCE OF SERVICE.

''(a) MAINTENANCE OF EFFORT.—The Secretary shall ensure that the comprehensive assistance centers funded under this part provide technical assistance services that address the needs of bilingual, migrant, immigrant, and Indian students that are at least comparable to the level of such technical assistance services provided under programs administered by the Secretary prior to the date of the enactment of the Improving America's Schools Act of 1994.

''(b) MINIMUM FUNDS.—

''(1) MAINTENANCE OF EFFORT.—In awarding grants or contracts for comprehensive assistance centers, the Secretary shall ensure that the proportion of funds used to provide services that address the needs of limited-English-proficient, immigrant, and migrant students shall be no less than the proportion of funds expended under grants or contracts expiring in fiscal year 1995 for categorical technical assistance centers serving limited-English-proficient and migrant students.

''(2) INDIAN STUDENTS.—In awarding grants or contracts for comprehensive assistance centers, the Secretary shall ensure that the proportion of funds used to provide services that address the need of Indian students through the comprehensive centers established in section 2343(a) shall be no less than the proportion of funds expended under grants or contracts expiring in fiscal year 1995 for technical assistance centers serving Indian students.

''(c) APPLICATION.—Applications for funds under subsection (a)(2) shall include how centers will—

''(1) provide expertise in the areas listed in section 2344(l);

''(2) work with the National Diffusion Network authorized in section 2343(b) to conduct outreach to local educational agencies prioritized in section 2348;

''(3) demonstrate support from States and local educational agencies and tribes in the area to be served;

''(4) ensure a fair distribution of services to urban and rural areas;

''(5) utilize technology to provide technical assistance; and

''(6) provide other information the Secretary may require.

In approving applications to comprehensive centers serving Indian students, the Secretary shall give priority to applications from consortia that include Indian educational agencies, organizations, or institutions.

''(d) TRANSITION.—The Secretary shall, notwithstanding any other provision of law, use funds appropriated under section 2351 to extend or continue existing contracts and grants for categorical technical assistance centers and for National Diffusion Network State Facilitator and Developer Demonstrators through fiscal year 1995 and take other necessary steps to ensure a smooth transition of this part.

"SEC. 2347. STATE-BASED ACTIVITIES.

''(a) PURPOSES.—The Secretary shall establish a State-based outreach, dissemination, training, and consultation component of the National Technical Assistance and Dissemination System through the National Diffusion Network and its State Facilitators.

''(b) IN GENERAL.—The Department of Education, through the Office of Educational Research and Improvement shall award grants or enter into contracts with public or private nonprofit educational organizations or institutions in each State with demonstrated experience, expertise, and commitment in the areas of applied education research and program dissemination to carry out activities described in subsection (c).

''(c) NATIONAL DIFFUSION NETWORK STATE FACILITATOR.—National Diffusion Network State Facilitators shall work in coordination with the comprehensive assistance centers to assist State educational agencies, local educational agencies, tribal divisions of education, and schools to—

''(1) define their technical assistance needs and align them with school reform, professional development, and technology plans;

''(2) secure the technical assistance services that can best fulfill their needs by utilizing Department of Education technical assistance centers, regional edu-

cation laboratories, Eisenhower Regional consortia, State Literacy Resource Centers, and other technical assistance providers including local providers of professional development services;

''(3) identify educational technology needs and secure the necessary technical assistance to address them;

''(4) prepare for on-site, intensive technical assistance provided by the comprehensive centers, labs, or other service providers;

''(5) utilize technology, including regional and national electronic networks, to increase their access to technical assistance, professional development services, and dissemination of exemplary practices and materials;

''(6) deliver high-quality professional development services to their school-based educators; and

''(7) provide organizational development services to facilitate school-based change.

''(d) ADDITIONAL DUTIES.—In addition, National Diffusion Network State Facilitators shall—

''(1) disseminate information about school reform and effective and promising practices and help local educational agencies and schools adapt them to their needs;

''(2) facilitate communications between educators to assist the sharing of promising practices and to foster school reform and professional development;

''(3) coordinate their activities with school support teams and distinguished educators in their State;

''(4) coordinate, work cooperatively with, and regularly share information with the comprehensive centers, the Regional Education Laboratories, and other entities engaged in research, development, dissemination, and technical assistance activities which are supported by the Department of Education;

''(5) develop and implement an aggressive outreach plan for reaching the local educational agencies and schools identified as priorities in section 2308; and

''(6) provide technical, dissemination, and support assistance to States, local educational agencies, and schools using the highest quality and most cost-effective methods available.

''(e) NATIONAL DIFFUSION NETWORK EFFECTIVE PRACTICES.—The Secretary shall develop a system of validating effective programs and promising practices for dissemination through the National Diffusion Network. Such programs may include exemplary programs funded through any office of the Department of Education, the National

Science Foundation, or other Federal agencies. Such a system should be coordinated, aligned with, and administered by the Office of Educational Research and Improvement Office of Reform Assistance and Dissemination. The Secretary shall give priority to identifying, validating, and disseminating effective schoolwide projects, programs addressing the needs of high poverty schools, and programs with the capacity to offer high-quality, sustained technical assistance. The Office of Educational Research and Improvement Office of Reform Assistance and Dissemination shall also administer a grants program to such validated Effective Practices for the purpose of dissemination and the provision of technical assistance.

''SEC. 2348. PROGRAM PRIORITIES.

''Both the comprehensive centers and the National Diffusion Network shall give priority service to schoolwide projects, local educational agencies, and Bureau of Indian Affairs schools with the highest percentage or numbers of poor children.

''SEC. 2349. TECHNOLOGY-BASED TECHNICAL ASSISTANCE.

''The Secretary is also authorized to provide a technology-based technical assistance service that will—

''(1) support the administration and implementation of programs authorized by this Act by providing information, including legal and regulatory infor-

mation, and technical guidance and information about best practices; and

''(2) be accessible to all States, local educational agencies, schools, and others who are recipients of funds under this Act.

''SEC. 2350. ADMINISTRATION.

''The program authorized by this part shall be jointly administered by the Assistant Secretary for Elementary and Secondary Education, the Director of Bilingual Education and Minority Languages Affairs, and the Assistant Secretary for Educational Research and Improvement.

''SEC. 2351. AUTHORIZATION OF APPROPRIATIONS.

''For the purposes of carrying out this part, there are authorized to be appropriated $70,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999. Of the funds appropriated under this part, not less than $25,000,000 shall be made available to support activities of the National Diffusion Network authorized in section 2343(b).

''PART E—EDUCATION PROGRAM STRATEGIES

''SEC. 2401. FINDINGS AND STATEMENT OF PURPOSE.

''(a) FINDINGS.—The Congress finds that chapter 2 of the Education Consolidation and Improvement Act of 1981 has been successful in achieving the goals of increasing local flexibility, reducing administrative burden, providing serv-

ices for private school students, encouraging innovation, and contributing to the improvement of elementary and secondary educational programs.

''(b) STATEMENT OF PURPOSE.—It is the purpose of programs under this part:

''(1) To support local education reform efforts which are consistent with and support statewide reform efforts under Goals 2000.

''(2) To support State and local efforts to accomplish the National Education Goals.

''(3) To provide funding to enable State and local educational agencies to implement promising educational reform programs that can be supported by State and local sources of funding after such programs are demonstrated to be effective.

''(4) To provide a continuing source of innovation, educational improvement, and support for library services and instructional materials, including media materials and,

''(5) To meet the special educational needs of at risk and high cost students.

''(c) STATE AND LOCAL RESPONSIBILITY.—The basic responsibility for the administration of funds made available under this part is within the State educational agencies, but it is the intent of Congress that the responsibility

be carried out with a minimum of paperwork and that the responsibility for the design and implementation of programs assisted under this part will be mainly that of local educational agencies, school superintendents and principals, and classroom teachers and supporting personnel, because they have the most direct contact with students and are most likely to be able to design programs to meet the educational needs of students in their own districts.

''SEC. 2402. AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE.

''(a) AUTHORIZATION.—To carry out the purposes of this part, there are authorized to be appropriated $435,000,000 for fiscal year 1995 and such sums in each of the fiscal years 1996 through 1999.

''(b) DURATION OF ASSISTANCE.—During the period beginning October 1, 1994, and ending September 30, 1999, the Secretary shall, in accordance with the provisions of this part, make payments to State educational agencies for the purpose of this section.

''Subpart 1—State and Local Programs

''SEC. 2411. ALLOTMENT TO STATES.

''(a) RESERVATIONS.—From the sums appropriated to carry out this subpart in any fiscal year, the Secretary shall reserve not to exceed 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory

of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs.

''(b) ALLOTMENT.—From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to one-half of 1 percent of such remainder.

''(c) DEFINITIONS.—For purposes of this subpart—

''(1) The term 'school-age population' means the population aged 5 through 17.

''(2) The term 'States' includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''SEC. 2412. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

''(a) DISTRIBUTION RULE.—From the sums made available each year to carry out this part, the State educational agency shall distribute not less than 85 percent to local educational agencies within such State according to the relative enrollments in public and private, nonprofit schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of

children whose education imposes a higher than average cost per child, such as—

''(1) children living in areas with high concentrations of low-income families,

''(2) children from low-income families, and

''(3) children living in sparsely populated areas.

''(b) CALCULATION OF ENROLLMENTS.—(1) The calculation of relative enrollments under subsection (a) shall be on the basis of the total of—

''(A) the number of children enrolled in public schools, and

''(B) the number of children enrolled in private nonprofit schools that desire that their children participate in programs or projects assisted under this part, for the fiscal year preceding the fiscal year in which the determination is made. Nothing in this subsection shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within the areas served by such agencies in order to determine whether such schools desire that their children participate in programs assisted under this part.

''(2)(A) Relative enrollments under subsection (a) shall be adjusted, in accordance with criteria ap-

proved by the Secretary under subparagraph (B), to provide higher per pupil allocations only to local educational agencies which serve the greatest numbers or percentages of—

''(i) children living in areas with high concentrations of low-income families,

''(ii) children from low-income families, or

''(iii) children living in sparsely populated areas.

''(B) The Secretary shall review criteria submitted by a State educational agency for adjusting allocations under paragraph (1) and shall approve such criteria only if the Secretary determines that such criteria are reasonably calculated to produce an adjusted allocation that reflects the relative needs within the State's local educational agencies based on the factors set forth in subparagraph (A).

''(c) PAYMENT OF ALLOCATIONS.—

''(1) From the funds paid to it pursuant to section 2402 for a fiscal year, a State educational agency shall distribute to each eligible local educational agency which has submitted an application as required in section 2423 the amount of its allocation as determined under subsection (a).

''(2)(A) Additional funds resulting from higher per pupil allocations provided to a local educational agency on the basis of adjusted enrollments of children described in subsection (a), may, at the discretion of the local educational agency, be allocated for expenditures to provide services for children enrolled in public and private nonprofit schools in direct proportion to the number of children described in subsection (a) and enrolled in such schools within the local educational agency.

''(B) In any fiscal year, any local educational agency that elects to allocate such additional funds in the manner described in subparagraph (A) shall allocate all additional funds to schools within the local educational agency in such manner.

''(C) The provisions of subparagraphs (A) and (B) may not be construed to require any school to limit the use of such additional funds to the provision of services to specific students or categories of students.

''Subpart 2—State Programs

''SEC. 2421. STATE USES OF FUNDS.

''(a) AUTHORIZED ACTIVITIES.—A State educational agency may use funds reserved for State use under this section only for—

''(1) State administration of programs under this section including—

''(A) supervision of the allocation of funds to local educational agencies;

''(B) planning, supervision, and processing of State funds; and

''(C) monitoring and evaluation of programs and activities under this part; and

''(2) technical assistance and direct grants to local educational agencies and statewide education reform activities which assist local educational agencies to provide targeted assistance.

''(b) LIMITATIONS AND REQUIREMENTS.—Not more than 25 percent of funds available for State programs under this part in any fiscal year may be used for State administration under subsection (a)(1).

''SEC. 2423. STATE APPLICATIONS.

''(a) APPLICATION REQUIREMENTS.—Any State which desires to receive a grant under this subpart shall submit to the Secretary an application which—

''(1) designates the State educational agency as the State agency responsible for administration and supervision of programs assisted under this part;

''(2)(A) provides for an annual submission of data on the use of funds, the types of services fur-

nished, and the students served under this section; and

''(B) in fiscal year 1998 provides for an evaluation of the effectiveness of programs assisted under this subpart;

''(3) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this section);

''(4) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this part, the State educational agency has not exercised and will not exercise any influence in the decision making processes of local educational agencies as to the expenditure made pursuant to an application under section 2433; and

''(5) contain assurances that there is compliance with the specific requirements of this chapter.

''(b) PERIOD OF APPLICATION.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

''(c) AUDIT RULE.—Notwithstanding section 1745 of the Omnibus Budget Reconciliation Act of 1981, local educational agencies receiving less than an average of $5,000 each under this section need not be audited more frequently than once every 5 years.

''Subpart 3—Local Targeted Assistance Programs

''SEC. 2431. TARGETED USE OF FUNDS.

''(a) GENERAL RULE.—Funds allocated for use under this subpart shall be used by local educational agencies for targeted assistance described in subsection (b).

''(b) TARGETED ASSISTANCE.—The targeted assistance programs referred to in subsection (a) include—

''(1) technology related to the implementation of school-based reform programs, including professional development to assist teachers and other school officials regarding how to use effectively such equipment and software;

''(2) instructional and educational materials, assessments, and library services and materials (including media materials) tied to high academic standards and which are part of an overall education reform program;

''(3) promising education reform projects, including 21st Century Learning Center school projects in accordance with subpart 4; and

''(4) computer hardware and software purchased under this section should be used only for instructional purposes.

''SEC. 2432. ADMINISTRATIVE AUTHORITY.

''In order to conduct the activities authorized by this part, each State or local educational agency may use funds reserved for this part to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private nonprofit agencies, organizations, and institutions.

''SEC. 2433. LOCAL APPLICATIONS.

''(a) CONTENTS OF APPLICATION.—A local educational agency or consortia of local educational agencies may receive an allocation of funds under this subpart for any year for which an application is submitted to the State educational agency and such application is certified to meet the requirements of this section. The State educational agency shall certify any such application if such application—

''(1) sets forth the planned allocation of funds among targeted assistance programs described in section 2431 of this part and describes the programs, projects and activities designed to carry out such targeted assistance which it intends to support, together with the reasons for selection of such programs, projects and activities; and

''(2) describes how assistance under this section will contribute to meeting the National Education Goals and improving student achievement or improving the quality of education for students;

''(3) agrees to keep such records, and provide such information to the State educational agency as may reasonably be required for fiscal audit and program evaluation, concession with the responsibilities of the State agency under this part; and

''(4) provides in the allocation of funds for the assistance authorized by this part, and in the design, planning and implementation of such programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups involved in the implementation of this section (such as librarians, school counselors, and other pupil services personnel) as may be considered appropriate by the local educational agency.

''(b) PERIOD OF APPLICATION.—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds to programs for a period of 3 years,

and may be amended annually as may be necessary to reflect changes without filing a new application.

''(c) LOCAL EDUCATIONAL AGENCY DISCRETION.—Subject to the limitations and requirements of this part, a local educational agency shall have complete discretion in determining how funds under this subpart shall be divided among the areas of targeted assistance. In exercising such discretion, a local educational agency shall ensure that expenditures under this subpart carry out the purposes of this subpart and are used to meet the educational needs within the schools of such local educational agency.

''Subpart 4—21st Century Community Learning Centers

''SEC. 2441. FINDINGS.

''The Congress finds that—

''(1) there are influences outside of school which affect the ability of a child to achieve academically and schools are in a unique position to identify student and family needs to coordinate programs;

''(2) access to health and social service programs can assist children and their families to improve the ability of the family to take an active role in their child's education;

''(3) coordination of health and social service programs with education can help the Nation meet

the National Education Goals and ensure better outcomes for children;

''(4) the high technology, global economy of the 21st century will require lifelong learning to keep America's workforce competitive and successful;

''(5) 21st Century Community Learning Centers enable the entire community to develop an education strategy that addresses the educational needs of all members of local communities; and

''(6) local public schools should provide centers for lifelong learning and educational opportunities for individuals of all ages.

''SEC. 2442. FUNDS FOR COMMUNITY LEARNING CENTERS.

''(a) IN GENERAL.—Local educational agencies may use funds provided under section 2412 to pay the Federal share of the cost for enabling schools to serve as centers for the delivery of education and human services for members of a community.

''(b) USES OF FUNDS.—Local educational agencies may use funds provided under section 2412 for projects described under this subpart.

''SEC. 2443. PROGRAMS.

''Local educational agencies that receive funds under this subpart may develop programs that include—

''(1) literacy education programs;

''(2) senior citizen programs;

''(3) children's day care services;

''(4) integrated education, health, social service, recreational, or cultural programs;

''(5) summer and weekend school programs in conjunction with summer recreation programs;

''(6) nutrition programs;

''(7) expanded library service hours to serve community needs;

''(8) telecommunications and technology education programs for all ages;

''(9) parenting skills education programs;

''(10) support and training for child day care providers;

''(11) employment counseling, training, and placement;

''(12) services for students who withdraw from school before graduating high school, regardless of age; and

''(13) services for individuals who are either physically or mentally challenged.

''SEC. 2444. REQUIREMENTS.

''A local educational agency that uses funds to develop programs under this subpart shall, at the end of the first year for which funds are used for this purpose, provide in-

formation to the State educational agency which describes the activities and projects established with funds under this subpart and includes—

''(1) information on the comprehensive local plan that enables such school to serve as a center for the delivery of education and human services for members of a community; and

''(2) information on the initial evaluation of needs, available resources, and goals and objectives for the proposed community education program and how such evaluation was used to determine the program developed to address such needs; including—

''(A) the mechanism used to disseminate information in a manner understandable and accessible to the community;

''(B) identification of Federal, State, and local programs merged or coordinated so that public resources could be maximized;

''(C) a description of the collaborative efforts of community-based organizations, related public agencies, businesses, or other appropriate organizations;

''(D) a description of how the school will assist as a delivery center for existing and new services; and

''(E) the establishment of the facility utilization policy that specifically states rules and regulations for building and equipment use and supervision guidelines.

''SEC. 2445. DEFINITION.

''For purposes of this subpart, the term 'Community Learning Center' means the provision of educational, recreational, health, and social service programs for residents of all ages of a local community in public school buildings, primarily in rural and inner city areas, operated by the local educational agency in conjunction with local governmental agencies, businesses, vocational education programs, community colleges, universities, cultural, recreational, and other community and human service entities.

''TITLE III—EXPANDING OPPORTUNITIES FOR LEARNING

''PART A—FUND FOR THE IMPROVEMENT OF EDUCATION

''SEC. 3201. FUND FOR THE IMPROVEMENT OF EDUCATION.

''(a) FUND AUTHORIZED.—From funds appropriated under subsection (d), the Secretary is authorized to support nationally significant programs and projects to improve the quality of education, assist all students to meet challenging standards, and contribute to the achievement of the National Education Goals. The Secretary is authorized to

carry out such programs and projects directly or through grants to, or contracts with, State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

''(b) USES OF FUNDS.—(1) Funds under this section may be used for—

''(A) activities that will promote systemic educational reform at the State and local levels, such as—

''(i) research and development related to content and performance standards and opportunity-to-learn standards for student learning; and

''(ii) the development and evaluation of model strategies for assessment of student learning, professional development for teachers and administrators, parent and community involvement, and other aspects of systemic reform;

''(B) demonstrations at the State and local levels that are designed to yield nationally significant results, including approaches to public school choice in accordance with the requirements of part C and school-based decisionmaking;

''(C) joint activities with other agencies to assist the effort to achieve the National Education Goals, in-

cluding activities related to improving the transition from preschool to school and from school to work, as well as activities related to the integration of education and health and social services;

''(D) activities to promote and evaluate counseling and mentoring for students, including intergenerational mentoring;

''(E) activities to promote comprehensive health education;

''(F) activities to promote environmental education;

''(G) activities to promote consumer, economic, and personal finance education;

''(H) activities to assist students to demonstrate competence in foreign languages;

''(I) studies and evaluation of various educational reform strategies and innovations being pursued by the Federal Government, States, and local educational agencies;

''(J) the identification and recognition of exemplary schools and programs, such as Blue Ribbon Schools;

''(K) programs designed to promote gender equity in education by evaluating and eliminating gender bias in instruction and educational materials,

identifying, and analyzing gender inequities in educational practices, and implementing and evaluating educational policies and practices designed to achieve gender equity;

''(L) experiential-based learning, such as service-learning; and

''(M) other programs and projects that meet the purposes of this section.

''(2) The Secretary may also use funds under this section to complete the project periods for direct grants or contracts awarded under the provisions of the Elementary and Secondary Education Act of 1965, part B of title III of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, or title III of the Education for Economic Security Act, as these Acts were in effect on the day before enactment of the Improving America's Schools Act of 1994.

''(c) AWARDS.—(1) The Secretary may make awards under this section on the basis of competitions announced by the Secretary and may also support meritorious unsolicited proposals.

''(2) The Secretary shall ensure that projects and activities supported under this section are designed in such a way that their effectiveness may be readily determined.

''(3) The Secretary shall use a peer review process in reviewing applications for grants under this section and may use funds appropriated under subsection (d) for this purpose.

''(d) AUTHORIZATION.—For the purpose of carrying out this section, there are authorized to be appropriated $35,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART B—GIFTED AND TALENTED CHILDREN

''SEC. 3301. SHORT TITLE.

''This part may be cited as the 'Jacob K. Javits Gifted and Talented Students Education Act of 1994'.

''SEC. 3302. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds and declares that—

''(1) all students can learn to high standards and must develop their talents and realize their potential if the United States is to prosper;

''(2) gifted and talented students are a national resource vital to the future of the Nation and its security and well-being;

''(3) too often schools fail to challenge students to do their best work, and students who are not chal-

lenged will not learn to high standards, fully develop their talents, and realize their potential;

''(4) unless the special abilities of gifted and talented students are recognized and developed during their elementary and secondary school years, much of their special potential for contributing to the national interest is likely to be lost;

''(5) gifted and talented students from economically disadvantaged families and areas, and students of limited English proficiency are at greatest risk of being unrecognized and of not being provided adequate or appropriate educational services;

''(6) State and local educational agencies and private nonprofit schools often lack the necessary specialized resources to plan and implement effective programs for the early identification of gifted and talented students for the provision of educational services and programs appropriate to their special needs;

''(7) the Federal Government can best carry out the limited but essential role of stimulating research and development and personnel training and providing a national focal point of information and technical assistance that is necessary to ensure that the Nation's schools are able to meet the special edu-

cational needs of gifted and talented students, and thereby serve a profound national interest; and

''(8) the experience and knowledge gained in developing and implementing programs for gifted and talented students can and should be used as a basis to develop a rich and challenging curriculum for all students.

''(b) STATEMENT OF PURPOSE.—

''(1) It is the purpose of this part to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration projects, personnel training, and similar activities designed to build a nationwide capability in elementary and secondary schools to meet the special educational needs of gifted and talented students. In addition, the purpose of this part is to encourage the development of rich and challenging curricula for all students through the appropriate application and adaptation of materials and instructional methods developed under this part.

''(2) It is also the purpose of this part to supplement and make more effective the expenditure of State

and local funds, for the education of gifted and talented students.

"SEC. 3303. DEFINITIONS.

"For purposes of this part, the term 'gifted and talented students' means children and youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

"SEC. 3304. AUTHORIZED PROGRAMS.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) From the sums appropriated under section 3308 in any fiscal year the Secretary (after consultation with experts in the field of the education of gifted and talented students) shall make grants to or enter into contracts with State educational agencies, local educational agencies, institutions of higher education, or other public agencies and private agencies and organizations (including Indian tribes and organizations as defined by the Indian Self-Determination and Education Assistance Act and Hawaiian native organizations) to assist such agencies, institutions, and organizations which submit applications in carrying out programs or projects authorized by this Act

that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use, where appropriate, of gifted and talented services, materials, and methods for all students.

''(2) Applications for funds must include a section on how the proposed gifted and talented services, materials, and methods could be adapted, if appropriate, for use by all students and a section on how the proposed programs can be evaluated.

''(b) USES OF FUNDS.—Programs and projects assisted under this section may include—

''(1) professional development (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students;

''(2) establishment and operation of model projects and exemplary programs for serving gifted and talented students, including innovative methods for identifying and educating students who may not be served by traditional gifted and talented programs, summer programs, mentoring programs, service learning programs, and cooperative programs involving business, industry, and education;

''(3) training of personnel involved in gifted and talented programs with respect to the impact of gender role socialization on the educational needs of gifted and talented children and in gender equitable education methods, techniques, and practices;

''(4) strengthening the capability of State educational agencies and institutions of higher education to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented students and the appropriate use of gifted and talented programs and methods to serve all students;

''(5) programs of technical assistance and information dissemination which would include how gifted and talented programs and methods, where appropriate, could be adapted for use by all students; and

''(6) carrying out—

''(A) research on methods and techniques for identifying and teaching gifted and talented students, and for using gifted and talented programs and methods to serve all students; and

''(B) program evaluations, surveys, and the collection, analysis, and development of informa-

tion needed to accomplish the purposes of this part.

''(c) ESTABLISHMENT OF NATIONAL CENTER.—

''(1) The Secretary (after consultation with experts in the field of the education of gifted and talented students) shall establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies, for the purpose of carrying out activities described in paragraph (5) of subsection (b).

''(2) Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

''(d) LIMITATION.—Not more than 30 percent of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used to conduct activities pursuant to subsections (b)(5) or (c).

''(e) COORDINATION.—Research activities supported under this section—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

''(2) may include collaborative research activities which are jointly funded and carried out with the Office of Education Research and Improvement.

''SEC. 3305. PROGRAM PRIORITIES.

''(a) GENERAL PRIORITY.—In the administration of this part the Secretary shall give highest priority—

''(1) to the identification of and services to gifted and talented students who may not be identified and served through traditional assessment methods (including economically disadvantaged individuals, individuals of limited-English proficiency, and individuals with disabilities; and

''(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (in-

cluding business, industry, and labor), to plan, conduct, and improve programs for the identification of and service to gifted and talented students, such as mentoring and apprenticeship programs.

''(b) SERVICE PRIORITY.—In approving applications under section 3304(a) of this part, the Secretary shall assure that in each fiscal year at least one-half of the applications approved address the priority in section 3305(a)(1).

''SEC. 3306. GENERAL PROVISIONS.

''(a) PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.—In making grants and entering into contracts under this part, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel in professional development programs for serving such children.

''(b) REVIEW, DISSEMINATION, AND EVALUATION.—The Secretary shall—

''(1) use a peer review process in reviewing applications under this part;

''(2) ensure that information on the activities and results of projects funded under this part is disseminated to appropriate State and local agencies

and other appropriate organizations, including non-profit private organizations; and

''(3) evaluate the effectiveness of programs under this part, both in terms of the impact on students traditionally served in separate gifted and talented programs and on other students, and submit the results of such evaluation to Congress not later than January 1, 1998.

''SEC. 3307. ADMINISTRATION.

''The Secretary shall establish or designate an administrative unit within the Department of Education—

''(1) to administer the programs authorized by this part;

''(2) to coordinate all programs for gifted and talented students administered by the Department;

''(3) to serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet such needs; and

''(4) to assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of gifted and talented students.

The administrative unit established or designated pursuant to this section shall be headed by a person of recognized professional qualifications and experience in the field of the education of gifted and talented students.

''SEC. 3308. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $10,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999 to carry out the provisions of this part.

''PART C—PUBLIC CHARTER SCHOOLS

''SEC. 3401. PURPOSE.

''It is the purpose of this part to increase national understanding of the charter schools model by—

''(1) providing financial assistance for the design and initial implementation of charter schools; and

''(2) evaluating the effects of those schools on improving student achievement, including their effects on students, staff, and parents.

''SEC. 3402. PROGRAM AUTHORIZED.

''(a) GENERAL.—The Secretary may make grants to eligible applicants for the design and initial operation of charter schools.

''(b) PROJECT PERIODS.—Each such grant shall be for a period of not more than three years, of which the grantee may use—

''(1) no more than 18 months for planning and program design; and

''(2) no more than two years for the initial implementation of the charter school.

''(c) LIMITATION.—The Secretary shall not make more than one grant to support a particular charter school.

''SEC. 3403. APPLICATIONS.

''(a) APPLICATIONS REQUIRED.—Any eligible applicant that desires to receive a grant under this part shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(b) SCOPE OF APPLICATION.—Each such application may request assistance for a single charter school or for a cluster of schools, which may include a high school and its feeder elementary and middle schools, within a community.

''(c) APPLICATION CONTENTS.—Each such application shall include, for each charter school for which assistance is sought—

''(1) a description of the educational program to be implemented by the proposed charter school, including—

''(A) how the program will enable all students to meet challenging State performance standards;

''(B) the grade levels or ages of children to be served; and

''(C) the curriculum and instructional practices to be used;

''(2) a description of how the school will be managed;

''(3) a description of—

''(A) the objectives of the school; and

''(B) the methods by which the school will determine its progress toward achieving those objectives;

''(4) a description of the administrative relationship between the charter school and the local educational agency that will authorize or approve the school's charter and act as the grantee under this part;

''(5) a description of how parents and other members of the community will be involved in the design and implementation of the charter school;

''(6) a description of how the local educational agency will provide for continued operation of the school once the Federal grant has expired, if such agency determines that the school is successful;

''(7) a request and justification for waivers of any Federal statutory or regulatory provisions that

the applicant believes are necessary for the successful operation of the charter school, and a description of any State or local rules, generally applicable to public schools, that will be waived for, or otherwise not apply to, the school;

''(8) a description of how the grant funds would be used;

''(9) a description of how grant funds would be used in conjunction with other Federal programs administered by the Secretary;

''(10) a description of how students in the community will be—

''(A) informed about the school; and

''(B) given an equal opportunity to attend the school;

''(11) an assurance that the applicant will annually provide the Secretary such information as the Secretary may require to determine if the charter school is making satisfactory progress toward achieving the objectives described under paragraph (3);

''(12) an assurance that the applicant will cooperate with the Secretary in evaluating the program authorized by this part; and

''(13) such other information and assurances as the Secretary may require.

''(d) STATE EDUCATIONAL AGENCY APPROVAL REQUIRED.—(1) A local educational agency that desires to receive a grant under this part shall obtain the State educational agency's approval of its application before submitting it to the Secretary.

''(2) A State educational agency that approves an application of a local educational agency shall provide the local educational agency, and such local agency shall include in its application to the Secretary, a statement that the State has granted, or will grant, the waivers and exemptions from State requirements described in such local agency's application.

''SEC. 3404. SELECTION OF GRANTEES; WAIVERS.

''(a) CRITERIA.—The Secretary shall select projects to be funded on the basis of the quality of the applications, taking into consideration such factors as—

''(1) the quality of the proposed curriculum and instructional practices;

''(2) the degree of flexibility afforded by the State and, if applicable, the local educational agency to the school;

''(3) the extent of community support for the application;

''(4) the ambitiousness of the objectives for the school;

''(5) the quality of the plan for assessing achievement of those objectives; and

''(6) the likelihood that the school will meet those objectives and improve educational results for students.

''(b) PEER REVIEW.—The Secretary shall use a peer review process to review applications for grants under this section.

''(c) DIVERSITY OF PROJECTS.—The Secretary may approve projects in a manner that ensures, to the extent possible, that they—

''(1) are distributed throughout different areas of the Nation, including in urban and rural areas; and

''(2) represent a variety of educational approaches.

''(d) WAIVERS.—The Secretary may waive any statutory or regulatory requirement that the Secretary is responsible for enforcing, except for any such requirement relating to the elements of a charter school described in section 3407(1), if—

''(1) the waiver is requested in an approved application or by a grantee under this part; and

''(2) the Secretary determines that granting such a waiver would promote the purpose of this part.

"SEC. 3405. USES OF FUNDS.

''A recipient of a grant under this part may use the grant funds only for—

''(1) post-award planning and design of the educational program, which may include—

''(A) refinement of the desired educational results and of the methods for measuring progress toward achieving those results; and

''(B) professional development of teachers and other staff who will work in the charter school; and

''(2) initial implementation of the charter school, which may include—

''(A) informing the community about the school;

''(B) acquiring necessary equipment;

''(C) acquiring or developing curriculum materials; and

''(D) other operational costs that cannot be met from State or local sources.

"SEC. 3406. NATIONAL ACTIVITIES.

''The Secretary may reserve up to 10 percent of the funds appropriated for this part for any fiscal year for—

''(1) peer review of applications under section 3404(b); and

''(2) an evaluation of the impact of charter schools on student achievement, including those assisted under this part.

''SEC. 3407. DEFINITIONS.

''As used in this part, the following terms have the following meanings:

''(1) The term 'charter school' means a school that—

''(A) in accordance with an enabling State statute, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

''(B) is created by a developer as a public school, or is adapted by a developer from an existing public school;

''(C) operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the local educational agency applying for a grant on behalf of the school;

''(D) provides a program of elementary or secondary education, or both;

''(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

''(F) does not charge tuition;

''(G) complies with the Age Discrimination Act, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

''(H) admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

''(I) agrees to comply with the same Federal and State audit requirements as do other public schools in the State, unless such requirements are specifically waived for the purpose of this program;

''(J) meets all applicable Federal, State, and local health and safety requirements; and

''(K) operates in accordance with State law.

''(2) The term 'developer' means an individual or group of individuals (including a public or private nonprofit organization), which may include teachers,

administrators and other school staff, parents, or other members of the local community in which a charter school project will be carried out.

''(3) The term 'eligible applicant' means a local educational agency, in partnership with a developer with an application approved under section 3403(d).

''SEC. 3408. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this part, there are authorized to be appropriated $15,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART D—ARTS IN EDUCATION

''Subpart 1—Support for Arts Education

''SEC. 3501. SUPPORT FOR ARTS EDUCATION.

''(a) FINDINGS.—The Congress finds that—

''(1) the arts are forms of understanding and ways of knowing that are fundamentally important to education;

''(2) the arts are important to excellent education and to effective school reform;

''(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

''(4) this transformation is best realized in the context of comprehensive, systemic education reform;

''(5) demonstrated competency in the arts for American students is among the National Education Goals;

''(6) the arts can motivate at-risk students to stay in school and become active participants in the educational process; and

''(7) arts education should be an integral part of the elementary and secondary school curriculum.

''(b) PURPOSE. The purposes of this part are to—

''(1) support systemic education reform by strengthening arts education as an integral part of the elementary and secondary school curriculum;

''(2) help ensure that all students have the opportunity to learn to challenging standards in the arts; and

''(3) support the national effort to enable all students to demonstrate competence in the arts in accordance with the National Education Goals.

''(c) ELIGIBLE RECIPIENTS.—In order to carry out the purposes of this part, the Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with—

''(1) State educational agencies;

''(2) local educational agencies;

''(3) institutions of higher education; and

''(4) other public and private agencies, institutions, and organizations.

''(d) AUTHORIZED ACTIVITIES.—Funds under this part may be used for—

''(1) research on arts education;

''(2) the development of, and dissemination of information about, model arts education programs;

''(3) the development of model arts education assessments based on high standards;

''(4) the development and implementation of curriculum frameworks for arts education;

''(5) the development of model preservice and in-service professional development programs for arts educators and other instructional staff;

''(6) supporting collaborative activities with other Federal agencies or institutions involved in arts education, such as the National Endowment for the Arts, the Institute of Museum Services, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art;

''(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

''(8) supporting model projects and programs in the arts for individuals with disabilities through arrangements with the organization, Very Special Arts;

''(9) supporting model projects and programs to integrate arts education into the regular elementary and secondary school curriculum; and

''(10) other activities that further the purposes of this part.

''(e) COORDINATION.—(1) A recipient of funds under this part shall, to the extent possible, coordinate its project with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

''(2) In carrying out this part, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum Services, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art.

''(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated $11,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''Subpart 2—Community Arts

''SEC. 3502. SHORT TITLE.

''This subpart may be cited as the ''Community Arts Partnership Act of 1994''.

''(a) FINDINGS.—Congress finds that—

''(1) with local school budgets cut there are inadequate arts programs available for children in schools, especially at the elementary level;

''(2) the arts promote progress in academic subjects as shown by research conducted by the National Endowment for the Arts;

''(3) the arts access multiple human intelligences and develop higher-order thinking skills;

''(4) the arts generate self-esteem and positive emotional responses to learning; and

''(5) children who receive instruction in the arts remain in school longer and are more successful than children who do not receive such instruction.

''(b) PURPOSE.—The purpose of this part is to make demonstration grants to eligible entities to improve the educational performance and future potential of at-risk children and youth by providing comprehensive and coordinated educational and cultural services.

''(c) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to eligible entities to pay the Federal

share of the costs of the activities described in subsection (f).

''(2) SPECIAL REQUIREMENTS.—The Secretary shall award grants under this Act only to programs designed to—

''(A) promote educational and cultural services;

''(B) provide multi-year services to at-risk children and youth;

''(C) serve the target population described in subsection (e);

''(D) provide integration of community cultural resources in the regular curriculum;

''(E) focus school and cultural resources in the community on coordinated cultural services to address the needs of at-risk children and youth;

''(F) provide effective cultural linkages from preschool programs, including the Head Start Act and preschool grants under the Individuals with Disabilities Education Act, to elementary schools;

''(G) facilitate school-to-work transition from secondary schools and alternative schools to job training, higher education, and employment;

''(H) increase parental and community involvement in the educational, social, and cultural development of at-risk youth; or

''(I) replicate programs and strategies that provide high quality coordinated educational and cultural services and that are designed to integrate such coordination into the regular curriculum.

''(3) REQUIREMENT OF COORDINATION.—Grants may only be awarded under this part to eligible entities that agree to coordinate activities carried out under other Federal, State, and local grants, received by the members of the partnership for purposes and target populations described in this part, into an integrated service delivery system located at a school, cultural, or other community-based site accessible to and utilized by at-risk youth.

''(4) DURATION.—Grants made under this part may be renewable for a maximum of 5 years if the Secretary determines that the eligible recipient has made satisfactory progress toward the achievement of the program objectives described in application.

''(5) GEOGRAPHIC DISTRIBUTION.—In awarding grants under this part, the Secretary shall ensure—

''(A) an equitable geographic distribution; and

''(B) an equitable distribution to both urban and rural areas with a high proportion of at-risk youth as defined in subsection (e).

''(d) ELIGIBILITY.—

''(1) SERVICES FOR IN-SCHOOL YOUTH.—For the purpose of providing a grant under this part to serve in-school children and youth, the term 'eligible entity' means a partnership between a local education agency that is eligible for funds under title I of this Act, and at least 1 institution of higher education or cultural entity located within or accessible to the geographical boundaries of the local education agency with a history of providing quality services to the community, and which may include—

''(A) nonprofit institutions of higher education; museums; libraries; performing, presenting and exhibiting arts organizations; literary arts organizations; local arts organizations; and zoological and botanical organizations; and

''(B) private for-profit entities with a history of training children and youth in the arts.

''(2) SERVICES FOR OUT-OF-SCHOOL YOUTH.—For purposes of providing a grant under this part to

serve out-of-school youth, the term 'eligible entity' means a partnership between at least 1 entity of the type described in paragraph (A) or (B) of subsection (1), or a local education agency eligible for funds under chapter 1 of title I of this Act and at least 1 cultural entity described in subsection (1).

''(e) TARGET POPULATION.—In order to receive a grant under this part, an eligible entity shall serve—

''(1) students enrolled in schools in participating schoolwide projects assisted under title I of this Act and the families of such students; or

''(2) out-of-school youth at risk of having limited future options as a result of teenage pregnancy and parenting, substance abuse, recent migration, disability, limited English proficiency, family migration, illiteracy, being the child of a teen parent, living in a single parent household, or being a high school dropout; or

''(3) any combination of in school and out-of-school at-risk youth.

''(f) AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—Funds made under this part may be used—

''(A) to plan, develop, acquire, expand, and improve school-based or community-based coordi-

nated educational and cultural programs to strengthen the educational performance and future potential of in-school and out-of-school at-risk youth through cooperative agreements, contracts for services, or administrative coordination;

''(B) to provide at-risk students with integrated cultural activities designed to develop a love of learning to ensure the smooth transition of preschool children to elementary school;

''(C) to design collaborative cultural activities for students in secondary or alternative schools that ensure the smooth transition to job training, higher education, or full employment;

''(D) to provide child care for children of at-risk students who would not otherwise be able to participate in the program;

''(E) to provide transportation necessary for participation in the program;

''(F) to work with existing school personnel to develop curriculum materials and programs in the arts;

''(G) to work with existing school personnel on staff development activities that encourage the integration of the arts into the curriculum;

''(H) for stipends that allow local artists to work with at-risk children and youth in the schools;

''(I) for cultural programs that encourage the active participation of parents in their children's education;

''(J) for programs that use the art reform current school practices, including lengthening the school day or academic year;

''(K) for appropriate equipment and necessary supplies; and

''(L) for evaluation, administration, and supervision.

''(2) PRIORITY.—In providing assistance under this part, the Secretary shall give priority to eligible entities that provide comprehensive services that extend beyond traditional school or service hour, that may include year round programs that provide services in the evenings and on weekends.

''(3) PLANNING GRANTS.—

''(A) APPLICATION.—An eligible entity may submit an application to the Secretary for a planning grant for an amount not to exceed $50,000. Such grants shall be for periods of not more than 1 year.

''(B) LIMIT ON PLANNING GRANTS.—Not more than 10 percent of the amounts appropriated in each fiscal year under this part shall be used for grants under this subsection, and an eligible entity may receive not more than 1 such planning grant.

''(g) GENERAL PROVISIONS.—

''(1) IN GENERAL.—Each eligible entity desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(2) CONTENTS.—Each application submitted pursuant to subsection (a) shall—

''(A) describe the cultural entity or entities that will participate in the partnership;

''(B) describe the target population to be served;

''(C) describe the services to be provided;

''(D) describe a plan for evaluating the success of the program;

''(E) describe, for a local educational agency participant, how services will be perpetuated beyond the length of the grant;

''(F) describe the manner in which the eligible entity will improve the educational achievement or future potential of at-risk youth through more effective coordination of cultural services in the community;

''(G) describe the overall and operational goals of the program; and

''(H) describe the nature and location of all planned sites where services will be delivered and a description of services which will be provided at each site.

''(h) PAYMENTS—FEDERAL SHARE.—

''(1) PAYMENTS.—The Secretary shall pay to each eligible entity having an application approved under subsection (g) the Federal share of the cost of the activities described in the application.

''(2) AMOUNTS OF GRANTS.—The amount of a grant made under this part may not be less than $100,000 or exceed $500,000 in the first year of such grant.

''(3) FEDERAL SHARE.—The Federal share shall be 80 percent.

''(4) NON-FEDERAL SHARE.—The non-Federal share shall be equal to 20 percent and may be in cash

or in kind, fairly evaluated, including facilities or services.

''(5) LIMITATION.—Not more than 25 percent of any grant under this part may be used for noninstructional services such as those described in paragraphs D, E, and L of subsection (f).

''(6) SUPPLEMENT AND NOT SUPPLANT.—Grant funds awarded under this part shall be used to supplement not supplant the amount of funds made available from non-Federal sources, for the activities assisted under this part, in amounts that exceed the amounts expended for such activities in the year preceding the year for which the grant is awarded.

''(7) DISSEMINATION OF MODELS.—The Secretary shall disseminate information concerning successful models under this part through the National Diffusion Network.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subpart, $75,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"PART E—INEXPENSIVE BOOK DISTRIBUTION PROGRAM

"SEC. 3601. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

"(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with Reading Is Fundamental (hereinafter in this section referred to as 'the contractor') to support and promote programs, which include the distribution of inexpensive books to students, that motivate children to read.

"(b) REQUIREMENTS OF CONTRACT.—Any contract entered into under subsection (a) shall—

"(1) provide that the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies under which each subcontractor will agree to establish, operate, and provide the non-Federal share of the cost of reading motivation programs that include the distribution of books, by gift, to the extent feasible, or by loan, to children up through high school age, including those in family literacy programs;

"(2) provide that funds made available to subcontractors will be used only to pay the Federal share of the cost of such programs;

"(3) provide that in selecting subcontractors for initial funding, the contractor will give priority to

programs that will serve a substantial number or percentage of children with special needs, such as—

''(A) low-income children, particularly in high-poverty areas;

''(B) children at risk of school failure;

''(C) children with disabilities, including children with serious emotional disturbance;

''(D) foster children;

''(E) homeless children;

''(F) migrant children;

''(G) children without access to libraries;

''(H) institutionalized or incarcerated children; and

''(I) children whose parents are institutionalized or incarcerated;

''(4) provide that the contractor will provide such technical assistance to subcontractors as may be necessary to carry out the purpose of this section;

''(5) provide that the contractor will annually report to the Secretary the number of, and describe, programs funded under paragraph (3); and

''(6) include such other terms and conditions as the Secretary determines to be appropriate to ensure the effectiveness of such programs.

''(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books under any contract under this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

''(d) DEFINITION OF 'FEDERAL SHARE'.—For the purpose of this section, the term 'Federal share' means the portion of the cost to a subcontractor of purchasing books to be paid with funds made available under this section. The Federal share shall be established by the Secretary, and shall not exceed 75 percent, except that the Federal share for programs serving children of migrant or seasonal farmworkers shall be 100 percent.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $10,300,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"PART F—CIVIC EDUCATION

"SEC. 3701. INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES.

"(a) GENERAL AUTHORITY.—

"(1) PROGRAM ESTABLISHED.—(A) The Secretary shall carry out a program to enhance the attainment of Goals Three and Six of the National Education Goals by educating students about the history and principles of the Constitution of the United States, including the Bill of Rights, and to foster civic competence and responsibility.

"(B) Such program shall be known as 'We the People . . . The Citizen and the Constitution'.

"(2) EDUCATIONAL ACTIVITIES.—The program required by paragraph (1) shall—

"(A) continue and expand the educational activities of the We the People . . . The Citizen and the Constitution program administered by the Center for Civic Education; and

"(B) enhance student attainment of challenging content standards in civics and government.

"(3) CONTRACT OR GRANT AUTHORIZED.—The Secretary is authorized to enter into a contract or

grant with the Center for Civic Education to carry out the program required by paragraph (1).

''(b) PROGRAM CONTENT.—The education program authorized by this section shall provide—

''(1) a course of instruction on the basic principles of our constitutional democracy and the history of the Constitution and the Bill of Rights;

''(2) school and community simulated congressional hearings following the course of study at the request of participating schools; and

''(3) an annual national competition of simulated congressional hearings for secondary students who wish to participate in such program.

''(c) PROGRAM PARTICIPANTS.—The education program authorized by this section shall be made available to public and private elementary and secondary schools in the 435 congressional districts, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

''(d) SPECIAL RULE.—Funds provided under this section may be used for the advanced training of teachers in civics and government after the provisions of subsection (b) have been implemented.

"SEC. 3702. INSTRUCTION IN CIVICS, GOVERNMENT, AND THE LAW.

"(a) PROGRAM ESTABLISHED.—The Secretary shall carry out a program of grants and contracts to assist State and local educational agencies and other public and private nonprofit agencies, organizations and institutions to enhance—

"(1) attainment by students of challenging content standards in civics, government, and the law; and

"(2) attainment by the Nation of Goals Three and Six of the National Education Goals.

"(b) AUTHORIZED ACTIVITIES.—Assistance under this section may support new and ongoing programs in elementary and secondary schools that provide for—

"(1) the development and implementation of curricular programs that enhance student understanding of—

"(A) the values and principles which underlie, and the institutions and processes which comprise, our system of government;

"(B) the role of law in our constitutional democracy, including activities to promote—

"(i) legal literacy; and

"(ii) a dedication by students to the use of non-violent means of conflict resolu-

tion such as arbitration, mediation, negotiation, trials, and appellate hearings; and

''(C) the rights and responsibilities of citizenship;

''(2) professional development for teachers, including pre-service and in-service training;

''(3) outside-the-classroom learning experiences for students, including community service activities;

''(4) the active participation of community leaders, from the public and private sectors, in the schools; and

''(5) the provision of technical assistance to State and local educational agencies and other institutions and organizations working to further the progress of the Nation in attaining the Goals Three and Six of the National Education Goals in civics and government.

''(c) APPLICATIONS, PEER REVIEW AND PRIORITY.—

''(1) SUBMISSION OF APPLICATIONS.—A State or local educational agency, other public or private nonprofit agency, organization or institution that desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary at such time, in such manner, and containing or ac-

companied by such information as the Secretary may reasonably require.

''(2) PEER REVIEW.—(A) The Secretary shall convene a panel of individuals for purpose of reviewing and rating applications submitted under paragraph (1).

''(B) Such individuals shall have experience with education programs in civics, government, and the law.

''(3) Priority.—In making grants or awarding contracts under this section, the Secretary shall give priority consideration to applications which propose the operation of statewide programs.

''(d) DURATION OF GRANTS AND EXCEPTION.—

''(1) DURATION.—Except as provided in paragraph (2), the Secretary shall make grants and enter into contracts under this section for periods of 2 or 3 years.

''(2) EXCEPTION.—The Secretary may make a grant or enter into a contract under this section for a period of less than 2 years if the Secretary determines that special circumstances exist which warrant a one year grant or contract award.

"SEC. 3703. REPORT; AUTHORIZATION OF APPROPRIATIONS.

"(a) REPORT.—The Secretary shall report, on a biennial basis, to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate related to the distribution and use of funds authorized under this part.

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) GENERAL.—To carry out this part, there are authorized to be appropriated $15,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(2) ALLOCATION.—From the amount appropriated under subsection (a), the Secretary shall allocate—

"(A) 40 percent of such amount to carry out section 3701; and

"(B) 60 percent of such amount to carry out section 3702.

"PART G—NATIVE HAWAIIAN EDUCATION

"SEC. 3801. SHORT TITLE.

"This part may be cited as the 'Native Hawaiian Education Act'.

"SEC. 3802. FINDINGS.

"The Congress finds that:

''(1) Native Hawaiians comprise a distinct and unique indigenous people with a historical continuity to the original inhabitants of the Hawaiian archipelago whose society was organized as a Nation prior to the arrival of the first non-indigenous people in 1778.

''(2) The Native Hawaiian people are entitled to preserve, develop and transmit to future generations their ancestral territory, and their cultural identity in accordance with their own spiritual and traditional beliefs, customs, practices, languages, and social institutions.

''(3) The constitution and statutes of the State of Hawaii:

''(A) acknowledge the distinct land rights of the Native Hawaiian people as beneficiaries of the public lands trust; and

''(B) reaffirm and protect the unique right of the Native Hawaiian people to practice and perpetuate their cultural and religious customs, beliefs, practices, and language.

''(4) At the time of the arrival of the first non-indigenous people in Hawaii in 1778, the Native Hawaiian people lived in a highly organized, self-sufficient, subsistence social system based on communal

land tenure with a sophisticated language, culture, and religion.

''(5) A unified monarchial government of the Hawaiian Islands was established in 1810 under Kamehameha I, the first King of Hawaii.

''(6) Throughout the 19th century and until 1893, the United States: (a) recognized the independence of the Hawaiian Nation; (b) extended full and complete diplomatic recognition to the Hawaiian government; and (c) entered into treaties and conventions with the Hawaiian monarchs to govern commerce and navigation in 1826, 1842, 1849, 1875 and 1887.

''(7) In the year 1893, the United States Minister assigned to the sovereign and independent Kingdom of Hawaii, John L. Stevens, conspired with a small group of non-Hawaiian residents of the Kingdom, including citizens of the United States, to overthrow the indigenous and lawful Government of Hawaii.

''(8) In pursuance of that conspiracy, the United States Minister and the naval representative of the United States caused armed naval forces of the United States to invade the sovereign Hawaiian Nation in support of the overthrow of the indigenous and lawful

Government of Hawaii and the United States Minister thereupon extended diplomatic recognition of a provisional government formed by the conspirators without the consent of the native people of Hawaii or the lawful Government of Hawaii in violation of treaties between the two nations and of international law.

''(9) In a message to Congress on December 18, 1893, then President Grover Cleveland reported fully and accurately on these illegal actions, and acknowledged that by these acts, described by the President as acts of war, the government of a peaceful and friendly people was overthrown, and the President concluded that a 'substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people require that we should endeavor to repair.'

''(10) Queen Lili'uokalani, the lawful monarch of Hawaii, and the Hawaiian Patriotic League, representing the aboriginal citizens of Hawaii, promptly petitioned the United States for redress of these wrongs and for restoration of the indigenous government of the Hawaiian nation, but this petition was not acted upon.

''(11) In 1898, the United States annexed Hawaii through the Newlands Resolution, without the

consent of or compensation to the indigenous people of Hawaii or their sovereign government, who were denied their land, ocean resources, and the mechanism for expression of their inherent sovereignty through self-government and self-determination.

''(12) Through the Newlands Resolution and the 1900 Organic Act, the United States Congress received 1.75 million acres of lands formerly owned by the Crown and Government of the Hawaiian Kingdom and exempted the lands from then existing public land laws of the United States by mandating that the revenue and proceeds from these lands be 'used solely for the benefit of the inhabitants of the Hawaiian Islands for education and other public purposes,' thereby establishing a special trust relationship between the United States and the indigenous native inhabitants of Hawaii.

''(13) Congress enacted the Hawaiian Homes Commission Act of 1920 designating 200,000 acres of the ceded public lands for exclusive homesteading by Native Hawaiians, affirming the trust relationship between the United States and the Native Hawaiians, as expressed by then Secretary of the Interior Franklin K. Lane, who was cited in the Committee Report of the United States House of Representatives Com-

mittee on Territories as stating: 'One thing that impressed me . . . was the fact that the natives of these islands who are our wards, I should say, and for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty.'

''(14) In 1938, the United States Congress again acknowledged the unique status of the Hawaiian people by including in the Act of June 20, 1938 (52 Stat. 781 et seq.), a provision to lease lands within the National Parks extension to Native Hawaiians and to permit fishing in the area 'only by native Hawaiian residents of said area or of adjacent villages and by visitors under their guidance.'

''(15) Under the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union' Approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for the administration of the Hawaiian Home Lands to the State of Hawaii but reaffirmed the trust relationship which existed between the United States and the Hawaiian people by retaining the exclusive power to enforce the trust, including the power to approve land exchanges and legislative amendments affecting the rights of beneficiaries under such Act.

''(16) Under the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for administration over portions of the ceded public lands trust not retained by the United States to the State of Hawaii but reaffirmed the trust responsibility which existed between the United States and the Hawaiian people by retaining the legal responsibility to enforce the administration of the public trust responsibility of the State of Hawaii for the betterment of the conditions of Native Hawaiians under section 5(f) of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union.'

''(17) The authority of the Congress under the United States Constitution to legislate in matters affecting the aboriginal or indigenous peoples of the United States includes the authority to legislate in matters affecting the native peoples of Alaska and Hawaii.

''(18) In furtherance to the trust responsibility for the betterment of the conditions of native Hawaiians, the United States has established educational programs to benefit Native Hawaiians and has acknowledged that special educational efforts are re-

quired recognizing the unique cultural and historical circumstances of Native Hawaiians.

''(19) This historical and legal relationship has been consistently recognized and affirmed by the Congress through the enactment of Federal laws which extend to the Hawaiian people the same rights and privileges accorded to American Indian, Alaska Native, Eskimo, and Aleut communities, including the Native American Programs Act of 1974; the Native American Programs Act of 1992, as amended; the National Historic Act Amendments of 1992; the American Indian Religious Freedom Act; the Native American Graves Protection and Repatriation Act.

''(20) The United States has also recognized and reaffirmed the trust relationship to the Hawaiian people through legislation which authorizes the provision of services to Native Hawaiians, specifically, the Older Americans Act of 1965, the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, the Veterans' Benefits and Services Act of 1988, the Rehabilitation Act of 1973, the Native Hawaiian Health Care Act of 1988, the Health Professions Reauthorization Act of 1988, the Nursing Shortage Reduction and Education Extension Act of 1988, the Handicapped Programs Technical Amend-

ments Act of 1988, the Indian Health Care Amendments of 1988, and the Disadvantaged Minority Health Improvements Act of 1990.

''(21) Despite the success of the programs established under the Native Hawaiian Education Act of 1988, the education needs of Native Hawaiians continue to be severe:

''(A) Native Hawaiian students continue to score below national norms on standardized education achievement tests;

''(B) Both public and private schools continue to show a pattern of low percentages of Native Hawaiian students in the uppermost achievement levels and in gifted and talented programs;

''(C) Native Hawaiian students continue to be overrepresented among those qualifying for special education programs provided to learning disabled, educable mentally retarded, handicapped, and other such students;

''(D) Native Hawaiians continue to be disproportionately represented in many negative social and physical statistics, indicative of special educational needs—

''(i) lower educational attainment among Native Hawaiians has been found to relate to lower socioeconomic outcomes;

''(ii) Native Hawaiian students continue to be disproportionately underrepresented in Institutions of Higher Education;

''(iii) Native Hawaiians continue to be underrepresented in traditional white collar professions, health care professions, and the newly emerging technology based professions and are overrepresented in service occupations;

''(iv) Native Hawaiian children continue to be disproportionately victimized by child abuse and neglect, a signal of family stress; and

''(v) there are and will continue to be geographically rural, isolated areas with a high Native Hawaiian population density.

''(22) Special efforts in education recognizing the unique cultural and historical circumstances of Native Hawaiians are required.

''SEC. 3803. PURPOSE.

''It is the purpose of this part to—

''(1) authorize and develop supplemental educational programs to assist Native Hawaiians in reaching the National Education Goals,

''(2) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including those made available by the title on the problem of Native Hawaiian Education, and

''(3) supplement and expand existing programs and authorities in the area of education to further the purposes of the title.

''(4) encourage the maximum participation of Native Hawaiians in planning and management of Native Hawaiian Education Programs.

''SEC. 3804. NATIVE HAWAIIAN EDUCATION COUNCIL.

''(a) ESTABLISHMENT.—In order to better effectuate the purposes of this part through assistance in the coordination of services and programs provided for under this part, the Secretary shall establish a Native Hawaiian Education Council.

''(b) COMPOSITION.—Such Council shall consist of, but not be limited to:

''(1) representatives of each of the programs which receive Federal funding under this part;

''(2) a representative from the Office of the Governor;

''(3) a representative from the Office of Hawaiian Affairs;

''(4) representatives of other Native Hawaiian Educational organizations and Native Hawaiian organizations which receive Federal or state education funds; and

''(5) parent, student, educator and community organizations.

''(c) CONDITIONS AND TERMS.—All members of the Council shall be residents of the State of Hawaii, and at least half of the members shall be Native Hawaiian. Members of the Council shall be appointed for five year terms.

''(d) DUTIES AND RESPONSIBILITIES.—(1) The Council shall provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including those made available by this title on Native Hawaiian Education.

''(2) The Council is authorized to make available to Congress any information, advice, and recommendations that the Council is authorized to give to the Secretary.

''(3) The Secretary shall, whenever practicable, consult with the Council before taking any significant action related to the education of Native Hawaiians. Any advice or recommendation made by the Council to the Secretary shall

reflect the independent judgment of the Council on the matter concerned.

''(e) ADMINISTRATIVE PROVISIONS.—The Council shall meet at the call of the Chair, or upon the request of the majority of the Council, but in any event not less than twice during each calendar year. All matters relating to, or proceedings of, the Council need not comply with the Federal Advisory Committee Act.

''(f) COMPENSATION.—A member of the Native Hawaiian Council shall not receive any compensation for service on the Council.

''(g) ANNUAL REPORT.—The Council shall present to the Secretary an annual report on its activities.

''(h) REPORT TO CONGRESS.—Not later than 4 years after the date of the enactment of the Improving America's Schools Act, the Secretary shall prepare and submit to the Senate Committee on Indian Affairs and the House Committee on Education and Labor, a report which summarizes the annual reports of the Native Hawaiian Council, describes the allocation and utilization of monies under this part, and contains recommendations for changes in Federal, State, and local policy to advance the purposes of this part.

"SEC. 3805. NATIVE HAWAIIAN LANGUAGE IMMERSION PROJECT.

"(a) NATIVE HAWAIIAN LANGUAGE IMMERSION AUTHORITY.—In order to continue the state-wide effort at revitalizing the Native Hawaiian Language through the Punana Leo Project and the State of Hawaii's immersion project, the Secretary shall make direct grants to—

"(1) Aha Punana Leo for the continued maintenance of the Punana Leo Project, a family-based Hawaiian Immersion pre-school program;

"(2) the State of Hawaii for education support services for the State of Hawaii's Hawaiian Immersion Program; and to

"(3) the State of Hawaii to establish a center for Native Hawaiian curriculum development and teacher training.

"(b) ADMINISTRATIVE COSTS.—No more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,500,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999. Such funds shall remain available until expended.

"SEC. 3806. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

"(a) GENERAL AUTHORITY.—The Secretary shall make direct grants to Native Hawaiian Organizations (including Native Hawaiian Educational Organizations) to develop and operate a minimum of eleven Family-Based Education Centers throughout the Hawaiian Islands. Such centers shall include—

"(1) Parent-Infant programs (prenatal through age 3);

"(2) Preschool programs for four and five year-olds;

"(3) continued research and development; and

"(4) long term followup and assessment program.

"(b) ADMINISTRATIVE COSTS.—No more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for the centers described in subsection (a), there is authorized to be appropriated $6,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999. Such funds shall remain available until expended.

"SEC. 3807. NATIVE HAWAIIAN HIGHER EDUCATION DEMONSTRATION PROGRAM.

"(a) HIGHER EDUCATION GENERAL AUTHORITY.—The Secretary shall make grants to the Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration program to provide Higher Education fellowship assistance to Native Hawaiian students. The demonstration program under this program may include—

"(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited two or four year degree granting institution of higher education with awards to be based on academic potential and financial need;

"(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (a)(1) of this section;

"(3) college preparation and guidance counseling at the secondary school level for students who may be eligible for fellowship assistance pursuant to subsection (a)(1) of this section;

"(4) appropriate research and evaluation of the activities authorized by this section; and

"(5) implementation of faculty development programs for the improvement and matriculation of Native Hawaiian students.

''(b) GRANTS AUTHORIZED.—The Secretary shall make grants to Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration project of fellowship assistance for Native Hawaiian students in post-bachelor degree programs. Such project may include—

''(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited post-bachelor degree granting institution of higher education, with priority given to professions in which Native Hawaiians are under-represented and with awards to be based on academic potential and financial need;

''(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (b)(1) of this section; and

''(3) appropriate research and evaluation of the activities authorized by this section.

''(c) SPECIAL CONDITION REQUIRED.—For the purpose of subsection (b) fellowship conditions shall be established whereby recipients obtain an enforceable contract obligation to provide their professional services, either during their fellowship or upon completion of post-bachelor degree program, to the Native Hawaiian community within the State of Hawaii.

''(d) SPECIAL RULE.—No policy shall be made in implementing this Section to prevent a Native Hawaiian student enrolled at an accredited two or four year degree granting institution of higher education outside of the State of Hawaii from receiving a fellowship pursuant to Paragraphs (a) and (b) of this Section.

''(e) ADMINISTRATIVE COSTS.—No more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

''(f) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999 for the purpose of funding the fellowship assistance demonstration project under subsection (a).

''(2) There are authorized to be appropriated $1,500,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999 for the purpose of funding the fellowship assistance demonstration project provided under subsection (b).

''(3) Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 3808. NATIVE HAWAIIAN GIFTED AND TALENTED DEMONSTRATION PROGRAM.

"(a) GIFTED AND TALENTED DEMONSTRATION AUTHORITY.—

"(1) The Secretary shall provide a grant to, or enter into a contract with, the University of Hawaii at Hilo for—

"(A) the establishment of a Native Hawaiian Gifted and Talented Center at the University of Hawaii at Hilo, and

"(B) for demonstration projects designed to—

(i) address the special needs of Native Hawaiian elementary and secondary school students who are gifted and talented students, and

(ii) provide those support services to their families that are needed to enable such students to benefit from the project.

Such grant or contract shall be subject to the availability of appropriated funds and, contingent on satisfactory performance by the grantee, shall be provided for a term of 3 years.

"(2) After the term of the grant or contract provided, or entered into, under paragraph (1) has expired, the Secretary shall, for the purposes described

in subparagraphs (A) and (B) of paragraph (1), provide a grant to, or enter into a contract with, the public, 4-year, fully accredited institution of higher education located in the State of Hawaii which has made the greatest contribution to Native Hawaiian students. Such grant or contract shall be provided on an annual basis. The grantees shall be authorized to subcontract when appropriate, including with the Children's Television Workshop.

''(b) USES OF FUNDS.—Demonstration projects funded under this section may include—

''(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to—

''(A) the emotional and psychosocial needs of these students, and

''(B) the provision of those support services to their families that are needed to enable these students to benefit from the projects;

''(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of the Native Ha-

waiian language and exposure to Native Hawaiian cultural traditions;

''(3) the use of public television in meeting the special educational needs of such gifted and talented children;

''(4) leadership programs designed to replicate programs for such children throughout the State of Hawaii and to other Native American peoples, including the dissemination of information derived from demonstration projects conducted under this section; and

''(5) appropriate research, evaluation, and related activities pertaining to—

''(A) the needs of such children, and

''(B) the provision of those support services to their families that are needed to enable such children to benefit from the projects.

''(c) INFORMATION PROVISION.—The Secretary shall facilitate the establishment of a national network of Native Hawaiian and American Indian Gifted and Talented Centers, and ensure that the information developed by these centers shall be readily available to the educational community at large.

''(d) ADMINISTRATIVE COSTS.—No more than 7 percent of the funds appropriated to carry out the provisions

of this section for any fiscal year may be used for administrative purposes.

''(e) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for projects described in this section there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999. Such funds shall remain available until expended.

''SEC. 3809. NATIVE HAWAIIAN SPECIAL EDUCATION PROGRAM.

''(a) SPECIAL EDUCATION AUTHORITY.—The Secretary shall make grants to, and enter into contracts with, Pihana Na Mamo, to operate projects to address the special education needs of Native Hawaiian students. Such projects assisted under this section may include—

''(1) the identification of Native Hawaiian children who are learning disabled, mentally or physically handicapped, educable mentally retarded, or otherwise in need of special educational services;

''(2) the identification of special education needs of such children, particularly at the elementary school level, with attention to—

''(A) the emotional and psychosocial needs of these students, and

''(B) the provision of those support services to their families that are needed to enable such children to benefit from the projects.

''(b) ADMINISTRATIVE COSTS.—No more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

''(c) MATCHING FUNDS.—(1) The Secretary may not make a grant or provide funds pursuant to a contract under this subsection—

''(A) in an amount exceeding 83.3 percent of the costs of providing health services under the grant or contract; and

''(B) unless Pihana Na Mamo agrees that the State of Hawaii, the Office of Hawaiian Affairs, or any other non-Federal entity will make available, directly or through donations to the Native Hawaiian Special Education Project, non-Federal contributions toward such costs in an amount equal to not less than $1 (in cash or in kind under paragraph (2)) for each $5 of Federal funds provided in such grant or contract.

''(2) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Fed-

eral Government or services assisted or subsidized to any significant extent by the Federal Government may not be included in determining the amount of non-Federal contributions.

''(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for such project, there is authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1999. Such funds shall remain available until expended.

''SEC. 3810. ADMINISTRATIVE PROVISIONS.

''(a) APPLICATION REQUIRED.—No grant may be made under this part, nor any contract be entered into under this part, unless an application is submitted to the Secretary in such form, in such manner, and containing such information as the Secretary may determine necessary to carry out the provisions of this title.

''(b) SPECIAL RULE.—Each application submitted under this title shall be accompanied by the comments of each local educational agency serving students who will participate in the project for which assistance is sought.

''SEC. 3811. DEFINITIONS.

''For the purposes of this part—

''(1) The term 'Native Hawaiian' means any individual who is—

''(A) a citizen of the United States,

''(B) a resident of the State of Hawaii, and

''(C) a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii, as evidenced by—

''(i) genealogical records,

''(ii) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

''(iii) birth records of the State of Hawaii.

''(2) The term 'Secretary' means the Secretary of Education.

''(3) The term 'Native Hawaiian Educational Organization' means a private nonprofit organization that—

''(A) serves the interests of Native Hawaiians,

''(B) has Native Hawaiians in substantive and policy-making positions within the organizations,

''(C) has a demonstrated expertise in the education of Native Hawaiian youth, and

''(D) has demonstrated expertise in research and program development.

''(4) The term 'Native Hawaiian Organization' means a private nonprofit organization that—

''(A) serves the interests of Native Hawaiians, and

''(B) has Native Hawaiians in substantive and policy-making positions within the organizations,

''(C) is recognized by the Governor of Hawaii for the purpose of planning, conducting, or administering programs (or portions of programs) for the benefit of Native Hawaiians.

''(5) The term 'elementary school' has the same meaning given that term under section 9101 of this Act.

''(6) The term 'local educational agency' has the same meaning given that term under section 9101 of this Act.

''(7) The term 'secondary school' has the same meaning given that term under section 9101 of this Act.

''PART H—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

''SEC. 3901. FINDINGS.

''The Congress makes the following findings:

''(1) It is a worthwhile goal to ensure that all students in America are prepared for responsible citizenship and that all students should have the opportunity to be involved in activities that promote and demonstrate good citizenship.

''(2) It is a worthwhile goal to ensure that America's educators have access to programs for the continued improvement of their professional skills.

''(3) Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people. Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and educators. Therefore, it is a fitting and appropriate tribute to Senator Ellender to provide fellowships in his name to students of limited economic means, the teachers who work with them and older Americans so that they

may participate in the programs supported by the Close Up Foundation.

"Subpart 1—Program for Middle and Secondary School Students

"SEC. 3911. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this title to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among middle and secondary school students.

"(b) USE OF FUNDS.—Grants under this title shall be used only for financial assistance to economically disadvantaged students who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this title by such students shall be known as Allen J. Ellender fellowships.

"SEC. 3912. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this title may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made to economically disadvantaged middle and secondary school students;

''(2) that every effort will be made to ensure the participation of students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including physically challenged students, visually- and hearing-impaired students, ethnic minority students, and gifted and talented students; and

''(3) the proper disbursement of the funds of the United States received under this title.

''Subpart 2—Program for Middle and Secondary School Teachers

''SEC. 3915. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this title to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carry-

ing out its programs of teaching skills enhancement for middle and secondary school teachers.

''(b) USE OF FUNDS.—Grants under this title shall be used only for financial assistance to teachers who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this title by such individuals shall be known as Allen J. Ellender fellowships.

''SEC. 3916. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made only to teachers who have worked with at least one student from his or her school who participates in the programs described in section 101(a);

''(2) that not more than one teacher in each school participating in the programs provided for in section 101(a) may receive a fellowship in any fiscal year;

''(3) the proper disbursement of the funds of the United States received under this title.

''Subpart 3—Programs for Recent Immigrants, Students of Migrant Parents and Older Americans

''SEC. 3921. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make grants in accordance with the provisions of this title to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged older Americans, recent immigrants and students of migrant parents.

''(2) For the purpose of this subpart, the term 'older American' means an individual who has attained 55 years of age.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged older Americans, recent immigrants and students of migrant parents who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

''SEC. 3922. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon application at such time,

in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made to economically disadvantaged older Americans, recent immigrants and students of migrant parents;

''(2) that every effort will be made to ensure the participation of older Americans, recent immigrants and students of migrant parents from rural and small town areas, as well as from urban areas, and that in awarding fellowships, special consideration will be given to the participation of older Americans, recent immigrants and students of migrant parents with special needs, including physically challenged individuals, visually- and hearing-impaired individuals, ethnic minorities, and gifted and talented students;

''(3) that activities permitted by section 301(a) are fully described; and

''(4) the proper disbursement of the funds of the United States received under this title.

''Subpart 4—General Provisions

''SEC. 3925. ADMINISTRATIVE PROVISIONS.

''(a) GENERAL RULE.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

''(b) AUDIT RULE.—The Comptroller General of the United States or any of the Comptroller General's duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

''SEC. 3926. AUTHORIZATION OF APPROPRIATIONS.

''(a) There are authorized to be appropriated to carry out the provisions of subparts 1, 2, and 3 of this part $4,400,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(b) Of the funds appropriated pursuant to subsection (a), not more than 30 percent may be used for teachers associated with students participating in the programs described in section 3911(a).

''PART I—TERRITORIAL EDUCATION IMPROVEMENT PROGRAM

''SEC. 3931. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds that—

''(1) the attainment of a high quality education is important to a society and to each individual;

''(2) it is the policy of the United States that all citizens have a fair opportunity to receive a high quality education;

''(3) such opportunity should extend to United States citizens and nationals residing in the outlying areas;

''(4) reports show that the outlying areas have repeatedly placed last in national education tests which measure knowledge in core subject areas;

''(5) all students must realize their potential if the United States is to prosper; and

''(6) students in the outlying areas require additional assistance if they are to obtain the high standards established for all students in the United States.

''(b) PURPOSES.—The purpose of this part is to authorize an education improvement program for the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau which will assist in developing programs which will enhance student learning, increase the standard of education, and improve the performance levels of all students.

''SEC. 3932. GRANT AUTHORIZATION.

''The Secretary is authorized to make grants to the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands and Palau, until the effective date of the Compact of Free Association with the Government of Palau, to fund innovative education improvement programs which will increase student learning.

''SEC. 3933. RESTRICTIONS.

''(a) CONSTRUCTION.—No funds from a grant under section 3922 may be used for construction.

''(b) FULL USE.—If funds authorized under section 3922 are not fully committed within the period of the grant, the grant for the next period shall be reduced by the amount of funds not fully committed.

''SEC. 3934. AUTHORIZATION.

''There are authorized to be appropriated for grants under section 3922 $5,000,000 for each of the fiscal years 1994 through 1999.

''TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

''SEC. 4001. SHORT TITLE.

''This title may be cited as the 'Safe and Drug-Free Schools and Communities Act of 1994'.

''SEC. 4002. FINDINGS.

''The Congress finds as follows:

''(1) National Education Goal Six provides that by the year 2000, all schools in America will be free of drugs and violence and offer a disciplined environment that is conducive to learning.

''(2) The widespread illegal use of alcohol and other drugs among the Nation's secondary school students, and increasingly by students in elementary schools as well, constitutes a grave threat to their physical and mental well-being, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

''(3) Our Nation's schools and communities are increasingly plagued by violence and crime. Approximately three million thefts and violent crimes occur in or near our Nation's schools every year, the equivalent of more than 16,000 incidents per school day. Approximately one of every five high school students now carries a firearm, knife, or club on a regular basis.

''(4) The tragic consequences of violence and the illegal use of alcohol and drugs by students are felt not only by students and their families, but by their

communities and the Nation, which can ill afford to lose their skills, talents, and vitality.

''(5) While use of illegal drugs is a serious problem among a minority of teenagers, alcohol use is far more widespread. The proportion of high school students using alcohol, though lower than a decade ago, remains unacceptably high. By the 8th grade, 70 percent of youth report having tried alcohol and by the 12th grade, about 88 percent have used alcohol. Alcohol use by young people can and does have adverse consequences for users, their families, communities, schools, and colleges.

''(6) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety and to reduce the demand for and use of drugs throughout the Nation. Schools and local organizations in communities throughout the Nation have a special responsibility to work together to combat the growing epidemic of violence and illegal drug use and should measure the success of their programs against clearly defined goals and objectives.

''(7) Students must take greater responsibility for their own well-being, health, and safety if schools and communities are to achieve their goals of provid-

ing a safe, disciplined, and drug-free learning environment.

"SEC. 4003. PURPOSE.

"The purpose of this title is to support programs to meet Goal Six of the National Educational Goals by preventing violence in and around schools and by strengthening programs that prevent the illegal use of alcohol and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources, through the provision of Federal assistance to—

"(1) States for grants to local and intermediate educational agencies and consortia to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);

"(2) States for grants to local and intermediate educational agencies and consortia for grants to, and contracts with, community-based organizations and other public and private non-profit agencies and organizations for programs of drug and violence prevention, early intervention, rehabilitation referral, and education;

''(3) States for development, training, technical assistance, and coordination activities;

''(4) public and private non-profit organizations to conduct training, demonstrations, and evaluation, and to provide supplementary services for the prevention of drug use and violence among students and youth; and

''(5) institutions of higher education for the development and implementation of model programs and strategies to promote the safety of students attending institutions of higher education by preventing violent behavior and the illegal use of alcohol and drugs by such students.

''SEC. 4004. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

''(1) for State grants under part A, $630,000,000 for fiscal year 1995 and such sums as may be necessary for each of fiscal years 1996 through 1999; and

''(2) for national programs under part B, $25,000,000 for fiscal year 1995 and such sums as may be necessary for each of fiscal years 1996 through 1999.

''(b) AVAILABILITY.—(1) Appropriations for any fiscal year for payments made under this title in accordance with

regulations of the Secretary may be made available for obligation or expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year.

''(2) Funds appropriated for any fiscal year under this title shall remain available for obligation and expenditure until the end of the fiscal year succeeding the fiscal year for which such funds were appropriated.

''PART A—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS

''SEC. 4101. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount appropriated for each fiscal year under section 5004(a)(1), the Secretary—

''(1) shall reserve 1 percent of such amount for grants under this part to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau), to be allotted in accordance with their respective needs;

''(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

''(3) shall reserve 0.2 percent for programs for Native Hawaiians under section 5202; and

''(4) may reserve no more than $1,000,000 for the national impact evaluation required by section 5106(a).

''(b) STATE ALLOTMENTS.—(1) Except as provided under paragraph (2), the Secretary shall, for each fiscal year, allocate among the States—

''(A) one-half of the remainder not reserved under subsection (a) according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

''(B) one-half of such remainder according to the ratio between the amount each State received under section 1124 and 1124A of this Act for the preceding year (or, for fiscal year 1995 only, sections 1005 and 1006 of this Act as in effect on the day before enactment of the Safe and Drug-Free Schools and Communities Act Amendments of 1994) and the sum of such amounts received by all the States.

''(2) For any fiscal year, no State shall be allotted under this subsection an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this subsection.

''(3) The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within two years of such allotment. Such reallotments shall be made on the same basis as allotments made under paragraph (1).

''(4) For the purpose of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''SEC. 4102. STATE APPLICATIONS.

''(A) IN GENERAL.—In order to receive its allotment under section 5101 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

''(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted with its allotment under section 5101;

''(2)(A)(i) is integrated into the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, and satisfies the requirements of this section that are not already addressed by that plan; and

''(ii) is submitted, if necessary, as an amendment to the State's plan under title III of the Goals 2000: Educate America Act; or

''(B) if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan, is integrated with other State plans under this Act and satisfies the requirements of this section;

''(3) contains the results of the State's needs assessment for drug and violence prevention programs, which shall be based on the results of on-going State evaluation activities, including data on the prevalence of drug use and violence by youth in schools and communities;

''(4) has been developed in consultation with the chief executive officer, the head of the State alcohol and drug abuse agency, the heads of the State health and mental health agencies, the head of the State child welfare agency, and the heads of the State criminal and juvenile justice planning agencies;

''(5) contains a description of the procedures the State educational agency will use to review applications from local educational agencies under section 5104;

''(6) contains an assurance that the State will cooperate with, and assist, the Secretary in conducting a national impact evaluation of programs required by section 5106(a); and

''(7) includes any other information the Secretary may require.

''(b) STATE EDUCATIONAL AGENCY FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 5103(a) by the State educational agency that includes—

''(1) a statement of the State educational agency's measurable goals and objectives for drug and violence prevention and a description of the procedures it will use for assessing and publicly reporting progress toward meeting those goals and objectives;

''(2) a plan for monitoring the implementation of, and providing technical assistance regarding, the drug and violence prevention programs conducted by local educational agencies in accordance with section 5105;

''(3) a description of how the State educational agency will use funds it reserves under section 5103(b);

''(4) a description of how the State educational agency will coordinate its activities under this part with drug and violence prevention efforts of other State agencies; and

''(5) an explanation of the criteria the State educational agency will use to identify which local edu-

cational agencies receive supplemental funds under section 5103(d)(2)(A)(i)(II) and how the supplemental funds will be allocated among those local educational agencies.

''(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

''(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 1995 a one-year interim application and plan for the use of funds under this part that are consistent with the requirements of this section and contain such information as the Secretary may specify in regulations. The purpose of such interim application and plan shall be to afford the State the opportunity to fully develop and review its application and comprehensive plan otherwise required by this section. A State may not receive a grant under this part for a fiscal year subsequent to fiscal year 1995 unless the Secretary has approved its application and comprehensive plan.

''SEC. 4103. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

''(a) USE OF FUNDS.—(1) Except as provided in paragraph (2), the total amount allocated to a State under section 5101 for each fiscal year shall be used by the State

educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section.

''(2)(A) If a State has, on or before January 1, 1994, established an independent State agency for the purpose of administering all of the funds described in section 5121 of this Act (as such section was in effect on the day before the date of the enactment of the Safe and Drug-Free Schools and Communities Act Amendments of 1994), then—

''(i) an amount equal to 70 percent of the total amount allocated to such State under section 5101 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section; and

''(ii) an amount equal to 30 percent of such total amount shall be used by such independent State agency for drug and violence prevention activities in accordance with section 5122 of this Act (as such section was in effect on the day before the date of the enactment of the Safe and Drug-Free Schools and Communities Act Amendments of 1994).

''(B) Not more than 2.5 percent of the amount reserved under subparagraph (A)(ii) may be used for administrative

costs of the independent State agency incurred in carrying out the activities described in such subparagraph.

''(C) For purposes of this paragraph, the term 'independent State agency' means an independent agency with a board of directors or a cabinet level agency whose chief executive officer is appointed by the chief executive officer of the State and confirmed with the advice and consent of the senate of such State.

''(b) STATE LEVEL PROGRAMS.—(1) A State educational agency shall use no more than five percent of the amount reserved under subsection (a) for activities such as—

''(A) training and technical assistance concerning drug and violence prevention for local and intermediate educational agencies, including teachers, administrators, counselors, coaches and athletic directors, other educational personnel, parents, students, community leaders, health service providers, local law enforcement officials, and judicial officials;

''(B) the development, identification, dissemination and evaluation of the most readily available, accurate, and up-to-date curriculum materials (including videotapes, software, and other technology-based learning resources), for consideration by local educational agencies;

''(C) demonstration projects in drug and violence prevention;

''(D) financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children or sparsely populated areas, or to meet other special needs consistent with the purposes of this part; and

''(E) the evaluation of activities carried out within the State under this part.

''(2) A State educational agency may carry out activities under this subsection directly, or through grants or contracts.

''(c) STATE ADMINISTRATION.—(1) A State educational agency may use no more than four percent of the amount reserved under subsection (a) for the administrative costs of carrying out its responsibilities under this part.

''(2) In administering its programs under this part, a State educational agency may not delegate or transfer any administrative functions in any manner to any other State entity.

''(d) LOCAL EDUCATIONAL AGENCY PROGRAMS.—(1) A State educational agency shall distribute not less than 92 percent of the amount reserved under subsection (a) for

each fiscal year to local educational agencies in accordance with this subsection.

''(2)(A)(i) Of the amount distributed under subsection (d)(1), a State educational agency shall distribute—

''(I) 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private non-profit schools within their boundaries; and

''(II) 30 percent of such amount to local educational agencies that the State educational agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this part.

''(ii) To the extent practicable, not less than 25 percent of the amount specified in clause (i)(II) for a fiscal year shall be distributed to local educational agencies located in rural areas.

''(B)(i) A State educational agency shall distribute funds under subparagraph (A)(i)(II) to no more than ten percent of its local educational agencies, or five such agencies, whichever is greater.

''(ii) In determining which local educational agencies have the greatest need for additional funds, the State educational agency shall consider such factors as—

''(I) high rates of alcohol or other drug use among youth;

''(II) high rates of victimization of youth by violence and crime;

''(III) high rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

''(IV) the extent of illegal gang activity;

''(V) high rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

''(VI) high rates of referrals of youths to juvenile court;

''(VII) high rates of expulsions and suspensions of students from schools; and

''(VIII) high rates of reported cases of child abuse and domestic violence.

''(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to it under subsection (d), or if its application under section 5104 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of the local education agencies determined by the State educational agency under subsection (d)(2)(B) to have the greatest need for additional funds.

''(f) RETURN OF FUNDS TO STATE EDUCATIONAL AGENCY; REALLOCATION.—(1) Except as provided in para-

graph (2), upon the expiration of the 1-year period beginning on the date that a local educational agency, intermediate educational agency, or consortium under this title receives its allocation under this title—

''(A) such agency or consortium shall return to the State educational agency any funds from such allocation that remain unobligated; and

''(B) the State educational agency shall reallocate any such amount to local educational agencies, intermediate educational agencies, or consortia that have plans for using such amount for programs or activities on a timely basis.

''(2) In any fiscal year, a local educational agency, intermediate educational agency, or consortium may retain for obligation in the succeeding fiscal year—

''(A) an amount equal to not more than 25 percent of the allocation it receives under this title for such fiscal year; or

''(B) upon a demonstration of good cause by such agency or consortium, a greater amount approved by the State educational agency.

''SEC. 4104. LOCAL APPLICATIONS.

''(a) IN GENERAL.—(1) In order to be eligible to receive an allocation under section 5103(d) for any fiscal year, a local educational agency shall submit, at such time

as the State educational agency requires, an application to the State educational agency for approval. Such an application shall be amended, as necessary, to reflect changes in the local educational agency's program.

''(2)(A) A local educational agency shall develop its application under subsection (a)(1) in consultation with a local or substate regional advisory council that includes, to the extent possible, representatives of local government, business, parents, students, teachers, appropriate state agencies, private schools, the medical profession, law enforcement, community-based organizations, and other groups with interest and expertise in drug and violence prevention.

''(B) In addition to assisting the local educational agency to develop its application under this section, the advisory council established or designated under paragraph (2)(A) shall, on an on-going basis—

''(i) disseminate information about drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

''(ii) advise the local educational agency on how best to coordinate its activities under this part with other related programs, projects, and activities, in-

cluding community service and service learning projects, and the agencies that administer them; and

''(iii) review program evaluations and other relevant material and make recommendations to the local educational agency on how to improve its drug and violence prevention programs.

''(b) CONTENTS OF APPLICATIONS.—An application under this section shall contain—

''(1) an assessment of the current use (and consequences of such use) of alcohol, tobacco, and controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend the schools of the applicant (including private school students who participate in the applicant's drug and violence prevention program) that is based on ongoing local assessment or evaluation activities;

''(2) a detailed explanation of the local educational agency's comprehensive plan for drug and violence prevention, which shall include a description of—

''(A) how that plan is consistent with, and promotes the goals in, the State's application under section 5102 and the local educational agency's plan, either approved or being devel-

oped, under title III of the Goals 2000: Educate America Act, or, if the local educational agency does not have such an approved plan and is not developing one, its plan under section 1112 of this Act;

''(B) the local educational agency's measurable goals for drug and violence prevention, and a description of how it will assess and publicly report progress toward attaining these goals;

''(C) the local educational agency's comprehensive plan for programs to be carried out under this part;

''(D) how the local educational agency will use its regular allocation under section 5103(d)(2)(A)(i)(I) and its supplemental allocation, if any, under section 5103(d)(2)(A)(i)(II);

''(E) how the local educational agency will coordinate its programs and projects with community-wide efforts to achieve its goals for drug and violence prevention; and

''(F) how the local education agency will coordinate its programs and projects with other Federal, State, and local programs for drug-abuse prevention, including health programs; and

''(3) such other information and assurances as the State educational agency may reasonably require.

''(c) REVIEW OF APPLICATION.—(1) In reviewing local applications under this section, a State educational agency shall use a peer review process or other methods of assuring the quality of such applications.

''(2)(A) In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency's comprehensive plan under subsection (b)(2) and the extent to which it is consistent with, and supports, the State's application under section 5102 and the State's plan under the Goals 2000: Educate America Act, and, if the State does not have such a plan, its plan under section 1111 of this Act.

''(B) A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or place restrictions on the use of funds allotted to such a local educational agency in a manner the State educational agency determines will best promote the purposes of this part or the State's plan under the Goals 2000: Educate America Act, and, if the State does not have such a plan, its plan under section 1111 of this Act, except that a local educational

agency shall be afforded an opportunity to appeal any such disapproval.

''SEC. 4105. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

''(a) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this part to adopt and carry out a comprehensive drug and violence prevention program which shall—

''(1) be designed, for all students and employees, to—

''(A) prevent the use, possession, and distribution of tobacco, alcohol and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by employees;

''(B) prevent violence and promote school safety; and

''(C) create a disciplined environment conducive to learning;

''(2) include activities to promote the involvement of parents and coordination with community groups and agencies, including the distribution of information about the local educational agency's needs assessments, goals, and programs under this part; and

''(3) include community-based prevention and education activities in accordance with the requirements of subsection (c).

''(b) AUTHORIZED ACTIVITIES.—A comprehensive drug and violence prevention program carried out under this part may include—

''(1) age-appropriate, developmentally based drug prevention and education programs for all students, from the preschool level through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

''(2) programs of drug prevention, comprehensive health education, early intervention, counseling, mentoring, or rehabilitation referral, which emphasize students' sense of individual responsibility and which may include—

''(A) the dissemination of information about drug prevention;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education,

early intervention, counseling or rehabilitation referral;

''(C) the implementation of strategies, including strategies to integrate the delivery of services from a variety of providers, to combat illegal alcohol and other drug use, such as—

''(i) family counseling;

''(ii) early intervention activities that prevent family dysfunction, enhance school performance, and boost attachment to school and family; and

''(iii) activities, such as community service and service-learning projects, that are designed to increase students' sense of community;

''(3) age-appropriate, developmentally based violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, including sexual harassment, and that include activities designed to help students develop a sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence;

''(4) violence prevention programs for school-aged youth, which emphasize students' sense of individual responsibility and may include—

''(A) the dissemination of information about school safety and discipline;

''(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent school violence;

''(C) the implementation of strategies, such as conflict resolution and peer mediation and the use of mentoring programs, to combat school violence and other forms of disruptive behavior, such as sexual harassment; and

''(D) comprehensive, community-wide strategies to prevent or reduce illegal gang activities;

''(5) subject to the requirements of the matter following paragraph (8), not more than one half of the cost of—

''(A) minor remodeling to promote security and reduce the risk of violence, such as removing lockers, installing better lights, and upgrading locks; and

''(B) acquiring and installing metal detectors and hiring security personnel;

''(6) the promotion of before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings; and

''(7) drug abuse resistance education programs, designed to teach students to recognize and resist pressures to use alcohol or other drugs, which may include activities such as classroom instruction by uniformed law enforcement officers, resistance techniques, resistance to peer pressure and gang pressure, and provision for parental involvement;

''(8) the evaluation of any of the activities authorized under this subsection.

A local educational agency may use no more than 33 percent of the funds it receives under this part for any fiscal year for the activities described in paragraph (5).

''(c) COMMUNITY-BASED PREVENTION ACTIVITIES.—(1) A local educational agency shall expend not less than 21 percent of the funds received under this part on grants or contracts with parent groups, community action and job training agencies, community-based organizations, and other public entities and private nonprofit organizations. Such grants or contracts shall support community-based drug abuse and violence prevention programs and activities

described in paragraph (2). In awarding such grants or contracts, the local educational agency shall give priority to programs of demonstrated effectiveness and programs which have previously received assistance under section 5122 of the Drug-Free Schools and Communities Act of 1986.

''(2) Grants and contracts under paragraph (1) shall be used for programs and activities such as—

''(A) developing and implementing comprehensive, community-based drug and violence prevention programs that link community resources with schools and integrate services involving education, vocational and job skills training, community service and service learning projects, law enforcement, health, mental health, and other appropriate services;

''(B) planning and implementing drug and violence prevention activities that coordinate the efforts of community-based agencies with those of the local educational agency;

''(C) activities to protect students traveling to and from school;

''(D) developing and implementing strategies to prevent illegal gang activity;

''(E) coordinating and conducting community-wide violence and safety assessments and surveys; and

''(F) programs and activities which address the needs of children and youth who are not normally served by the local educational agency, including preschoolers, dropouts, youth in juvenile detention facilities, and runaways or homeless children and youth;

''(G) disseminating information about drug and violence prevention;

''(H) training parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, education, early intervention, counseling, or rehabilitation referral; and

''(I) before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings.

''(d) ADMINISTRATIVE PROVISIONS.—Notwithstanding any other provisions of law, any funds expended prior to July 1, 1995, under part B of the Drug-Free Schools and Communities Act of 1986 (as in effect prior to enactment of the Improving America's Schools Act) for the support of a comprehensive school health program shall be deemed to have been authorized by part B of such Act.

''SEC. 4106. EVALUATION AND REPORTING.

''(a) NATIONAL IMPACT EVALUATION.—The Secretary, in consultation with the Secretary of Health and Human

Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall conduct an independent biennial evaluation of the national impact of programs under this part and submit a report of the findings of such evaluation to the President and the Congress.

''(b) STATE REPORT.—(1) By October 1, 1997, and every third year thereafter, the State educational agency shall submit to the Secretary a report—

''(A) on the implementation and outcomes of State programs under section 5103(b) and local programs under section 5103(d), as well as an assessment of their effectiveness; and

''(B) on the State's progress toward attaining its goals for drug and violence prevention under section 5103(b)(1).

''(2) The report required by this subsection shall be—

''(A) in the form specified by the Secretary;

''(B) based on the State's on-going evaluation activities, and shall include data on the prevalence of drug use and violence by youth in schools and communities; and

''(C) made readily available to the public.

''(c) LOCAL EDUCATIONAL AGENCY REPORT.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency whatever infor-

mation, and at whatever intervals, the State requires to complete the State report required by subsection (b), including information on the prevalence of drug use and violence by youth in the schools and the community. Such information shall be made readily available to the public.

''PART B—NATIONAL PROGRAMS

''SEC. 4201. FEDERAL ACTIVITIES.

''(a) PROGRAM AUTHORIZED.—From funds appropriated under section 5004(a)(2), the Secretary of Education, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels, preschool through postsecondary. The Secretary shall carry out such programs directly, or through grants, contracts, or cooperative agreements with public and private organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

''(1) the development and demonstration of innovative strategies for training school personnel, parents, and members of the community, including the

demonstration of model preservice training programs for prospective school personnel;

''(2) demonstrations and rigorous evaluations of innovative approaches to drug and violence prevention that are carried out in cooperation with other Federal agencies, including the Department of Health and Human Services, the Department of Justice, the Department of Housing and Urban Development, and the Department of Labor;

''(3) the provision of information on drug abuse education and prevention to the Secretary of Health and Human Services for dissemination by the clearinghouse for alcohol and drug abuse information established under section 509 of the Public Health Service Act;

''(4) the development, dissemination, and implementation of model programs and strategies to promote the safety of students attending institutions of higher education by preventing violent behavior and the illegal use of alcohol and other drugs by such students;

''(5) the development of curricula related to child abuse prevention and education and the training of personnel to teach child abuse education and prevention to elementary and secondary school children;

''(6) program evaluations that address issues not addressed under section 5106(a);

''(7) direct services to schools and school systems afflicted with especially severe drug and violence problems;

''(8) activities in communities designated as empowerment zones or enterprise communities that will connect schools to community-wide efforts to reduce drug and violence problems;

''(9) developing and disseminating drug and violence prevention materials, including video-based projects and model curricula;

''(10) developing and implementing a comprehensive violence prevention strategy for schools and communities, that may include conflict resolution, peer mediation, the teaching of law and legal concepts, and other activities designed to stop violence;

''(11) the implementation of innovative activities, such as community service projects, designed to rebuild safe and healthy neighborhoods and increase students' sense of individual responsibility.

''(12) other activities that meet unmet national needs related to the purposes of this title; and

''(13) grants to noncommercial telecommunications entities for the production and distribution of

national video-based projects that provide young people with models for conflict resolution and responsible decisionmaking.

''(b) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

''SEC. 4202. PROGRAMS FOR NATIVE HAWAIIANS.

''(a) GENERAL AUTHORITY.—From the funds reserved pursuant to section 5101(a)(3), the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Native Hawaiians which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this for the benefit of Native Hawaiians.

''(b) DEFINITION OF 'NATIVE HAWAIIAN'.—For the purposes of this section, the term 'Native Hawaiian' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

''PART C—GENERAL PROVISIONS

''SEC. 4301. DEFINITIONS.

''For the purposes of this title, the following terms have the following meanings:

''(1) The term 'drug and violence prevention' means—

''(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education related to the illegal use of alcohol, the use of tobacco and the use of controlled, illegal, addictive, or harmful substances, including inhalants and anabolic steroids; and

''(B) with respect to violence, the promotion of school safety, such that students and school personnel are free from violent and disruptive acts, including sexual harassment, on school premises, going to and from school, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

''(2) The term 'nonprofit', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(3) The term 'school-aged population' means the population aged five through 17, inclusive, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

''(4) The term 'school personnel' includes teachers, administrators, guidance counselors, social workers, psychologists, nurses, librarians, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

''SEC. 4302. MATERIALS.

''(a) 'WRONG AND HARMFUL' MESSAGE.—Drug prevention programs supported under this title shall convey a clear and consistent message that the illegal use of alcohol and other drugs is wrong and harmful.

''(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this title, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

''SEC. 4303. PROHIBITED USES OF FUNDS.

''No funds under this title may be used for—

''(1) construction (except for minor remodeling needed to accomplish the purposes of this title);

''(2) drug treatment or rehabilitation; and

''(3) psychiatric, psychological, or other medical treatment or rehabilitation, other than school-based counseling for students or school personnel who are victims or witnesses of school-related crime.

''SEC. 4304. CERTIFICATION OF DRUG AND ALCOHOL ABUSE PREVENTION PROGRAMS.

''(a) IN GENERAL.—Notwithstanding any other provision of law other than section 432 of the General Education Provisions Act and section 103(b) of the Department of Education Organization Act, no local educational agency shall be eligible to receive funds or any other form of financial assistance under any Federal program unless it certifies to the State educational agency that it has adopted and has implemented a program to prevent the use of illicit drugs and alcohol by students or employees that, at a minimum, includes—

''(1) age-appropriate, developmentally based drug and alcohol education and prevention programs (which address the legal, social, and health consequences of drug and alcohol use and which provide information about effective techniques for resisting peer pressure to use illicit drugs or alcohol) for students in all grades of the schools operated or served by the applicant, from early childhood level through grade 12;

''(2) conveying to students that the use of illicit drugs and the unlawful possession and use of alcohol is wrong and harmful;

''(3) standards of conduct that are applicable to students and employees in all the applicant's schools and that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on school premises or as part of any of its activities;

''(4) a clear statement that sanctions (consistent with local, State, and Federal law), up to and including expulsion or termination of employment and referral for prosecution, will be imposed on students and employees who violate the standards of conduct required by paragraph (3) and a description of those sanctions;

''(5) information about any available drug and alcohol counseling and rehabilitation and re-entry programs that are available to students and employees;

''(6) a requirement that parents, students, and employees be given a copy of the standards of conduct required by paragraph (3) and the statement of sanctions required by paragraph (4);

''(7) notifying parents, students, and employees that compliance with the standards of conduct required by paragraph (3) is mandatory; and

''(8) a biennial review by the applicant of its program to—

''(A) determine its effectiveness and implement changes to the program if they are needed; and

''(B) ensure that the sanctions required by paragraph (4) are consistently enforced.

''(b) DISSEMINATION OF INFORMATION.—Each local educational agency that provides the certification required by subsection (a) shall, upon request, make available to the Secretary, the State educational agency, and to the public full information about the elements of its program required by subsection (a), including the results of its biennial review.

''(c) CERTIFICATION TO SECRETARY.—Each State educational agency shall certify to the Secretary that it has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by its students and employees that is consistent with the program required by subsection (a) of this section. The State educational agency shall, upon request, make available to the Secretary and

to the public full information about the elements of its program.

''(d) REGULATIONS.—(1) The Secretary shall publish regulations to implement and enforce the provisions of this section, including regulations that provide for—

''(A) the periodic review by State educational agencies of a representative sample of programs required by subsection (a); and

''(B) a range of responses and sanctions for local educational agencies that fail to implement their programs or to consistently enforce their sanctions, including information and technical assistance, the development of a compliance agreement, and the termination of any form of Federal financial assistance.

''(2) The sanctions required by subsection (a)(1)(4) may include the completion of an appropriate rehabilitation program.

''(e) APPEAL REGARDING TERMINATION OF ASSISTANCE.—Upon a determination by the Secretary to terminate financial assistance to any local educational agency under this section, the agency may file an appeal with an administrative law judge before the expiration of the 30-day period beginning on the date such agency is notified of the decision to terminate financial assistance under this section. Such judge shall hold a hearing with respect to such

termination of assistance before the expiration of the 45-day period beginning on the date that such appeal is filed. Such judge may extend such 45-day period upon a motion by the agency concerned. The decision of the judge with respect to such termination shall be considered to be a final agency action.''.

''TITLE V—MAGNET SCHOOLS ASSISTANCE

''PART A—PROMOTING EQUITY

''SEC. 5101. FINDINGS.

''The Congress finds that—

''(1) magnet schools are a significant part of our Nation's effort to achieve voluntary desegregation in its schools;

''(2) the use of magnet schools has increased dramatically since enactment of the magnet program, with approximately 1.4 million students nationwide now attending such schools, of which more than 60 percent of the students are nonwhite;

''(3) magnet schools offer a wide range of distinctive programs that have served as models for school improvement efforts;

''(4) in administering this program, the Federal Government has learned that—

''(A) where magnet programs are implemented for only a portion of a school's student body, special efforts must be made to discourage the isolation of magnet students from other students in the school;

''(B) local educational agencies can maximize their effectiveness in achieving the purposes of this program if they have more flexibility to serve students attending a school who are not enrolled in the magnet school program;

''(C) local educational agencies must be creative in designing magnet schools for students at all academic levels, so that school districts do not skim off only the highest achieving students to attend the magnet schools;

''(D) local educational agencies must seek to enable participation in magnet school programs by students who reside in the neighborhoods where the programs are placed; and

''(E) in order to ensure that magnet schools are sustained after Federal funding ends, the Federal Government must assist local educational agencies to improve their capacity to continue to operate magnet schools at a high level of performance;

''(5) it is in the best interest of the Federal Government to—

''(A) continue its support of local educational agencies implementing court-ordered desegregation plans and local educational agencies seeking to foster meaningful interaction among students of different racial and ethnic backgrounds beginning at the earliest stage of their education;

''(B) ensure that all students have equitable access to quality education that will prepare them to function well in a culturally diverse, technologically-oriented, and highly competitive global community; and

''(C) maximize the ability of local educational agencies to plan, develop, implement and continue new and innovative programs in magnet schools that contribute to State and local systemic reform.

''SEC. 5102. STATEMENT OF PURPOSE.

''The purpose of this part is to assist in the desegregation of local educational agencies by providing financial assistance to eligible local educational agencies for—

''(1) the elimination, reduction, or prevention of minority group isolation in elementary and second-

ary schools with substantial proportions of minority students;

''(2) the development and implementation of magnet school projects that will assist local educational agencies in achieving systemic reforms and providing all students the opportunity to meet challenging State performance standards;

''(3) the development and design of innovative educational methods and practices; and

''(4) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational skills of students attending such schools.

''SEC. 5103. PROGRAM AUTHORIZED.

''The Secretary is authorized, in accordance with this part, to make grants to eligible local educational agencies for use in magnet schools that are part of an approved desegregation plan and that are designed to bring students from different social, economic, ethnic, and racial backgrounds together.

''SEC. 5104. DEFINITION.

''For the purpose of this part, the term 'magnet school' means a school or education center that offers a special cur-

riculum capable of attracting substantial numbers of students of different racial backgrounds.

"SEC. 5105. ELIGIBILITY.

"A local educational agency is eligible to receive assistance under this part if it—

"(1) is implementing a plan undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and that requires the desegregation of minority-group-segregated children or faculty in the elementary and secondary schools of such agency; or

"(2) without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this part, adopt and implement a plan that has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority-group-segregated children or faculty in such schools.

"SEC. 5106. APPLICATIONS AND REQUIREMENTS.

"(a) APPLICATIONS.—An eligible local educational agency desiring to receive assistance under this part shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

''(b) INFORMATION AND ASSURANCES.—An application under this part shall include—

''(1) a description of—

''(A) how assistance made available under this part will be used to promote desegregation, including how the proposed magnet school project will increase interaction among students of different social, economic, ethnic, and racial backgrounds;

''(B) the manner and extent to which the magnet school project will increase student achievement in the instructional area or areas offered by the school;

''(C) the manner in which an applicant will continue the magnet school project after assistance under this part is no longer available, including, if applicable, an explanation of whether successful magnet schools established or supported by the applicant with funds under this part have been continued without the use of funds under this part;

''(D) how funds under this part will be used to implement services and activities that are consistent with the State's and local educational

agency's systemic reform plan, if any, under title III of the Goals 2000: Educate America Act; and

''(E) the criteria to be used in selecting students to attend the proposed magnet school projects; and

''(2) assurances that the applicant will—

''(A) use funds under this part for the purposes specified in section 5103;

''(B) employ teachers in the courses of instruction assisted under this part who are certified or licensed by the State to teach the subject matter of the courses of instruction;

''(C) not engage in discrimination based on race, religion, color, national origin, sex, or disability in—

''(i) the hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

''(ii) the assignment of students to schools, or to courses of instruction within the school, of such agency, except to carry out the approved plan; and

''(iii) designing or operating extracurricular activities for students;

''(D) carry out a high-quality education program that will encourage greater parental decisionmaking and involvement; and

''(E) give students residing in the local attendance area of the proposed magnet school projects equitable consideration for places in those projects.

''(c) SPECIAL RULE.—No application may be approved under this section unless the Assistant Secretary of Education for Civil Rights determines that the assurances described in subsection (b)(2)(C) will be met.

''SEC. 5107. PRIORITY.

''In approving applications under this part, the Secretary shall give priority to applicants that—

''(1) have the greatest need for assistance, based on the expense or difficulty of effectively carrying out an approved desegragation plan and the projects for which assistance is sought;

''(2) propose to carry out new magnet school projects or significantly revise existing magnet school projects;

''(3) propose to select students to attend magnet school projects by methods such as lottery, rather than through academic examination;

''(4) propose to implement innovative educational approaches that are consistent with the State's and local educational agency's approved systemic reform plans, if any, under title III of the Goals 2000: Educate America Act; and

''(5) propose to draw on comprehensive community involvement plans.

''SEC. 5108. USE OF FUNDS.

''(a) USE OF FUNDS.—Grants made under this part may be used by eligible local educational agencies—

''(1) for planning and promotional activities directly related to the development, expansion, continuation, or enhancement of academic programs and services offered at magnet schools;

''(2) for the acquisition of books, materials, and equipment, including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools;

''(3) for the payment of, or subsidization of the compensation of, elementary and secondary school teachers who are certified or licensed by the State and who are necessary to conduct programs in magnet schools; and

''(4) with respect to a magnet school program offered to less than the entire student population of a school, for instructional activities that—

''(A) are designed to make available the special curriculum that is offered by the magnet school project to students who are enrolled in the school but who are not enrolled in the magnet school program; and

''(B) further the purposes of this part.

''(b) SPECIAL RULE.—With respect to subsections (a)(2) and (3), such grants may be used by eligible local educational agencies for such activities only if such activities are directly related to improving the students' reading skills or their knowledge of mathematics, science, history, geography, English, foreign languages, art, or music, or to improving vocational skills.

''SEC. 5109. PROHIBITIONS.

''Grants under this part may not be used for transportation, or for any activity that does not augment academic improvement.

''SEC. 5110. LIMITATION ON PAYMENTS.

''(a) DURATION OF AWARDS.—Awards made under this part shall not exceed 3 years.

''(b) LIMITATION ON PLANNING FUNDS.—A local educational agency may expend for planning up to 50 percent

of the funds received under this part for the first year of the project, 15 percent for the second year of the project, and up to 10 percent for the third year of the project.

''(c) LIMITATION ON GRANTS.—A local educational agency shall not receive more than $4,000,000 under this part in any one grant cycle.

''(d) AWARD REQUIREMENT.—To the extent practicable, for any fiscal year, the Secretary shall award grants to local educational agencies under this part no later than June 1 of the applicable fiscal year.

''SEC. 5111. AUTHORIZATION OF APPROPRIATIONS; RESERVATION.

''(a) AUTHORIZATION.—For the purpose of carrying out this part, there are authorized to be appropriated $120,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(b) AVAILABILITY OF FUNDS FOR GRANTS TO AGENCIES NOT PREVIOUSLY ASSISTED.—In any fiscal year for which the amount appropriated pursuant to subsection (a) exceeds $75,000,000, the Secretary shall, with respect to such excess amount, give priority to grants to local educational agencies that did not receive a grant under this part in the last fiscal year of the funding cycle prior to the fiscal year for which the determination is made.

''(c) EVALUATIONS.—The Secretary may reserve not more than 2 percent of the funds appropriated under subsection (a) for any fiscal year to carry out evaluations of projects under this part.

''PART B—EQUALIZATION ASSISTANCE

''SEC. 5201. TECHNICAL AND OTHER ASSISTANCE FOR SCHOOL FINANCE.

''(a) TECHNICAL ASSISTANCE.—(1) The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, State educational agencies and other public and private agencies, institutions, and organizations to provide technical assistance to State and local educational agencies to assist them in achieving a greater degree of equity in the distribution of financial resources for education among local educational agencies in the State.

''(2) A grant or contract under this section may support technical assistance activities, such as—

''(A) the establishment and operation of a center or centers for the provision of technical assistance to State and local educational agencies;

''(B) the convening of conferences on equalization of resources within local educational agencies, within States, and among States; and

''(C) obtaining advice from experts in the field of school finance equalization.

''(b) RESEARCH.—(1) The Secretary is authorized to carry out applied research and analysis designed to further knowledge and understanding of methods to achieve greater equity in the distribution of financial resources among local educational agencies.

''(2) The Secretary may carry out research under this subsection directly or through grants to, or contracts or cooperative agreements with, any public or private organization.

''(3) In carrying out this section, the Secretary is authorized to—

''(A) support research on the equity of existing State school funding systems;

''(B) train individuals in such research;

''(C) promote the coordination of such research;

''(D) collect and analyze data related to school finance equity in the United States and other nations; and

''(E) report periodically on the progress of States in achieving school finance equity.

''(4) The Secretary shall coordinate activities under this subsection with activities carried out by the Office of Educational Research and Improvement.

''(5) Each State educational agency or local educational agency receiving assistance under this Act shall provide such data and information on school finance as the Secretary may require to carry out the purposes of this section.

''(c) MODELS.—The Secretary is authorized, directly or through grants, contracts, or cooperative agreements, to develop and disseminate models and materials useful to States in planning and implementing revisions of their school finance systems.

''(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $8,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART C—WOMEN'S EDUCATIONAL EQUITY ACT

''SEC. 5301. FINDINGS AND STATEMENT OF PURPOSE.

''(a) FINDINGS.—The Congress finds and declares that—

''(1) educational programs in the United States are frequently inequitable as such programs relate to women and girls;

''(2) such inequities limit the full participation of all individuals in American society; and

''(3) efforts to improve the quality of public education also must include efforts to ensure equal access to quality education programs for all women and girls.

''(b) PURPOSE.—The purpose of this part is to provide gender equity in education in the United States; to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Educational Amendments of 1972; and to provide equity in education to women and girls who suffer multiple forms of discrimination based on sex, race, ethnic origin, limited English proficiency, disability, or age.

''SEC. 5302. PROGRAMS AUTHORIZED.

''The Special Assistant of the Office of Women's Equity is authorized—

''(1) to promote, coordinate and evaluate gender equity policies, programs, activities and initiatives in all federal education program and offices;

''(2) to develop, maintain, and disseminate materials, resources, analyses and research relating to education equity for women and girls;

''(3) to provide information and technical assistance to assure the effective implementation of gender equity programs;

''(4) coordinate gender equity programs and activities with other federal agencies with jurisdiction over education and related programs;

''(5) to provide grants to develop model equity programs;

''(6) to provide funds for the implementation of equity programs in schools throughout the Nation;

''(7) to assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to education equity for women and girls; and

''(8) any other activities consistent with achieving the purposes of this part.

''SEC. 5303. LOCAL IMPLEMENTATION GRANTS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, including students and community groups, for activities designed to achieve the purposes of this part at all levels of education, including preschool, elementary and secondary education, higher education, adult education and vocational/technical education; for the establishment and operation, for a period not to exceed four years, of local programs to ensure—

''(1) educational equity for women and girls

''(2) equal opportunities for both sexes

''(3) to conduct activities incident to achieving compliance with title IX of the Education Amendments of 1972; and

''(b) GRANT PROGRAM.—Authorized activities under subsection (a) may include—

''(1) introduction into the curriculum and classroom of curricula, textbooks, and other material designed to achieve equity for women and girls;

''(2) implementation of preservice and inservice training with special emphasis on programs and activities designed to provide educational equity for women and girls;

''(3) evaluation of promising or exemplary model programs to assess their ability to improve local efforts to advance educational equity for women and girls;

(4) implementation of programs and policies to address sexual harassment and violence against women and girls and to ensure that educational institutions are free from threats to the safety of students and personnel;

''(5) implementation of guidance and counseling activities, including career education program, de-

signed to ensure educational equity for women and girls;

''(6) implementation of nondiscriminatory tests of aptitude and achievement and of alternative assessments that eliminate biased assessment instruments from use;

''(7) implementation of programs to increase educational opportunities, including higher education, vocational training, and other educational programs for low income women; including underemployed and unemployed women and women receiving Aid to Families with Dependent Children benefits;

''(8) implementation of programs to improve representation of women in educational administration at all levels; and

''(9) planning, development and initial implementation of:

''(A) comprehensive plans for implementation of equity programs in state and local educational agencies and institutions of higher education; including community colleges;

''(B) innovative approaches to school-community partnerships for educational equity;

''(C) innovative approaches to equity programs addressing combined bias, stereotyping,

and discrimination on the basis of sex and race, ethnic origin, limited English proficiency, and disability.

''(c) APPLICATION; PARTICIPATION.—A grant may be made, and a contract may be entered into, under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may prescribe. Each such application shall—

''(1) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant and in cooperation with appropriate educational and community leaders, including parent, teacher and student organizations, educational institutions, business leaders, community-based organizations serving women, and other significant groups and individuals;

''(2) describe a program for carrying out the purpose set forth in Section 5303(b) which holds promise of making substantial contribution toward attaining such purposes;

''(3) describe plans for continuation and institutionalization of the program with local support following completion of the grant period and termination of Federal support under this part; and

''(4) establish policies and procedures which ensure adequate documentation and evaluation of the activities intended to be carried out under the application.

''(d) CRITERIA; PRIORITIES; CATEGORIES OF COMPETITION.—The Secretary shall establish criteria, priorities, and categories of competition for awards under this part to ensure that available funds are used for those purposes that most effectively will achieve the purposes of the Act.

''(1) The criteria shall address the extent to which—

''(A) the program addresses the needs of women and girls of color and women and girls with disabilities;

''(B) the program meets locally defined and documented educational equity needs and priorities, including title IX compliance;

''(C) the program is a significant component of a comprehensive plan for educational equity and title IX compliance in the particular school district, institution of higher education, vocational-technical institution, or other educational agency or institution; and

''(D) the program implements an institutional change strategy with long-term impact and will continue as a central activity of the applicant agency or institution after the grant is completed.

''(2) The Secretary shall establish no more than four priorities, one of which shall be a priority for compliance with title IX of the Education Amendments of 1972. Not more than 60 percent of funds available in each fiscal year shall be allocated to programs under the four priorities.

''(3) The Secretary shall establish 3 categories of competition, distinguishing among three types of applicants and levels of education that shall include—

''(A) grants to local educational agencies, state education agencies, and other agencies and organizations providing elementary and secondary education;

''(B) grants to institutions of higher education, including community colleges and other agencies and organizations providing postsecondary education, including vocational-technical education, adult education, and other programs; and

''(C) grants to non-profit organizations, including community-based organizations, groups representing students, parents, and women, including women and girls of color and women and girls with disabilities.

''(e) REQUIREMENT.—Not less than 25 percent of funds used to support activities covered by subsection (b) shall be used for awards under each category of competition in each fiscal year.

''(f) SPECIAL RULE.—The Secretary shall ensure that the total of grants awarded each year address—

''(1) all levels of education, including preschool, elementary and secondary education, higher education, vocational education, and adult education;

''(2) all regions of the United States, including at least one grant in each of the ten Federal regions; and

''(3) urban, rural, and suburban educational institutions.

''SEC. 5304. RESEARCH AND DEVELOPMENT GRANTS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, including students, and community groups, for activities designed to achieve the purpose of this part at all

levels of education, including preschool, elementary and secondary education, higher education, adult education and vocational-technical education; to develop model policies and programs, and to conduct research to address and ensure educational equities for women and girls, including but not limited to—

''(1) the development and evaluation of gender-equitable curricula, textbooks, software, and other educational material and technology;

''(2) the development of model preservice and in-service training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity;

''(3) the development of guidance and counseling activities, including career education programs, designed to ensure gender equity;

''(4) the development and evaluation of non-discriminatory assessment systems;

''(5) the development of policies and programs to address and prevent sexual harassment and violence to ensure that educational institutions are free from threats to safety of students and personnel;

''(6) the development and improvement of programs and activities to increase opportunity for women, including continuing educational activities,

vocational education, and programs for low income women; including underemployed and unemployed women, and women receiving Aid to Families with Dependent Children.

''(7) the development of instruments and strategies for program evaluation and dissemination of promising or exemplary programs designed to improve local efforts to achieve gender equity;

''(8) the development of instruments and procedures to assess the presence or absence of gender equity in educational settings;

''(9) the development and evaluation of various strategies to institutionalize gender equity in education.

''(b) APPLICATION.—A grant may be made, and a contract may be entered into, under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may prescribe. Each such application shall—

''(1) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

''(2) describe a plan for carrying out 1 or more research and development activities authorized in paragraph (a) above, which holds promise of making

a substantial contribution toward attaining the purposes of this act; and

''(3) set forth policies and procedures which insure adequate documentation, data collection, and evaluation of the activities intended to be carried out under the application, including an evaluation or estimate of the potential for continued significance following completion of the grant period.

''(c) CRITERIA AND PRIORITIES.—(1) The Secretary shall establish criteria and priorities to ensure that available funds are used for programs that most effectively will achieve the purposes of this part.

''(2) The criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

''(3) In establishing priorities the Secretary shall establish no more than 4 priorities, 1 of which shall be programs which address the educational needs of women and girls who suffer multiple or compound discrimination based on sex and on race, ethnic origin, disability, or age.

''(d) SPECIAL RULE.—The Secretary shall ensure that the total of grants awarded each year address—

''(1) all levels of education, including preschool, elementary and secondary education, higher education, vocational education, and adult education;

''(2) all regions of the United States;

''(d) COORDINATION.—Research activities supported under this part—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

''(2) may include collaborative research activities which are jointly funded and carried out by the Office of Women's Equity and the Office of Educational Research and Improvement.

''(f) LIMITATION.—Nothing in this part shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this part.

''SEC. 5305. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated—

''(1) for the purpose of carrying out the provisions of section 5303, there are authorized to be appropriated $3,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999; and

''(2) for the purpose of carrying out the provisions of section 5304, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such

sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''TITLE VI—INDIAN EDUCATION

''SEC. 6001. FINDINGS.

''The Congress finds that—

''(1) the Federal Government has a special responsibility to ensure that educational programs for all American Indian and Alaska Native children and adults—

''(A) are based on high-quality, internationally competitive content and student performance standards and build on Indian culture and the Indian community;

''(B) assist local educational agencies, Indian tribes, and others in providing Indian students the opportunity to achieve those standards; and

''(C) meet the special educational and culturally related academic needs of American Indian and Alaska Native students;

''(2) since enactment of the original Indian Education Act in 1972, Indian parents have become significantly more involved in the planning, development, and implementation of educational programs

that affect them and their children, and schools should continue to foster such involvement;

''(3) although the numbers of Indian teachers, administrators, and university professors have increased since 1972, teacher training programs are not recruiting, training, or retraining sufficient numbers of Indian persons as educators to meet the needs of a growing Indian student population in elementary, secondary, vocational, adult, and higher education;

''(4) the dropout rate for Indian students is unacceptably high; for example, nine percent of Indian students who were eighth graders in 1988 had already dropped out of school by 1990;

''(5) from 1980 to 1990, the percentage of Indian persons living in poverty increased from 24 percent to 31 percent, and the readiness of Indian children to learn is hampered by the high incidence of poverty, unemployment, and health problems among Indian children and families; and

''(6) research related specifically to the education of Indian children and adults is very limited, and much of it is poor in quality or focused on limited local or regional issues.

"SEC. 6002. PURPOSE.

"(a) PURPOSE.—It is the purpose of this title to support the efforts of local educational agencies, Indian tribes and organizations, postsecondary institutions, and other entities to meet the special educational and culturally related academic needs of American Indians and Alaska Natives, so that they can achieve to the same challenging State performance standards expected of all students.

"(b) PROGRAMS AUTHORIZED.—This title carries out the purpose described in subsection (a) by authorizing programs of direct assistance for—

"(1) meeting the special educational and culturally related academic needs of American Indians and Alaska Natives;

"(2) the education of Indian children and adults;

"(3) the training of Indian persons as educators and counselors, and in other professions serving Indian people; and

"(4) research, evaluation, data collection, and technical assistance.

"PART A—FORMULA GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 6101. PURPOSE.

"It is the purpose of this part to support local educational agencies in their efforts to reform elementary and

secondary school programs that serve Indian students in order to ensure that such programs—

''(1) are based on challenging State content and student performance standards that are used for all students; and

''(2) are designed to assist Indian students meet those standards and assist the Nation in reaching the National Education Goals.

''SEC. 6102. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''A local educational agency is eligible for a grant under this part for any fiscal year if the number of Indian children who were enrolled in the schools of the agency, and to whom the agency provided free public education, during the preceding fiscal year—

''(1) was at least 20; or

''(2) constituted not less than 25 percent of the agency's total enrollment.

''SEC. 6103. AMOUNT OF GRANTS.

''(a) AMOUNT OF GRANTS.—(1) The Secretary is authorized to allocate to each local educational agency which has an approved application under this part an amount equal to the product of—

''(A) the number of Indian children described in section 6106; and

''(B) the greater of—

''(i) the average per-pupil expenditure of the State in which the agency is located; or

''(ii) 80 percent of the average per-pupil expenditure in the United States.

''(2) The Secretary shall reduce the amount of each allocation determined under paragraph (1) in accordance with subsection (e) of this section.

''(b) MINIMUM GRANT AMOUNT.—The Secretary shall not make a grant to a local educational agency if the amount determined under subsection (a) is less than $4,000, except that the Secretary may make a grant to a consortium of local educational agencies, one or more of which does not qualify for such a minimum award, if—

''(1) the total amount so determined for such agencies is not less than $4,000;

''(2) such agencies, in the aggregate, meet the eligibility requirement of either section 6102(1) or 6102(2); and

''(3) the Secretary determines that such a grant would be effectively used to carry out the purpose of this part.

''(c) DEFINITION.—For the purpose of this section, the average per-pupil expenditure of a State is determined by dividing—

''(1) the aggregate current expenditures of all the local educational agencies in the State, plus any direct current expenditures by the State for the operation of such agencies, without regard to the sources of funds from which such local or State expenditures were made, during the second fiscal year preceding the fiscal year for which the computation is made; by

''(2) the aggregate number of children who were in average daily attendance for whom such agencies provided free public education during such preceding fiscal year.

''(d) SCHOOLS OPERATED OR SUPPORTED BY THE BUREAU OF INDIAN AFFAIRS.—(1) In addition to the grants determined under subsection (a), the Secretary shall allocate to the Secretary of the Interior an amount equal to the product of—

''(A) the total number of Indian children enrolled in schools that are operated by—

''(i) the Bureau of Indian Affairs; or

''(ii) an Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, for the children of that tribe under a contract with, or grant from, the Department of the Interior under the Indian Self-Determination Act (25 U.S.C. 450f et seq.) or the Tribally Con-

trolled Schools Act of 1988 (25 U.S.C. 2501 et seq.); and

''(B) the greater of—

''(i) the average per-pupil expenditure of the State in which the school is located; or

''(ii) 80 percent of the average per-pupil expenditure in the United States.

''(2) The Secretary shall transfer the amount determined under paragraph (1), reduced as may be necessary under subsection (e), to the Secretary of the Interior in accordance with, and subject to, section 9205 of this Act.

''(e) RATABLE REDUCTIONS.—If the sums appropriated for any fiscal year under section 6602(a) are insufficient to pay in full the amounts determined for local educational agencies under subsection (a)(1) and for the Secretary of the Interior under subsection (d), each of those amounts shall be ratably reduced.

''SEC. 6104. APPLICATIONS.

''(a) GENERAL.—Any local educational agency that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(b) COMPREHENSIVE PROGRAM REQUIRED.—Each such application shall include a comprehensive program for

meeting the needs of Indian children in the local educational agency, including their language and cultural needs, that—

''(1) provides programs and activities to meet the culturally related academic needs of American Indian and Alaska Native students,

''(2)(A) is consistent with, and promotes the goals in, the State and local plans, either approved or being developed, under title III of the Goals 2000: Educate America Act or, if such plans are not approved or being developed, with the State and local plans under sections 1111 and 1112 of this Act; and

''(B) includes academic content and student performance goals for such children, and benchmarks for attaining them, that are based on the challenging State standards adopted under title III of the Goals 2000: Educate America Act or under title I of this Act for all children;

''(3) explains how Federal, State, and local programs, especially under title I of this Act, will meet the needs of such students;

''(4) demonstrates how funds under this part will be used for activities authorized by section 6105;

''(5) describes the professional development to be provided, as needed, to ensure that—

''(A) teachers and other school professionals who are new to the Indian community are prepared to work with Indian children; and

''(B) all teachers who will be involved in the project have been properly trained to carry it out; and

''(6) describes how the agency—

''(A) will periodically assess the progress of all Indian children in its schools, including Indian children who do not participate in programs under this part, in meeting the goals described in paragraph (2);

''(B) will provide the results of that assessment to the parent committee described in subsection (c)(6) and to the community served by the agency; and

''(C) is responding to findings of any previous such assessments.

''(c) ASSURANCES.—Each such application shall also include assurances that—

''(1) the local educational agency will use funds received under this part only to supplement the level of funds that, in the absence of such Federal funds, the agency would make available for the education of Indian children, and not to supplant such funds;

''(2) the local educational agency will submit such reports to the Secretary, in such form and containing such information, as the Secretary may require to—

''(A) carry out the Secretary's functions under this part; and

''(B) determine the extent to which funds provided under this part have been effective in improving the educational achievement of Indian students in the local educational agency;

''(3) the program for which assistance is sought has been based upon a local assessment and prioritization of the special educational and culturally related academic needs of the American Indian and Alaska Native students for which the local educational agency is providing an education;

''(4) the program for which assistance is sought will use the best available talents and resources, including persons from the Indian community;

''(5) the local educational agency has developed the program in open consultation with parents of Indian children, teachers, and, where appropriate, secondary school Indian students, including holding public hearings at which such persons have had a full

opportunity to understand the program and to offer recommendations regarding such program;

''(6) the local educational agency has developed the program with the participation and written approval of a committee—

''(A) that is composed of, and selected by, parents of Indian children in the local educational agency's schools, teachers, and, where appropriate, secondary school Indian students and of which at least half the members are such parent;

''(B) that sets forth such policies and procedures, including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served; and

''(C) that, in the case of an application which includes a schoolwide project (as specified in section 6105(c) of this part) finds that such project will not diminish the availability of culturally related activities for American Indians and Alaskan Native students; and

''(D) that adopts and abides by reasonable bylaws for the conduct of the activities of the committee.

''(d) STATE EDUCATIONAL AGENCY REVIEW.—(1) Before submitting its application to the Secretary, the local educational agency shall obtain comments on the application from the State educational agency.

''(2) The local educational agency shall send the State educational agency's comments to the Secretary with its application.

''SEC. 6105. AUTHORIZED SERVICES AND ACTIVITIES.

''(a) GENERAL REQUIREMENTS.—Each local educational agency that receives a grant under this part shall use the grant funds for services and activities, consistent with the purpose of this part, that—

''(1) are designed to carry out its comprehensive plan for Indian students, described in its application under section 6104(b);

''(2) are designed with special regard for the language and cultural needs of those students; and

''(3) supplement and enrich the regular school program.

''(b) PARTICULAR ACTIVITIES.—Such services and activities include—

''(1) culturally related activities which support the program set out in the application, as required in section 6104;

''(2) early childhood and family programs that emphasize school readiness;

''(3) enrichment programs that focus on problem-solving and cognitive skills development and that directly support the attainment of challenging State content and student performance standards;

''(4) integrated educational services in combination with other programs meeting similar needs;

''(5) school-to-work transition activities to enable Indian students to participate in programs such as those supported by the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, including tech-prep, mentoring, and apprenticeship programs;

''(6) prevention of, and education about, substance abuse; and

''(7) acquisition of equipment, but only if such acquisition is essential to meet the purpose of this part.

''(c) SCHOOLWIDE PROGRAMS.—Notwithstanding any other provision of this part, a local educational agency may use funds it receives under this part to support a schoolwide

program under section 1114 of title I of this Act, in accordance with such section, if the Secretary determines that the local educational agency has made adequate provision for the participation of Indian children in such project and the involvement of Indian parents in the formulation of such project.

''SEC. 6106. STUDENT ELIGIBILITY FORMS.

''(a) The Secretary shall require that each application for a grant under this subpart for each fiscal year be supported by a form, maintained in the files of the applicant, for each eligible Indian child for whom the local educational agency is providing free public education that sets forth information establishing the status of the child as an eligible Indian child.

''(b) The Secretary shall request on the form required under subsection (a) at least the following information:

''(1) either—

''(A) the name of the tribe, band, or other organized group of Indians with which the child claims membership, along with the enrollment number establishing membership (if readily available), and the name and address of the organization which has updated and accurate membership data for such tribe, band, or other organized group of Indians, or

''(B) if the child is not a member of a tribe, band, or other organized group of Indians, the name, the enrollment number (if readily available), and the organization (and address thereof) responsible for maintaining updated and accurate membership rolls of any of the child's parents or grandparents, from whom the child claims eligibility;

''(2) whether the tribe, band, or other organized group of Indians with which the child, his parents, or grandparents claim membership is federally recognized;

''(3) the name and address of the parent or legal guardian;

''(4) the signature of the parent or legal guardian verifying the accuracy of the information supplied; and

''(5) any other information which the Secretary deems necessary to provide an accurate program profile.

''(c) Nothing in the requirements of subsection (b) may be construed as affecting the definition set forth in section 6601. In order for a child to be counted in computing the local educational agency's grant award, the eligibility form for the child must contain at a minimum—

''(1) the child's name;

''(2) the name of the tribe, band, or other organized group of Indians; and

''(3) the parent's dated signature.

The failure of an applicant to furnish any other information listed in subsection (b) with respect to any child shall have no bearing on the determination of whether the child is an eligible Indian child.

''(d) The forms and the standards of proof (including the standard of good faith compliance) that were in use during the 1985–1986 academic year to establish a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the only forms and standards of proof used to establish such eligibility and to meet the requirements of subsection (a).

''(e) For purposes of determining whether a child is an eligible Indian child, the membership of the child, or any parent or grandparent of the child, in a tribe, band, or other organized group of Indians may be established by proof other than an enrollment number, even if enrollment numbers for members of such tribe, band, or groups are available. Nothing in subsection (b) may be construed as requiring the furnishing of enrollment numbers.

''(f)(1)(A) The Secretary shall establish a method of auditing, on an annual basis, a sample of not less than

one-fourth of the total number of local educational agencies receiving funds under this part and shall submit to the Congress an annual report on the findings of the audits.

''(B) For purposes of an audit conducted by the Federal Government with respect to funds provided under this part, all procedures, practices, and policies that are established by—

''(i) the Office of Indian Education of the Department of Education, or

''(ii) a grantee under this subpart who, in establishing such procedures, practices, and policies, was acting under the direction of any employee of such Office that is authorized by the Director of such Office to provide such direction,

shall, with respect to the period beginning on the date of the establishment of such procedures, practices, and policies, and ending on the date (if any) on which the Director of such Office revokes authorization for such procedures, practices, and policies, be considered appropriate and acceptable procedures, practices, and policies which are in conformity with Federal law.

''(C) A local educational agency may not be held liable to the United States, or be otherwise penalized, by reason of the findings of an audit that relate to the date of completion, or the date of submission, of any forms used to estab-

lish, before April 28, 1988, a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act.

''(2) Any local educational agency that provides false information in the application for a grant under this subpart shall be ineligible to apply for any other grants under this part and shall be liable to the United States for any funds provided under this part that have not been expended.

''(3) Any student who provides false information on the form required under subsection (d)(1) may not be taken into account in determining the amount of any grant under this part.

''(g) For purposes of distribution of funds under this Act to schools funded by the Bureau of Indian Affairs, the Secretary shall use the count of the number of students in each such school funded under the Indian Student Equalization Formula developed pursuant to section 1128 of Public Law 95–561, in lieu of the requirements of this section.

''SEC. 6107. PAYMENTS.

''(a) GENERAL.—The Secretary shall pay each local educational agency with an application approved under this part the amount determined under section 6103, subject to subsections (b) and (c) of this section and shall notify such local educational agency of the amount no later than June 1 of the year in which the grant will be paid.

''(b) PAYMENTS TAKEN INTO ACCOUNT BY THE STATE.—The Secretary shall not make a grant under this part for any fiscal year to any local educational agency in a State that has taken into consideration payments under this part (or under subpart 1 of the Indian Education Act of 1988) in determining the eligibility of the local educational agency for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

''(c) REDUCTION OF PAYMENT FOR FAILURE TO MAINTAIN FISCAL EFFORT.—(1) The Secretary shall not pay any local educational agency the full amount determined under section 6103 for any fiscal year unless the State educational agency notifies the Secretary, and the Secretary determines, that the combined fiscal effort of that local agency and the State with respect to the provision of free public education by such local agency for the preceding fiscal year, computed on either a per-student or aggregate expenditure basis, was not less than 90 percent of such combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

''(2) If the Secretary determines for any fiscal year that a local educational agency failed to maintain its fiscal effort at the 90 percent level required by paragraph (1), the Secretary shall—

''(A) reduce the amount of the grant that would otherwise be made to the agency under this part in the exact proportion of such agency's failure to maintain its fiscal effort at such level; and

''(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

''(3)(A) The Secretary may waive the requirement of paragraph (1), for not more than one year at a time, if the Secretary determines that the failure to comply with such requirement is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources.

''(B) The Secretary shall not use the reduced amount of such agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of the waiver.

''(d) REALLOCATIONS.—The Secretary may reallocate, in the manner the Secretary determines will best carry out the purpose of this part, any amounts that—

''(1) based on estimates by local educational agencies or other information, will not be needed by such agencies to carry out their approved projects under this part; or

''(2) otherwise become available for reallocation under this part.

''PART B—SPECIAL PROGRAMS AND PROJECTS TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

''SEC. 6201. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

''(a) IN GENERAL.—The Secretary shall carry out a program of making grants for the improvement of educational opportunities for Indian children—

''(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Indian children;

''(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate—

''(A) the provision of educational services not available to Indian children in sufficient quantity or quality, and

''(B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Indian children are educated;

''(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Indian children as educational personnel; and

''(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian children.

''(b) DEMONSTRATION PROJECTS.—The Secretary is authorized to make grants to State and local educational agencies, federally supported elementary and secondary schools for Indian children and to Indian tribes, Indian organizations, and Indian institutions to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Indian children, including—

''(1) innovative programs related to the educational needs of educationally deprived children;

''(2) bilingual and bicultural education programs and projects;

''(3) special health and nutrition services and other related activities which meet the special health, social, and psychological problems of Indian children; and

''(4) coordination of the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

''(c) SERVICES AND PROGRAMS TO IMPROVE EDUCATIONAL OPPORTUNITIES.—

''(1) The Secretary is authorized to make grants to State and local educational agencies and to tribal and other Indian community organizations to assist them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children. Such grants may be used—

''(A) to provide educational services not available to such children in sufficient quantity or quality, including—

''(i) remedial and compensatory instruction, school health, physical education,

psychological, and other services designed to assist and encourage Indian children to enter, remain in, or reenter elementary or secondary school;

''(ii) comprehensive academic and vocational instruction;

''(iii) instructional materials (such as library books, textbooks, and other printed, published, or audiovisual materials) and equipment;

''(iv) comprehensive guidance, counseling, mentoring, and testing services;

''(v) special education programs for disabled and gifted and talented Indian children;

''(vi) early childhood programs, including kindergarten;

''(vii) bilingual and bicultural education programs; and

''(viii) other services which meet the purposes of this subsection; and

''(B) to establish and operate exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich pro-

grams of elementary and secondary education for Indian children.

''(2) In addition to the grants provided under paragraph (1), the Secretary is authorized to provide grants to consortia of Indian tribes or tribal organizations, local educational agencies, and institutions of higher education for the purpose of developing, improving, and implementing a program of—

''(A) encouraging Indian students to acquire a higher education, and

''(B) reducing the incidence of dropouts among elementary and secondary school students.

''(d) TRAINING.—

''(1) The Secretary is authorized to make grants to institutions of higher education and to State and local educational agencies, in combination with institutions of higher education, for carrying out programs and projects—

''(A) to prepare persons to serve Indian students as teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

''(B) to improve the qualifications of such persons who are serving Indian students in such capacities.

''(2) Grants made under this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a continuing program, for seminars, symposia, workshops, and conferences.

''(3) In programs funded by grants authorized under this subsection, preference shall be given to the training of Indians.

''(4) In making grants under this subsection, the Secretary shall consider prior performance and may not limit eligibility on the basis of the number of previous grants or the length of time for which the applicant has received grants.

''(d) APPLICATIONS FOR GRANTS.—

''(1) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

''(A) set forth a statement describing the activities for which assistance is sought;

''(B) in the case of an application for a grant under subsection (c)—

''(i) subject to such criteria as the Secretary shall prescribe, provide for—

''(I) the use of funds available under this section, and

''(II) the coordination of other resources available to the applicant,

in order to ensure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section, and

''(ii) provide for the training of personnel participating in the project; and

''(C) provide for an evaluation of the effectiveness of the project in achieving its purpose and the purposes of this section.

''(2)(A) The Secretary may approve an application for a grant under subsection (b) or (c) only if the Secretary is satisfied that such application, and any document submitted with respect thereto—

''(i) demonstrate that—

''(I) there has been adequate participation by the parents of the children to be

served and tribal communities in the planning and development of the project, and

''(II) there will be such participation in the operation and evaluation of the project, and

''(ii) provide for the participation, on an equitable basis, of eligible Indian children—

''(I) who reside in the area to be served,

''(II) who are enrolled in private nonprofit elementary and secondary schools, and

''(III) whose needs are of the type which the program is intended to meet,

to the extent consistent with the number of such children.

''(B) In approving applications under this section, the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

''SEC. 6202. SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR THE TEACHERS OF INDIAN CHILDREN.

''(a) IN GENERAL.—

''(1) The Secretary is authorized to make grants to, and enter into contracts with, institutions of

higher education, Indian organizations, and Indian tribes for the purpose of—

''(A) preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian people, and

''(B) providing in-service training for persons teaching in such programs.

''(2) Priority shall be given in the awarding of grants, and in the entering into of contracts, under subsection (a) to Indian institutions and organizations.

''(b) FELLOWSHIPS AND TRAINEESHIPS.—

''(1) In carrying out the provisions of this section, the Secretary is authorized to award fellowships and traineeships to individuals and to make grants to, and to enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for the costs of education allowances.

''(2) In awarding fellowships and traineeships under this subsection, the Secretary shall give preference to Indians.

''(3) In the case of traineeships and fellowships, the Secretary is authorized to grant stipends to, and

allowances for dependents of, persons receiving traineeships and fellowships.

"SEC. 6203. FELLOWSHIPS FOR INDIAN STUDENTS.

"(a) IN GENERAL.—During each fiscal year ending prior to October 1, 1999, the Secretary is authorized to award fellowships to be used for study in graduate and professional programs at institutions of higher education. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not more than 4 academic years leading toward a postbaccalaureate degree in medicine, clinical psychology, psychology, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.

"(b) STIPENDS.—The Secretary shall pay to persons awarded fellowships under subsection (a) such stipends (including such allowances for subsistence of such persons and their dependents) the Secretary may determine to be consistent with prevailing practices under comparable federally supported programs.

"(c) PAYMENTS TO INSTITUTIONS IN LIEU OF TUITION.—The Secretary shall pay to the institution of higher education at which the holder of a fellowship awarded under subsection (a) is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Secretary

may determine to be necessary to cover the cost of education provided the holder of such a fellowship.

''(d) SPECIAL RULES.—

''(1) The Secretary may, if a fellowship awarded under subsection (a) is vacated prior to the end of the period for which it was awarded, award an additional fellowship for the remainder of such period.

''(2) By no later than the date that is 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of the amount of such fellowship and of any stipends or other payments that will be made under this section to, or for the benefit of, such individual for such academic term.

''(3) Not more than 10 percent of the fellowships awarded under subsection (a) shall be awarded, on a priority basis, to persons receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

''(e) SERVICE OBLIGATION.—The Secretary shall, by regulation, require that individuals who receive training under this section perform related work and shall notify such local educational agency of the amount no later than

June 1 of the year in which the grant will be paid following that training or repay all or part of the cost of the training.

"SEC. 6204. GIFTED AND TALENTED.

"(a) ESTABLISHMENT OF CENTERS.—The Secretary shall establish 2 centers for gifted and talented Indian students at tribally controlled community colleges.

"(b) DEMONSTRATION PROJECTS.—

"(1) The Secretary shall award separate grants to, or enter into contracts with—

"(A) 2 tribally controlled community colleges that—

"(i) are eligible for funding under the Tribally Controlled Community College Assistance Act of 1978, and

"(ii) are fully accredited, or

"(B) if acceptable applications are not submitted to the Secretary by 2 of such colleges, the American Indian Higher Education Consortium, for the establishment of centers under subsection (a) and for demonstration projects designed to address the special needs of Indian students in elementary and secondary schools who are gifted and talented and to provide such support services to their families that are needed to enable the students to benefit from the project.

''(2) Any person to whom a grant is made, or with whom a contract is entered into, under paragraph (1) may enter into a contract with any other persons, including the Children's Television Workshop, for the purpose of carrying out the demonstration projects for which such grant was awarded or for which the contract was entered into by the Secretary.

''(3) Demonstration projects funded under this section may include—

''(A) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these students and to the provision of those support services to their families that are needed to enable these students to benefit from the project;

''(B) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions, and mentoring and apprenticeship programs;

''(C) the provision of technical assistance and the coordination of activities at schools which receive grants under subsection (c) with respect to the activities funded by such grants, the evaluation of programs at such schools funded by such grants, or the dissemination of such evaluations;

''(D) the use of public television in meeting the special educational needs of such gifted and talented children;

''(E) leadership programs designed to replicate programs for such children throughout the United States, including the dissemination of information derived from the demonstration projects conducted under this section; and

''(F) appropriate research, evaluation, and related activities pertaining to the needs of such children and to the provision of such support services to their families that are needed to enable such children to benefit from the project.

''(c) ADDITIONAL GRANTS.—

''(1) The Secretary, in consultation with the Secretary of the Interior, shall provide 5 grants to schools that are Bureau funded schools for program research and development regarding, and the development and

dissemination of curriculum and teacher training material regarding—

''(A) gifted and talented students,

''(B) college preparatory studies (including programs for Indian students interested in teaching careers),

''(C) students with special culturally related academic needs, including social, lingual, and cultural needs, and

''(D) math and science education.

''(2) Applications for the grants provided under paragraph (1) shall be submitted to the Secretary in such form and at such time as the Secretary may prescribe. Applications for such grants by Bureau schools, and the administration of any of such grants made to a Bureau school, shall be undertaken jointly by the supervisor of the Bureau school and the local school board.

''(3) Grants may be provided under paragraph (1) for one or more activities described in paragraph (1).

''(4) In providing grants under paragraph (1), the Secretary shall—

''(A) achieve a mixture of programs described in paragraph (1) which ensures that stu-

dents at all grade levels and in all geographic areas of the United States are able to participate in some programs funded by grants provided under this subsection, and

''(B) ensure that a definition of the term 'gifted and talented student' for purposes of this section and section 1128(c)(3)(A)(i) of the Education Amendments of 1978 is developed as soon as possible.

''(5) Subject to the availability of appropriated funds, grants provided under paragraph (1) shall be made for a 3-year period and may be renewed by the Secretary for additional 3-year periods if performance by the grantee is satisfactory to the Secretary.

''(6)(A) The dissemination of any materials developed from activities funded by grants provided under paragraph (1) shall be carried out in cooperation with institutions receiving funds under subsection (b).

''(B) The Secretary shall report to the Secretary of the Interior and to the Congress any results from activities described in paragraph (4)(B).

''(7)(A) The costs of evaluating any activities funded by grants made under paragraph (1) shall be divided between the school conducting such activities

and the demonstration project recipients under subsection (b).

''(B) If no funds are provided under subsection (b) for—

''(i) the evaluation of activities funded by grants made under paragraph (1),

''(ii) technical assistance and coordination with respect to such activities, or

''(iii) dissemination of such evaluations,

the Secretary shall, by grant or through contract, provide for such evaluations, technical assistance, coordination, and dissemination.

''(d) INFORMATION NETWORK.—The Secretary shall encourage persons to whom a grant is made, or with whom a contract is entered into, under this section to work cooperatively as a national network so that the information developed by such persons is readily available to the entire educational community.

''SEC. 6205. TRIBALLY CONTROLLED SCHOOLS ACT.

''(a) TIMELY PAYMENTS.—Subsection (a) is amended to read as follows:

'' '(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in 2 payments:

‘‘‘(A) one payment to be made no later than July 1 of each year in an amount equal to one-half of the amount which the grantee was entitled to receive during the preceding academic year, and

‘‘‘(B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made no later than December 1 of each year.

‘‘‘(2) For any school for which no payment was made from Bureau funds in the preceding academic year, full payment of the amount computed for the first academic year of eligibility under this part shall be made no later than December 1 of the academic year.

‘‘‘(3) With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which they are appropriated, the Secretary shall make payments to grantees no later than December 1 of the fiscal year.

‘‘‘(4) The provisions of the Prompt Payment Act (31 U.S.C. 3901 et seq.) shall apply to the payments required to be made by paragraphs (1), (2), and (3) of this subsection.’.

‘‘(b) Paragraph (3) is amended by striking ‘Paragraphs (1) and (2)’ and inserting in lieu thereof ‘Para-

graphs (1), (2), and (3)', and is renumbered as paragraph '(5)'.

"PART C—SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR INDIANS

"SEC. 6301. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

''(a) IN GENERAL.—The Secretary shall carry out a program of awarding grants to State and local educational agencies and to Indian tribes, institutions, and organizations—

''(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

''(2) to assist in the establishment and operation of programs which are designed to stimulate—

''(A) the provision of basic literacy opportunities to all nonliterate Indian adults, and

''(B) the provision of opportunities to all Indian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

''(3) to support a major research and development program to develop more innovative and effec-

tive techniques for achieving the literacy and high school equivalency goals;

''(4) to provide for basic surveys and evaluations to define accurately the extent of the problems of illiteracy and lack of high school completion among Indians; and

''(5) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian adults.

''(b) EDUCATIONAL SERVICES.—The Secretary is authorized to make grants to Indian tribes, Indian institutions, and Indian organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

''(c) INFORMATION AND EVALUATION.—The Secretary is also authorized to make grants to, and to enter into contracts with, public agencies and institutions and Indian tribes, institutions, and organizations for—

''(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations thereof; and

''(2) the evaluation of federally assisted programs in which Indian adults may participate to determine

the effectiveness of such programs in achieving the purposes of such programs with respect to such adults.

''(d) APPLICATIONS.—

''(1) Applications for a grant under this section shall be submitted at such time, in such manner, contain such information, and be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

''(A) set forth a statement describing the activities for which assistance is sought; and

''(B) provide for an evaluation of the effectiveness of the project in achieving its purposes and the purposes of this section.

''(2) The Secretary shall not approve an application for a grant under subsection (a) unless the Secretary is satisfied that such application, and any documents submitted with respect thereto, indicate that—

''(A) there has been adequate participation by the individuals to be served and tribal communities in the planning and development of the project, and

''(B) there will be such a participation in the operation and evaluation of the project.

''(3) In approving applications under subsection (a), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

''PART D—NATIONAL ACTIVITIES AND GRANTS TO STATES

''SEC. 6401. NATIONAL ACTIVITIES.

''(a) AUTHORIZED ACTIVITIES.—From funds appropriated for any fiscal year to carry out this section, the Secretary may—

''(1) conduct research related to effective approaches to the education of Indian children and adults;

''(2) evaluate federally assisted education programs from which Indian children and adults may benefit;

''(3) collect and analyze data on the educational status and needs of Indians; and

''(4) carry out other activities consistent with the purpose of this Act.

''(b) ELIGIBILITY.—The Secretary may carry out any of the activities described in subsection (a) directly or through grants to, or contracts or cooperative agreements with, Indian tribes, Indian organizations, State educational agencies, local educational agencies, institutions of

higher education, including Indian institutions of higher education, and other public and private agencies and institutions.

''(c) COORDINATION.—Research activities supported under this section—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to assure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

''(2) may include collaborative research activities which are jointly funded and carried out by the Office of Indian Education and the Office of Educational Research and Improvement.

''SEC. 6402. STATE EDUCATIONAL AGENCY REVIEW.

''(a) Before submitting its application to the Secretary, the local educational agency shall submit its application to the State educational agency.

''(b) The State education agency may send to the Secretary comments on each local educational agency application its reviews. The Secretary shall take such comments into consideration in reviewing such application.

"PART E—FEDERAL ADMINISTRATION

"SEC. 6501. OFFICE OF INDIAN EDUCATION.

"(a) OFFICE OF INDIAN EDUCATION.—There shall be an Office of Indian Education (referred to in this section as 'the Office') in the Department of Education.

"(b) DIRECTOR.—(1) The Office shall be under the direction of the Director, who shall be appointed by the Secretary and who shall report directly to the Assistant Secretary for Elementary and Secondary Education.

"(2) The Director shall—

"(A) be responsible for administering this title;

"(B) be involved in, and be primarily responsible for, the development of all policies affecting Indian children and adults under programs administered by the Office of Elementary and Secondary Education;

"(C) coordinate the development of policy and practice for all programs in the Department relating to Indian persons; and

"(D) assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to the education of Indian persons.

"(3) The Director of the Office shall be a member of the career Senior Executive Service.

''(c) INDIAN PREFERENCE IN EMPLOYMENT.—(1) The Secretary shall give a preference to Indian persons in all personnel actions in the Office.

''(2) Such preference shall be implemented in the same fashion as the preference given to any veteran under section 2609 of the Revised Statutes, section 45 of title 25, United States Code.

''SEC. 6502. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

''(a) MEMBERSHIP.—There shall be a National Advisory Council on Indian Education (referred to in this section as 'the Council'), which shall—

''(1) consist of 15 Indian members, who shall be appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations; and

''(2) represent different geographic areas of the country.

''(b) DUTIES.—The Council shall—

''(1) advise the Secretary on the funding and administration, including the development of regulations and of administrative policies and practices, of any program, including programs under this title, for which the Secretary is responsible and in which In-

dian children or adults participate or from which they can benefit;

''(2) make recommendations to the Secretary for filling the Director's position whenever a vacancy occurs in such position; and

''(3) submit to the Congress, by June 30 of each year, a report on its activities, which shall include—

''(A) any recommendations it finds appropriate for the improvement of Federal education programs in which Indian children or adults participate, or from which they can benefit; and

''(B) its recommendations with respect to the funding of any such programs.

''SEC. 6503. PEER REVIEW.

''In reviewing applications under parts B, C, and D of this title, the Secretary may use a peer review process.

''SEC. 6504. PREFERENCE FOR INDIAN APPLICANTS.

''In making grants under parts B and C of this title, the Secretary shall give a preference to Indian tribes, Indian organizations, and Indian institutions of higher education under any program for which they are eligible to apply.

''SEC. 6505. MINIMUM GRANT CRITERIA.

''In making grants under parts B and C of this title, the Secretary shall approve only projects that are—

''(1) of sufficient size, scope, and quality to achieve the purpose of the section under which assistance is sought; and

''(2) based on relevant research findings.

''PART F—DEFINITIONS; AUTHORIZATIONS OF APPROPRIATIONS

''SEC. 6601. DEFINITIONS.

''The following definitions apply to terms as used in this title:

''(1) The term 'adult' means an individual who is either—

''(A) not less than 16 years old; or

''(B) beyond the age of compulsory school attendance under State law.

''(2) The term 'adult education' has the meaning given such term in section 312(2) of the Adult Education Act.

''(3) The term 'free public education' means education that is—

''(A) provided at public expense, under public supervision and direction, and without tuition charge; and

''(B) provided as elementary or secondary education in the applicable State or to preschool children.

''(4) The term 'Indian' means an individual who is—

''(A) a member of an Indian tribe or band, as membership is defined by the tribe or band, including—

''(i) tribes and bands terminated since 1940; and

''(ii) tribes and bands recognized by the State in which they reside;

''(B) a descendant, in the first or second degree, of an individual described in subparagraph (A);

''(C) considered by the Secretary of the Interior to be an Indian for any purpose; or

''(D) an Eskimo, Aleut, or other Alaska Native.

''SEC. 6602. AUTHORIZATIONS OF APPROPRIATIONS.

''(a) PART A.—For the purpose of carrying out part A of this title, there are authorized to be appropriated $61,300,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(b) PARTS B THROUGH D.—For the purpose of carrying out parts B, C, and D of this title, there are authorized to be appropriated $20,925,000 for fiscal year 1995

and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(c) PART E.—For the purpose of carrying out part E of this title, including section 6502, there are authorized to be appropriated $3,775,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''PART G—BUREAU OF INDIAN AFFAIRS PROGRAMS

''SEC. 6701. STANDARDS FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS.

''(a) The purpose of the standards developed under this section shall be to afford Indian students being served by a Bureau funded school with the same opportunities as all other students to achieve the high goals embodied in the Goals 2000: Educate America Act. Consistent with the provisions of this section and section 6711 of this part, the Secretary shall take such actions as are necessary to coordinate standards developed and implemented under this section with those in the State plans developed and implemented pursuant to the GOALS 2000 Educate America Act for the States in which each Bureau funded school operates. In developing and reviewing these standards and such coordination, the Secretary shall utilize the findings and rec-

ommendations of the panel established by the Goals 2000: Educate America Act

''(b) The Secretary, in consultation with the Secretary of Education, and in consultation with Indian organizations and tribes, shall carry out or cause to be carried out by contract with an Indian organization such studies and surveys, making the fullest use possible of other existing studies, surveys, and plans, as are necessary to establish and revise standards for the basic education of Indian children attending Bureau funded schools. Such studies and surveys shall take into account factors such as academic needs, local cultural differences, type and level of language skills, geographic isolation, and appropriate teacher-student ratios for such children, and shall be directed toward the attainment of equal eductional opportunity for such children.

''(c)(1) Within 18 months of the date of enactment of this Act, the Secretary shall revise the minimum academic standards published in the Federal Register of November 1983 for the basic education of Indian chlidren which are consistent with subsections (a) and (b) of this section and section 6711, and shall distribute such revised standards in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within 21 months of the date of enactment of the Elementary and Sec-

ondary Education Act Amendments of 1993, the Secretary shall establish final standards, distribute such standards to all the tribes and publish such standards in the Federal Register. The Secretary shall revise such standards periodically as necessary. Prior to any revision of such standards, the Secretary shall distribute such proposed revision to all the tribes, and publish such proposed revision in the Federal Register, for the purpose of receiving comments from the tribes and other interested parties.

''(2) Such standards shall apply to Bureau schools, and subject to subsection (f), to contract and grant schools, and may also serve as a model for educational programs for Indian children in public schools. In establishing and revising such standards, the Secretary shall take into account the special needs of Indian students and the support and reinforcement of the specific cultural heritage of each tribe. Such standards shall include a requirement, developed in coordination with Indian tribes, the affected local school boards, the Indian Health Service of the Department of Health and Human Services, the State health departments, and the Centers for Disease Control and Prevention, on immunization for childhood diseases, including provisions for in-school immunization, where necessary.

''(d) The Secretary shall provide alternative or modified standards in lieu of the standards established under

subsection (c), where necessary, so that the programs of each school shall be in compliance with the minimum standards required for accreditation of schools in the State where the school is located.

''(e) A tribal governing body, or the local school board so designated by the tribal governing body, shall have the local authority to waive, in part or in whole, the standards established under subsections (c) and (d), where such standards are deemed by such body to be inappropriate or ill-conceived. The tribal governing body or designated school board shall, within 60 days thereafter, submit to the Secretary a proposal for alternative standards that takes into account the specific needs of the tribe's children. Such revised standards shall be established by the Secretary unless specifically rejected by the Secretary for good cause and in writing to the affected tribes or local school board, which rejection shall be final and unreviewable.

''(f)(1) The Secretary, through contracting and grant-making procedures, shall assist school boards of contract and grant schools in the implementation of the standards established under subsection (c) and (d), if the school boards request that such standards, in part or in whole, be implemented. At the request of a contract or grant school board, the Secretary shall provide alternative or modified standards for the standards established under subsections (c) and

(d) to take into account the needs of the Indian children and the contract or grant school.

''(2) Within 1 year of the date of the enactment of the Indian Education Technical Amendments Act of 1985, the Bureau shall, either directly or through contract with an Indian organization, establish a consistent system of reporting standards for fiscal control and fund accounting for all contract schools. Such standards shall yield data results comparable to those used by Bureau schools.

''(g) Subject to subsections (e) and (f), the Secretary shall begin to implement the standards established under this section immediately upon the date of their establishment. No later than January 1, 1995, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract and grant schools up to the level required by the applicable standards established under this section. Such plan shall include, but not be limited to, detailed information on the status of each school's educational program in relation to the applicable standards established under this section, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school up to the level required by such standards.

''(h)(1) Except as specifically required by statute, no school or peripheral dormitory operated by the Bureau of Indian Affairs on or after January 1, 1992, may be closed or consolidated or have its program substantially curtailed unless done according to the requirements of this subsection, except that, in those cases where the tribal governing body, or the local school board concerned (if so designated by the tribal governing body), requests closure or consolidation, the requirements of this subsection shall not apply. The requirements of this subsection shall not apply when a temporary closure, consolidation, or substantial curtailment is required by plant conditions which constitute an immediate hazard to health and safety.

''(2) The Secretary shall, by regulation, promulgate standards and procedures for the closing, consolidation, or substantial curtailment of Bureau schools in accordance with the requirements of this subsection.

''(3) Whenever closure, transfer to any other authority, consolidation, or substantial curtailment of a school is under active consideration or review by any division of the Bureau or the Department of the Interior, the affected tribe, tribal governing body, and designated local school board, will be notified as soon as such consideration or review begins, kept fully and currently informed, and afforded an opportunity to comment with respect to such consideration

or review. When a formal decision is made to close, transfer to any other authority, consolidate, or substantially curtail a school, the affected tribe, tribal governing body, and designated local school board shall be notified at least 6 months prior to the end of the school year preceding the proposed effective date. Copies of any such notices and information shall be transmitted promptly to the Congress and published in the Federal Register.

''(4) The Secretary shall make a report to Congress, the affected tribe, and the designated local school board describing the process of the active consideration or review referred to in paragraph (3). At a minimum, the report shall include a study of the impact of such action on the student population, with every effort to identify those students with particular educational and social needs, and to ensure that alternative services are available to such students. Such report shall include the description of the consultation conducted between the potential service provider, current service provider, parents, tribal representative and the tribe or tribes involved, and the Director of the Office of Indian Education Programs within the Bureau regarding such students. No irreversible action may be taken in furtherance of any such proposed school closure, transfer to any other authority, consolidation, or substantial curtailment (including any action which would prejudice the per-

sonnel or programs of such school) until the end of the first full academic year after such report is made.

''(5) The Secretary may terminate, contract, transfer to any other authority, or consolidate or substantially curtail the operation or facilities of—

''(A) any Bureau funded school that is operated on or after April 1, 1987,

''(B) any program of such a school that is operated on or after April 1, 1987, or

''(C) any school board of a school operated under a grant under the Tribally Controlled Schools Act of 1988 (Public Law 100–297),

only if the tribal governing body approves such action.

''(i) There are hereby authorized to be appropriated such sums as may be necessary, for academic program costs, in order to bring all Bureau and contract schools up to the level required by the applicable standards established under this section.

''(j)(1) All schools funded by the Bureau of Indian Affairs shall include within their curriculum a program of instruction relating to alcohol and substance abuse prevention and treatment. The Assistant Secretary shall provide the technical assistance necessary to develop and implement such a program for students in kindergarten and grades 1 through 12, at the request of—

''(A) any Bureau of Indian Affairs school (subject to the approval of the school board of such school);

''(B) any school board of a school operating under a contract entered into under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.); or

''(C) any school board of a school operating under a grant under the Tribally Controlled Schools Act of 1988 (Public Law 100–297).

''(2) In schools operated directly by the Bureau of Indian Affairs, the Secretary shall provide for—

''(A) accurate reporting of all incidents relating to alcohol and substance abuse; and

''(B) individual student crisis intervention.

''(3) The programs requested under paragraph (1) shall be developed in consultation with the Indian tribe that is to be served by such program and health personnel in the local community of such tribe.

''(4) Schools requesting program assistance under this subsection are encouraged to involve family units and, where appropriate, tribal elders and Native healers in such instructions.

''(k) For purposes of this section, the term 'tribal governing body' means, with respect to any school, the tribal

governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.

''(l)(1)(A) The Secretary shall only consider the factors described in subparagraphs (B) and (C) in reviewing—

''(i) applications from any tribe for the awarding of a contract or grant for a school that is not a Bureau funded school, and

''(ii) applications from any tribe or school board of any Bureau funded school for—

''(I) a school which is not a Bureau funded school; or

''(II) the expansion of a Bureau funded school which would increase the amount of funds received by the Indian tribe or school board under section 6707.

The Secretary shall give consideration to all of such factors, but none of such applications may be denied based primarily upon the geographic proximity of public education.

''(B) The Secretary shall consider the following factors relating to the program that is the subject of an application described in subparagraph (A):

''(i) the adequacy of facilities or the potential to obtain or provide adequate facilities;

''(ii) geographic and demographic factors in the affected areas;

''(iii) adequacy of the applicant's program plans or, in the case of a Bureau funded school, of projected needs analysis done either by a tribe or by Bureau personnel;

''(iv) geographic proximity of comparable public education; and

''(v) the stated needs of all affected parties, including (but not limited to) students, families, tribal governments at both the central and local levels, and school organizations.

''(C) The Secretary shall consider with respect to applications described in subparagraph (A) the following factors relating to all the educational services available at the time the application is considered:

''(i) geographic and demographic factors in the affected areas;

''(ii) adequacy and comparability of programs already available;

''(iii) consistency of available programs with tribal educational codes or tribal legislation on education; and

''(iv) the history and success of these services for the proposed population to be served, as determined from all factors and not just standardized examination performance.

''(2)(A) The Secretary shall make a determination of whether to approve any application described in paragraph (1)(A) by no later than the date that is 180 days after the day on which such application is submitted to the Secretary.

''(B) If the Secretary fails to make the determination described in subparagraph (A) with respect to an application by the date described in subparagraph (A), the application shall be treated as having been approved by the Secretary.

''(3)(A) Any application described in paragraph (1)(A) may be submitted to the Secretary only if—

''(i) the application has been approved by the tribal governing body of the students served by (or to be served by) the school or program that is the subject of the application, and

''(ii) written evidence of such approval is submitted with the application.

''(B) Each application described in paragraph (1)(A)—

''(i) shall provide information concerning each of the factors described in paragraph (1)(B), and

''(ii) may provide information concerning the factors described in paragraph (1)(C).

''(4) Whenever the Secretary makes a determination to deny approval of any application described in paragraph (1)(A), the Secretary shall—

''(A) state the objections in writing to the applicant by no later than the date that is 180 days after the day on which the application is submitted to the Secretary,

''(B) provide assistance to the applicant to overcome stated objections, and

''(C) provide the applicant a hearing, under the same rules and regulations pertaining to the Indian Self-Determination and Education Assistance Act, and an opportunity to appeal the objections raised by the Secretary.

''(5)(A) Except as otherwise provided in this paragraph, the action which is the subject of any application described in paragraph (1)(A) that is approved by the Secretary shall become effective with the commencement of the academic year succeeding the fiscal year in which the application is approved, or at an earlier date determined by the Secretary.

''(B) If an application is treated as having been approved by the Secretary by reason of paragraph (2)(B), the action that is the subject of the application shall become effective on the date that is 18 months after the date on

which the application is submitted to the Secretary, or at an earlier date determined by the Secretary.

"SEC. 6702. NATIONAL CRITERIA FOR DORMITORY SITUATIONS.

"(a) The Secretary, in consultation with the Secretary of the Department of Education, and in consultation with Indian organizations and tribes, shall conduct or cause to be conducted by contract with an Indian organization, a study of the costs applicable to boarding arrangements for Indian students provided in Bureau and contract and grant schools, for the purpose of establishing national criteria for such dormitory situations. Such criteria shall include adult-child ratios, needs for counselors (including special needs related to off-reservation boarding arrangements), space, and privacy.

"(b) No later than January 1, 1996, the Secretary shall propose such criteria, and shall distribute such proposed criteria to the tribes and publish such proposed criteria in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within eighteen months of the date of the enactment of this Act, the Secretary shall establish final criteria, distribute such criteria to all the tribes, and publish such criteria in the Federal Register. The Secretary shall revise such criteria periodically as necessary. Any revisions to the standards

established under this section shall be developed subject to requirements established under section 6711.

''(c) The Secretary shall begin to implement the criteria established under this section immediately upon the date of their establishment. No later than January 1, 1981, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract boarding schools up to the criteria established under this section. Such plan shall include, but not be limited to, predictions for the relative need for each boarding school in the future, detailed information on the status of each school in relation to the criteria established under this section, specific cost estimates for meeting such criteria at each school, and specific time lines for bringing each school up to the level required by such criteria.

''(d)(1) The criteria established under this section may be waived in the same manner as the standards provided under section 6701(c) may be waived under section 6701(e).

''(2) No school in operation on or before January 1, 1987 (regardless of compliance or noncompliance with the criteria established under this section) may be closed, transferred to another authority, consolidated or have its program substantially curtailed for failure to meet the criteria.

''(3) By no later than May 1, 1996, the Secretary shall submit to the Congress a report detailing the costs associated with, and the actions necessary for, complete compliance with the criteria established under this section.

''(e) There are hereby authorized to be appropriated such sums as may be necessary in order to bring each school up to the level required by the criteria established under this section.

''SEC. 6703. REGULATIONS.

''(a) The provisions of part 32 of title 25 of the Code of Federal Regulations, as in effect on January 1, 1987, are hereby incorporated into this Act and shall be treated as though such provisions are set forth in this subsection. Accordingly, such provisions may be altered only by means of an amendment to this subsection that is contained in an Act or joint resolution which is enacted into law. To the extent that such provisions of part 32 do not conform with this Act or any statutory provision of law enacted before the date of enactment of this Act, the provisions of this Act and the provisions of such other statutory law shall govern.

''(b) The provisions of parts 31, 33, 36, 39, 42, and 43 of title 25 of the Code of Federal Regulations, as in effect on January 1, 1987, shall be applied by the Federal Government and shall not, before July 1, 1989, be amended,

revoked, or altered in any manner. No officer or employee of the Executive Branch shall have the authority to issue any other regulations, prior to July 1, 1989, that supersede, supplement, or otherwise affect the provisions of such parts. To the extent that the provisions of such parts do not conform with this Act or any statutory provision of law enacted before the date of enactment of this Act, the provisions of this Act and the provisions of such other statutory law shall govern.

''(c) After June 30, 1989, no regulation prescribed for the application of any program provided under this title shall become effective unless—

''(1) the regulation has been published as a proposed regulation in the Federal Register,

''(2) an opportunity of no less than 90 days has been afforded the public to comment on the published proposed regulation, and

''(3) the regulation has, after such period for public comment, been published in the Federal Register as a final regulation.

''(d) For purposes of this section, the term 'regulation' means any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability prescribed by any officer or employee of the Executive Branch.

"SEC. 6704. SCHOOL BOUNDARIES.

''(a) The Secretary shall, in accordance with this section, establish separate geographical attendance areas for each Bureau school.

''(b)(1) Except as provided in paragraph (2), on or after July 1, 1985, no attendance area shall be changed or established with respect to any such school unless the tribal governing body or the local school board concerned (if so designated by the tribal governing body) has been (i) afforded at least six months notice of the intention of the Bureau to change or establish such attendance area, and (ii) given the opportunity to propose alternative boundaries. Any tribe may petition the Secretary for revision of existing attendance area boundaries. The Secretary shall accept such proposed alternative or revised boundaries unless the Secretary finds, after consultation with the affected tribe or tribes, that such revised boundaries do not reflect the needs of the Indian students to be served or do not provide adequate stability to all of the affected programs.

''(2) In any case where there is more than 1 Bureau funded school located on an Indian reservation, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the relevant attendance areas for such schools, subject to the approval of the tribal governing

body. Any such boundaries so established shall be accepted by the Secretary.

''(c) In any case where there is only 1 Bureau operated program located on an Indian reservation, the attendance area for the program shall be the boundaries of the reservation served, and those students residing near the reservation shall also receive services from such program.

''(d) The Bureau of Indian Affairs shall include in the final rules the requirement that each appropriate education line officer coordinate and consult with the affected tribes and relevant school boards in the establishment of such geographic boundaries.

''SEC. 6705. FACILITIES CONSTRUCTION.

''(a) The Secretary shall immediately begin to bring all schools, dormitories, and other facilities operated by the Bureau or under contract or grant with the Bureau in connection with the education of Indian children into compliance with all applicable Federal, tribal, or State health and safety standards, whichever provide greater protection (except that the tribal standards to be applied shall be no greater than any otherwise applicable Federal or State standards), and with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and with the Americans with Disabilities Act of 1990, except that nothing in this section shall require termination of the operations of any facility

which does not comply with such provisions and which is in use on the date of enactment of this Act.

''(b) By January 1, 1996, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring such facilities into compliance with such standards. Such plan shall include, but not be limited to, detailed information on the status of each facility's compliance with such standards, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school into compliance with such standards.

''(c) Within six months of the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress, and publish in the Federal Register, the system used to establish priorities for school construction projects. At the time any budget request for school construction is presented, the Secretary shall publish in the Federal Register and submit with the budget request the current list of all school construction priorities.

''(d)(1) A Bureau school may be closed or consolidated, and the programs of a Bureau school may be substantially curtailed, by reason of plant conditions that constitute an immediate hazard to health and safety only if a health and

safety officer of the Bureau determines that such conditions exist at the Bureau school.

''(2)(A) In making determinations described in paragraph (1) before July 1, 1989, health and safety officers of the Bureau shall use the health and safety guidelines of the Bureau that were in effect on January 1, 1988.

''(B)(i) If—

''(I) the Secretary fails to publish in the Federal Register in final form before July 1, 1989, and

''(II) action described in paragraph (1) is taken after June 30, 1989, and before the date on which such regulations are published in final form in the Federal Register by reason of the condition of any plant,

an inspection of the condition of such plant shall be conducted by an appropriate tribal, county, municipal, or State health and safety officer to determine whether conditions at such plant constitute an immediate hazard to health and safety. Such inspection shall be completed by no later than the date that is 30 days after the date on which the action described in paragraph (1) is taken.

''(ii) The inspection required under clause (i) shall be conducted by a health and safety officer designated jointly by the Secretary and the tribes affected by the action described in paragraph (1). If the Secretary and such tribes

are unable to agree on the designation of the health and safety officer, the Secretary shall designate the health and safety officer and shall provide notice of such designation to each of such tribes before the inspection is conducted by such officer.

''(iii) If the health and safety officer conducting an inspection of a plant required under clause (i) determines that conditions at the plant do not constitute an immediate hazard to health and safety, any consolidation or curtailment that was made by reason of conditions at the plant shall immediately cease and any school closed by reason of conditions at the plant shall be reopened immediately.

''(3) If—

''(A) a Bureau school is temporarily closed or consolidated, or the programs of a Bureau school are substantially curtailed, by reason of plant conditions that constitute an immediate hazard to health and safety, and

''(B) the Secretary estimates that the closure, consolidation, or curtailment will be more than 1 year in duration,

the Secretary shall submit to the Congress, by no later than the date that is 6 months after the date on which the closure, consolidation, or curtailment is initiated, a report which sets forth the reasons for such temporary actions and the

actions the Secretary is taking to eliminate the conditions that constitute the hazard.

''(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out subsection (a).

''SEC. 6706. BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS.

''(a) The Secretary shall vest in the Assistant Secretary for Indian Affairs all functions with respect to formulation and establishment of policy and procedure, and supervision of programs and expenditures of Federal funds for the purpose of Indian education administered by the Bureau. The Assistant Secretary shall carry out such functions through the Director of the Office of Indian Education.

''(b) The Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved with provision of education services by the Bureau, including (but not limited to) school or institution custodial or maintenance personnel. The Assistant Secretary for Indian Affairs shall provide for the adequate coordination between the affected Bureau Offices and the Office to facilitate the consideration of all contract functions relating to education. Except as required by section 6709(d), nothing in this Act shall be construed to require

the provision of separate support services for Indian education.

''(c) Education personnel who are under the direction and supervision of the Director of the Office in accordance with the first sentence of subsection (b) shall—

''(1) monitor and evaluate Bureau education programs,

''(2) provide all services and support functions for education programs with respect to personnel matters involving staffing actions and functions, and

''(3) provide technical and coordinating assistance in areas such as procurement, contracting, budgeting, personnel, and curriculum.

''(d)(1) The Assistant Secretary shall submit in the annual Budget a plan—

''(A) for school facilities to be constructed under the system required by section 6705(c);

''(B) for establishing priorities among projects and for the improvement and repair of education facilities, which together shall form the basis for the distribution of appropriated funds; and

''(C) including a 5-year plan for capital improvements.

''(2) The Assistant Secretary shall establish a program, including the distribution of appropriated funds, for the op-

eration and maintenance of education facilities. Such program shall include, but not be limited to—

''(A) a method of computing the amount necessary for each education facility;

''(B) similar treatment of all Bureau funded schools;

''(C) a notice of an allocation of appropriated funds from the Director of the Office directly to the appropriate education line officers; and

''(D) a system for the conduct of routine preventive maintenance.

The appropriate education line officers shall make arrangements for the maintenance of education facilities with the local supervisors of the Bureau maintenance personnel who are under the authority of the agency superintendent or area directors, respectively. The local supervisors of Bureau maintenance personnel shall take appropriate action to implement the decisions made in this regard by the appropriate education line officers, except that no funds from this program may be authorized for expenditure unless such appropriate education line officer is assured that the necessary maintenance has been, or will be, provided in a reasonable manner. Subject to the requirements of subsection (b) of this section, nothing in this Act shall be construed to require

the provision of separate operations and maintenance personnel for the Office.

''(3) The requirements of this subsection shall be implemented no later than July 1, 1995.

''(e) Any other provision of law notwithstanding, the Director shall promulgate guidelines for the establishment of mechanisms for the acceptance of gifts and bequests for the use of, and benefit of, particular schools or designated Bureau operated education programs, including, where appropriate, the establishment and administration of trust funds. When a Bureau operated program is the beneficiary of such a gift or bequest, the Director shall make provisions for monitoring its use, and shall report to the appropriate committees of Congress the amount and terms of such gift and bequest, the use to which it is put, and any positive results achieved by such action.

''(f) For the purpose of this section the term 'functions' includes powers and duties.

''SEC. 6707. ALLOTMENT FORMULA.

''(a) The Secretary shall establish, by regulation adopted in accordance with section 6719, a formula for determining the minimum annual amount of funds necessary to sustain each Bureau funded school. In establishing such formula, the Secretary shall consider—

''(1) the number of eligible Indian students served and size of the school;

''(2) special cost factors, such as—

''(A) isolation of the school;

''(B) need for special staffing, transportation, or educational programs;

''(C) food and housing costs;

''(D) maintenance and repair costs associated with the physical condition of the educational facilities;

''(E) special transportation and other costs of isolated and small schools;

''(F) the costs of boarding arrangements, where determined necessary by a tribal governing body or designated local school board;

''(G) costs associated with greater lengths of service by educational personnel; and

''(H) special programs for gifted and talented students;

''(3) the cost of providing academic services which are at least equivalent to those provided by public schools in the State in which the school is located; and

''(4) such other relevant factors as the Secretary determines are appropriate.

Upon the establishment of the standards required by sections 6701 and 6702 of this Act, the Secretary shall revise the formula established under this subsection to reflect the cost and funding standards so established. Prior to January 1, 1995, the Secretary shall review the formula established under this section and shall take such steps as may be necessary to increase the availability of counseling services for students in off-reservation boarding schools and other Bureau operated residential facilities. Concurrent with such action, the Secretary shall review the standards established under section 6701 of this title to be certain that adequate provision is made for parental notification regarding, and consent for, such counseling services.

''(b) Notwithstanding any other provisions of law, Federal funds appropriated for the general local operation of Bureau funded schools, shall be allotted pro rata in accordance with the formula established under subsection (a).

''(c)(1) For fiscal year 1990, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

''(A) use a weighted unit of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school in considering the number of eligible Indian students served by the school;

''(B) consider a school with an enrollment of less than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools; and

''(C) take into account the provision of residential services on a less than 9-month basis at a school when the school board and supervisor of the school determine that a less than 9-month basis will be implemented for the school year involved.

''(2)(A) The Secretary shall reserve for national school board training 0.2 percent of the funds appropriated for each fiscal year for distribution under this section. Such training shall be conducted through the same organizations through which, and in the same manner in which, the training was conducted in fiscal year 1992. If the contract for such training is not awarded before May 1 of each fiscal year, the contract under which such training was provided for the fiscal year preceding such fiscal year shall be renewed by the Secretary for such fiscal year. The agenda for the training sessions shall be established by the school boards through their regional or national organizations.

''(B) For each year in which the Secretary uses a weighted unit formula established under subsection (a) to fund Bureau schools, a Bureau school which generates less

than 168 weighted units shall receive an additional 2 weighted units to defray school board activities.

''(C) From the funds allotted in accordance with the formula established under subsection (a) for each Bureau school, the local school board of such school may reserve an amount which does not exceed the greater of—

''(i) $5,000, or

''(ii) the lesser of—

''(I) $15,000, or

''(II) 1 percent of such allotted funds,

for school board activities for such school, including but not limited to, and notwithstanding any other provision of law, meeting expenses and the cost of membership in, and support of, organizations engaged in activities on behalf of Indian education.

''(3)(A) The Secretary shall adjust the formula established under subsection (a) to use a weighted unit of 2.0 for each eligible Indian student that—

''(i) is gifted and talented (as determined pursuant to section 6204 of the Indian Education Act of 1988), and

''(ii) is enrolled in the school on a full-time basis,

in considering the number of eligible Indian students served by the school.

''(B) The adjustment required under subparagraph (A) shall be used for the later of the following fiscal years and for each fiscal year succeeding such later fiscal year:

''(i) the second fiscal year succeeding the fiscal year in which the Secretary of Education makes the report required under section 6204(c)(6)(B) of the Indian Education Act of 1988, or

''(ii) the first fiscal year for which an increase in the amount of funds appropriated for allotment under this section is designated by the law that appropriates such funds as the amount necessary to implement such adjustment without reducing allotments made under this section to any school.

''(d) The Secretary shall reserve from the funds available for distribution for each fiscal year under this section an amount which, in the aggregate, shall equal 1 percent of the funds available for such purpose for that fiscal year. Such funds shall be used, at the discretion of the Director of the Office, to meet emergencies and unforeseen contingencies affecting the education programs funded under this section. Funds reserved under this subsection may only be expended for education services or programs at a schoolsite (as defined in section 5204(c)(2) of the Tribally Controlled Schools Act of 1988). Funds reserved under this subsection shall remain available without fiscal year limitation until

expended. However, the aggregate amount available from all fiscal years may not exceed 1 percent of the current year funds. Whenever the Secretary makes funds available under this subsection, the Secretary shall report such action to the appropriate committees of Congress within the annual budget submission.

''(e) Supplemental appropriations enacted to meet increased pay costs attributable to school level personnel shall be distributed under this section.

''(f) In this section 'eligible Indian student' means a student who—

''(1) is a member of or is at least a ¼ degree Indian blood descendant of a member of an Indian tribe which is eligible for the special programs and services provided by the United States through the Bureau of Indian Affairs to Indians because of their status as Indians, and

''(2) resides on or near an Indian reservation or meets the criteria for attendance at a Bureau off-reservation boarding school.

''(g)(1) An eligible Indian student may not be charged tuition for attendance at a Bureau or contract school. A student attending a Bureau school under clause (2)(C) of this subsection may not be charged tuition.

''(2) The Secretary may permit the attendance at a Bureau school of a student who is not an eligible Indian student if—

''(A) the Secretary determines that the student's attendance will not adversely affect the school's program for eligible Indian students because of cost, overcrowding, or violation of standards,

''(B) the school board consents, and

''(C) the student is a dependent of a Bureau, Indian Health Service, or tribal government employee who lives on or near the school site, or

''(D) a tuition is paid for the student that is not more than that charged by the nearest public school district for out-of-district students. The tuition collected is in addition to the school's allocation under this section.

''(3) The school board of a contract school or grant school may permit students who are not eligible Indian students under this subsection to attend its contract school or grant school and any tuition collected for those students is in addition to funding under this section.

''(h)(1) The Secretary shall conduct, through contact or cooperative agreement with an entity having proven expertise in the field of school finance, and after consultation with tribes and national Indian organizations, a study to

determine the feasibility and desirability of changing the method of financing for Bureau funded schools from the weighted student unit formula method in effect on the date of enactment of this Act to a school based budget system of financing. The Assistant Secretary shall take such steps as are necessary to immediately implement this provision.

''(2) For the purposes of this study, the term 'school-based budget system' means a system based upon an initial determination, at each school site, of the number of students who shall be served at the site, the needs of those students, the standards which will best meet those needs (including any standards or conditions reflecting local community input and the program developed under this part), the personnel profile necessary to establish such program and the cost (determined on an actual basis) of funding such a program. Such a system would include procedures to aggregate the determinations for each school site to determine the amount needed to fund all Bureau-funded schools, to prepare a budget submission based upon such aggregate and would provide for a mechanism for distributing such sums as may be appropriated based upon the determination at each school site.

''(3) No later than January 20, 1996, the Secretary shall transmit to the Committees on Education and Labor and Appropriations of the House of Representatives and the

Committees on Indian Affairs and Appropriations of the Senate of the United States the study required under this subsection, along with any views or comments of the Secretary on such study.

''(i) Any other provision of law notwithstanding, at the election of the school board made at any time during the fiscal year, a portion equal to no more than 15 percent of the funds allocated with respect to a school under this section for any fiscal year shall remain available to the school for expenditure without fiscal year limitation. The Assistant Secretary shall take steps as may be necessary to implement this provision immediately.

''(j) Tuition for the out-of-State students boarding at the Richfield Dormitory in Richfield, Utah, who attend Sevier County high schools in Richfield, Utah, may be paid from the Indian School Equalization Program funds at a rate not to exceed the amount per Weighted Student Unit for that year for instruction. No additional administrative cost funds will be added to the grant.

''SEC. 6708. ADMINISTRATIVE COST GRANTS.

''(a)(1) The Secretary shall, subject to the availability of appropriated funds, provide grants to each tribe or tribal organization operating a contract or grant school in the amount determined under this section with respect to the tribe or tribal organization for the purpose of paying the

administrative and indirect costs incurred in operating contract schools in order to—

''(A) enable tribes and tribal organizations operating such schools, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice, and

''(B) carry out other necessary support functions which would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

''(2) Amounts appropriated to fund the grants provided under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract schools.

''(b)(1) The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate of the tribe or tribal organization to the aggregate of the Bureau elementary and secondary functions operated by the tribe or tribal organization for which funds are received from or through the Bureau. The administrative cost percentage rate determined under subsection

(c) does not apply to other programs operated by the tribe or tribal organization.

''(2) The Secretary shall—

''(A) reduce the amount of the grant determined under paragraph (1) to the extent that payments for administrative costs are actually received by an Indian tribe or tribal organization under any Federal education program included in the direct cost base of the tribe or tribal organization, and

''(B) take such actions as may be necessary to be reimbursed by any other department or agency of the Federal Government for the portion of grants made under this section for the costs of administering any program for Indians that is funded by appropriations made to such other department or agency.

''(c) For purposes of this section, the administrative cost percentage rate for a contract or grant school for a fiscal year is equal to the percentage determined by dividing—

''(1) the sum of—

''(A) the amount equal to—

''(i) the direct cost base of the tribe or tribal organization for the fiscal year, multiplied by

''(ii) the minimum base rate, plus

''(B) the amount equal to—

''(i) the standard direct cost base, multiplied by

''(ii) the maximum base rate, by

''(2) the sum of—

''(A) the direct cost base of the tribe or tribal organization for the fiscal year, plus

''(B) the standard direct cost base.

The administrative cost percentage rate shall be determined to the 1/100 of a decimal point.

''(d)(1)(A) Funds received by a tribe or contract or grant school as grants under this section for tribal elementary or secondary educational programs may be combined by the tribe or contract school into a single administrative cost account without the necessity of maintaining separate funding source accounting.

''(B) Indirect cost funds for programs at the school which share common administrative services with tribal elementary or secondary educational programs may be included in the administrative cost account described in subparagraph (A).

''(2) Funds received as grants under this section with respect to tribal elementary or secondary education programs shall remain available to the contract or grant school without fiscal year limitation and without diminishing the

amount of any grants otherwise payable to the school under this section for any fiscal year beginning after the fiscal year for which the grant is provided.

''(3) Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived.

''(4) In applying this section and section 106 of the Indian Self-Determination and Education Assistance Act with respect to an Indian tribe or tribal organization that—

''(A) receives funds under this section for administrative costs incurred in operating a contract school or a school operated under the Tribally Controlled Schools Act of 1988, and

''(B) operates 1 or more other programs under a contract or grant provided under the Indian Self-Determination and Education Assistance Act,

the Secretary shall ensure that the Indian tribe or tribal organization is provided with the full amount of the administrative costs, and of the indirect costs, that are associated with operating the contract school, a school operated under

the Tribally Controlled Schools Act of 1988, and all of such other programs, except that funds appropriated for implementation of this section shall be used only to supply the amount of the grant required to be provided by this section.

''(e) For purposes of this section—

''(1)(A) The term 'administrative cost' means the costs of necessary administrative functions which—

''(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program,

''(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds, and

''(iii) are either—

''(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds, or

''(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

''(B) The term 'administrative cost' may include, but is not necessarily limited to—

''(i) contract (or other agreement) administration;

''(ii) executive, policy, and corporate leadership and decisionmaking;

''(iii) program planning, development, and management;

''(iv) fiscal, personnel, property, and procurement management;

''(v) related office services and record keeping; and

''(vi) costs of necessary insurance, auditing, legal, safety and security services.

''(2) The term 'Bureau elementary and secondary functions' means—

''(A) all functions funded at Bureau schools by the Office of Indian Education Programs of the Bureau;

''(B) all programs—

''(i) funds for which are appropriated to other agencies of the Federal Government, and

''(ii) which are administered for the benefit of Indians through Bureau schools; and

''(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and

secondary education functions for the benefit of Indians, from whatever source derived.

''(3) The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract or agreement with the Bureau.

''(4)(A) Except as otherwise provided in this paragraph, the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

''(i) the second fiscal year preceding such fiscal year, or

''(ii) if such programs have not been operated by the tribe or tribal organization during

the 2 preceding fiscal years, the first fiscal year preceding such fiscal year.

''(B) In the case of Bureau elementary or secondary education functions which have not previously been operated by a tribe or tribal organization under contract or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

''(5) The term 'maximum base rate' means 50 percent.

''(6) The term 'minimum base rate' means 11 percent.

''(7) The term 'standard direct cost base' means $600,000.

''(f)(1) Upon the enactment of the Indian Education Amendments of 1988, the Secretary shall—

''(A) conduct such studies as may be needed to establish an empirical basis for determining relevant factors substantially affecting the required administrative costs of tribal elementary and secondary educational programs, using the formula set forth in subsection (c), and

''(B) a study to determine—

''(i) a maximum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the smallest tribal elementary or secondary educational programs,

''(ii) a minimum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the largest tribal elementary or secondary educational programs, and

''(iii) a standard direct cost base which is the aggregate direct cost funding level for which the percentage determined under subsection (c) will—

''(I) be equal to the median between the maximum base rate and the minimum base rate, and

''(II) ensure that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of tribal elementary

or secondary educational programs closest to the size of the program.

''(2) The studies required under paragraph (1) shall—

''(A) be conducted in full consultation (in accordance with section 1130) with—

''(i) the tribes and tribal organizations that are affected by the application of the formula set forth in subsection (c), and

''(ii) all national and regional Indian organizations of which such tribes and tribal organizations are typically members;

''(B) be conducted on-site at a representative statistical sample of the tribal elementary or secondary educational programs under a contract entered into with a nationally reputable public accounting and business consulting firm;

''(C) take into account the availability of skilled labor, commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found substantially to affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to assure that all required administrative activities can reasonably be delivered in a cost effective

manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

''(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

''(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational programs studied and determine whether the factors are of general applicability to other such programs, and (if so) how they may effectively be incorporated into such formula.

''(3) In carrying out the studies required under this subsection, the Secretary shall obtain the input of, and afford an opportunity to participate to, the Inspector General of the Department of the Interior.

''(4) Determinations described in paragraph (2)(C) shall be based on what is pragmatically possible to do at each location studied, given prudent management practice, irrespective of whether required administrative services

were actually or fully delivered at these sites, or other services were delivered instead, during the period of the study.

''(5) Upon completion of the studies conducted under paragraph (1), but in no case later than October 1, 1989, the Secretary shall submit to the Congress a report on the findings of the studies, together with determinations based upon such findings that would affect the definitions of terms used in the formula that is set forth in subsection (c).

''(6) The Secretary shall include in the Bureau's justification for each appropriations request for each fiscal year beginning after fiscal year 1989, a projection of the overall costs associated with the formula set forth in subsection (c) for all tribal elementary or secondary educational programs which the Secretary expects to be funded in the fiscal year for which the appropriations are sought.

''(7) For purposes of this subsection, the size of tribal elementary or secondary educational programs is determined by the aggregate direct cost program funding level for all Bureau funded programs which share common administrative cost functions.

''(g)(1) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

''(2) If the total amount of funds necessary to provide grants to tribes and tribal organizations in the amounts

determined under subsection (b) for a fiscal year exceeds the amount of funds appropriated to carry out this section for such fiscal year, the Secretary shall reduce the amount of each grant determined under subsection (b) for such fiscal year by an amount that bears the same relationship to such excess as the amount of such grant determined under subsection (b) bears to the total of all grants determined under subsection (b) for all tribes and tribal organizations for such fiscal year.

''(h)(1) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1989 shall—

''(A) in lieu of being determined under subsection (b), be determined for each tribal elementary or secondary educational program on the same basis that indirect costs were determined for such programs for fiscal year 1988, and

''(B) be subject to the provisions of subsection (d).

''(2) Notwithstanding any other provision of this section, the amount of the grant provided under this section for fiscal year 1990 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1989 shall be equal to—

''(A) if the amount of the grant determined under subsection (b) for fiscal year 1990 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1988 (or fiscal year 1989 if such program was not operated by the tribe or tribal organization during fiscal year 1988), the sum of—

''(i) such amount received, plus

''(ii) ⅓ of the excess of—

''(I) such amount determined under subsection (b), over

''(II) such amount received, or

''(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

''(i) such amount received, over

''(ii) an amount equal to ⅓ of the excess of—

''(I) such amount received, over

''(II) such amount determined under subsection (b).

''(3) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1991 with respect to each tribal elementary

and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1989 shall be equal to—

''(A) if the amount of the grant determined under subsection (b) for fiscal year 1991 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1990, the sum of—

''(i) such amount received, plus

''(ii) ½ of the excess of—

''(I) such amount determined under subsection (b), over

''(II) such amount received, or

''(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

''(i) such amount received, over

''(ii) an amount equal to ½ of the excess of—

''(I) such amount received over,

''(II) such amount determined under subsection (b).

''(i) The provisions of this section shall also apply to those schools operating under the Tribally Controlled Schools Act of 1988.

''SEC. 6709. BUDGET PREPARATION AND SUBMISSION.

''(a) For each fiscal year beginning after October 1, 1994, and ending before October 1, 1998, the Secretary shall enter into an interagency agreement with the Secretary of Education for the purpose of carrying out this section. The Secretary shall take such actions as are necessary to transfer information requested by the Secretary of Education or the entity designated under subsection (b) of this section needed to carry out this section in a timely and accurate fashion.

''(b) The Secretary of Education, through the National Center for Education Statistics, shall prepare and submit to Congress the study set forth in subsection (c) of this section no later than January 20, 1995, and January 20 of each of the next 3 succeeding years. The Secretary of Education shall transmit the report directly and without substantive amendment to the Secretary of the Interior, the Assistant Secretary for Indian Affairs of the Department of the Interior, and the Committees on Education and Labor and Appropriations of the House of Representatives and the Committees on Indian Affairs and Appropriations of the Senate of the United States.

''(c)(1) The National Center for Educational Statistics (hereinafter referred to as the 'Center') shall prepare for each of the fiscal years covered under subsection (a) of this section a report on the amount needed to achieve academic and residential programs set forth in this part for Bureau-funded schools funded under section 6707. Such study shall be based on (A) the standards developed and implemented for Bureau-funded schools under section 6701 and 6702 of this part or such other standards as may apply to Bureau-funded contract schools or schools funded under the Tribally Controlled Schools Act of 1988, (B) the student count and characteristics of such schools, as determined pursuant to the formula developed and implemented pursuant to section 6707 of this part for the preceding academic year, adjusted for any changes in student demographics which the Center may project, (C) the employee statistics with respect to such schools for the preceding fiscal year, and (D) such other factors as the Center may set forth, including but not limited to age or physical condition of the schools and changes in isolation.

''(2) Each study shall include a total projected cost for attaining the standards set forth under paragraph (1), and shall presume compliance with those standards. Such study shall also include a projection of the cost for meeting such standards for each Bureau-funded school. Such study shall

also include a report on any shortfall in the amount needed to fund Bureau-funded schools, as determined by the study conducted pursuant to this section and the appropriations amount requested and enacted for the period covered by the study.

''(d)(1) Within 24 months of the date of enactment of this Act, the Secretary shall establish within the Office of Indian Education Programs a Division of Budget Analysis (hereinafter referred to as the 'Division'). Such Division shall be under the direct supervision and control of the Director of the Office.

''(2) The Division shall have the capacity to conduct such studies, surveys, or other activities as are necessary to gather demographic information on Bureau-funded schools (current and future) and project the amount necessary to provide Indian students in such schools the educational program set forth in this part.

''(3) The Division shall prepare projections on such amounts, along with such other information as the Director of the Office shall require, for each fiscal year beginning after October 1, 1996. The Director of the Office and the Assistant Secretary for Indian Affairs shall use such reports when preparing their annual budget submissions.

"SEC. 6710. UNIFORM DIRECT FUNDING AND SUPPORT.

"(a)(1) Within six months after the date of enactment of this Act, the Secretary shall establish, by regulation adopted in accordance with section 6719, a system for the direct funding and support of all Bureau-funded schools. Such system shall allot funds, in accordance with section 6707. Amounts appropriated for distribution under this section may be made available under paragraph (2) or under paragraph (3), as provided in the appropriation Act.

"(2)(A) For the purpose of affording adequate notice of funding available pursuant to the allotments made by section 6707, amounts appropriated in an appropriation Act for any fiscal year shall become available for obligation by the affected schools on July 1 of the fiscal year in which they are appropriated without further action by the Secretary, and shall remain available for obligation through the succeeding fiscal year.

"(B) The Secretary shall, on the basis of the amount appropriated in accordance with this paragraph—

"(i) publish, on July 1 preceding the fiscal year for which the funds are appropriated, allotments to each affected school made under section 6707 of 85 percent of such appropriation; and

"(ii) publish, no later than September 30 of such preceding fiscal year, the allotments to be made under section 6707 of the remaining 15 percent of such ap-

propriation, adjusted to reflect actual student attendance.

''(3) Notwithstanding any law or regulation, the supervisor of a Bureau school may expend an aggregate of no more than $35,000 of the amount allotted the school under section 6707 to acquire supplies and equipment for the school without competitive bidding if—

''(A) the cost for any single item purchased does not exceed $10,000;

''(B) the school board approves the procurement;

''(C) the supervisor certifies that the cost is fair and reasonable;

''(D) the documents relating to the procurement executed by the supervisor or other school staff cite this paragraph as authority for the procurement; and

''(E) the transaction is documented in a journal maintained at the school clearly identifying when the transaction occurred, what was acquired and from whom, the prices paid, the quantities acquired, and any other information the supervisor or school board considers relevant.

The Director shall be responsible for determining the application of this paragraph, including the authorization of specific individuals to carry out this authority, and shall

be responsible for the provision of guidelines on the use of this authority and adequate training on such guidelines.

''(4) If a sequestration order issued under the Balanced Budget and Emergency Deficit Control Act of 1985 reduces the amount of funds available for allotment under section 6707 for any fiscal year by more than 7 percent of the amount of funds available for allotment under such section during the preceding fiscal year—

''(A) the Secretary may, notwithstanding any other provision of law, use—

''(i) funds appropriated for the operation of any Bureau school that is closed or consolidated, and

''(ii) funds appropriated for any program that has been curtailed at any Bureau school,

to fund allotments made under section 6707, and

''(B) the Secretary may waive the application of the provisions of section 6701(h) with respect to the closure or consolidation of a school, or the curtailment of a program at a school, during such fiscal year if the funds described in clauses (i) and (ii) of subparagraph (A) with respect to such school are used to fund allotments made under section 6707 for such fiscal year.

''(b) In the case of all Bureau schools, allotted funds shall be expended on the basis of local financial plans which shall be prepared by the local school supervisor in active consultation with the local school board for each school, and the local school board for each school shall have the authority to ratify, reject, or amend such financial plan, and expenditures thereunder, and, on its own determination or in response to the supervisor of the school, to revise such financial plan to meet needs not foreseen at the time of preparation of the financial plan. The supervisor shall provide the appropriate union representative of the education employees with copies of proposed draft financial plans and all amendments or modifications thereto, at the same time they are submitted to the local school board. The supervisor of the school may appeal any such action of the local school board to the appropriate education officer of the Bureau agency by filing a written statement describing the action and the reasons the supervisor believes such action should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the appropriate education officer may, for good cause, overturn the action of the local school board. The appropriate education officer shall transmit the determination of such appeal in

the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such action.

''(c) Funds for self-determination grants under section 103(a)(2) of the Indian Self-Determination and Education Assistance Act shall not be used for providing technical assistance and training in the field of education by the Bureau unless such services are provided in accordance with a plan, agreed to by the tribe or tribes affected and the Bureau, under which control of education programs is intended to be transferred to such tribe or tribes within a specific period of time negotiated under such agreement. The Secretary may approve applications for funding tribal divisions of education and the development of tribal codes of education from funds appropriated pursuant to section 104(a) of such Act.

''(d) In the exercise of its authority under this section, a local school board may request technical assistance and training from the Secretary, and he shall, to the greatest extent possible, provide such services, and make appropriate provisions in the budget of the Office for such services.

''(e)(1) A financial plan under subsection (b) for a school may include, at the discretion of the local administrator and the school board of such school, a provision for a summer program of academic and support services for

students of the school. Any such program may include activities related to the prevention of alcohol and substance abuse. The Assistant Secretary of Indian Affairs shall provide for the utilization of any such school facility during any summer in which such utilization is requested.

''(2) Notwithstanding any other provision of law, funds authorized under the Act of April 16, 1934 (25 U.S.C. 452 et seq.) and the Indian Education Act may be used to augment the services provided in each summer program at the option, and under the control, of the tribe or Indian controlled school receiving such funds.

''(3) The Assistant Secretary of Indian Affairs, acting through the Director of the Office of Indian Education Programs, shall provide technical assistance and coordination for any program described in paragraph (1) and shall, to the extent possible, encourage the coordination of such programs with any other summer programs that might benefit Indian youth, regardless of the funding source or administrative entity of any such program.

''(f)(1) From funds allotted to a Bureau school under section 6707, the Secretary shall, if specifically requested by the tribal governing body (within the meaning of section 6701(k)), implement any cooperative agreement entered into between the tribe, the Bureau school board, and the local public school district which meets the requirements of

paragraph (2) and involves the school. The tribe, the Bureau school board, and the local public school district shall determine the terms of the agreement. Such agreement may encompass coordination of all or any part of the following:

''(A) Academic program and curriculum, unless the Bureau school is currently accredited by a State or regional accrediting entity and would not continue to be so accredited.

''(B) Support services, including procurement and facilities maintenance.

''(C) Transportation.

''(2) Each agreement entered into pursuant to the authority provided in paragraph (1) shall confer a benefit upon the Bureau school commensurate with the burden assumed, though this requirement shall not be construed so as to require equal expenditures or an exchange of similar services.

''(g) Any other provision of law notwithstanding, where there is agreement on such action between the superintendent and school board of a B.I.A. funded school, the product or result of a project conducted in whole or in major part by a student may be given to that student upon the completion of said project.

''(h) Notwithstanding any other provision of law, funds received by Bureau funded schools under this title

shall not be considered Federal funds for purposes of meeting a match requirement in any Federal program.

''SEC. 6711. POLICY FOR INDIAN CONTROL OF INDIAN EDUCATION.

''(a) It shall be the policy of the the Secretary and the Bureau, in carrying out the functions of the Bureau, to facilitate Indian control of Indian affairs in all matters relating to education.

''(b)(1) All actions under this Act shall be done with active consultation with tribes.

''(2) The consultation required under paragraph (1) means a process involving the open discussion and joint deliberation of all options with respect to potential issues or changes between the Bureau and all interested parties. During such discussions and joint deliberations, interested parties (including, but not limited to, tribes and school officials) shall be given an opportunity to present issues including proposals regarding changes in current practices or programs which will be considered for future action by the Bureau. All interested parties shall be given an opportunity to participate and discuss the options presented or to present other alternatives, with the views and concerns of the interested parties given effect unless the Secretary determines, from information educed or presented by the interested parties during 1 or more of the discussions and delib-

erations, that there is a substantial reason for another course of action. The Secretary shall submit to any Member of Congress, within 18 days of the receipt of a written request by such Member, a written explanation of any decision made by the Secretary which is not consistent with the views of the interested parties.

''SEC. 6712. EDUCATION PERSONNEL.

''(a)(1) Chapter 51, subchapter III of chapter 53, and chapter 63 of title 5, United States Code, relating to leave, pay, and classification, and the sections relating to the appointment, promotion and removal of civil service employees, shall not apply to educators or to education positions (as defined in subsection (n)).

''(2) Paragraph (1) shall take effect 1 year after the date of enactment of this Act.

''(b) Not later than the effective date of subsection (a)(2), the Secretary shall prescribe regulations to carry out this section. Such regulations shall govern—

''(1) the establishment of education positions,

''(2) the establishment of qualifications for educators,

''(3) the fixing of basic compensation for educators and education positions,

''(4) the appointment of educators,

''(5) the discharge of educators,

''(6) the entitlement of educators to compensation,

''(7) the payment of compensation to educators,

''(8) the conditions of employment of educators,

''(9) the length of the school year applicable to education positions described in subsection (n)(1)(A),

''(10) the leave system for educators, and

''(11) such other matters as may be appropriate.

''(c)(1) In prescribing regulations to govern the qualifications of educators, the Secretary shall require—

''(A)(i) that lists of qualified and interviewed applicants for education positions be maintained in each agency and area office of the Bureau from among individuals who have applied at the agency or area level for an education position or who have applied at the national level and have indicated in such application an interest in working in certain areas or agencies; and

''(ii) that a list of qualified and interviewed applicants for education positions be maintained in the Office from among individuals who have applied at the national level for an education position and who have expressed interest in working in an education position anywhere in the United States;

''(B) that a local school board shall have the authority to waive on a case-by-case basis, any formal education or degree qualifications established by regulation pursuant to subsection (b)(2), in order for a tribal member to be hired in an education position to teach courses on tribal culture and language and that subject to subsection (d)(2)(A), a determination by a school board that such a person be hired shall be followed by the supervisor; and

''(C) that it shall not be a prerequisite to the employment of an individual in an education position at the local level that such individual's name appear on the national list maintained pursuant to subsection (c)(1)(A)(ii) or that such individual has applied at the national level for an education position.

''(2) The Secretary may authorize the temporary employment in an education position of an individual who has not met the certification standards established pursuant to regulations, if the Secretary determines that failure to do so would result in that position remaining vacant.

''(d)(1) In prescribing regulations to govern the appointment of educators, the Secretary shall require—

''(A)(i) that educators employed in a school (other than the supervisor of the school) shall be hired by the supervisor of the school unless there are no

qualified applicants available, in which case the vacant position shall be filed at the national level from the list maintained pursuant to subsection (c)(1)(A)(ii);

''(ii) each school supervisor shall be hired by the superintendent for education of the agency office of the Bureau in which the school is located, and

''(iii) educators employed in an agency office of the Bureau shall be hired by the superintendent for education of the agency office;

''(B) that before an individual is employed in an education position in a school by the supervisor of a school (or, with respect to the position of supervisor, by the appropriate agency superintendent for education), the local school board for the school shall be consulted, and that subject to subsection (d)(2), a determination by the school board that such individual should or should not be so employed shall be followed by the supervisor (or with respect to the position of supervisor, by the agency superintendent for education); and

''(C) that before an individual may be employed in an education position at the agency level, the appropriate agency school board shall be consulted, and that, subject to subsection (d)(3), a determination by

such school board that such individual should or should not be employed shall be followed by the agency superintendent for education.

''(2)(A) The supervisor of a school may appeal to the appropriate agency superintendent for education any determination by the local school board for the school that an individual be employed, or not be employed, in an education position in the school (other than that of supervisor) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the superintendent may, for good cause, overturn the determination of the local school board. The superintendent shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such determination.

''(B) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the local school board for the school that an individual be employed, or not be employed, as the supervisor of a school by filing a written statement describing the determination and the reasons the supervisor be-

lieves such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the local school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such superintendent identifying the reasons for overturning such determination.

''(3) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the agency school board that an individual be employed, or not be employed, in an education position in such agency office by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the agency school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the agency school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board

and to such superintendent identifying the reasons for overturning such determination.

''(4) Any individual who applies at the local level for an education position shall state on such individual's application whether or not such individual has applied at the national level for an education position in the Bureau. If such individual is employed at the local level, such individual's name shall immediately be forwarded to the Secretary, who shall, as soon as possible but in no event in more than thirty days, ascertain the accuracy of the statement made by such individual pursuant to the first sentence of this subparagraph. If the individual's statement is found to have been false, such individual, at the Secretary's discretion, may be disciplined or discharged. If the individual had applied at the national level for an education position in the Bureau, if the appointment of such individual at the local level shall be conditional for a period of ninety days, during which period the Secretary may appoint a more qualified individual (as determined by the Secretary) from the list maintained at the national level pursuant to subsection (c)(1)(A)(ii) to the position to which such individual was appointed.

''(5) Except as expressly provided, nothing in this section shall be construed as conferring upon local school boards, authority over, or control of, educators.

''(e)(1) In prescribing regulations to govern the discharge and conditions of employment of educators, the Secretary shall require—

''(A) that procedures be established for the rapid and equitable resolution of grievances of educators;

''(B) that no educator may be discharged without notice of the reasons therefore and opportunity for a hearing under procedures that comport with the requirements of due process; and

''(C) educators employed in Bureau schools shall be notified sixty days prior to the end of the school year whether their employment contract will be renewed for the coming year.

''(2) The supervisor of a Bureau school may discharge (subject to procedures established under paragraph (1)(B) for cause (as determined under regulations prescribed by the Secretary) any educator employed in such school. Upon giving notice of proposed discharge to an educator, the supervisor involved shall immediately notify the local school board for the school of such action. A determination by the local school board that such educator shall not be discharged shall be followed by the supervisor. The supervisor shall have the right to appeal such action to the superintendent for education of the appropriate agency office of the Bureau. Upon such an appeal, the agency superintendent for edu-

cation may, for good cause and in writing to the local school board, overturn the determination of the local school board with respect to the employment of such individual.

''(3) Each local school board for a Bureau school shall have the right (A) to recommend to the supervisor of such school that an educator employed in the school be discharged, and (B) to recommend to the superintendent of education of the appropriate agency office of the Bureau and to the Director of the Office, that the supervisor of the school be discharged.

''(f)(1) Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action within the purview of this section respecting an applicant or employee not entitled to Indian preference if each tribal organization concerned grants, in writing, a waiver of the application of such laws with respect to such personnel action, where such a waiver is in writing deemed to be a necessity by the tribal organization, except that this shall in no way relieve the Bureau of its responsibility to issue timely and adequate announcements and advertisements concerning any such personnel action if it is intended to fill a vacancy (no matter how such vacancy is created).

''(2) For purposes of this subsection, the term 'tribal organization' means—

''(A) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c); 85 Stat. 688)); or

''(B) in connection with any personnel action referred to in this subsection, any local school board as defined in section 1139, and which has been delegated by such governing body the authority to grant a waiver under such subsection with respect to such personnel action.

''(3) The term 'Indian preference laws' means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions, except that such term shall not be considered to include section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b); 88 Stat. 2295).

''(g) Subject to the authority of the Civil Service Commission to determine finally the applicability of chapter 51 of title 5, United States Code, to specific positions and employees in the executive branch, the Secretary shall determine in accordance with subsection (a)(1) the applicability or inapplicability of such chapter to positions and employees in the Bureau.

''(h)(1)(A) Except as otherwise provided in this section, the Secretary shall fix the basic compensation or annual salary rate for educators and education positions at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 is applicable or on the basis of the Federal Wage System schedule in effect for the locality.

''(B) By no later than October 28, 1988, the Secretary shall establish, for contracts for the 1991–1992 academic year, and thereafter, the rates of basic compensation, or annual salary rates, for the positions of teachers and counselors (including dormitory counselors and home-living counselors) at the rates of basic compensation applicable (on the date of enactment of such Amendments and thereafter) to comparable positions in overseas schools under the Defense Department Overseas Teachers Pay and Personnel Practices Act, unless the Secretary establishes such rates within such 6-month period through collective bargaining with the appropriate union representative of the education employees that is recognized by the Bureau.

''(C) By no later than October 28, 1988, the Secretary shall establish the rates of basic compensation or annual salary rates for the positions of teachers and counselors (including dormitory and home-living counselors)—

''(i) for contracts for the 1989–1990 academic year, at rates which reflect ⅓ of the changes in the rates applicable to such positions on April 28, 1988, that must be made to conform the rates to the rates established under subparagraph (B) for such positions for contracts for the 1991–1992 academic year, and

''(ii) for contracts for the 1990–1991 academic year, at rates which reflect ⅔ of such changes.

''(D) The establishment of rates of basic compensation and annual salary rates by the Secretary under subparagraphs (B) and (C) shall not preclude the use of regulations and procedures used by the Bureau before the enactment of the Indian Education Amendments of 1988 in making determinations regarding promotions and advancements through levels of pay that are based on the merit, education, experience, or tenure of the educator.

''(E)(i) Except as provided in clause (ii), the establishment of rates of basic compensation and annual salary rates by the Secretary under subparagraphs (B) and (C) shall not affect the continued employment or compensation of an educator who was employed in an education position on October 31, 1979, and who did not make the election under paragraph (2) of subsection (o).

''(ii) Any individual described in clause (i) may, during the 5-year period beginning on the date on which the

Secretary establishes rates of basic compensation and annual salary rates under subparagraph (B), make an irrevocable election to have the basic compensation rate or annual salary rate of such individual determined in accordance with this paragraph.

''(iii) If an individual makes the election described in clause (ii), such election shall not affect the application to the individual of the same retirement system and leave system that applies to the individual during the fiscal year preceding the fiscal year in which such election is made, except that the individual must use leave accrued during a contract period by the end of that contract period.

''(F) The President shall include with the budget submitted under section 1105 of title 31, United States Code, for each of the fiscal years 1990, 1991, and 1992 a written statement by the Secretary which specifies—

''(i) the amount of funds the Secretary needs to pay basic compensation and the annual salaries of educators for such fiscal year, and

''(ii) the amount of funds the Secretary estimates would be needed to pay basic compensation and the annual salaries of educators for such fiscal year if the amendments made to this paragraph by the Indian Education Amendments of 1988 had not been enacted.

''(2) Each educator employed in an education position in Alaska shall be paid a cost-of-living allowance equal to 25 per centum of the rate of basic compensation to which such educator is entitled.

''(3)(A) The Secretary may pay a postdifferential not to exceed 25 per centum of the rate of basic compensation, on the basis of conditions of environment or work which warrant additional pay as a recruitment and retention incentive.

''(B)(i) Upon the request of the supervisor and the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide 1 or more post differentials under subparagraph (A) unless the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that certain of the requested post differentials should be disapproved or decreased because there is no disparity of compensation for the involved employees or positions in the Bureau school, as compared with the nearest public school, that is either—

''(I) at least 5 percent, or

''(II) less than 5 percent and affects the recruitment or retention of employees at the school.

The request under this subparagraph shall be deemed granted as requested at the end of the 60th day after the request is received in the Central Office of the Bureau unless before

that time it is approved, approved with modification, or disapproved by the Secretary.

''(ii) The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential authorized by reason of this subparagraph at the beginning of a school year after either—

''(I) the local school board requests that it be discontinued or decreased, or

''(II) the Secretary or the supervisor determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

''(iii) On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and grants of authority under this subparagraph during the previous fiscal year and listing the positions contracted under those grants of authority.

''(i) Any individual—

''(1) who on the date of enactment of this Act is holding a position which is determined under subsection (f) to be an education position and who elects under subsection (o)(2) to be covered under the provisions of this section, or

''(2) who is an employee of the Federal Government or the municipal government of the District of Columbia and is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to an education position,

shall be credited for the purpose of the leave system provided under regulations prescribed pursuant to subsection (b)(10), with the annual and sick leave to his credit immediately before the effective date of such election, transfer, promotion, or reappointment.

''(j) Upon termination of employment with the Bureau, any annual leave remaining to the credit of an individual within the purview of this section shall be liquidated in accordance with sections 5551(a) and 6306 of title 5, United States Code, except that leave earned or accrued under regulations prescribed pursuant to subsection (b)(10) shall not be so liquidated.

''(k) In the case of any educator who is transferred, promoted, or reappointed, without break in service, to a position in the Federal Government under a different leave system, any remaining leave to the credit of such person earned or credited under the regulations prescribed pursuant to subsection (b)(10) shall be transferred to his credit in the employing agency on an adjusted basis in accordance

with regulations which shall be prescribed by the Civil Service Commission.

''(l) An educator who voluntarily terminates employment with the Bureau before the expiration of the existing employment contract between such educator and the Bureau shall not be eligible to be employed in another education position in the Bureau during the remainder of the term of such contract.

''(m) In the case of any educator employed in an education position described in subsection (n)(1)(A) who—

''(1) is employed at the close of a school year,

''(2) agrees in writing to serve in such a position for the next school year, and

''(3) is employed in another position during the recess period immediately preceding such next school year, or during such recess period receives additional compensation referred to in subsection (g)(2) or (g)(3), section 5533 of title 5, United States Code, relating to dual compensation, shall not apply to such educator by reason of any such employment during a recess period for any such receipt of additional compensation.

''(n) For the purpose of this section—

''(1) The term ''education position'' means a position in the Bureau the duties and responsibilities of which—

''(A) are performed on a school-year basis principally in a Bureau school and involve—

''(i) classroom or other instruction or the supervision or direction of classroom or other instruction;

''(ii) any activity (other than teaching) which requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education;

''(iii) any activity in or related to the field of education notwithstanding that academic credits in educational theory and practice are not a formal requirement for the conduct of such activity; or

''(iv) support services at, or associated with, the site of the school; or

''(B) are performed at the agency level of the Bureau and involve the implementation of

education-related programs other than the position for agency superintendent for education.

''(2) The term ''educator'' means an individual whose services are required, or who is employed, in an education position.

''(o)(1) Subsections (a) through (n) of this section apply to an educator hired after November 1, 1979 (and to an educator who elected application under paragraph (2)) and to the position in which such individual is employed. Subject to paragraph (2), the enactment of this Act shall not affect the continued employment of an individual employed on October 31, 1979 in an education position, or such individual's right to receive the compensation attached to such position.

''(2) Any individual employed in an education position on October 31, 1979, may, not later than November 1, 1983, make an irrevocable election to be covered under the provisions of subsection (a) through (n) of this section.

''(p)(1) An educator who was employed in an education position on October 31, 1979, who was eligible to make an election under paragraph (2) of subsection (o) at that time, and who did not make the election under paragraph (2) of subsection (o), may not be placed on furlough (within the meaning of section 7511(a)(5) of title 5, United States Code) without the consent of such educator for an

aggregate of more than 4 weeks within the same calendar year, unless—

''(A) the supervisor, with the approval of the local school board (or of the agency superintendent for education upon appeal under paragraph (2)), of the Bureau school at which such educator provides services determines that a longer period of furlough is necessary due to an insufficient amount of funds available for personnel compensation at such school, as determined under the financial plan process as determined under section 1129(b) of this Act, and

''(B) all educators (other than principals and clerical employees) providing services at such Bureau school are placed on furloughs of equal length, except that the supervisor, with the approval of the local school board (or of the agency superintendent for education upon appeal under paragraph (2)), may continue 1 or more educators in pay status if (i) they are needed to operate summer programs, attend summer training sessions, or participate in special activities including (but not limited to) curriculum development committees, and (ii) they are selected based upon their qualifications, after public notice of the minimum qualifications reasonably necessary and without discrimination as to supervisory, non-

supervisory, or other status of the educators who apply.

''(2) The supervisor of a Bureau school may appeal to the appropriate agency superintendent for education any refusal by the local school board to approve any determination of the supervisor that is described in paragraph (1)(A) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be approved. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the superintendent may, for good cause, approve the determination of the supervisor. The superintendent shall transmit the determination of such appeal in the form of a written opinion to such local school board and to the supervisor identifying the reasons for approving such determination.

''SEC. 6713. MANAGEMENT INFORMATION SYSTEM.

''The Secretary shall establish within the Office, within 1 year after the date of the enactment of the Indian Education Amendments of 1984, a computerized management information system, which shall provide information to the Office. Such information shall include but shall not be limited to—

''(1) student enrollment;

''(2) curriculum;

''(3) staff;

''(4) facilities;

''(5) community demographics;

''(6) student assessment information; and

''(7) information on the administrative and program costs attributable to each Bureau program, divided into discreet elements.

''SEC. 6714. BUREAU EDUCATION POLICIES.

''Within 180 days of the date of enactment of this Act, the Secretary shall develop, publish in the Federal Register, and submit to all agency and area offices of the Bureau, all tribal governments, and the appropriate committees of the Congress, a draft set of education policies, procedures, and practices for education-related action of the Bureau. The Secretary shall, within 1 year of the date of enactment of this Act, provide that such uniform policies, procedures, and practices shall be finalized and promulgated. Thereafter, such policies, procedures, and practices and their periodic revisions, shall serve as the foundation for future Bureau actions in education.

''SEC. 6715. UNIFORM EDUCATION PROCEDURES AND PRACTICES.

''The Secretary shall cause the various divisions of the Bureau to formulate uniform procedures and practices with

respect to such concerns of those divisions as relate to education, and shall report such practices and procedures to the Congress.

''SEC. 6716. RECRUITMENT OF INDIAN EDUCATORS.

''The Secretary shall institute a policy for the recruitment of qualified Indian educators and a detailed plan to promote employees from within the Bureau. Such plan shall include opportunities for acquiring work experience prior to actual work assignment.

''SEC. 6717. ANNUAL REPORT.

''(a) The Secretary shall submit to each appropriate committee of the Congress a detailed annual report on the state of education within the Bureau and any problems encountered in the field of education during the year. Such report shall contain suggestions for improving the Bureau educational system and increasing local Indian control of such system. Such report shall also include the current status of tribally controlled community colleges. The annual budget submission for the Bureau's education programs shall, among other things, include (1) information on the funds provided previously private schools under section 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458d; 88 Stat. 2216) and recommendations with respect to the future use of such funds; (2) the needs and costs of operation and maintenance of tribally con-

trolled community colleges eligible for assistance under the Tribally Controlled Community College Assistance Act of 1978 (92 Stat. 1325; 25 U.S.C. 1801 et seq.) and recommendations with respect to meeting such needs and costs; and (3) the plans required by section 1121(f), and 1122(c); and 1125(b) of this Act (25 U.S.C. 2001(f), 2002(c), and 2005(b)).

''(b) The Inspector General of the Department of the Interior shall establish a system to ensure that financial and compliance audits are conducted of each Bureau school at least once in every three years. Audits of Bureau schools shall be based upon the extent to which such school has complied with its local financial plan under section 1129.

''SEC. 6718. RIGHTS OF INDIAN STUDENTS.

''Within six months of the date of enactment of this Act, the Secretary shall prescribe such rules and regulations as are necessary to insure the constitutional and civil rights of Indian students attending Bureau schools, including, but not limited to, their right to privacy under the laws of the United States, their right to freedom of religion and expression and their right to due process in connection with disciplinary actions, suspensions, and expulsions.

''SEC. 6719. REGULATIONS.

''Regulations required to be adopted under sections 6706 through 6718 and any revisions of the standards de-

veloped under section 6701 or 6702 of this Act shall be deemed rules of general applicability prescribed for the administration of an applicable program for the purposes of section 431 of the General Education Provisions Act and shall be promulgated, submitted for congressional review, and take effect in accordance with the provisions of such section. Such regulations shall contain, immediately following each substantive provision of such regulations, citations to the particular section or sections of statutory law or other legal authority upon which such provision is based.

''SEC. 6720. DEFINITIONS.

''For the purpose of this part—

''(1) the term 'agency school board' means a body, the members of which are appointed by the school boards of the schools located within such agency, and the number of such members shall be determined by the Secretary in consultation with the affected tribes, except that, in agencies serving a single school, the school board of such school shall fulfill these duties;

''(2) the term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior;

''(3) the term 'Bureau funded school' means—

''(A) a Bureau school;

''(B) a contract school; or

''(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988;

''(4) the term 'Bureau school' means a Bureau operated elementary or secondary day or boarding school or a Bureau operated dormitory for students attending a school other than a Bureau school;

''(5) the term 'contract school' means an elementary or secondary school or a dormitory which receives financial assistance for its operation under a contract or agreement with the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(a), and 458d);

''(6) the term 'education line officer' means education personnel under the supervision of the Director, whether located in central, area, or agency offices;

''(7) the term 'financial plan' means a plan of services to be provided by each Bureau school;

''(8) the term 'grant school' means a school which is provided assistance under the Tribally Controlled Schools Act of 1988;

''(9) the term 'Indian organization' means any group, association, partnership, corporation, or other legal entity owned or controlled by a federally recog-

nized Indian tribe or tribes, or a majority of whose members are members of federally recognized Indian tribes;

''(10) the term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State, and includes any State agency which directly operates and maintains facilities for providing free public education;

''(11) the term 'local school board', when used with respect to a Bureau school, means a body chosen in accordance with the laws of the tribe to be served or, in the absence of such laws, elected by the parents of the Indian children attending the school, except that in schools serving a substantial number of students from different tribes, the members shall be appointed by the governing bodies of the tribes affected; and the number of such members shall be determined by the Secretary in consultation with the affected tribes;

''(12) the term 'Office' means the Office of Indian Education Programs within the Bureau;

''(13) the term 'Secretary' means the Secretary of the Interior;

''(14) the term 'supervisor' means the individual in the position of ultimate authority at a Bureau school; and

''(15) the term 'tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''SEC. 6721. VOLUNTARY SERVICES.

''Notwithstanding section 1342 of title 31, United States Code, the Secretary may, subject to the approval of the local school board concerned, accept voluntary services on behalf of Bureau schools. Nothing in this title shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees. An individual providing volunteer services under this section is a Federal employee only for purposes of chapter 81 of title 5, United States Code, and chapter 171 of title 28, United States Code.

''SEC. 6722. PRORATION OF PAY.

''(a) Notwithstanding any other provision of law, including laws relating to dual compensation, the Secretary, at the election of the employee, shall prorate the salary of an employee employed in an education position for the academic school-year over the entire twelve month period. Each educator employed for the academic school-year shall annually elect to be paid on a twelve month basis or for those months while school is in session. No educator shall suffer a loss of pay or benefits, including benefits under unemployment or other Federal or federally-assisted programs, because of such election.

''(b) During the course of such year the employee may change election once.

''(c) That portion of the employee's pay which would be paid between academic school years may be paid in lump sum at the election of the employee.

''(d) For the purposes of this section the terms ''educator'' and ''education position'' have the meaning contained in section 6712(n)(1) and (n)(2) of this title. This section applies to those individuals employed under the provisions of section 6712 of this title or title 5, United States Code.

''SEC. 6723. EXTRACURRICULAR ACTIVITIES.

''(a) Notwithstanding any other provision of law, the Secretary may provide, for each Bureau area, a stipend in lieu of overtime premium pay or compensatory time off.

Any employee of the Bureau who performs additional activities to provide services to students or otherwise support the school's academic and social programs may elect to be compensated for all such work on the basis of the stipend. Such stipend shall be paid as a supplement to the employee's base pay.

''(b) If an employee elects not to be compensated through the stipend established by this section, the appropriate provisions of title 5, United States Code, shall apply.

''(c) This section applies to all Bureau employees, whether employed under section 6712 of this title or title 5, United States Code.

''SEC. 6724. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

''(a) The Secretary shall provide grants to tribes, tribal organizations, and consortia of tribes and tribal organizations to fund early childhood development programs that are operated by such tribes, organizations, or consortia.

''(b)(1) The total amount of the grants provided under subsection (a) with respect to each tribe, tribal organization, or consortium of tribes or tribal organizations for each fiscal year shall be equal to the amount which bears the same relationship to the total amount appropriated under the authority of subsection (f) for such fiscal year (less amounts provided under subsection (e)) as—

''(A) the total number of children under 6 years of age who are members of—

''(i) such tribe,

''(ii) the tribe that authorized such tribal organization, or

''(iii) any tribe that—

''(I) is a member of such consortium, or

''(II) authorizes any tribal organization that is a member of such consortium, bears to

''(B) the total number of all children under 6 years of age who are members of any tribe that—

''(i) is eligible to receive funds under subsection (a),

''(ii) is a member of a consortium that is eligible to receive such funds, or

''(iii) authorizes a tribal organization that is eligible to receive such funds.

''(2) No grant may be provided under subsection (a)—

''(A) to any tribe that has less than 500 members,

''(B) to any tribal organization which is authorized—

''(i) by only 1 tribe that has less than 500 members, or

''(ii) by 1 or more tribes that have a combined total membership of less than 500 members, or

''(C) to any consortium composed of tribes, or tribal organizations authorized by tribes, that have a combined total tribal membership of less than 500 members.

''(c)(1) A grant may be provided under subsection (a) to a tribe, tribal organization, or consortia of tribes and tribal organizations only if the tribe, organization or consortia submits to the Secretary an application for the grant at such time and in such form as the Secretary shall prescribe.

''(2) Applications submitted under paragraph (1) shall set forth the early childhood development program that the applicant desires to operate.

''(d) The early childhood development programs that are funded by grants provided under subsection (a)—

''(1) shall coordinate existing programs and may provide services that meet identified needs of parents and children under 6 years of age which are not being met by existing programs, including—

''(A) prenatal care,

''(B) nutrition education,

''(C) health education and screening,

''(D) educational testing, and

''(E) other educational services,

''(2) may include instruction in the language, art, and culture of the tribe, and

''(3) shall provide for periodic assessment of the program.

''(e) The Secretary shall, out of funds appropriated under the authority of subsection (f), include in the grants provided under subsection (a) amounts for administrative costs incurred by the tribe or tribal organization in establishing and maintaining the early childhood development program.

''(f) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $5,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''SEC. 6725. TRIBAL DEPARTMENTS OF EDUCATION.

''(a) Subject to the availability of appropriations, the Secretary shall provide grants and technical assistance to tribes for the development and operation of tribal departments of education for the purpose of planning and coordinating all educational programs of the tribe.

''(b) Grants provided under this section shall—

''(1) be based on applications from the governing body of the tribe,

''(2) reflect factors such as geographic and population diversity,

''(3) facilitate tribal control in all matters relating to the education of Indian children on Indian reservations and on former Indian reservations in Oklahoma,

''(4) provide for the development of coordinated educational programs on Indian reservations (including all preschool, elementary, secondary, and higher or vocational educational programs funded by tribal, Federal, or other sources) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation and coordination with all educational programs receiving financial support from State agencies, other Federal agencies, or private entities,

''(5) provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities, and support programs, and

''(6) otherwise comply with regulations for grants under section 103(a) of the Indian Self-Determination and Educational Assistance Act (25 U.S.C. 450h) that are in effect on the date application for such grants are made.

''(c)(1) In approving and funding applications for grants under this section, the Secretary shall give priority to any application that—

''(A) includes assurances from the majority of Bureau funded schools located within the boundaries of the reservation of the applicant that the tribal department of education to be funded under this section will provide coordinating services and technical assistance to all of such schools, including (but not limited to) the submission to each applicable agency of a unified application for funding for all of such schools which provides that—

''(i) no administrative costs other than those attributable to the individual programs of such schools will be associated with the unified application, and

''(ii) the distribution of all funds received under the unified application will be equal to the amount of funds provided by the applicable

agency to which each of such schools is entitled under law,

''(B) includes assurances from the tribal governing body that the tribal department of education funded under this section will administer all contracts or grants (except those covered by the other provisions of this title and the Tribally Controlled Community College Assistance Act of 1978) for education programs administered by the tribe and will coordinate all of the programs to the greatest extent possible,

''(C) includes assurances for the monitoring and auditing by or through the tribal department of education of all education programs for which funds are provided by contract or grant to ensure that the programs meet the requirements of law, and

''(D) provides a plan and schedule for—

''(i) the assumption over the term of the grant by the tribal department of education of all assets and functions of the Bureau agency office associated with the tribe, insofar as those responsibilities relate to education, and

''(ii) the termination by the Bureau of such operations and office at the time of such assumption,

but when mutually agreeable between the tribal governing body and the Assistant Secretary, the period in which such assumption is to occur may be modified, reduced, or extended after the initial year of the grant.

''(2) Subject to the availability of appropriated funds, grants provided under this section shall be provided for a period of 3 years and the grant may, if performance by the grantee is satisfactory to the Secretary, be renewed for additional 3-year terms.

''(d) The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

''(e) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''SEC. 6726. PAYMENTS.

''(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in 2 payments:

''(A) one payment to be made no later than July 1 of each year in an amount equal to one-half of the

amount which the grantee was entitled to receive during the preceding academic year, and

''(B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made no later than December 1 of each year.

''(2) For any school for which no payment was made from Bureau funds in the preceding academic year, full payment of the amount computed for the first academic year of eligibility under this part shall be made no later than December 1 of the academic year.

''(3) With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which they are appropriated, the Secretary shall make payments to grantees no later than December 1 of the fiscal year.

''(4) The provisions of the Prompt Payment Act (31 U.S.C. 3901 et seq.) shall apply to the payments required to be made by paragraphs (1), (2), and (3) of this subsection.

(b) Paragraph (3) is amended by striking ''Paragraphs (1) and (2)'' and inserting in lieu thereof ''Paragraphs (1), (2), and (3)'', and is renumbered as paragraph ''(5)''.

''TITLE VII—BILINGUAL EDUCATION PROGRAMS

''SEC. 7001. SHORT TITLE.

''This title may be cited as the 'Bilingual Education Act'.

''SEC. 7002. FINDINGS, POLICY, AND PURPOSE.

''(a) FINDINGS.—The Congress finds that—

''(1) language-minority Americans constitute a large and growing proportion of the Nation's population;

''(2) language-minority Americans speak virtually all world languages plus many that are indigenous to the United States;

''(3) the presence of language-minority Americans is related in part to Federal immigration policies;

''(4) many language-minority Americans are limited in their English proficiency, and many have limited education and income;

''(5) limited-English-proficient children and youth, like all other children and youth, have diverse educational needs and strengths and therefore require access to all educational programs and services;

''(6) the Federal Government has a responsibility for the education of American Indians and a special

obligation to Native Alaskans, Native Hawaiians and native residents of the territories and freely associated nations to redress the effect of past Federal policies;

''(7) institutions of higher education can assist in preparing teachers, administrators and other school personnel to understand and build upon the educational strengths and needs of language-minority and culturally diverse student enrollments;

''(8) it is the purpose of this title to help ensure that limited-English-proficient students master English and develop high levels of academic attainment in content areas;

''(9) quality bilingual education programs enable children and youth to learn English and meet high academic standards including proficiency in more than one language;

''(10) as the world becomes increasingly interdependent and as international communication becomes a daily occurrence in government, business, commerce, and family life, multilingual skills constitute an important national resource which deserves protection and development;

''(11) educational technology has the potential for improving the education of language-minority and limited-English-proficient students and their families,

and the Federal Government should foster this development;

''(12) research, development, implementation and dissemination of effective bilingual education methods, practices, and programs for limited-English-proficient children are essential to systemwide school reform that improves education for all children; and

''(13) a recognized means by which a child learns is through the use of the child's native language, cultural heritage, and instructional programs which use and build upon a child's non-English native language and cultural heritage to promote parent and community involvement in education, student self-esteem, proficiency in English, and subject matter achievement.

''(b) POLICY.—The Congress declares it to be the policy of the United States, in order to ensure equal educational opportunity for all children and youth and to promote educational excellence, to assist State and local educational agencies, institutions of higher education, and community-based organizations to build their capacity to establish, implement, and sustain programs of instruction for language minority and limited-English-proficient children and youth.

''(c) PURPOSE.—The purpose of this title is to educate language minority and limited-English-proficient children and youth to meet the same rigorous standards for academic performance expected of all children and youth, including meeting challenging State performance standards in academic areas by developing—

''(1) systemic improvement and reform of educational programs serving language-minority and limited-English-proficient students through the development and implementation of exemplary bilingual education programs and special alternative instruction programs;

''(2) data collection and dissemination, research, materials development, and technical assistance which is focused on school improvement for language-minority and limited-English-proficient students; and

''(3) programs which strengthen and improve the professional training of educational personnel who work with limited-English-proficient and language-minority students.

''SEC. 7003. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—For the purpose of carrying out the provisions of this title (except part F), there are authorized to be appropriated $215,000,000 for the fiscal year

1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(b) DISTRIBUTION.—From the sums appropriated under subsection (a) for any fiscal year, the Secretary shall reserve at least 25 percent for part C of this title.

''SEC. 7004. DEFINITIONS; REGULATIONS:

''(a) GENERAL RULE.—For purposes of this title—

''(1) The term 'native language', when used with reference to an individual, means the language normally used by such individuals, or, in the case of a child, the language normally used by the parents of the child.

''(2) The term 'language-minority' means—

''(A) individuals whose native language is other than English;

''(B) individuals who usually speak a language other than English or come from home environments where a language other than English is usually spoken; or

''(C) American Indians, Alaskan Natives, and Native Hawaiians and native residents of the territories and freely associated nations.

''(3) The term 'limited-English-proficient' means a language-minority person who has difficulty understanding, speaking, reading, or writing the English

language at a level appropriate to his or her age and grade and is, thereby, academically disadvantaged in programs conducted exclusively in English.

''(4) The term 'bilingual education' refers to educational programs for limited-English-proficient students which make instructional use of both English and a student's native language. Programs of bilingual education must enable limited-English-proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking, so as to meet age-appropriate grade-promotion and graduation standards in concert with national education goals. Bilingual education programs may also develop the native language skills of limited-English-proficient students, or ancestral languages of American Indians, Alaskan Natives, Native Hawaiians and native residents of the territories and freely associated nations. English proficient students may participate in bilingual education programs if the programs are designed to enable all enrolled students to become proficient in English and a second language.

''(5) The term 'special alternative instructional program' refers to educational programs for limited-English-proficient students which utilize specially de-

signed English language curricula and services but do not use the student's native language for instructional purposes. Special alternative instructional programs must enable limited-English-proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking so as to meet age-appropriate grade-promotion and graduation standards in concert with national education goals. Special alternative instructional programs are suitable for schools where the diversity of the limited-English-proficient students' native languages and the small number of students speaking each respective language makes bilingual education impractical and where there is a critical shortage of bilingual education teachers.

''(6) The term 'family education programs' refers to bilingual education or special alternative instructional programs designed to help limited-English-proficient adults and out-of-school youths achieve proficiency in the English language and to provide instruction on how parents and family members can facilitate the educational achievement of their children. When feasible, instructional programs such as the model developed under the Even Start Literacy Programs that promote adult literacy and train parents

to support the educational growth of their children shall be developed. Programs shall give preference to participation by parents and immediate family members of children attending school. Family education programs may also provide instruction to facilitate higher education and employment outcomes.

''(7) The term 'institution of higher education' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965.

''(8) The term 'Office' means the Office of Bilingual Education and Minority Languages Affairs.

''(9) The term 'community college' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 for an institution which provides not less than a 2-year program which is acceptable for full credit toward a bachelor's degree, including institutions receiving assistance under the Tribally Controlled Community College Assistance Act of 1978.

''(10) The term 'paraprofessional' means an individual who is employed in preschool or elementary or secondary school under the supervision of a certified or licensed teacher, including individuals employed in bilingual education, special education and migrant education.

''(11) The term 'other programs for persons of limited-English-proficiency' means any programs administered by the Secretary that serve persons of limited-English-proficiency.

''(12) The term 'community-based organization' means a private nonprofit organization or Indian tribe or tribally sanctioned educational authority which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community. The term 'community-based organization' includes Native Hawaiian organizations (including Native Hawaiian education organizations) as defined in section 4009 of Public Law 100–297).

''(13) The term 'children and youth' means individuals aged 3 through 21.

''(14) The term 'immigrant children and youth' means individuals who—

''(A) are aged 3 through 21;

''(B) were not born in any State; and

''(C) have not been attending 1 or more schools in any 1 or more States for more than 2 full academic years.

''(b) REGULATION RULE.—In developing regulations under this title, the Secretary shall consult with State and

local educational agencies, organizations representing limited-English-proficient individuals, and organizations representing teachers and other personnel involved in bilingual education.

''(c) PARENTAL NOTIFICATION.—Parents of children and youth participating in programs assisted under this title shall be informed of—

''(1) a student's level of English proficiency, how it was assessed, the status of a student's academic achievement and the implications of a student's educational strengths and needs for age and grade appropriate academic attainment, promotion, and graduation;

''(2) what programs are available to meet the student's educational strengths and needs and how the programs differ in content and instructional goals, and in the case of a disabled student, how the program meets the objectives of a student's individualized education program;

''(3) the instructional goals of the bilingual education or special alternative instructional program, and how the program will specifically help the limited-English-proficient student acquire English and meet age-appropriate standards for grade-promotion and graduation, including—

''(A) the benefits and nature of the bilingual educational program and of the instructional alternatives; and

''(B) the reasons for the selection of their child as being in need of bilingual education.

''(4)(A) Parents shall also be informed that they have the option of declining enrollment of their children and youth in such programs and shall be given an opportunity to do so if they so choose.

''(B) Local educational agencies are not relieved of any of their obligations under title VI of the Civil Rights Act of 1964 because parents choose not to enroll their children in bilingual education programs.

''(5) Parents must receive, in a manner and form understandable to them, including, if necessary and to the extent feasible, in their native language, the information required by this subsection. At a minimum, parents must receive—

''(A) timely information about projects funded under this part; and

''(B) if the parents of participating children so desire, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from such parents.

''(6) no action may involve the admission or exclusion of students to or from any federally assisted education program merely on the basis of the surnames or language-minority status of such students.

''SEC. 7005. INDIAN AND ALASKAN NATIVE CHILDREN IN SCHOOLS.

''(a) ELIGIBLE ENTITIES.—For the purpose of carrying out programs under this title for individuals served by elementary, secondary, or postsecondary schools operated predominately for Indian or Alaska Native children and youth, an Indian tribe, a tribally sanctioned educational authority, or an elementary or secondary school that is operated or funded by the Bureau of Indian Affairs shall be considered to be a local educational agency as such term is used in this title, subject to the following qualifications:

''(1) The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized for the special programs and services provided by the United States to Indians because of their status as Indians.

''(2) The term 'tribally sanctioned educational authority' means—

''(A) any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe; or

''(B) any nonprofit institution or organization that is—

''(i) chartered by the governing body of an Indian tribe to operate any such school or otherwise to oversee the delivery of educational services to members of that tribe; and

''(ii) approved by the Secretary for the purpose of this section.

''(b) BUREAU OF INDIAN AFFAIRS SCHOOLS.—From the sums appropriated pursuant to section 7003, the Secretary is authorized to make payments to applicants to carry out programs of bilingual education or special alternative instruction for Indian children served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

''(c) ANNUAL REPORT.—(1) The Assistant Secretary of the Interior for the Bureau of Indian Affairs in collaboration with the Secretary shall submit to the Congress, the

President, and the Secretary, by September 30 of each year, a report which provides—

''(A) an assessment of the educational outcomes and needs of Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including tribes and local educational agencies receiving assistance under the Johnson-O'Malley Act and the Native American Languages Act; and

''(B) an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

''(2) The results presented in this report shall be included in the report under section 7041 of this Act.

''(3) The assessments required under this subsection shall be waived if such assessments duplicate similar assessment requirements under other Federal or tribal laws.

''SEC. 7006. RESIDENTS OF THE TERRITORIES AND FREELY ASSOCIATED NATIONS.

''For the purpose of carrying out programs under this title in Guam and the freely associated nations, the term 'local educational agency' shall include public institutions or agencies whose mission is the preservation and maintenance of native languages.

''PART A—BILINGUAL EDUCATION CAPACITY AND DEMONSTRATION GRANTS

''SEC. 7101. PURPOSE OF GRANTS.

''Grants under this part shall be used to develop the capacity of local educational agencies, institutions of higher education, and community-based organizations which provide educational programs to initiate, develop, enhance or improve bilingual education or special alternative instruction programs for children and youth of limited-English-proficiency.

''SEC. 7102. PROGRAM DEVELOPMENT AND IMPLEMENTATION GRANTS.

''(a) PURPOSE.—The purpose of this section is to develop and implement new comprehensive, coherent, and successful bilingual education or special alternative instructional programs for limited-English-proficient students including programs of early childhood education, K–12 education, gifted and talented education, and vocational and applied technology education.

''(b) PROGRAM AUTHORIZED.—

''(1) The Secretary is authorized to make program development and implementation grants of up to $100,000 annually for 3 years with 1 additional year upon the Secretary's approval.

''(2) Grants approved under this section shall be used to improve the education of limited-English-proficient students and their families by—

''(A) developing and implementing comprehensive preschool, elementary, or secondary bilingual education or special alternative instructional programs that are coordinated with other relevant programs and services to meet the full range of educational needs of limited-English-proficient students; and

''(B) providing in service training to classroom teachers, administrators, and other school or community-based organizational personnel to improve the instruction and assessment of language-minority and limited-English-proficient students.

''(3) Grants approved under this section may be used to improve the education of limited-English-proficient students and their families by—

''(A) implementing family education programs and activities; and

''(B) improving the instructional program for limited-English-proficient students by upgrading curriculum, instructional materials, and

assessment procedures and, if appropriate, applying educational technology.

''(c) ELIGIBLE ENTITIES.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency. A grant may also be made under this section upon application by a community-based organization which is agreed to by the local educational agency to develop and implement early childhood education or family education programs or to conduct an instructional program which supplements the educational services provided by a local educational agency.

''(d) DISTRIBUTION.—The Secretary shall, to the extent practicable, award grants equally among early childhood education, elementary education, and secondary education programs.

''SEC. 7103. PROGRAM ENHANCEMENT PROJECTS.

''(a) PURPOSE.—The purpose of this section is to carry out highly focused, innovative, locally designed projects to expand or enhance existing bilingual education or special alternative instructional programs for limited-English-proficient students.

''(b) PROGRAM AUTHORIZED.—

''(1) The Secretary is authorized to make program enhancement project grants of up to $100,000 for 2 years to eligible applicants.

''(2) Grants approved under this section shall be used for providing in-service training to classroom teachers, administrators, and other school or community-based organization personnel to improve the instruction and assessment of language-minority and limited-English-proficient students.

''(3) Grants approved under this section may be used for—

''(A) improving the instructional program for limited-English-proficient students by upgrading curriculum, instructional materials, and assessment procedures and, if appropriate, applying educational technology;

''(B) implementing family education programs and activities; and

''(C) providing intensified instruction.

''(c) ELIGIBLE ENTITIES.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency. A grant also may be made under this section upon applica-

tion by a community-based organization which is agreed to by the local educational agency to enhance early childhood education or family education programs or to conduct an instructional project which supplements the educational services provided by a local educational agency.

''SEC. 7104. WHOLE-SCHOOL PROGRAMS.

''(a) PURPOSE.—The purpose of this section is to provide financial assistance to eligible applicants to reform, restructure, and upgrade all relevant programs and operations within an individual school to fulfill the comprehensive educational needs of all of a school's limited-English-proficient students and their families.

''(b) PROGRAM AUTHORIZED.—

''(1) The Secretary is authorized to make 5-year grants of up to $100,000 for the first year and up to $250,000 for each of the subsequent 4 years to eligible applicants.

''(2) Grants approved under this section shall be used to improve education of limited-English-proficient students and their families by reviewing, restructuring, and upgrading in-service training for all school staff and, if appropriate, for community-based organization personnel.

''(3) Grants approved under this section may be used to improve the education of limited-English-pro-

ficient students and their families by reviewing, restructuring, and upgrading—

''(A) the school's instructional program for limited-English-proficient students including curriculum, instructional materials, and assessment systems, and, if appropriate, the application of educational technology;

''(B) family education programs and activities; and

''(C) intensified instruction.

''(4) During the first year of the grant, a priority is established in use of funds for preparatory activities including planning, training, curriculum development, and materials acquisition or development.

''(c) ELIGIBLE ENTITIES.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organizations or local or State educational agency.

''SEC. 7105. SYSTEM-WIDE IMPROVEMENT GRANTS.

''(a) PURPOSE.—The purpose of this section is to provide financial assistance to improve, reform, and upgrade relevant programs and operations with an entire local educational agency to fulfill the comprehensive educational

needs of all the agency's limited-English-proficient students and, to the extent feasible, their families.

''(b) PROGRAM AUTHORIZED.—

''(1) The Secretary is authorized to make 5-year grants of up to $1,000,000 for the first year and up to $5,000,000 for each of the subsequent 4 years to eligible applicants.

''(2) Grants approved under this section may be used during the first 12 months exclusively for activities preparatory to the delivery of services.

''(3) Grants approved under this section may be used to improve education of limited-English-proficient students and their families by reviewing, restructuring, and upgrading—

''(A) educational goals, curriculum guidelines and content, standards and assessments;

''(B) personnel policies and practices including recruitment, certification, staff development, and assignment;

''(C) student grade-promotion and graduation requirements;

''(D) student assignment policies and practices;

''(E) program delivery standards, management information and accountability systems;

''(F) instructional and extracurricular programs and services; and

''(G) application of educational technology.

''(c) ELIGIBLE ENTITIES.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency.

''(d) PRIORITY.—The Secretary shall give priority to applications from—

''(1) applicants which enroll a large percentage or large number of limited-English-proficient students; and

''(2) consortia of eligible applicants to serve limited-English-proficient students in rural and linguistically isolated settings.

''SEC. 7106. APPLICATIONS.

''(a) SUBMISSION.—To receive a grant under this part, applicants shall submit an application to the Secretary in such form and containing such information as the Secretary may require:

''(1) An application for a grant under this part shall be developed in consultation with, and shall provide for the continuing involvement of, an advisory council which shall be composed of representatives re-

sponsible for implementing grant activities and of parents and other relatives of the children to be served in such programs; parents shall comprise a majority of all council members.

''(2) All applicants for grants under this part, except for those applicants identified in section 7005, shall submit a copy of the application to the relevant State educational agency. The State educational agency may submit to the Secretary written comments on the application with respect to how the applications further State education improvement plans including any developed under Goals 2000: Educate America Act (if such plans exist) or title I of this Act. If the State educational agency of a State submits written comments on any application, it must submit written comment on all applications within that same grant category from within that State. The Secretary shall take comments into consideration when funding applications under this part.

''(b) REQUIRED DOCUMENTATION.—Such application shall include documentation that the applicant has the qualified personnel required to develop, administer, and implement the proposed program.

''(c) CONTENTS.—(1) An application for a grant under this part shall contain the following:

''(A) A description of the need for the proposed program, including data on the number of children and youth of limited-English-proficiency in the school or district to be served and their characteristics, such as language spoken, dropout rates, proficiency in English and the native language, academic standing in relation to their English proficient peers, and, where applicable, the recency of immigration.

''(B) A description of the program to be implemented and how its design—

''(i) relates to the linguistic and academic needs of the children and youth of limited-English-proficiency to be served;

''(ii) is consistent with, and promotes the goals in, the local educational agency plan under title III of the Goals 2000: Educate America Act, if such plan exists, and the local educational agency's plan under title I of this Act, particularly as those plans relate to the education of children and youth of limited-English-proficiency;

''(iii) involves the parents of the children and youth of limited-English-proficiency to be served;

''(iv) ensures accountability in the expected student outcomes; and

''(v) promotes coordination of services for the children and youth of limited-English-proficiency to be served and their families.

''(C) A description, if appropriate, of the applicant's collaborative activities with institutions of higher education, community-based organizations, local or State educational agencies, private schools, nonprofit organizations, or businesses in carrying out the proposed program.

''(D) An assurance that the applicant will not reduce the level of State and local funds that it expends for bilingual education or special alternative instruction programs if it receives an award under this part.

''(E) A budget for grant funds.

''(2) An application for a grant under section 7102 or 7104 shall also contain a description of the instructional program, student services, in-service training, and family education programs to be provided under the grant.

''(3) An application for a grant under section 7103 shall also contain the following:

''(A) A description of the existing bilingual education or special alternative instruction program which the project is designed to enhance.

''(B) A description of the proposed project activities.

''(4) An application for a grant under section 7105 shall also contain a description of the activities which would be carried out under the grant.

''(d) APPROVAL OF APPLICATIONS.—An application for a grant under this part may be approved only if the Secretary determines that—

''(1) the program will use qualified personnel, including those personnel who are proficient in the language or languages used for instruction;

''(2) in designing the program for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with appropriate private school officials and, consistent with the number of such children enrolled in such schools in the area to be served whose educational needs are of the type and whose language and grade levels are of a similar type that the program is intended to address, after consultation with appropriate private school officials, provision has been made for the par-

ticipation of such children on a basis comparable to that provided for public school children;

''(3) student evaluation and assessment procedures in the program are valid, reliable, and fair for limited-English-proficient students, and that limited-English-proficient students who are disabled are identified and served in accordance with the requirements of the Individuals with Disabilities Education Act;

''(4) Federal funds made available for the project or activity will be used so as to supplement the level of State and local funds that, in the absence of such Federal funds, would have been expended for special programs for children of limited-English-proficient individuals and in no case to supplant such State and local funds, except that nothing in this paragraph shall preclude a local educational agency from using funds under this title for activities carried out under an order of a court of the United States or of any State respecting services to be provided such children, or to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided such children;

''(5) the assistance provided under the application will contribute toward building the capacity of

the applicant to provide a program on a regular basis, similar to that proposed for assistance, which will be of sufficient size, scope, and quality to promise significant improvement in the education of students of limited-English-proficiency, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

''(6) the applicant provides for utilization of the State and national dissemination sources for program design and in dissemination of results and products.

''(e) SPECIAL CONSIDERATION AND PRIORITIES.—

''(1) Students may participate in any program receiving funds under this part for the duration of the program.

''(2) The Secretary shall give priority to applications which provide for the development of bilingual proficiency for all participating students.

''(3) Grants for special alternative instructional programs shall not exceed 25 percent of the funds provided for any type of grant under any section or of total funds provided under this part.

''(4) Notwithstanding paragraph (3), the Secretary may award grants for special alternative instructional programs if an applicant has dem-

onstrated that they cannot develop and implement a bilingual education program for the following reasons:

''(A) Where the diversity of the limited-English-proficient students' native languages and the small number of students speaking each respective language makes bilingual education impractical.

''(B) Where, despite documented convincing efforts, the applicant has not been able to hire instructional personnel who are able to communicate in the students' native language.

''(5) In approving applications under this part, the Secretary shall give consideration to the degree to which the program for which assistance is sought involves the collaborative efforts of institutions of higher education, community-based organizations, the appropriate local and State educational agency, or business.

''(6) The Secretary shall ensure that projects funded under this part address the full needs of school systems of all sizes and geographical areas, including rural schools.

''(7) The Secretary shall give priority to applications providing training for personnel participating in or preparing to participate in the program which

will assist them in meeting State and local certification requirements and that, to the extent possible, college or university credit will be awarded for such training.

''SEC. 7107. INTENSIFIED INSTRUCTION.

''In carrying out this part, each grant recipient may intensify instruction for limited-English-proficient students by—

''(1) expanding the educational calendar of the school in which such student is enrolled to include programs before and after school and during the summer months;

''(2) expanding the use of professional and volunteer aids;

''(3) applying technology to the course of instruction; and

''(4) providing intensified instruction through supplementary instruction or activities, including educationally enriching extracurricular activities, during times when school is not routinely in session.

''SEC. 7108. CAPACITY BUILDING.

''Each recipient of a grant under this part shall use its grant in ways that will build its capacity to continue to offer high-quality bilingual and special alternative education programs and services to children and youth of lim-

ited-English-proficiency once Federal assistance is reduced or eliminated.

"SEC. 7109. SUBGRANTS.

''A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a non-profit organization, or a consortium of such entities to carry out an approved program, including a program to serve out-of-school youth.

"SEC. 7110. GEOGRAPHIC DISTRIBUTION OF FUNDS.

''To the extent possible, the Secretary shall award funds under this part throughout the Nation in a manner that reflects the geographic distribution of children and youth of limited-English-proficiency.

"SEC. 7111. PROGRAMS IN PUERTO RICO.

''Programs authorized under this title in the Commonwealth of Puerto Rico may, notwithstanding any other provision of this title, include programs of instruction, teacher training, curriculum development, evaluation, and testing designed for children and youth of limited-Spanish proficiency.

"SEC. 7112. EVALUATIONS.

''(a) EVALUATION.—Each recipient of funds under this part shall provide the Secretary with an evaluation, in the

form prescribed by the Secretary, of its program every two years.

''(b) USE OF EVALUATION.—Such evaluation shall be used by a grantee—

''(1) for program improvement;

''(2) to further define the local program's goals and objectives; and

''(3) to determine program effectiveness.

''(c) EVALUATION COMPONENTS.—Evaluations shall include—

''(1) student outcome indicators that measure progress toward the performance standards set out in the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, or, if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan, with the State plan approved or being developed under section 1111 of this Act, including data comparing children and youth of limited-English-proficiency with non-limited-English-proficient children and youth with regard to school retention, academic achievement, and gains in English (and, where applicable, native language) proficiency;

''(2) program implementation indicators that provide information for informing and improving program management and effectiveness, including data on appropriateness of curriculum in relationship to grade and course requirements, appropriateness of program management, appropriateness of the program's staff professional development, and appropriateness of the language of instruction;

''(3) program context indicators that describe the relationship of the activities funded under the grant to the overall school program and other Federal, State, or local programs serving children and youth of limited-English-proficiency; and

''(4) such other information as the Secretary may require.

''PART B—RESEARCH AND DISSEMINATION

''SEC. 7201. USE OF FUNDS.

''The Secretary is authorized to conduct data collection, dissemination, research, and evaluation activities through the Office of Bilingual Education and Minority Languages Affairs for the purpose of improving bilingual education and special alternative instruction programs for children and youth of limited-English-proficiency.

"SEC. 7202. RESEARCH.

''(a) RESEARCH ACTIVITIES.—The Secretary shall support through competitive grants contracts and cooperative agreements to institutions of higher education, nonprofit and for-profit organizations, and local and State educational agencies, funds for research with a practical application to teachers, counselors, paraprofessionals, school administrators, parents, and others involved in improving the education of limited-English-proficient students and their families.

''(b) AUTHORIZED ACTIVITIES.—

''(1) The Secretary may conduct research activities that include—

''(A) identifying criteria for the establishment, use and monitoring of local, State, or national education goals, content, performance and delivery standards, and assessments for all students that provide for appropriate, valid, reliable, and fair participation by limited-English-proficient and language-minority students;

''(B) identifying determinants of appropriate high quality secondary school programs for limited-English-proficient students, and high quality curriculum-related instructional materials;

''(C) identifying determinants of appropriate high quality early childhood development programs for limited-English-proficient children, including families, and appropriate high quality materials;

''(D) studies to identify models of effective program coordination that support students while in transition to English language classrooms that develop and maintain high levels of proficiency in the native languages and English;

''(E) studies of effective curricula and instructional strategies for the development and maintenance of high levels of student proficiency in both their native language and English, including the role of family, community, and career contexts;

''(F) identification of strategies for effective participation by limited-English-proficient parents in their children's education for attainment of educational excellence;

''(G) identifying methods of improving classification, placement, and services to limited-English-proficient students including, but not limited to their participation in early childhood development programs, title I, special education,

foreign language education, and gifted and talented education;

''(H) identification of methods for effective delivery of bilingual education to rural schools and in the less-commonly-taught languages using educational technology and electronic communications networks;

''(I) identification of trends in demand for language skills and of career opportunities for individuals with high levels of proficiency in English and a second language; and

''(J) establishing through the National Center for Education Statistics and in consultation with the Office of Bilingual Education and Minority Languages Affairs, and experts in bilingual education, second language acquisition and English-as-a-second language, a common definition of 'limited-English-proficient student' for purposes of national data collection.

''(c) FIELD-INITIATED RESEARCH.—The Secretary shall reserve at least 5 percent of the funds available under this section for field-initiated research by current or recent recipients of grants under parts A or C of this title. Research must be conducted by current grant recipients or by former recipients who have received such grants within the

previous 5 years. Field-initiated research may provide for longitudinal studies of students or teachers in bilingual education, monitoring the education of such students from entry in bilingual education through high school completion. Applicants may submit an application for field-initiated research at the same time as applications are submitted under part A or part C. The Secretary shall complete a review of such applications on a timely basis to allow research and program grants to proceed in coordination where appropriate.

''(d) CONSULTATION.—The Secretary shall consult with agencies and organizations that are engaged in bilingual education research and practice, or related research, and bilingual education researchers and practitioners to identify areas of study and activities to be funded under this section.

''(e) COORDINATION.—Research activities supported under this section—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

''(2) may include collaborative research activities which are jointly funded and carried out by the Office

of Bilingual Education and Minority Language Affairs and the Office of Educational Research and Improvement.

''(f) DATA COLLECTION.—The Secretary shall provide for the continuation of data collection on limited-English-proficient students as part of the data systems operated by the Department.

''SEC. 7203. ACADEMIC EXCELLENCE AWARDS.

''(a) AWARDS.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, State and local educational agencies, nonprofit organizations, and institutions of higher education to promote the adoption and implementation of bilingual education, special alternative instruction programs, and professional development programs that demonstrate great promise of assisting children and youth of limited-English-proficiency to meet challenging State standards.

''(b) APPLICATIONS.—(1) An entity desiring to receive an award under this section shall submit an application to the Secretary in such form, at such time, and containing such information and assurances as the Secretary may require.

''(2) The Secretary shall use a peer review process, using effectiveness criteria that the Secretary shall establish, to review applications under this section.

''(c) USE OF FUNDS.—Funds under this section shall be used to enhance the capacity of States and local education agencies to provide high quality academic programs for children and youth of limited-English-proficiency, which may include—

''(1) completing the development of such programs;

''(2) professional development of staff participating in bilingual education programs;

''(3) sharing strategies and materials; and

''(4) supporting professional networks.

''(d) COORDINATION.—Recipients of funds under this section shall coordinate their activities with those carried out by comprehensive technical assistance centers under title II of this Act.

''SEC. 7204. STATE GRANT PROGRAM.

''(a) STATE GRANT PROGRAM.—The Secretary is authorized to make an award to a State educational agency that demonstrates, to the satisfaction of the Secretary, that its approved plan under title III of the Goals 2000: Educate America Act, if such plan exists, or, if such plan does not exist, its plan under title I of this Act, effectively provides for the education of children and youth of limited-English-proficiency within the State.

''(b) PAYMENTS.—The amount paid to a State educational agency under subsection (a) shall not be less than $100,000 nor greater than 5 percent of the total amount awarded to local educational agencies within the State under part A of this title for the previous fiscal year.

''(c) USE OF FUNDS.—(1) A State educational agency shall use funds for programs authorized by this section to—

''(A) assist local educational agencies in the State with program design, capacity building, assessment of student performance, and program evaluation; and

''(B) collect data on the State's language-minority and limited English-proficient populations and the educational programs and services available to these populations.

''(2) The State educational agency may also use funds for the training of State educational agency personnel in educational issues affecting limited-English-proficient children and youth.

''(3) Recipients of awards under this section shall not restrict the provision of services under this section to federally-funded programs.

''(d) STATE CONSULTATION.—A State educational agency receiving funds under this section shall consult with recipients of grants under this title and other individuals

or organizations involved in the development or operation of programs serving limited-English-proficient children or youth to ensure that funds are used in a manner consistent with the requirements of this title.

''(e) APPLICATIONS.—A State educational agency desiring to receive an award under this section shall submit an application to the Secretary in such form, at such time, containing such information and assurances as the Secretary may require.

''(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section for any fiscal year shall be used by the State educational agency to supplement and, to the extent practical, to increase to level of funds that would, in the absence of such funds, be made available by the State for the purposes described in this section, and in no case to supplant such funds.

''(g) REPORT TO THE SECRETARY.—State educational agencies receiving grants under this section shall provide for the annual submission of a summary report to the Secretary containing information on such matters as the Secretary shall, by regulation, determine necessary and proper to achieve the purposes of this title, including information on State capacity and progress in meeting the education needs of all limited-English-proficient children, plans for additional action, the effect of standards and assessments

in improving their education. Such reports shall be in such form and shall be submitted on such date as the Secretary shall specify by regulation.

"SEC. 7205. NATIONAL CLEARINGHOUSE FOR BILINGUAL EDUCATION.

"(a) ESTABLISHMENT.—The Secretary shall establish and support the operation of a National Clearinghouse for Bilingual Education, which shall collect, analyze, synthesize, and disseminate information about bilingual education and related programs.

"(b) FUNCTIONS.—The National Clearinghouse for Bilingual Education shall—

"(1) be administered as an adjunct clearinghouse of the ERIC system of clearinghouses supported by the Office of Educational Research and Improvement;

"(2) coordinate its activities with Federal data and information clearinghouses and dissemination networks and systems; and

"(3) develop a data base management and monitoring system for improving the operation and effectiveness of funded programs.

"SEC. 7206. INSTRUCTIONAL MATERIALS DEVELOPMENT.

"The Secretary may provide grants for the development, publication and dissemination of high quality instructional materials in Native American, Native Hawai-

ian and other languages for which instructional materials are not readily available. The Secretary shall give priority to the development of instructional materials in languages indigenous to the United States, its territories, and freely associated nations. The Secretary shall also accord priority to applications which provide for developing and evaluating materials in collaboration with activities under parts A and C of this title and which are consistent with national and State content standards.

''SEC. 7207. EVALUATION ASSISTANCE CENTERS AND MULTIFUNCTIONAL RESOURCE CENTERS.

''(a) TRANSITION.—The Secretary shall extend grants or contracts for Evaluation Assistance Centers and Multifunctional Resource Centers that are in effect on the date of enactment of the Improving America's School Act through fiscal year 1996.

''(b) CONTINUITY OF SERVICES.—(1) The Secretary shall ensure that the comprehensive regional technical assistance centers authorized under title II of this Act provide services which are at least equal in volume, scope, and quality to those provided by Evaluation Assistance Centers and Multifunctional Resource Centers.

''(2) The Secretary shall ensure that the comprehensive regional technical assistance centers authorized under title II of this Act, as amended by the Improving America's

School Act, provide services which enable children and youth of limited-English-proficiency to meet challenging State and National standards.

''(3) The Secretary shall ensure that the comprehensive technical assistance centers authorized under title II of this Act are established with consideration given to the geographic and linguistic distribution of children and youth of limited-English-proficiency.

''(c) GIFTS, BEQUESTS, AND DEVISES.—The entities may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal for the purpose of aiding or facilitating the work of entities under this section. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the national clearinghouse on bilingual education, the Evaluation and Assistance Center or Multifunctional Resource Center, respectively.

''PART C—BILINGUAL EDUCATION TEACHER TRAINING

''SEC. 7301. PURPOSE.

''The purpose of this part is to assist in preparing educators to improve the delivery of educational services to language-minority and limited-English-proficient children

and youth. This part supports the training of all educational personnel to serve more effectively limited-English-proficient students. The goal of this part is to provide for the training of not less than 50,000 teachers who meet professional preparation and certification standards for bilingual education teachers by the year 2000.

''SEC. 7302. TRAINING FOR ALL TEACHERS PROGRAM.

''(a) PURPOSE.—The purpose of this section is to provide for the incorporation of courses and curricula on appropriate and effective instructional and assessment methodologies, strategies and resources specific to limited-English-proficient and language-minority students into education personnel preparation programs for teachers, counselors, administrators and other education personnel.

''(b) AUTHORIZATION.—The Secretary shall award grants for up to 5 years to institutions of higher education, local educational agencies, and State educational agencies or to nonprofit organizations which have entered into consortia arrangements with one of such institutions, agencies, or organizations.

''(c) PERMISSIBLE ACTIVITIES.—Activities conducted under this section may include the development of training programs in collaboration with training under titles I and II of this Act, the Head Start Act, and other relevant programs.

''(d) PRIORITY.—The Secretary shall give priority to applications from institutions of higher education which currently operate, with full-time tenured faculty, programs to prepare educators and administrators to work with language-minority and limited-English-proficient students in bilingual education settings and from institutions of higher education which are attempting to start bilingual teacher training programs if such institutions demonstrate a significant commitment in financial and human resources, including cash and in-kind. The Secretary shall give special consideration to applications for such programs which provide training of secondary school teachers or early childhood development teachers. Such special consideration would not disallow the funding of applications for exemplary programs for the training of elementary school teachers.

''SEC. 7303. BILINGUAL EDUCATION TEACHERS AND PERSONNEL GRANTS.

''(a) PURPOSE.—The purpose of this section is to provide for degree programs to prepare new bilingual education teachers, administrators, counselors, and other educational personnel to meet high professional standards for bilingual education teachers and to increase the availability of educators to provide high quality education limited-English-proficient students.

''(b) AUTHORIZATION.—The Secretary shall award grants for up to 5 years to institutions of higher education in consortia with local or State educational agencies.

''SEC. 7304. BILINGUAL EDUCATION CAREER LADDER PROGRAM.

''(a) PURPOSE.—The purpose of this section is to upgrade the qualifications and skills of non-certified educational personnel, especially educational paraprofessionals, to meet high professional standards, including certification and licensure as bilingual education teachers and other educational personnel who serve limited-English-proficient students, through collaborative training programs operated by institutions of higher education and local and State educational agencies. Grants for programs under this section may also provide for collaborative programs operated by institutions of higher education and secondary schools which are designed to recruit and train secondary school students as bilingual education teachers and other educational personnel to serve limited-English-proficient students.

''(b) AUTHORIZATION.—The Secretary shall award grants of up to 5 years for bilingual education career ladder programs to institutions of higher education applying in consortia with local or State educational agencies; consortia

may include community-based organizations or professional education organizations.

''(c) ACTIVITIES.—Grants funded under this section may—

''(1) include the development of bilingual education career ladder program curricula appropriate to the needs of the consortium participants;

''(2) provide assistance for stipends and costs related to tuition, fees and books for enrolling in courses required to complete degree and certification requirements as bilingual education teachers; and

''(3) include programs to introduce secondary school students to careers in bilingual education teaching that are coordinated with other activities under this program.

''(d) SPECIAL CONSIDERATION.—The Secretary shall give special consideration to applications under this section which provide for—

''(1) participant completion of baccalaureate and masters degree teacher education programs, certification and may include effective employment placement activities;

''(2) development of teacher proficiency in English and a second language, including required dem-

onstration of proficiency in the instructional use of English and a second language in classroom contexts;

''(3) coordination with Trio, the Teacher Corps, National Community and Service Trust Act, Mini Corps, and other programs for the recruitment and retention of bilingual students in secondary and post-secondary programs to train as bilingual educators; and

''(4) the applicant's contribution of additional student financial aid to participating students.

''SEC. 7305. GRADUATE FELLOWSHIPS IN BILINGUAL EDUCATION PROGRAM.

''(a) AUTHORIZATION.—The Secretary may award fellowships for masters, doctoral, and post-doctoral study related to instruction of children and youth of limited-English-proficiency in such areas as teacher training, program administration, research and evaluation, and curriculum development, and for the support of dissertation research related to such study. For fiscal year 1994 not less than 500 fellowships leading to a masters or doctorate degree shall be awarded under this section, rising each subsequent year of this authorization by not less than 50. The Secretary shall include information on the operation and the number of fellowships awarded under the fellowship program in the report required under section 7401 of this title.

''(b) FELLOWSHIP REQUIREMENTS.—(1) Any person receiving a fellowship under this section shall agree to—

''(A) work in an activity related to the program or in an activity such as those authorized under this title, including work as a bilingual education teacher, for a period of time equivalent to the period of time during which such person receives assistance under this title; or

''(B) repay such assistance.

''(2) The Secretary shall establish in regulations such terms and conditions for such agreement as the Secretary deems reasonable and necessary and may waive the requirement of paragraph (1) in extraordinary circumstances.

''(c) The Secretary may give priority to institutions of higher education that demonstrate experience in assisting fellowship recipients find employment in the field of bilingual education.

''SEC. 7306. APPLICATIONS.

''(a) IN GENERAL.—Each applicant or consortium that desires to receive a grant under this part shall submit an application to the Secretary and the State educational agency or State board for higher education as appropriate, at such time and in such manner as the Secretary shall prescribe. The application shall demonstrate integration, where appropriate, with the State and local plans, if such

plans exist, for serving limited-English-proficient students. The State and local educational agency, and where applicable the State board for higher education, may comment in writing on the application indicating how the application furthers State education reform activities, including the provision of appropriate high quality education to all language minority students. If the State educational agency or State Board for Higher Education submits comments on any application, it shall submit comments on all. The Secretary shall take any written comments that have been made into consideration when considering applications under this part.

''(b) ELIGIBLE ENTITIES.—

''(1) A grant may be made under this part upon application of an institution of higher education, applying individually or jointly with one or more local educational agencies, nonprofit organizations, or State educational agencies.

''(2) The Secretary shall provide for outreach and technical assistance to institutions of higher education eligible under title III of the Higher Education Act and institutions of higher education that are operated or funded by the Bureau of Indian Affairs to facilitate their participation in activities under this part.

''(3) In making grants under this part, the Secretary shall, consistent with subsection (d), ensure adequate representation of Hispanic serving institutions that demonstrate competence and experience in the programs and activities authorized under this title and are otherwise qualified.

''(c) APPLICATION REQUIREMENTS FOR BILINGUAL TEACHER TRAINING PROGRAMS.—The application shall demonstrate integration, where appropriate, with the State plan, if one exists, for serving limited-English-proficient students.

''(d) PREFERENCE IN ASSISTANCE AND PURPOSE OF TRAINING.—

''(1) In making a grant under this part the Secretary shall give preference to programs which—

''(A) include tenured faculty in bilingual education, and

''(B) and for institutions of higher education which are attempting to start bilingual teacher training programs if such institutions demonstrate a significant commitment in financial and human resources, including cash and in-kind.

''(C) provide additional resources for such training from other sources.

''(2) In making grants under sections 7302, 7303 and 7304, the Secretary shall give special consideration to programs that ensure that individuals completing such programs demonstrate proficiency in English and a second language.

''SEC. 7307. PROGRAM REQUIREMENTS.

''Activities conducted under this part shall assist educational personnel in meeting State and local certification requirements for bilingual education and, wherever possible, shall award college or university credit.

''SEC. 7308. STIPENDS.

''The Secretary shall provide for the payment of such stipends (including allowances for subsistence and other expenses for such persons and their dependents), as the Secretary determines to be appropriate, to persons participating in training programs under this part.

''SEC. 7309. PROGRAM EVALUATIONS UNDER PART C.

''Each recipient of funds under part C of this title shall provide the Secretary with an evaluation of its program every two years. Such evaluation shall include data on—

''(1) post-program placement of persons trained;

''(2) how the training relates to the employment of persons served by the program;

''(3) program completion; and

''(4) such other information as the Secretary may require.

''PART D—ADMINISTRATION

''SEC. 7401. OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGE AFFAIRS.

''(a) ESTABLISHMENT.—There shall be, in the Department of Education, an Office of Bilingual Education and Minority Languages Affairs through which the Secretary shall carry out functions relating to bilingual education.

''(b) DIRECTOR.—(1) The Office shall be headed by a Director of Bilingual Education and Minority Languages Affairs, appointed by the Secretary, to whom the Secretary shall delegate all delegable functions relating to bilingual education. The Director shall also be assigned responsibility for recommending improvements and providing technical assistance to other Federal programs serving language-minority and limited-English-proficient students and their families and for assisting the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of language-minority and limited-English language proficient students.

''(2) The Office shall be organized as the Director determines to be appropriate in order to carry out such functions and responsibilities effectively.

''(3) The Secretary shall ensure that limited-English-proficient and language-minority students are included in ways that are valid, reliable and fair under all standards and assessment development conducted or funded by the Department.

''(c) REPORT.—The Director shall prepare and, not later than February 1 of every other year, shall submit to Congress, the President, the Governors, and the clearinghouse a report on—

''(1) the activities carried out under this title and their effectiveness in improving the education provided to limited-English-proficient children and youth;

''(2) a critical synthesis of data reported by the States pursuant to section 7204;

''(3) an estimate of the number of certified bilingual education personnel in the field and an estimate of the number of bilingual education teachers which will be needed for the succeeding 5 fiscal years;

''(4) the major findings of research carried out under this title; and

''(5) recommendations for further developing the capacity of our Nation's schools to educate effectively limited-English-proficient students.

''(d) ASSESSMENT OF GATEWAY EDUCATION.—The Secretary shall prepare a report on the education of all students who reside near the United States border with Canada and Mexico or areas or communities which serve as a gateway for immigrants to the United States. Gateway communities shall include Hawaii, the Commonwealth of Puerto Rico, as well as the territories and freely associated nations. The report shall identify trends in student and out-of-school youth immigration trends, appropriate procedures for the international transfer of records, the language proficiency of students living in border and gateway areas, and opportunities for teacher exchange. Such efforts shall be coordinated with other ongoing efforts in this area. A preliminary report on these issues shall be provided to the Congress not later than 2 years after the enactment of this Act. The final report including policy proposals for improvements in these areas shall be provided to Congress and the President not later than October 21, 1997.

''(e) COORDINATION WITH RELATED PROGRAMS.—In order to maximize Federal efforts aimed at serving the educational needs of children and youth of limited-English proficiency, the Secretary shall coordinate and ensure close cooperation with other programs serving language-minority and limited-English-proficient students that are administered by the Department of Education and other agencies.

The Secretary shall consult with the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Agriculture, Attorney General and other relevant agencies to identify and eliminate barriers to appropriate coordination of programs that affect language-minority and limited-English-proficient students and their families. The Secretary shall provide for continuing consultation and collaboration between Office and relevant programs operated by the Department, including title I and other programs in this Act, in planning, contracts, providing joint technical assistance, providing joint field monitoring activities and in other relevant activities to ensure effective program coordination to provide high quality education opportunities to all language-minority and limited-English-proficient students. In no case shall such coordination at the local, State or Federal level permit funds under this title to be used in programs that do not provide bilingual education or special alternative instructional programs for the instruction of language-minority or limited-English-proficient students.

''(f) The Secretary shall, to the extent feasible, ensure that all data collected shall include for the collection and reporting of data on limited-English-proficient students in all Departmental data keeping and with respect to all Federal education programs.

''(g) STAFFING REQUIREMENTS.—The Secretary shall ensure that the Office of Bilingual Education and Minority Language Affairs is staffed with sufficient personnel trained or with experience in bilingual education to discharge effectively the provisions of this title.

''(1) Notwithstanding section 403 of the Department of Education Organization Act, the Assistant Secretary may appoint not more than 7 additional employees to serve as staff without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

''(2) The employees appointed under paragraph (1) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, but shall not be paid a rate that exceeds the minimum rate of basic pay payable for GS–15 of the General Schedule.

''(h) READING APPLICATIONS.—For the purpose of reading applications for competitive grants authorized under this title, the Secretary shall use persons who are not employees of the Federal Government and who are experienced and involved in bilingual education including teachers, researchers, and administrators of educational programs similar to those assisted under this title. Readers of

applications for grants involving conservation of Indian languages and other indigenous language which are subject to loss shall include individuals with expertise in such programs. The Secretary shall solicit nominations for application readers from State directors of bilingual education, graduate programs of bilingual education, tribal organizations and professional associations and shall have readers serve for a period of 3 years.

''(i) PUBLICATION OF PROPOSALS.—The Secretary shall publish and disseminate all requests for proposals for programs funded under this title.

''SEC. 7402. RELEASE TIME.

''Professional development programs funded under this Act shall permit use of funds for professional release time to enable participation in programs assisted under this part.

''SEC. 7403. EDUCATION TECHNOLOGY.

''Funds available under this Act may be used to provide for the acquisition or development of education technology or instructional materials, including authentic materials in languages other than English, access to and participation in electronic networks for materials, training and communications, and incorporation of such resources in curricula and programs such as those funded under this title.

''SEC. 7404. NOTIFICATION.

''The State educational agency, when applicable, the State Board for postsecondary education, when applicable, the clearinghouse, the applicable Evaluation and Assistance Center and Multifunctional Resource Center shall be notified within three working days of the date a grant is made to an eligible entity within the State.

''SEC. 7405. CONTINUED ELIGIBILITY.

''Entities receiving grants under this title shall remain eligible for grants for subsequent activities which extend or expand and do not duplicate those activities supported by a previous grant under this title. In considering applications for grants under this title the Secretary shall take into consideration the applicant's record of accomplishments under previous grants.

''SEC. 7406. LIMITATION OF AUTHORITY.

''The Secretary shall not impose restrictions on the availability of funds authorized under this title other than those set out in this title or other applicable Federal statutes and regulations.

''PART E—TRANSITION

''SEC. 7501. TRANSITION PROVISIONS.

''Any grant or contract awarded under this title prior to the date of the enactment of the Improving America's Schools Act of 1994 shall be allowed to continue the term of the original award in accordance with the conditions of

the original award but not for a period in excess of 3 years from the date of the grant or contract.

''PART F—EMERGENCY IMMIGRANT EDUCATION PROGRAM

''SEC. 7601. PURPOSE.

''The purpose of this part is to assist eligible local educational agencies that experience unexpectedly large increases in their student population due to immigration to—

''(1) provide high-quality instruction to immigrant children and youth; and

''(2) help such children and youth—

''(A) with their transition into American society; and

''(B) meet the same challenging State performance standards expected of all children and youth.

''SEC. 7602. STATE ADMINISTRATIVE COSTS.

''For any fiscal year, a State educational agency may reserve up to 1.5 percent of the amount allocated to it under section 7604 to pay the costs of performing its administrative functions under this part.

''SEC. 7603. WITHHOLDING.

''Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirement of any

provision of this part, the Secretary shall notify that agency that further payments will not be made to the agency under this part, or in the discretion of the Secretary, that the State educational agency shall not make further payments under this part to specified local educational agencies whose actions cause or are involved in such failure until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made to the State educational agency under this part, or payments by the State educational agency under this part shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

''SEC. 7604. STATE ALLOCATIONS.

''(a) PAYMENTS.—The Secretary shall, in accordance with the provisions of this section, make payments to State educational agencies for each of the fiscal years 1995 through 1999 for the purpose set forth in section 7601.

''(b) ALLOCATIONS.—(1) Except as provided in subsections (c) and (d) of this section, of the amount appropriated for each fiscal year for this part, each State participating in this program shall receive a share equal to the proportion of its number of immigrant children and youth who are enrolled in elementary and secondary public schools under the jurisdiction of each local educational

agency described in paragraph (2) within that State, and in elementary and secondary nonpublic schools within the district served by each such local educational agency, relative to the total number of immigrant children and youth so enrolled in all the States participating in this program.

''(2) The local educational agencies referred to in paragraph (1) are those local educational agencies in which the sum of the number of immigrant children and youth who are enrolled in elementary or secondary public schools under the jurisdiction of such agencies, and in elementary or secondary nonpublic schools within the districts served by such agencies, during the fiscal year for which the payments are to be made under this part, is equal to—

''(A) at least 500; or

''(B) at least 3 percent of the total number of students enrolled in such public or nonpublic schools during such fiscal year;

whichever number is less.

''(c) DETERMINATIONS OF NUMBER OF CHILDREN AND YOUTH.—(1) Determinations by the Secretary under this section for any period with respect to the number of immigrant children and youth shall be made on the basis of data or estimates provided to the Secretary by each State educational agency in accordance with criteria established by the Secretary, unless the Secretary determines, after notice

and opportunity for a hearing to the affected State educational agency, that such data or estimate are clearly erroneous.

''(2) No such determination with respect to the number of immigrant children and youth shall operate because of an underestimate or overestimate to deprive any State educational agency of the allocation under this section that such agency would otherwise have received had such determination been made on the basis of accurate data.

''(d) REALLOCATION.—Whenever the Secretary determines that any amount of a payment made to a State under this part for a fiscal year will not be used by such State for carrying out the purpose for which the payment was made, the Secretary shall make such amount available for carrying out such purpose to one or more other States to the extent the Secretary determines that such other States will be able to use such additional amount of carrying out such purpose. Any amount made available to a State from any appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under subsection (b)) for such year, but shall remain available until the end of the succeeding fiscal year.

''(e) RESERVATION OF FUNDS.—(1) If appropriations under this part exceed $40,000,000 for a fiscal year, a State

educational agency may reserve up to 20 percent of its payment for redistribution through competitive grants to local educational agencies within the State in the following manner:

''(A) At least one-half of such grants shall be made to local educational agencies within the State with the highest numbers and percentages of immigrant children and youth.

''(B) Remaining funds shall be distributed to local educational agencies within the State with a sudden influx of immigrant children and youth which are otherwise not eligible for assistance under this part.

''(2) Local educational agencies with the highest number of immigrant children and youth receiving additional funds under this subsection may make information available on serving immigrant children and youth to areas in the State with sparse numbers of such children.

''SEC. 7605. STATE APPLICATIONS.

''(a) SUBMISSION.—No State educational agency shall receive any payment under this part for any fiscal year unless such agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

''(1) provide that the educational programs, services, and activities for which payments under this part are made will be administered by or under the supervision of the agency;

''(2) provide assurances that payments under this part will be used for purposes set forth in section 7601, including a description of how local educational agencies receiving funds under this part will use such funds to meet such purposes, and how the program designs are consistent with other education improvement plans, including any developed under Goals 2000: Educate America Act, if such plan exists, or title I;

''(3) provide assurances that such payments, with the exception of payments reserved under section 7604(e), will be distributed among local educational agencies within that State on the basis of the number of immigrant children and youth counted with respect to each such local educational agency under section 7604(b)(1);

''(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this part without first affording the local educational

agency submitting an application for such funds reasonable notice and opportunity for a hearing;

''(5) provide for making such reports as the Secretary may reasonably require to perform the functions under this part;

''(6) provide assurances—

''(A) that to the extent consistent with the number of immigrant children and youth enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of these children and youth secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children and youth;

''(B) that the control of funds provided under this part and title to any materials, equipment, and property repaired, remodeled, or constructed with those funds shall be in a public agency for the uses and purposes provided in this part, and a public agency shall administer such funds and property; and

''(C) that the provision of services pursuant to this paragraph shall be provided by employees

of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization; and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds;

''(7) provide that funds reserved under subsection (e) of section 7604 be awarded on the basis of merit and need consistent with such subsection; and

''(8) provide an assurance that State and local educational agencies receiving funds under this part will comply with the requirements of section 1121(b).

''SEC. 7606. PAYMENTS.

''(a) AMOUNT.—The Secretary shall pay by not later than June 1 of each year to each State educational agency that has its application approved under section 7605 the amount of the State's allocation as determined under section 7604.

''(b) SERVICES TO CHILDREN ENROLLED IN NONPUBLIC SCHOOLS.—If by reason of any provision of law a local educational agency is prohibited from providing

educational services for children enrolled in elementary and secondary nonpublic schools, as required by section 7605(a)(6), or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in such schools, the Secretary may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this part. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with the provisions of title I.

''SEC. 7607. USES OF FUNDS.

''(a) USE OF FUNDS.—Funds awarded under this part shall be used to pay for enhanced instructional opportunities for immigrant children and youth, which may include—

''(1) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

''(2) salaries of personnel, including teacher aides who have been specifically trained, or are being trained, to provide services to immigrant children and youth;

''(3) tutorials, mentoring, and academic or career counseling for immigrant children and youth;

''(4) identification and acquisition of curricular materials, educational software, and technologies to be used in the program; and

''(5) such other activities, related to the purposes of this part, as the Secretary may authorize.

''(b) CONSORTIA.—A local educational agency that receives a grant under this part may collaborate or form a consortium with one or more local educational agencies, institutions of higher education, and non-profit organizations to carry out the approved program.

''(c) SUBGRANTS.—A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a non-profit organization, or a consortium of such entities to carry out an approved program, including a program to serve out-of-school youth.

''SEC. 7608. REPORTS.

''(a) TRIENNIAL REPORT.—Each State educational agency receiving funds under this part shall submit, once every 3 years, a report to the Secretary concerning the expenditure of funds by local educational agencies under this part. Each local educational agency receiving funds under

this part shall submit to the State educational agency such information as may be necessary for such report.

''(b) REPORT TO CONGRESS.—The Secretary shall submit, once every 3 years, a report to the appropriate committees of the Congress concerning programs under this part.

''SEC. 7609. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out the provisions of this part, there are authorized to be appropriated $40,000,000 in fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''TITLE VIII—IMPACT AID

''SEC. 8001. FINDINGS.

''The Congress finds that—

''(1) certain activities of the Federal Government place a financial burden on the local educational agencies serving areas where such activities are carried out; and

''(2) it is the shared responsibility of the Federal Government, the States, and local educational agencies to provide for the education of children connected to those activities.

''SEC. 8002. PURPOSE.

''In order to fulfill the Federal responsibility to assist with the provision of educational services to federally connected children, and to help them meet challenging State

standards, it is the purpose of this title to provide financial assistance to local educational agencies that—

''(1) experience a substantial and continuing financial burden due to the acquisition of real property by the United States;

''(2) educate children who reside on Federal property and whose parents are employed on Federal property;

''(3) educate children of parents who are in the military services and children who live in low-rent housing;

''(4) experience sudden and substantial increases in enrollments because of military realignments; or

''(5) need special assistance with capital expenditures for construction activities because of the enrollments of substantial numbers of children who reside on Indian lands or who are defined in sections 2 and 3 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 631 et seq.).

''SEC. 8003. PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

''(a) IN GENERAL.—Where the Secretary, after consultation with any local educational agency and with the appropriate State educational agency, determines for a fiscal year ending prior to October 1, 1999—

''(1) that the United States owns Federal property in the local educational agency, and that such property—

''(A) has been acquired by the United States since 1938;

''(B) was not acquired by exchange for other Federal property in the local educational agency which the United States owned before 1939; and

''(C) had an assessed value (determined as of the time or times when so acquired) aggregating 10 percent or more of the assessed value of all real property in the local educational agency (similarly determined as of the time or times when such Federal property was so acquired);

''(2) that the ownership by the United States of such Federal property places a substantial and continuing financial burden on such agency; and

''(3) that such agency is not being substantially compensated for the loss in revenue resulting from such ownership by increases in revenue accruing to the agency from the conduct of Federal activities with respect to such Federal property,

then such agency shall be entitled to receive for such fiscal year such amount as, in the judgment of the Secretary, is equal to the continuing Federal responsibility for the addi-

tional financial burden with respect to current expenditures placed on such agency by the ownership of such Federal property.

''(b) AMOUNT.—

''(1) IN GENERAL.—The amount to which a local educational agency is entitled to receive under subsection (a) for a fiscal year—

''(A) shall not exceed—

''(i) the amount which, in the judgment of the Secretary, such agency would have derived in such year, and would have had available for current expenditures, from the property acquired by the United States; and

''(ii) the amount which is equal to the difference of—

''(I) the maximum amount that such agency is eligible to receive for such fiscal year under section 8004(b)(1)(C); and

''(II) the amount that such agency receives in such fiscal year under section 8004(b)(2); and

''(B) shall be reduced by the Secretary by an amount equal to the amount of revenue, if

any, that such agency received from activities conducted on such property during the previous year.

''(2) APPLICATION OF CURRENT LEVIED REAL PROPERTY TAX RATE.—In making a determination of the amount that would have been derived in such year under paragraph (1)(A)(i), the Secretary shall apply the current levied real property tax rate for current expenditures levied by fiscally independent local educational agencies or imputed, for fiscally dependent local educational agencies, to the current annually determined aggregate assessed value of such acquired Federal property.

''(3) DETERMINATION OF AGGREGATE ASSESSED VALUE.—Such aggregate assessed value of such acquired Federal property shall be determined (on the basis of the highest and best use of property adjacent to such acquired Federal property as of the time such value is determined), and provided to the Secretary, by the local official responsible for assessing the value of real property located in the jurisdiction of such local educational agency for the purpose of levying a property tax.

''(c) APPLICABILITY TO TENNESSEE VALLEY AUTHORITY ACT.—For the purposes of this section, any real prop-

erty with respect to which payments are being made under section 13 of the Tennessee Valley Authority Act of 1933 shall not be regarded as Federal property.

''(d) OWNERSHIP BY UNITED STATES.—The United States shall be deemed to own Federal property for the purposes of this Act, where—

''(1) prior to the transfer of Federal property, the United States owned Federal property meeting the requirements of subparagraphs (A), (B), and (C) of subsection (a)(1); and

''(2) the United States transfers a portion of the property referred to in paragraph (1) to another nontaxable entity, and the United States—

''(A) restricts some or any construction on such property;

''(B) requires that the property be used in perpetuity for the public purposes for which it was conveyed;

''(C) requires the grantee of the property to report to the Federal government (or its agent) containing information on the use of the property;

''(D) except with the approval of the Federal government (or its agent), prohibits the sale, lease, assignment, or other disposal of the prop-

erty unless such sale, lease, assignment, or other disposal is to another eligible government agency; and

''(E) reserves to the Federal government a right of reversion at any time the Federal government (or its agent) deems it necessary for the national defense.

''SEC. 8004. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.

''(a) COMPUTATION OF PAYMENT.—

''(1) IN GENERAL.—For the purpose of computing the amount that a local educational agency is eligible to receive under subsection (b) or (f) for any fiscal year, the Secretary shall determine the number of children who were in average daily attendance in the schools of such agency, and for whom such agency provided free public education, during the preceding school year and who, while in attendance at such schools—

''(A) resided on Federal property and had a parent employed on Federal property situated in whole or in part within the boundaries of the school district of such agency;

''(B) resided on Federal property and had a parent on active duty in the uniformed serv-

ices (as defined in section 101 of title 37, United States Code);

''(C) resided on Indian lands;

''(D) had a parent on active duty in the uniformed services (as defined by section 101 of title 37, United States Code) but did not reside on Federal property; or

''(E) resided in low-rent housing.

''(2) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the basic support payment under subsection (b), the Secretary shall calculate the total number of weighted student units for a local educational agency by adding together the results obtained by the following computations:

''(A) Multiply the number of children described in subparagraphs (A) and (B) of paragraph (1) who are not eligible to receive services under the Individuals With Disabilities Education Act (20 U.S.C. 1400 et seq.) by a factor of 1.0.

''(B) Multiply the number of children described in subparagraphs (A) and (B) of paragraph (1) who are eligible to receive services under such Act by a factor of 1.50.

''(C) Multiply the number of children described in paragraph (1)(C) who are not eligible to receive services under such Act by a factor of 1.25.

''(D) Multiply the number of children described in paragraph (1)(C) who are eligible to receive services under such Act by a factor of 1.825.

''(E) Multiply the number of children described in subparagraphs (D) and (E) of paragraph (1) who are not eligible to receive services under such Act by a factor of .25.

''(F) Multiply the number of children described in subparagraphs (D) and (E) of paragraph (1) who are eligible to receive services under such Act by a factor of .375.

''(b) BASIC SUPPORT PAYMENTS AND PAYMENTS WITH RESPECT TO FISCAL YEARS IN WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—

''(1) BASIC SUPPORT PAYMENTS.—

''(A) IN GENERAL.—From the amount appropriated under section 8013(b) for a fiscal year, the Secretary is authorized to make basic support payments to eligible local educational

agencies with children described under subsection (a).

''(B) ELIGIBILITY.—A local educational agency shall be entitled to receive a basic support payment under subparagraph (A) for a fiscal year with respect to a number of children determined under subsection (a) only if the number of children so determined with respect to such agency amounts to the lesser of—

''(i) at least 400 such children, or

''(ii) a number of such children which equals at least 3 percent of the total number of children who were in average daily attendance, during such year, at the schools of such agency and for whom such agency provided free public education.

''(C) MAXIMUM AMOUNT.—The maximum amount that a local educational agency is eligible to receive under this subsection for any fiscal year is the sum of the total weighted student units, as computed under subsection (a)(2), multiplied by—

''(i) the greater of—

''(I) one-half of the average per pupil expenditure of the State in which

the local educational agency is located, or

''(II) one-half of the average per pupil expenditures of all of the States, or

''(ii) the comparable local contribution rate certified by the State, as determined under regulations prescribed to carry out the Act of September 30, 1950 (Public Law 874, 81st Congress), as in effect on January 1, 1994.

''(2) PAYMENTS WITH RESPECT TO FISCAL YEARS IN WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—

''(A) IN GENERAL.—For any fiscal year in which the sums appropriated under section 8013(b) are insufficient to pay to each local educational agency the full amount computed under paragraph (1), the Secretary shall make payments based upon the provisions of this paragraph.

''(B) LEARNING OPPORTUNITY THRESHOLD PAYMENTS.—For fiscal years described in subparagraph (A), the Secretary shall compute a learning opportunity threshold payment (herein-

after 'threshold payment') by multiplying the amount obtained under paragraph (1)(C) by the total percentage obtained by adding—

''(i) the percentage of federally connected children for each local educational agency determined by calculating the fraction, the numerator of which is the total number of children described under subsection (a)(1) and the denominator of which is the total number of children in average daily attendance at the schools served by such agency; and

''(ii) the percentage that funds under this paragraph represent of the total budget of the local educational agency, determined by calculating the fraction, the numerator of which is the total amount of funds calculated for each educational agency under this paragraph, and the denominator of which is the total current expenditures for such agency.

''(C) RATABLE DISTRIBUTION.—For fiscal years described in subparagraph (A), the Secretary shall make payments as a ratable dis-

tribution based upon the computation made under subparagraph (B).

''(c) PRIOR YEAR DATA.—All calculations under this title shall be based upon data for each local educational agency from the fiscal year preceding the fiscal year for which the agency is making application for payment.

''(d) USE OF FUNDS FOR CHILDREN WITH DISABILITIES.—The local educational agency shall use an amount equal to the amount of funds generated by the factors in subparagraphs (B), (D), and (F) of subsection (a)(2) which are in excess of the factor of 1.0 applied to the amount of payments generated for each fiscal year applicable to the weighted student unit factor of 1.0 to provide a free appropriate public education to children described in subsection (a)(2), in accordance with part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(e) HOLD-HARMLESS AMOUNTS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the total amount that the Secretary shall pay to a local educational agency under subsections (b) and (f)—

''(A) for fiscal year 1995, shall not be less than 80 percent of the payment such agency received for fiscal year 1994 under section 3(a) of the Act of September 30, 1950 (Public Law 81–

874, 81st Congress), as in effect for fiscal year 1994;

''(B) for fiscal year 1996, shall not be less than 60 percent of such payment received for fiscal year 1994; and

''(C) for fiscal year 1997, shall not be less than 40 percent of such payment received for fiscal year 1994.

''(2) REDUCTION IN PAYMENTS.—In order to make payments to local educational agencies in accordance with paragraph (1), the Secretary shall reduce payments to other local educational agencies determined under subsection (b).

''(f) SUPPLEMENTAL ASSISTANCE.—

''(1) RESERVATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), from amounts appropriated under section 8013(b) for a fiscal year, the Secretary shall reserve not less than 6 percent to provide supplemental assistance to meet special circumstances relating to the provision of education in local educational agencies eligible to receive assistance under this section.

''(B) RESERVATION IN FISCAL YEARS WHEN AMOUNTS FROM PRIOR FISCAL YEAR RESERVA-

TIONS AVAILABLE.—With respect to a fiscal year in which amounts are available from a reservation made by the Secretary under subparagraph (A) for a prior fiscal year, the Secretary shall, from amounts appropriated under section 8013(b) for the current fiscal year, reserve an amount which, when added to the amount available from such prior fiscal year reservation, equals not less than 6 percent of amounts appropriated under such section for such current fiscal year.

''(C) AVAILABILITY.—Amounts reserved under subparagraph (A) are authorized to remain available until expended.

''(2) ELIGIBILITY.—

''(A) IN GENERAL.—A local educational agency shall be eligible to receive supplemental assistance under this subsection only if such agency—

''(i)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 40 percent of the total student enrollment of such agency; and

''(II) has a tax rate for general fund purposes which is at least 95 percent of the average tax rate for general fund purposes (before any State mandated tax rate reductions) of all local educational agencies in the State;

''(ii)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 35 percent of the total student enrollment of such agency; and

''(II) has a tax rate for general fund purposes which is at least 125 percent of the average tax rate for general fund purposes (before any State mandated tax rate reductions) of all local educational agencies in the State; or

''(iii) is a local education agency whose boundaries are the same as a Federal military installation or includes Federal property under exclusive Federal jurisdiction.

''(B) SPECIAL RULE.—If a local educational agency receives assistance under this subsection for 3 consecutive fiscal years because such agency

satisfied the requirements of clause (i) or (ii) of subparagraph (A), then such agency shall be deemed to meet such requirements with respect to assistance under this subsection for each consecutive succeeding fiscal year in which such agency applies for assistance under this subsection.

''(C) EXCLUSION OF REMAINING CASH BALANCES.—In determining eligibility under this paragraph, the Secretary shall exclude any cash balances of the local educational agency remaining at the end of the school year as allowed by State law.

''(3) CURRENT YEAR DATA.—Notwithstanding subsection (c), the Secretary shall, for purposes of providing assistance under this subsection (or section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 81–874, 81st Congress), as in effect on October 1, 1993), use—

''(A) data from the fiscal year in which the local educational agency is applying for assistance under this subsection; or

''(B) the most recent data available which is adjusted to such fiscal year.

''(4) APPLICATION PROCEDURES.—The Secretary shall prescribe regulations establishing procedures for

the application for assistance by a local educational agency under this subsection.

''(5) PROHIBITION ON STATE RESTRICTIONS WITH RESPECT TO ASSISTANCE.—A State shall not restrict the ability of a local educational agency to use assistance received by such agency under this subsection.

''(6) PROHIBITION ON CONSIDERATION OF ASSISTANCE IN STATE AID CALCULATION.—Notwithstanding section 8009(b), a State shall not take into consideration any assistance received under this subsection in determining a State aid calculation for a local educational agency.

''SEC. 8005. POLICIES AND PROCEDURES RELATING TO CHILDREN RESIDING ON INDIAN LANDS.

''(a) IN GENERAL.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 shall establish policies and procedures to ensure that—

''(1) such children participate in programs and activities supported by such funds on an equal basis with all other children;

''(2) parents of such children and Indian tribes are afforded an opportunity to present their views on such programs and activities, including an oppor-

tunity to make recommendations on the needs of those children and how they may help those children realize the benefits of those programs and activities;

''(3) parents and Indian tribes are consulted and involved in planning and developing such programs and activities;

''(4) relevant applications, evaluations, and program plans are disseminated to the parents and Indian tribes; and

''(5) parents and Indian tribes are afforded an opportunity to present their views on the agency's general educational program to such agency.

''(b) RECORDS.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 shall maintain records demonstrating its compliance with requirements contained in subsection (a).

''(c) WAIVER.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 is excused from the requirements contained in subsections (a) and (b) for any year with respect to any Indian tribe from which it has received a written statement that the agency need not comply with those subsections because the tribe is satisfied with the pro-

vision of educational services by such agency to such children.

''(d) TECHNICAL ASSISTANCE AND ENFORCEMENT.—The Secretary shall—

''(1) provide technical assistance to local educational agencies, parents, and Indian tribes to enable them to carry out this section; and

''(2) enforce this section through such actions, which may include the withholding of funds, as the Secretary determines to be appropriate, after affording the affected local educational agency, parents, and Indian tribe an opportunity to present their views.

''SEC. 8006. APPLICATION FOR PAYMENTS UNDER SECTIONS 8003 AND 8004.

''(a) IN GENERAL.—A local educational agency desiring to receive a payment under section 8003 or 8004 shall—

''(1) submit an application for such payment to the Secretary; and

''(2) provide a copy of such application to the State educational agency.

''(b) CONTENTS.—Each such application shall be submitted in such form and manner, and shall contain such information, as the Secretary may require, including—

''(1) information to determine the eligibility of the local educational agency for a payment and the amount of such payment; and

''(2) where applicable, an assurance that such agency is in compliance with section 8005 (relating to children residing on Indian lands).

''(c) DEADLINE FOR SUBMISSION.—The Secretary shall establish deadlines for the submission of applications under this section.

''(d) APPROVAL.—

''(1) IN GENERAL.—The Secretary shall approve an application submitted under this section that—

''(A) is filed by the deadline established under subsection (c); and

''(B) otherwise meets the requirements of this title.

''(2) REDUCTION IN PAYMENT.—The Secretary shall approve an application filed up to 60 days after a deadline established under subsection (c) that otherwise meets the requirements of this title, except that, notwithstanding section 8004(e), the Secretary shall reduce the payment based on such late application by 10 percent of the amount that would otherwise be paid.

''(3) LATE APPLICATIONS.—The Secretary shall not accept or approve any application that is filed more than 60 days after a deadline established under subsection (c).

''SEC. 8007. PAYMENTS FOR SUDDEN AND SUBSTANTIAL INCREASES IN ATTENDANCE OF MILITARY DEPENDENTS.

''(a) ELIGIBILITY.—A local educational agency is eligible for a payment under this section if—

''(1) the number of children in average daily attendance during the current school year is at least ten percent or 100 more than the number of children in average daily attendance in the preceding school year; and

''(2) the number of children in average daily attendance with a parent on active duty (as defined in section 101(18) of title 37, United States Code) in the Armed Forces who are in attendance at such agency because of the assignment of their parent to a new duty station between July 1 and September 30, inclusive, of the current year, as certified by an appropriate local official of the Department of Defense, is at least ten percent or 100 more than the number of children in average daily attendance in the preceding school year.

''(b) APPLICATION.—A local educational agency that wishes to receive a payment under this section shall file an application with the Secretary by October 15 of the current school year, in such manner and containing such information as the Secretary may prescribe, including information demonstrating that it is eligible for such a payment.

''(c) CHILDREN TO BE COUNTED.—For each eligible local educational agency that applies for a payment under this section, the Secretary shall determine the lesser of—

''(1) the increase in the number of children in average daily attendance from the preceding year; and

''(2) the number of children described in subsection (a)(2).

''(d) PAYMENTS.—From the amount appropriated for a fiscal year under section 8013(c), the Secretary shall pay each local educational agency with an approved application an amount, not to exceed $200 per eligible child, equal to—

''(1) the amount available to carry out this section, including any funds carried over from prior years, divided by the number of children determined under subsection (c) for all such local educational agencies; multiplied by

''(2) the number of such children determined for that local educational agency.

''(e) NOTIFICATION PROCESS.—

''(1) ESTABLISHMENT.—The Secretary shall endeavor to establish, with the Secretary of Defense, a notification process relating to the closure of Department of Defense facilities, or the adjustment of personnel levels assigned to such facilities, which may substantially affect the student enrollment levels of local educational agencies which receive or may receive payments under this title.

''(2) INFORMATION.—Such process shall provide timely information regarding such closures and such adjustments—

''(A) by the Secretary of Defense to the Secretary; and

''(B) by the Secretary to the affected local educational agencies.

''SEC. 8008. FACILITIES.

''(a) CURRENT FACILITIES.—From the amount appropriated for any fiscal year under section 8013(e), the Secretary may continue to provide assistance for school facilities that were supported by the Secretary under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 640) as in effect prior to the date of the enactment of the Improving America's Schools Act of 1994.

''(b) TRANSFER OF FACILITIES.—

''(1) IN GENERAL.—The Secretary shall, as soon as practicable, transfer to the appropriate local educational agency or another appropriate entity all the right, title, and interest of the United States in and to each facility provided under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 640), or under section 204 or 310 of the Act of September 30, 1950 (Public Law 874, 81st Congress), as in effect on January 1, 1958.

''(2) OTHER REQUIREMENTS.—Any such transfer shall be without charge to such agency or entity, and prior to such transfer, the transfer must be consented to by the local education agency or other appropriate entity, and may be made on such terms and conditions as the Secretary deems appropriate to carry out the purposes of this Act.

''SEC. 8009. STATE CONSIDERATION OF PAYMENTS IN PROVIDING STATE AID.

''(a) GENERAL PROHIBITION.—Except as provided in subsection (b), a State may not—

''(1) consider payments under this title or under the Act of September 30, 1950 (Public Law 874, 81st Congress) in determining for any fiscal year—

''(A) the eligibility of a local educational agency for State aid for free public education; or

''(B) the amount of such aid; or

''(2) make such aid available to local educational agencies in a manner that results in less State aid to any local educational agency that is eligible for such payment than it would receive if it were not so eligible.

''(b) STATE EQUALIZATION PLANS.—

''(1) IN GENERAL.—A State may reduce State aid to a local educational agency that receives a payment under section 8004 or under the Act of September 30, 1950 (Public Law 874, 81st Congress) as such Act existed prior to the enactment of the Improving America's Schools Act of 1994 (other than a payment under section 2 or an increase in payments described in paragraphs (2)(B), (2)(C), (2)(D), or (3)(B)(ii) of section 3(d)) for any fiscal year if the Secretary determines, and certifies under subsection (c)(3)(A), that such State has in effect a program of State aid that equalizes expenditures for free public education among local educational agencies in such State.

''(2) COMPUTATION.—

''(A) IN GENERAL.—For purposes of paragraph (1), a program of State aid equalizes ex-

penditures among local educational agencies if, in the second preceding fiscal year, the amount of per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the lowest such expenditures or revenues by more than 10 percent.

''(B) OTHER FACTORS.—In making a determination under this subsection, the Secretary shall—

''(i) disregard local educational agencies with per-pupil expenditures or revenues above the 95th percentile or below the 5th percentile of such expenditures or revenues in the State; and

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

of students, such as children with disabilities.

''(3) EXCEPTION.—Notwithstanding paragraph (2), if the Secretary determines that the State has substantially revised its program of State aid, the Secretary may certify such program for any fiscal year only if—

''(A) the Secretary determines, on the basis of projected data, that the State's program will meet the 10 percent disparity standard described in paragraph (2) in that fiscal year; and

''(B) the State provides an assurance to the Secretary that, if final data do not demonstrate that the State's program met such standard for that year (or that it met such standard with a greater percentage of disparity than anticipated), the State will pay to each affected local educational agency the amount by which it reduced State aid to the local educational agency on the basis of such certification, or a proportionate share thereof, as the case may be.

''(c) PROCEDURES FOR REVIEW OF STATE EQUALIZATION PLANS.—

''(1) WRITTEN NOTICE.—

''(A) IN GENERAL.—Any State that wishes to consider payments described in subsection (b)(1) in providing State aid to local educational agencies shall submit to the Secretary, not later than 120 days before the beginning of the State's fiscal year, a written notice of its intention to do so.

''(B) CONTENTS.—Such notice shall be in the form and contain the information the Secretary requires, including evidence that the State has notified each local educational agency in the State of its intention to consider such payments in providing State aid.

''(2) OPPORTUNITY TO PRESENT VIEWS.—Before making a determination under subsection (b), the Secretary shall afford the State, and local educational agencies in the State, an opportunity to present their views.

''(3) QUALIFICATION PROCEDURES.—If the Secretary determines that a program of State aid qualifies under subsection (b), the Secretary shall—

''(A) certify the program and so notify the State; and

''(B) afford an opportunity for a hearing, in accordance with section 8011(a), to any local

educational agency adversely affected by such certification.

''(4) NON-QUALIFICATION PROCEDURES.—If the Secretary determines that a program of State aid does not qualify under subsection (b), the Secretary shall—

''(A) so notify the State; and

''(B) afford an opportunity for a hearing, in accordance with section 8011(a), to the State, and to any local educational agency adversely affected by such determination.

''(d) REDUCTIONS OF STATE AID.—

''(1) IN GENERAL.—A State whose program of State aid has been certified by the Secretary under subsection (c)(3) may reduce the amount of such aid provided to a local educational agency that receives a payment described in subsection (b)(1) by any amount up to—

''(A) the amount of such payment; multiplied by

''(B) 100 percent minus the percentage of disparity determined under subsection (b).

''(2) PROHIBITION.—A State may not make a reduction described in paragraph (1) before its program

of State aid has been certified by the Secretary under subsection (c)(3).

''(e) REMEDIES FOR STATE VIOLATIONS.—

''(1) IN GENERAL.—The Secretary or any aggrieved local educational agency may, without exhausting administrative remedies, bring an action in a United States district court against any State that violates subsection (a) or subsection (d)(2) or fails to carry out an assurance provided under subsection (b)(3)(B).

''(2) IMMUNITY.—A State shall not be immune under the eleventh amendment to the Constitution of the United States from an action described in paragraph (1).

''(3) RELIEF.—The court shall grant such relief as it determines is appropriate, which may include attorney's fees to a prevailing local educational agency.

''SEC. 8010. FEDERAL ADMINISTRATION.

''(a) PAYMENTS IN WHOLE DOLLAR AMOUNTS.—The Secretary shall round any payments under this title to the nearest whole dollar amount.

''(b) OTHER AGENCIES.—Each Federal agency administering Federal property on which children reside, and each agency principally responsible for an activity that

may occasion assistance under this title, shall, to the maximum extent practicable, comply with requests of the Secretary for information the Secretary may require to carry out this title.

"SEC. 8011. ADMINISTRATIVE HEARINGS AND JUDICIAL REVIEW.

"(a) ADMINISTRATIVE HEARINGS.—A local educational agency and a State that is adversely affected by any action of the Secretary under this title shall be entitled to a hearing on such action in the same manner as if such agency were a person under chapter 5 of title 5, United States Code.

"(b) JUDICIAL REVIEW OF SECRETARIAL ACTION.—

"(1) IN GENERAL.—A local educational agency or a State aggrieved by the Secretary's final decision following an agency proceeding under subsection (a) may, within 60 days after receiving notice of such decision, file with the United States court of appeals for the circuit in which such agency or State is located a petition for review of that action. The clerk of the court shall promptly transmit a copy of the petition to the Secretary. The Secretary shall then file in the court the record of the proceedings on which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

''(2) FINDINGS OF FACT.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

''(3) REVIEW.—The court shall have exclusive jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

''SEC. 8012. DEFINITIONS.

''For purposes of this title, the following definitions apply:

''(1) ARMED FORCES.—The term 'Armed Forces' means the Army, Navy, Air Force, and Marine Corps.

''(2) AVERAGE PER-PUPIL EXPENDITURE.—The term 'average per-pupil expenditure' means—

''(A) the aggregate current expenditures of all local educational agencies in the State; divided by

''(B) the total number of children in average daily attendance for whom such agencies provided free public education.

''(3) CONSTRUCTION.—The term 'construction' means—

''(A) the preparation of drawings and specifications for school facilities;

''(B) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities;

''(C) inspecting and supervising the construction of school facilities; and

''(D) debt service for such activities.

''(4) FEDERAL PROPERTY.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) through (E), the term 'Federal property' means real property that is not subject to taxation by any State or any political subdivision of a State due to Federal agreement, law, or policy, and that is—

''(i) owned by the United States or leased by the United States from another entity;

''(ii)(I) held in trust by the United States for individual Indians or Indian tribes;

''(II) held by individual Indians or Indian tribes subject to restrictions on alienation imposed by the United States;

''(III) conveyed at any time under the Alaska Native Claims Settlement Act (Public Law 92–203, 43 U.S.C. 1601 et seq.) to a Native individual, Native group, or Village or Regional corporation; or

''(IV) public land owned by the United States that is designated for the sole use and benefit of individual Indians or Indian tribes; or

''(iii) owned by a foreign government or by an international organization.

''(B) SCHOOLS PROVIDING FLIGHT TRAINING TO MEMBERS OF AIR FORCE.—The term 'Federal property' includes, so long as not subject to taxation by any State or any political subdivision of a State, and whether or not that tax exemp-

tion is due to Federal agreement, law, or policy, any school providing flight training to members of the Air Force under contract with the Air Force at an airport owned by a State or political subdivision of a State.

''(C) NON-FEDERAL EASEMENTS, LEASES, LICENSES, PERMITS, IMPROVEMENTS, AND CERTAIN OTHER REAL PROPERTY.—The term 'Federal property' includes, whether or not subject to taxation by a State or a political subdivision of a State—

''(i) any non-Federal easement, lease, license, permit, or other such interest in Federal property as otherwise described in this paragraph, but not including any non-Federal fee-simple interest;

''(ii) any improvement on Federal property as otherwise described in this paragraph; and

''(iii) real property that, immediately before its sale or transfer to a non-Federal party, was owned by the United States and otherwise qualified as Federal property described in this paragraph, but only for one

year beyond the end of the fiscal year of such sale or transfer.

''(D) CERTAIN POSTAL SERVICE PROPERTY AND PIPELINES AND UTILITY LINES.—Notwithstanding any other provision of this paragraph, the term 'Federal property' does not include—

''(i) any real property under the jurisdiction of the United States Postal Service that is used primarily for the provision of postal services; or

''(ii) pipelines and utility lines.

''(E) PROPERTY WITH RESPECT TO WHICH STATE OR LOCAL TAX REVENUES MAY NOT BE EXPENDED, ALLOCATED, OR AVAILABLE FOR FREE PUBLIC EDUCATION.—Notwithstanding any other provision of this paragraph, 'Federal property' does not include any property on which children reside that is otherwise described in this paragraph if—

''(i) no tax revenues of the State or of any political subdivision of the State may be expended for the free public education of children who reside on that Federal property; or

''(ii) no tax revenues of the State are allocated or available for the free public education of such children.

''(5) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is provided—

''(A) at public expense, under public supervision and direction, and without tuition charge; and

''(B) as elementary or secondary education, as determined under State law, except that, notwithstanding State law, such term—

''(i) includes preschool education; and

''(ii) does not include any education provided beyond grade 12.

''(6) INDIAN LANDS.—The term 'Indian lands' means any Federal property described in paragraph (4)(A)(ii).

''(7) LOCAL EDUCATIONAL AGENCY.—

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

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

township, independent school district, or other school district; and

''(ii) includes any State agency that directly operates and maintains facilities for providing free public education.

''(B) EXCEPTION.—The term 'local educational agency' does not include any agency or school authority that the Secretary determines on a case-by-case basis—

''(i) was constituted or reconstituted primarily for the purpose of receiving assistance under this title or the Act of September 30, 1950 (Public Law 874, 81st Congress) or increasing the amount of such assistance; or

''(ii) is not constituted or reconstituted for legitimate educational purposes.

''(8) LOW-RENT HOUSING.—The term 'low-rent housing' means housing located on property that is—

''(A) used for low-rent housing that is located on land described in subclause (I), (II), (III), or (IV) of paragraph 4(A)(ii) or on land that met one of the descriptions in any such subclause immediately before its use for such housing;

‘‘(B) part of a low-rent housing project assisted under the United States Housing Act of 1937;

‘‘(C) located in the State of Oklahoma that—

‘‘(i) is owned by an Indian housing authority and used for low-income housing (including housing assisted under the mutual help homeownership opportunity program under section 202 of the United States Housing Act of 1937), and

‘‘(ii) at any time prior to the date of the enactment of Public Law 103–102—

‘‘(I) was designated by treaty as tribal land, or

‘‘(II) satisfied the definition of Federal property under section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress); or

‘‘(D) used to provide housing for homeless children at closed military installations pursuant to section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

''(9) SCHOOL FACILITIES.—The term 'school facilities' includes—

''(A) classrooms and related facilities; and

''(B) equipment, machinery, and utilities necessary or appropriate for school purposes.

''SEC. 8013. AUTHORIZATION OF APPROPRIATIONS.

''(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL PROPERTY.—For the purpose of making payments under section 8003, there are authorized to be appropriated $16,750,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(b) BASIC PAYMENTS.—For the purpose of making payments under section 8004(a), there are authorized to be appropriated $425,500,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(c) PAYMENTS FOR CHILDREN WITH DISABILITIES.—For the purpose of making payments under section 8004(d), there are authorized to be appropriated $45,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(d) PAYMENTS FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—For the purpose of making pay-

ments under section 8004(f), there are authorized to be appropriated $42,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(e) PAYMENTS FOR INCREASES IN MILITARY CHILDREN.—For the purpose of making payments under section 8007, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''(f) FACILITIES MAINTENANCE.—For the purpose of making payments under section 8008, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

''SEC. 8014. TRANSFER OF PAYMENTS.

''(a) BASIC PAYMENTS UNDER SECTION 8004.—From any amounts available, the Secretary of Defense shall transfer to the Secretary of Education the total amount of funds necessary for the Secretary of Education to make all of the payments associated with children connected with defense activities, as defined under section 8004.

''(b) ADDITIONAL PAYMENTS.—(1) The Secretary of Defense shall transfer to the Secretary of Education in each fiscal year in which funds are obtained under subsection

(a) the full amount of such funds for payments based upon the amounts computed under section 8004.

''(2) Notwithstanding any other provision of law, funds made available to the Secretary of Education under paragraph (1) shall be the only funds used by the Secretary in making payments under section 8004 to local educational agencies for children connected with defense activities and the responsibility of the Secretary of Education to administer the provisions of section 8004 are limited to the availability of such funds for eligible students covered under section 8004.

''(3)(A) For purposes of expediting the funding provisions of this subsection, the Secretary shall provide in a timely fashion to the Secretary of Defense, such information as may be necessary for such Secretary to carry out this provision.

''(B) The Secretary of Education shall also make available to the Secretary of Defense such reports, evaluations or application information as shall be related to the federally connected students associated with this Department.

''TITLE IX—GENERAL PROVISIONS

''PART A—DEFINITIONS

''SEC. 9101. DEFINITIONS.

''Except as otherwise provided, for the purposes of this Act, the following terms have the following meanings:

''(1)(A) Except as provided otherwise by State law or this paragraph, the term 'average daily attendance' means—

''(i) the aggregate number of days of attendance of all students during a school year; divided by

''(ii) the number of days school is in session during such school year.

''(B) The Secretary shall permit the conversion of average daily membership (or other similar data) to average daily attendance for local educational agencies in States that provide State aid to local educational agencies on the basis of average daily membership or such other data.

''(C) If the local educational agency in which a child resides makes a tuition or other payment for the free public education of the child in a school located in another school district, the Secretary shall, for purposes of this Act—

''(i) consider the child to be in attendance at a school of the agency making such payment; and

''(ii) not consider the child to be in attendance at a school of the agency receiving such payment.

''(D) If a local educational agency makes a tuition payment to a private school or to a public school of another local educational agency for a child with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act, the Secretary shall, for the purposes of this Act, consider such child to be in attendance at a school of the agency making such payment.

''(2) The term 'average per-pupil expenditure' means, in the case of a State or of the United States—

''(A) without regard to the source of funds—

''(i) the aggregate current expenditures, during the third preceding fiscal year (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies

in the State or, in the case of the United States for all States (which, for the purpose of this paragraph, means the 50 States and the District of Columbia); plus

''(ii) any direct current expenditures by the State for operation of such agencies; divided by

''(B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

''(3) The term 'child' means any person within the age limits for which the applicable State provides free public education.

''(4) The term 'community-based organization' means a private nonprofit organization that—

''(A) is representative of a community or significant segments of a community; and

''(B) provides educational or related services to individuals in the community.

''(5) The term 'consolidated State application' means an application submitted by a State educational agency pursuant to section 9302 of this Act.

''(6) The term 'county' means one of those divisions of a State used by the Secretary of Commerce in compiling and reporting data regarding counties.

''(7) The term 'covered program' means each of the programs authorized by—

''(A) part A of title I of this Act;

''(B) part C of title I of this Act;

''(C) part A of title II of this Act; and

''(D) part A of title IV of this Act except section 4104.

''(8) The term 'current expenditures' means expenditures for free public education—

''(A) including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities; but

''(B) not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds received under title I and part A of title II of this Act.

''(9) The term 'Department' means the Department of Education.

''(10) The term 'educational service agency' means regional public multiservice agencies authorized by State statute to develop, manage, and provide services and programs to local educational agencies.

''(11) The term 'elementary school' means a nonprofit day or residential school that provides elementary education, as determined under State law.

''(12) The term 'free public education' means education that is provided—

''(A) at public expense, under public supervision and direction, and without tuition charge; and

''(B) as elementary or secondary school education as determined under applicable State law, except that such term does not include any education provided beyond grade 12.

''(13) The term 'institution of higher education' has the meaning given that term in section 1201(a) of the Higher Education Act of 1965.

''(14)(A) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or

other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.

''(B) The term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

''(15) The term 'mentoring' means a program in which an adult works with a child or youth on a 1-to-1 basis, establishing a supportive relationship, providing academic assistance, and exposing the child or youth to new experiences that enhance the child or youth's ability to excel in school and become a responsible citizen.

''(16) The term 'other staff' means pupil services personnel, librarians, career guidance and counseling personnel, education aides, and other instructional and administrative personnel.

''(17) The term 'outlying area' means the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).

''(18) The term 'parent' includes a legal guardian or other person standing in loco parentis.

''(19) The terms 'pupil-services personnel' and 'pupil services' mean, respectively—

''(A) school counselors, school social workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services as part of a comprehensive program to meet student needs; and

''(B) the services provided by such individuals.

''(20) The term 'secondary school' means a nonprofit day or residential school that provides secondary education, as determined under State law, except that it does not include any education beyond grade 12.

''(21) The term 'Secretary' means the Secretary of Education.

''(22) The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

''(23) The term 'State educational agency' means the agency primarily responsible for the State supervision of public elementary and secondary schools.

"SEC. 9102. APPLICABILITY OF THIS TITLE.

''Parts B through F of this title do not apply to title VIII of this Act.

"SEC. 9103. REFERENCES IN OTHER ACTS.

''References to section 1471 of this Act, as it existed prior to the enactment of the Improving America's Schools Act of 1994, shall be deemed to refer to this section.

"PART B—FLEXIBILITY IN THE USE OF ADMINISTRATIVE AND OTHER FUNDS

"SEC. 9201. CONSOLIDATION OF STATE ADMINISTRATIVE FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

''(a) CONSOLIDATION OF ADMINISTRATIVE FUNDS.—(1) A State educational agency may consolidate the amounts specifically made available to it for State administration under one or more of the programs specified under paragraph (2) if such State educational agency can demonstrate that the majority of such agency's resources come from non-Federal sources.

''(2) This section applies to title I of this Act and the covered programs specified in sections 9101(7)(C) and (D).

''(b) USE OF FUNDS.—(1) A State educational agency shall use the amount available under this section for the administration of the programs included in the consolidation under subsection (a).

''(2) A State educational agency may also use funds available under this section for administrative activities designed to enhance the effective and coordinated use of funds under such programs, such as—

''(A) the coordination of programs specified in subsection (a)(2) with other Federal and non-Federal programs;

''(B) the establishment and operation of peer-review mechanisms under this Act;

''(C) the administration of this title;

''(D) the dissemination of information regarding model programs and practices; and

''(E) technical assistance under programs specified in subsection (a)(2).

''(c) RECORDS.—A State educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual program, to account for costs relating to the administration of programs included in the consolidation under subsection (a).

''(d) REVIEW.—To determine the effectiveness of State administration under this section, the Secretary may periodically review the performance of State educational agencies in using consolidated administrative funds under this section and take such steps as the Secretary finds appropriate to ensure the effectiveness of such administration.

''(e) UNUSED ADMINISTRATIVE FUNDS.—If a State educational agency does not use all of the funds available to it under this section for administration, it may use such funds during the applicable period of availability as funds available under one or more programs included in the consolidation under subsection (a).

''SEC. 9202. SINGLE LOCAL EDUCATIONAL AGENCY STATES.

''A State educational agency that also serves as a local educational agency shall, in its applications or State plans under this Act, describe how it will eliminate duplication in the conduct of administrative functions.

''SEC. 9203. CONSOLIDATION OF FUNDS FOR LOCAL ADMINISTRATION.

''(a) GENERAL AUTHORITY.—In accordance with regulations of the Secretary, a local educational agency, with the approval of its State educational agency, may consolidate and use for the administration of one or more covered programs for any fiscal year not more than the percentage, established in each covered program, of the total amount available to that local educational agency under those covered programs.

''(b) STATE PROCEDURES.—Within one year from the date of enactment of the Improving America's Schools Act of 1994, a State educational agency shall, in collaboration with local educational agencies in the State, establish proce-

dures for responding to requests from local educational agencies to consolidate administrative funds under subsection (a) and for establishing limitations on the amount of funds under covered programs that may be used for administration on a consolidated basis.

''(c) CONDITIONS.—A local educational agency that consolidates administrative funds under this section for any fiscal year shall not use any other funds under the programs included in the consolidation for administration for that fiscal year.

''(d) USES OF ADMINISTRATIVE FUNDS.—A local educational agency that consolidates administrative funds under this section may use these consolidated funds for the administration of covered programs and for the purposes described in section 9201(b)(2).

''(e) RECORDS.—A local educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual covered program, to account for costs relating to the administration of covered programs included in the consolidation.

''SEC. 9204. ADMINISTRATIVE FUNDS STUDY.

''(a) STUDY.—(1) The Secretary shall conduct a study of the use of funds under this Act for the administration, by State and local educational agencies, of covered pro-

grams, including the percentage of grant funds used for such purpose in covered programs.

''(2) Based on the results of such study, the Secretary shall develop a definition of what types of activities constitute the administration of programs under this Act by State and local educational agencies.

''(3) Based on the results of such study, the Secretary may publish regulations or guidelines regarding the use of funds for administration under those programs, including the use of such funds on a consolidated basis and limitations on the amount of such funds that may be used for administration where such limitation is not otherwise specified in law.

''(b) REPORT.—The Secretary shall submit to the President and the appropriate committees of the Congress a report regarding the study conducted under this section within 30 days of its completion.

''SEC. 9205. CONSOLIDATED SET-ASIDE FOR DEPARTMENT OF THE INTERIOR FUNDS.

''(a) GENERAL AUTHORITY.—(1) The Secretary shall transfer to the Department of the Interior, as a consolidated amount for covered programs, the Indian education programs under part A of title VI of this Act, and the education for homeless children and youth program under subtitle B of title VII of the Stewart B. McKinney Homeless

Assistance Act, the amounts allotted to the Department of the Interior under those programs.

''(2)(A) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of the programs specified in paragraph (1), for the distribution and use of those funds under terms that the Secretary determines best meet the purposes of those programs.

''(B) The agreement shall—

''(i) set forth the plans of the Secretary of the Interior for the use of the amount transferred, the steps to be taken to achieve the National Education Goals, and performance measures to assess program effectiveness, including measurable goals and objectives; and

''(ii) be developed in consultation with Indian tribes.

''(b) ADMINISTRATION.—The Department of the Interior may use up to 1.5 percent of the funds consolidated under this section for its costs related to the administration of the funds transferred under this section.

''SEC. 9206. AVAILABILITY OF UNNEEDED PROGRAM FUNDS.

''(a) UNNEEDED PROGRAM FUNDS.—With the approval of its State educational agency, a local educational agency that determines for any fiscal year that funds under a covered program other than part A of title I of this Act

are not needed for the purpose of that covered program may use such funds, not to exceed five percent of the total amount of its funds under that covered program, for the purpose of another covered program.

''(b) COORDINATION OF SERVICES.—A local educational agency, individual school, or consortium of schools may use a total of up to 5 percent of the funds it receives under this Act for the establishment and implementation of a coordinated services project consistent with the requirements of Title X of this Act.''.

''PART C—COORDINATION OF PROGRAMS; CONSOLIDATED STATE AND LOCAL APPLICATIONS

''SEC. 9301. PURPOSE.

''It is the purpose of this part to improve teaching and learning by encouraging greater cross-program coordination, planning, and service delivery under this Act and enhanced integration of programs under this Act with educational activities carried out with State and local funds.

''SEC. 9302. OPTIONAL CONSOLIDATED STATE APPLICATION.

''(a) GENERAL AUTHORITY.—(1) In order to simplify application requirements and reduce burden for State educational agencies under this Act, the Secretary shall, in accordance with subsection (b), establish procedures and cri-

teria under which a State educational agency may submit a consolidated State application meeting the requirements of this section for each of the covered programs in which the State participates.

''(2) A State educational agency may also include in its consolidated application—

''(A) the Even Start program under part B of title I of this Act;

''(B) the education of neglected and delinquent youth program under part D of title I of this Act;

''(C) part A of title II of the Carl D. Perkins Vocational and Applied Technology Education Act;

''(D) Goals 2000: Educate America Act;

''(E) School-to-Work Opportunities Act; and

''(F) such other programs as the Secretary may designate.

''(3) A State educational agency that submits a consolidated State application under this section shall not be required to submit separate State plans or applications under any of the programs to which its consolidated application under this section applies.

''(b) COLLABORATION.—(1) In establishing criteria and procedures under this section, the Secretary shall collaborate with State educational agencies and, as appropriate, with other State agencies, local educational agencies,

public and private nonprofit agencies, organizations, and institutions, private schools, and representatives of parents, students, and teachers.

''(2) Through the collaboration process described in subsection (b), the Secretary shall establish, for each program under the Act to which this section applies, the descriptions, information, assurances, and other material required to be included in a consolidated State application.

''(3) The Secretary shall require only descriptions, information, assurances, and other materials that are absolutely necessary for the consideration of the State application.

''SEC. 9303. GENERAL APPLICABILITY OF STATE EDUCATIONAL AGENCY ASSURANCES.

''(a) ASSURANCES.—A State educational agency that submits a State plan or application under this Act, whether separately or under section 9302, shall have on file with the Secretary a single set of assurances, applicable to each program for which a plan or application is submitted, that provides that—

''(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

''(2)(A) the control of funds provided under each such program and title to property acquired with

program funds will be in a public agency, in a nonprofit private agency, institution, or organization, or in an Indian tribe if the statute authorizing the program provides for assistance to such entities; and

''(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

''(3) the State will adopt and use proper methods of administering each such program, including—

''(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations and other recipients responsible for carrying out each program;

''(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation; and

''(C) the adoption of written procedures for the receipt and resolution of complaints alleging violations of law in the administration of such programs;

''(4) the State will cooperate in carrying out any evaluation of each such program conducted by or for the Secretary or other Federal officials;

''(5) the State will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each such program;

''(6) the State will—

''(A) make reports to the Secretary as may be necessary to enable the Secretary to perform the Secretary's duties under each such program; and

''(B) maintain such records, provide such information to the Secretary, and afford access to the records as the Secretary may find necessary to carry out the Secretary's duties; and

''(7) before the application was submitted to the Secretary, the State has afforded a reasonable opportunity for public comment on the application and has considered such comment.

''(b) GEPA PROVISION.—Section 440 of the General Education Provisions Act does not apply to programs under this Act.

''SEC. 9304. CONSOLIDATED LOCAL APPLICATIONS.

''(a) GENERAL AUTHORITY.—A local educational agency receiving funds under more than one covered program may submit applications to the State educational agency under such programs on a consolidated basis.

''(b) REQUIRED CONSOLIDATED APPLICATIONS.—A State educational agency that has submitted and had approved a consolidated State application under section 9302 may require local educational agencies in the State receiving funds under more than one program included in the consolidated State application to submit consolidated local applications under such programs.

''(c) COLLABORATION.—A State educational agency shall collaborate with local educational agencies in the State in establishing procedures for the submission of the consolidated applications under this section.

''(d) The State educational agency shall require only descriptions, information, assurances, and other material that are absolutely necessary for the consideration of the application of the local educational agency.

''SEC. 9305. OTHER GENERAL ASSURANCES.

''(a) ASSURANCES.—Any applicant other than a State educational agency that submits an application under this Act, whether separately or pursuant to section 9304, shall have on file with the State educational agency a single set of assurances, applicable to each program for which an application is submitted, that provides that—

''(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

''(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency or in a nonprofit private agency, institution, organization, or Indian tribe, if the statute authorizing the program provides for assistance to such entities; and

''(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

''(3) the applicant will adopt and use proper methods of administering each such program, including—

''(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program; and

''(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation;

''(4) the applicant will cooperate in carrying out any evaluation of each such program conducted by or for the State educational agency or the Secretary or other Federal officials;

''(5) the applicant will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to such applicant under each such program;

''(6) the applicant will—

''(A) make reports to the State educational agency and the Secretary as may be necessary to enable such agency and the Secretary to perform their duties under each such program; and

''(B) maintain such records, provide such information, and afford access to the records as the State educational agency or the Secretary may find necessary to carry out the State educational agency's or the Secretary's duties; and

''(7) before the application was submitted, the applicant afforded a reasonable opportunity for public comment on the application and has considered such comment.

''(b) GEPA PROVISION.—Section 442 of the General Education Provisions Act does not apply to programs under this Act.

"PART D—WAIVERS

"SEC. 9401. WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

"(a) GENERAL.—Except as provided in subsection (c), the Secretary may waive any requirement of this Act or of the General Education Provisions Act, or of the regulations issued under such Acts, for a State educational agency, Indian tribe, or other agency, organization, or institution that receives funds under a program authorized by this Act from the Department and that requests such a waiver if—

"(1) the Secretary determines that such requirement impedes the ability of the State educational agency or other recipient to achieve more effectively the purposes of this Act; and

"(2) in the case of a waiver proposal submitted by a State educational agency, the State educational agency—

"(A) provides all interested local educational agencies in the State with notice and an opportunity to comment on the proposal; and

"(B) submits the comments to the Secretary; and

"(3) in the case of a waiver proposal submitted by a local educational agency or other agency, institution, or organization that receives funds under this

Act from the State educational agency, such request has been reviewed by the State educational agency and is accompanied by the comments, if any, of such agency.

''(b) WAIVER PERIOD.—(1) A waiver under this section shall be for a period not to exceed three years.

''(2) The Secretary may extend such period if the Secretary determines that—

''(A) the waiver has been effective in enabling the State or affected recipients to carry out the activities for which it was requested and has contributed to improved performance; and

''(B) such extension is in the public interest.

''(c) WAIVERS NOT AUTHORIZED.—The Secretary may not waive, under this section, any statutory or regulatory requirement relating to—

''(1) comparability of services;

''(2) maintenance of effort;

''(3) the equitable participation of students attending private schools;

''(4) parental participation and involvement;

''(5) the distribution of funds to States or to local educational agencies or other recipients of funds under this Act;

''(6) maintenance of records;

''(7) applicable civil rights requirements;

''(8) the requirements of sections 444 and 445 of the General Education Provisions Act; or

''(9) the requirements related to the element of a charter school described in paragraph (1) of section 3407 of this Act.

''(d) TERMINATION OF WAIVERS.—The Secretary shall terminate a waiver under this section if the Secretary determines that the performance of the State or other recipient affected by the waiver has been inadequate to justify a continuation of the waiver or if it is no longer necessary to achieve its original purposes.

''PART E—UNIFORM PROVISIONS

''SEC. 9501. MAINTENANCE OF EFFORT.

''(a) GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

''(b) REDUCTION IN CASE OF FAILURE TO MEET.—(1) The State educational agency shall reduce the amount

of the allocation of funds under a covered program in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of subsection (a) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency).

''(2) No such lesser amount shall be used for computing the effort required under subsection (a) for subsequent years.

''(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that such a waiver would be equitable due to—

''(1) exceptional or uncontrollable circumstances such as a natural disaster; or

''(2) a precipitous decline in the financial resources of the local educational agency.

''SEC. 9502. PROHIBITION REGARDING STATE AID.

''No State may take into consideration payments under this Act (other than under title VIII) in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

''SEC. 9503. PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.

''(a) GENERAL REQUIREMENT.—(1) Except as otherwise provided in this Act, to the extent consistent with the

number of eligible children in a State educational agency, local educational agency, or intermediate educational agency or consortium receiving financial assistance under a program specified in subsection (b), who are enrolled in private elementary and secondary schools in such agency or consortium, such agency or consortium shall, after timely and meaningful consultation with appropriate private school officials, provide such children and their teachers or other educational personnel, on an equitable basis, special educational services or other benefits under such program.

''(2) Educational services or other benefits, including materials and equipment, provided under this section, must be secular, neutral, and nonideological.

''(3) Educational services and other benefits provided under this section for such private school children, teachers, and other educational personnel shall be equitable in comparison to services and other benefits for public school children, teachers, and other educational personnel participating in such program.

''(4) Expenditures for educational services and other benefits provided under this section to eligible private school children, their teachers, and other educational personnel serving them shall be equal, taking into account the number and educational needs of the children to be served, to the expenditures for participating public school children.

''(5) Such agency or consortium may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

''(b) APPLICABILITY.—(1) This section applies to—

''(A) each covered program; and

''(B) programs under title VII of this Act.

''(2) For the purposes of this section, the term 'eligible children' mean children eligible for services under a program described in paragraph (1).

''(c) PUBLIC CONTROL OF FUNDS.—(1) The control of funds used to provide services under this section, and title to materials, equipment, and property purchased with these funds, shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

''(2)(A) The provision of services under this section shall be provided—

''(i) by employees of a public agency; or

''(ii) through contract by such public agency with an individual, association, agency, or organization.

''(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organi-

zation, and such employment or contract shall be under the control and supervision of such public agency.

''(C) Funds used to provide services under this section shall not be commingled with non-Federal funds.

''SEC. 9504. STANDARDS FOR BY-PASS.

''If, by reason of any provision of law, a State, local, or intermediate educational agency or consortium is prohibited from providing for the participation in programs of children enrolled in, or teachers or other educational personnel from, private elementary and secondary schools, on an equitable basis, or if the Secretary determines that such agency or consortium has substantially failed or is unwilling to provide for such participation, as required by section 9503, the Secretary shall—

''(1) waive the requirements of that section for such agency or consortium; and

''(2) arrange for the provision of equitable services to such children, teachers, or other educational personnel through arrangements that shall be subject to the requirements of this section and of sections 9503, 9505, and 9506.

''SEC. 9505. COMPLAINT PROCESS FOR PARTICIPATION OF PRIVATE SCHOOL CHILDREN.

''(a) PROCEDURES FOR COMPLAINTS.—The Secretary shall develop and implement written procedures for receiv-

ing, investigating, and resolving complaints from parents, teachers, or other individuals and organizations concerning violations by an agency or consortium of section 9503 of this Act. Such individual or organization shall submit such complaint to the State educational agency for a written resolution by such agency within a reasonable period of time.

''(b) APPEALS TO THE SECRETARY.—Such resolution may be appealed by an interested party to the Secretary within 30 days after the State educational agency resolves the complaint or fails to resolve the complaint within a reasonable period of time. Such appeal shall be accompanied by a copy of the State educational agency's resolution, and a complete statement of the reasons supporting the appeal. The Secretary shall investigate and resolve each such appeal within 120 days after receipt of the appeal.

''SEC. 9506. BY-PASS DETERMINATION PROCESS.

''(a) REVIEW.—(1)(A) The Secretary shall not take any final action under section 9504 until the agency or consortium affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

''(B) Pending final resolution of any investigation or complaint that could result in a determination under this section, the Secretary may withhold from the allocation of

the affected State or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of those services.

''(2)(A) If such affected agency or consortium is dissatisfied with the Secretary's final action after a proceeding under paragraph (1), it may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action.

''(B) A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary.

''(C) The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based this action, as provided in section 2112 of title 28, United States Code.

''(3)(A) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings.

''(B) Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

''(4)(A) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part.

''(B) The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

''(b) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines, in consultation with such agency or consortium and representatives of the affected private school children, teachers, or other educational personnel that there will no longer be any failure or inability on the part of such agency or consortium to meet the applicable requirements of section 9503 or any other provision of this Act.

''(c) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allocation or allocations under this Act.

''(d) PRIOR DETERMINATION.—Any by-pass determination by the Secretary under this Act as in effect on the day before enactment of the Improving America's

Schools Act of 1994 shall remain in effect to the extent the Secretary determines that it is consistent with the purpose of this section.

''SEC. 9507. PROHIBITION AGAINST FUNDS FOR RELIGIOUS WORSHIP OR INSTRUCTION.

''Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction.''.

''PART F—GUN POSSESSION

''SEC. 9601. POLICY FOR GUN POSSESSION.

''(a) IN GENERAL.—Each local educational agency which receives assistance under this Act shall have a policy that addresses student possession and use of a gun on school property.

''(b) POLICY CONTENT.—The content of such policy may include—

''(1) punishment requirements for possession and use of a gun on school property, including expulsion and suspension;

''(2) alternative placement for an individual who violates the policy;

''(3) educational services for a student expelled from school for violation of the policy; and

''(4) opportunities for a hearing to address expulsion or suspension decisions for violation of the policy.

''TITLE X—COORDINATED SERVICES PROJECTS

''SEC. 10001. FINDINGS AND PURPOSE.

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

''(1) Growing numbers of children are negatively affected by influences outside of the classroom which increase their risk of academic failure.

''(2) Factors such as poor nutrition, unsafe living conditions, physical and sexual abuse, family and gang violence, inadequate health care, unemployment, lack of child care and substance abuse adversely affect family relationships and the ability of a child to learn.

''(3) Parents and other caregivers in today's high pressure society often face demands which place restraints on their time and affect their ability to adequately provide for the needs of their families.

''(4) Access to health and social service programs can address the basic physical and emotional needs of children so that they can fully participate in the learning experiences offered them in school.

''(5) Services for at-risk students need to be more convenient, less fragmented, regulated and duplicative in order to meet the needs of children and their families.

''(6) School personnel, parents, and support service providers often lack knowledge of, and access to, available services for at-risk students and their families in the community, and have few resources to coordinate services and make them accessible.

''(7) Service providers, such as teachers, social workers, health care and child care providers, juvenile justice workers and others, are often trained in separate disciplines that provide little support for the coordination of services.

''(8) Coordination of services is more cost effective because it substitutes prevention for expensive crisis intervention.

''(9) Coordinating health and social services with education can help the Nation meet the National Education Goals by ensuring better outcomes for children.

''(b) PURPOSE OF COORDINATING SERVICES.—The purpose of this section is to provide elementary and secondary school students and their families better access to the social, health and education services necessary for students

to succeed in school and for their families to take an active role in ensuring that children receive the best possible education.

''SEC. 10002. DEFINITIONS.

''(a) The term 'coordinated services project' refers to a comprehensive approach to meeting the educational, health, social service, and other needs of children and their families, including foster children and their foster families, through a communitywide partnership that links public and private agencies providing such services or access to such services through a coordination site at or near a school.

''(b) An 'eligible entity' is a local educational agency, individual school, or consortium of schools.

''SEC. 10003. PROJECT DEVELOPMENT AND IMPLEMENTATION.

''(a) PROJECT PLANS.—Eligible entities exercising their authority under section 9206(b) shall submit to the Secretary an application for the development of a plan or a plan for the implementation of a coordinated services project.

''(b) PROJECT DEVELOPMENT.—The application for the development of the coordinated services project, which can last for up to one year, shall:

''(1) demonstrate that an assessment will be performed of the economic, social, and health barriers to

educational achievement experienced by children and families, including foster children and their foster families, in the community, and the local, State, federal, and privately funded services available to meet such needs;

''(2) identify the measures that will be taken to establish a communitywide partnership that links public and private agencies providing services to children and families; and

''(3) identify any other measures that will be taken to develop a comprehensive plan for the implementation of a coordinated services project or projects.

''(c) PROJECT IMPLEMENTATION.—Eligible entities shall submit to the Secretary a plan for the implementation or expansion of a coordinated services project. Such plan shall include—

''(1) the results of a children and families needs assessment, which will include an assessment of the needs of foster children;

''(2) the membership of the coordinated services project partnership;

''(3) a description of the proposed coordinated services project, its objectives, where it will be located,

and the staff that will be used to carry out the purposes of the project;

''(4) a description of how the success of the coordinated services project will be evaluated;

''(5) a description of the training to be provided to teachers and appropriate personnel; and

''(6) information regarding whether or not a sliding scale fee for services will be employed, and if not, an explanation of why such scale is not feasible.

''SEC. 10004. USES OF FUNDS.

''(a) Funds utilized under the authority of section 9206(b) may be used for activities under this title which include—

''(1) hiring a services coordinator;

''(2) making minor renovations to existing buildings;

''(3) purchasing basic operating equipment;

''(4) improving communications and information-sharing between members of the coordinated services project partnership;

''(5) providing training to teachers and appropriate personnel concerning their role in a coordinated services project; and

''(6) conducting the needs assessment required in section 10003(b)(1).

''(b) Projects operating under the authority of this title shall comply with the requirements of Sec. 1121(b).

''SEC. 10005. CONTINUING AUTHORITY.

''The Secretary shall not approve the plan of any project which fails to demonstrate that it is achieving effective coordination after 2 years of implementation.

''SEC. 10006. FEDERAL AGENCY COORDINATION.

''(a) AGENCY COORDINATION.—The Secretaries of Education, Health and Human Services, Labor, Housing and Urban Development, Treasury, and Agriculture, and the Attorney General shall review the programs administered by their agencies to identify barriers to service coordination.

''(b) REPORT TO CONGRESS.—Such Secretaries and the Attorney General shall submit jointly a report to the Congress not later than 2 years after the date of the enactment of the Improving America's Schools Act, based on the review required under paragraph (a) recommending legislative and regulatory action to address such barriers, and during this time, shall use waiver authorities authorized under this and other Acts.

''TITLE XI—SCHOOL FACILITIES IMPROVEMENT ACT

''SEC. 11001. FINDINGS.

''The Congress finds the following:

''(1) According to a 1991 survey conducted by the American Association of School Administrators, 74 percent of all public school buildings in the United States need to be replaced.

''(2) Almost one-third of such buildings were built prior to World War II.

''(3) It is estimated that 1 of every 4 public school buildings in the United States is in inadequate condition, and of such buildings, 61 percent need maintenance or major repairs, 43 percent are obsolete, 42 percent contain environmental hazards, 25 percent are overcrowded, and 13 percent are structurally unsound.

''(4) Large numbers of local educational agencies have difficulties securing financing for school facility improvement.

''SEC. 11002. PURPOSE.

''The purpose of this Act is the leverage limited Federal funds to enable local educational agencies to finance the costs associated with the improvement of school facilities within their jurisdiction.

''SEC. 11003. FEDERAL ASSISTANCE IN THE FORM OF LOANS.

''(a) AUTHORITY AND CONDITIONS FOR LOANS.—To assist local educational agencies in the construction, recon-

struction, or renovation of schools, the Secretary may make loans of funds to such agencies for the construction, reconstruction, or renovation of such schools. Such assistance shall only be provided—

''(1) to local educational agencies eligible for grants under section 1124A of part A of title I, schools located on Indian reservations, or local educational agencies eligible for payments under section 8004.

''(2) if the Secretary finds that such constructions will be undertaken in an economical manner, and that any such construction, reconstruction or renovation is not or will not be of elaborate or extravagant design or materials.

''(b) PRIORITIES.—In approving loans under this title, the Secretary shall consider—

''(1) the difficulty of the applicant in securing affordable financing from other sources;

''(2) the threat the condition of the physical plant poses to the safety and well-being of students;

''(3) the demonstrated need for the construction, reconstruction, or renovation as based on the condition of the facility; and

''(4) the age of the facility to be renovated or replaced.

''(c) AMOUNT AND CONDITIONS OF LOANS.—A loan to a local educational agency—

''(1) may be in an amount not exceeding the total development cost of the facility, as determined by the Secretary;

''(2) shall be secured in such manner and be repaid within such period, not exceeding 50 years, as may be determined by the Secretary; and

''(3) shall bear interest at a rate determined by the Secretary which shall be the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury minus 1 and one quarter per cent each year.

''SEC. 11004. GENERAL PROVISIONS.

''(a) BUDGET AND ACCOUNTING.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, shall—

''(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by chapter 91 of title 31, United States Code; and

''(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of chapter 35 of title 31, United

States Code, but such financial transactions of the Secretary, as the making of loans and vouchers approved by the Secretary, in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

''(b) USE OF FUNDS.—Funds made available to the Secretary pursuant to the provisions of this part shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Secretary in connection with the performance of functions under this part, and all funds available for carrying out the functions of the Secretary under this part (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Secretary in connection with the performance of such functions.

''(c) LEGAL POWERS.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, may—

''(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this part;

''(2) sue and be sued;

''(3) foreclose on any property or commence any action to protect or enforce any right conferred upon the Secretary by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which the Secretary has made a loan pursuant to this part;

''(4) in the event of any such acquisition, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, but any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

''(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as the Secretary may fix;

''(6) obtain insurance against loss in connection with property and other assets held; and

''(7) include in any contract or instrument made pursuant to this part such other covenants, condi-

tions, or provisions as may be necessary to assure that the purposes of this part will be achieved.

''(d) CONTRACTS FOR SUPPLIES OR SERVICES.—Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this part if the amount of such contract does not exceed $1,000.

''(e) APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.—The provisions of section 9107(a) of title 31, United States Code, which are applicable to corporations or agencies subject to chapter 91 of such title, shall also be applicable to the activities of the Secretary under this part.

''(f) WAGE RATES.—The Secretary shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors on any project assisted under this part—

''(1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended; and

''(2) shall be employed not more than 40 hours in any one week unless the employee receives wages

for the employee's employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which the employee is employed,

but the Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.

''(g) LIMITATIONS.—(1) No loan shall be made under this part to any local educational agency until 5 years after the date on which a previous loan to that agency was made under this part, unless the loan is intended to be used to construct or reconstruct a facility damaged as a result of a national disaster, as declared by the President.

''(2) Not more than 12.5 percent of the amount of the funds provided for in this part in the form of loans annually shall be made available to educational institutions within any one State.

''SEC. 11005. DEFINITIONS.

''The term 'school' is defined as structures suitable for use as classrooms, laboratories, libraries, and related facili-

ties, the primary purpose of which is the instruction of elementary and secondary school students.

''SEC. 11006. AUTHORIZATION.

''There are authorized to be appropriated to carry out this title, $200,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

''TITLE XII—URBAN AND RURAL EDUCATION ASSISTANCE

''PART A—URBAN EDUCATION DEMONSTRATION GRANTS

''SEC. 12000. AUTHORIZATION OF APPROPRIATIONS.

''(a) DEMONSTRATION GRANTS.—(1) There is authorized to be appropriated $200,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 through 1999 to carry out the provisions of sections 12003 and 12103.

''(2) 50 percent of the amount appropriated under paragraph (1) shall be reserved and made available only for the purposes of section 12103. If the amount reserved for any fiscal year for section 12103 is less than $50,000,000, the Secretary shall grant awards on a competitive basis to local educational agencies serving rural areas, making such that there is an equitable geographic distribution of such awards. If the amount reserved for any

fiscal year for section 12103 exceeds $50,000,000, the Secretary shall grant awards in such a manner that a local educational agency serving rural areas in each State receives such an award.

''(3) 50 percent of the amount appropriated under paragraph (1) shall be reserved and made available only for the purposes of section 12003.

''(b) HIGHER EDUCATION AND RESEARCH GRANTS.—(1) There are authorized to be appropriated $50,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 through 1999 to carry out the provisions of sections 12004 and 12104.

''(2) 50 percent of the amount appropriated under paragraph (1) shall be reserved and made available only for the purposes of section 12004.

''(3) 50 percent of the amount appropriated under paragraph (1) shall be reserved and made available only for the purposes of section 12104.

(c) COMMISSIONS.—''There are authorized to be appropriated for fiscal years 1995, 1996, and 1997 such sums as may be necessary to carry out the provisions of sections 12006 and 12105. Amounts appropriated pursuant to this authority shall remain available until expended.

''(d) EVALUATION.—There are authorized to be appropriated for each of the fiscal years 1995 through 1999 such

sums as may be necessary to carry out the provisions of section 12005.

''SEC. 12001. FINDINGS.

''The Congress finds that—

''(1) the ability of the Nation's major urban school systems to meet the Nation's educational goals will determine the country's economic competitiveness and academic standing in the world community;

''(2) the quality of public education in the Nation's major urban areas has a direct effect on the economic development of the Nation's inner cities;

''(3) the success of urban schools in boosting the achievement of its minority youth attending such schools will determine the ability of the Nation to close the gap between the 'haves and have-nots' in society;

''(4) the cost to America's businesses to provide remedial education to high school graduates is approximately $21,000,000,000 per year;

''(5) approximately ⅓ of the Nation's work force will be minority by the year 2000;

''(6) urban schools enroll a disproportionately large share of the Nation's poor and 'at-risk' youth;

''(7) urban schools enroll approximately ⅓ of Nation's poor, 40 percent of the Nation's African

American children, and 30 percent of the Nation's Hispanic youth;

''(8) nearly 20 percent of the Nation's limited English proficient children and 15 percent of the Nation's disabled youth are enrolled in urban schools;

''(9) the academic performance of students in the average inner-city public school system is below that of students in most other kinds of school systems;

''(10) urban schools systems have higher dropout rates, more problems with health care and less parental participation than other kinds of school systems;

''(11) urban preschoolers have one-half the access to early childhood development programs as do other children;

''(12) shortages of teachers in urban school systems are 2.5 times greater than such shortages in other kinds of school systems;

''(13) declining numbers of urban minority high school graduates are pursuing postsecondary educational opportunities;

''(14) urban schools systems have greater problems with teen pregnancy, discipline, drug abuse and gangs than do other kinds of school systems;

''(15) 75 percent of urban school buildings are over 25 years old, 33 percent of such buildings are

over 50 years old, and such buildings are often in serious disrepair and create poor and demoralizing working and learning conditions;

''(16) solving the challenges facing our Nation's urban schools will require the concerted and collaborative efforts of all levels of government and all sectors of the community;

''(17) State and Federal funding or urban schools has not adequately reflected need; and

''(18) Federal funding that is well targeted, flexible and accountable would contribute significantly to addressing the comprehensive needs of inner-city schools.

''SEC. 12002. STATEMENT OF PURPOSE.

''It is the purpose of this Act to provide financial assistance to—

''(1) assist urban schools in meeting national education goals;

''(2) improve the educational and social well being of urban public school children;

''(3) close the achievement gap between urban and nonurban school children, while improving the achievement level of all children nationally;

''(4) renovate and repair urban school buildings and facilities;

''(5) conduct coordinated research on urban education problems, solutions and promising practices;

''(6) improve the Nation's global economic and educational competitiveness by improving the country's urban schools;

''(7) encourage community, parental and business collaboration in the improvement or urban schools; and

''(8) review regulations whose simplification might improve the achievement of urban school children.

''SEC. 12003. URBAN EDUCATION DEMONSTRATION GRANTS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to eligible local educational agencies serving an urban area or State educational agencies in the case where the State educational agency is the local educational agency for activities designed to assist in local school improvement efforts and school reform, and to assist the schools of such agencies in meeting the National Education Goals.

''(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used to—

''(1) increase academic achievement or urban school children;

''(2) ensure the readiness of urban children for school;

''(3) increase the graduation rates of urban students;

''(4) prepare urban school graduates to enter higher education, pursue careers, and exercise their responsibilities as citizens;

''(5) recruit and retain qualified teachers, particularly minority teachers and teachers specializing in areas of critical shortage;

''(6) provide for ongoing staff development to increase the professional capacities of the teaching staff and the skills of teacher aides and paraprofessionals;

''(7) decrease the use of drugs and alcohol among urban students and to ensure the physical and emotional well-being of such students in a bias-free school environment;

''(8) coordinate and collaborate with parents, the community, the private sector, and with other service providers and programs;

''(9) acquire and improve access to educational technology; and

''(10) assist the schools most in need of services by replicating successful efforts of other urban local

educational agencies and expanding successful programs within the eligible agency.

''(c) GENERAL PROVISIONS.—An eligible local educational agency desiring to receive 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, consistent with this section.

''(d) DEFINITIONS.—Except as otherwise provided, for the purposes of this part—

''(1) CENTRAL CITY.—The term 'central city' has the same meaning as that used by the United States Census Bureau.

''(2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'eligible local educational agency' means a local educational agency which—

''(A) serves the largest central city in a State;

''(B) enrolls more than 30,000 students and serves a central city with a population of at least 200,000 in a metropolitan statistical area; or

''(C) enrolls between 25,000 and 30,000 students and serves a central city with a population of at least 140,000 in a metropolitan statistical area.

''(3) METROPOLITAN STATISTICAL AREA.—The term 'metropolitan statistical area' has the same meaning as that used by the United States Census Bureau.

''SEC. 12004. RESEARCH AND EVALUATION GRANTS.

''The Secretary is authorized to make grants and enter into contracts with eligible local educational agencies, and institutions of higher education jointly with eligible local educational agencies to conduct research and evaluate programs for improving and reforming the Nation's urban schools.

''SEC. 12005. USE OF FUNDS.

''Funds allotted to eligible local educational agencies and institutions of higher education under section 12004 may be used for—

''(1) collaborative and coordinated research and evaluation of educational techniques or approaches used in multiple eligible local educational agencies;

''(2) evaluation of projects assisted under title I;

''(3) collection and dissemination of information on successful projects and approaches assisted under title I;

''(4) design and implementation of extension service programs to allow an eligible local educational agency to provide technical assistance to individual

schools and teachers involved in projects assisted under title I;

''(5) provision of data and information management services to individual schools assisted under title I;

''(6) provision of staff training in schools assisted under title I;

''(7) evaluation of progress made by eligible local educational agencies assisted under this Act in meeting national education goals;

''(8) provision of staff training in test interpretation and use for diagnostic purposes;

''(9) provision of information to parents on test results and test interpretation;

''(10) provision of technology and training in its research and evaluation uses;

''(11) development of assessment tools of students in individualized instruction;

''(12) research on school policies and practices which may be barriers to the success of students in school; and

''(13) development and testing of new multiple, alternative assessments of student progress toward the national education goals which are race and gender

bias-free and sensitive to limited-English proficient and disabled students.

"SEC. 12006. AUGUSTUS F. HAWKINS NATIONAL COMMISSION ON URBAN EDUCATION.

"(a) ESTABLISHMENT.—There is established a National Commission on Urban Education (in this Act referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Commission shall be composed of 12 members as follows:

"(A) 4 of the Members shall be appointed by the President.

"(B) 4 of the Members shall be appointed by the Speaker of the House, including 2 Members of the House, of which 1 shall be from each political party.

"(C) 4 of the members shall be appointed by the President pro tempore of the Senate, including 2 Members of the Senate, of which 1 shall be from each political party.

"(2) CHAIRPERSON.—The Chairperson of the Commission shall be elected by the members of the Commission and shall continue to serve for the duration of the Commission.

''(3) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner as the original appointment.

''(c) DUTIES.—The Commission shall study the following issues:

''(1) DEMOGRAPHIC CHANGES.—Demographic changes in student enrollment and classroom teachers in the 10-year period prior to the date of enactment of this Act.

''(2) SPECIAL NEEDS.—Numbers and types of special needs of students in urban schools.

''(3) UNSERVED OR UNDERSERVED STUDENTS.—Number of unserved or underserved students in urban schools eligible for assistance under the Head Start Act, chapter 1 of title 1 of the Elementary and Secondary Education Act of 1965, School Dropout Demonstration Assistance Act of 1988, Drug Free Schools and Communities Act of 1986. Carl D. Perkins Vocational and Applied Technology Education Act, Education of the Handicapped Act and other Federal programs.

''(4) STUDENT PERFORMANCE.—Program and management efforts in urban schools designed to enhance student performance, and reasons for the effectiveness of such efforts.

''(5) FINANCIAL SUPPORT.—Financial support and funding needs of urban schools from local, State, and Federal sources.

''(6) COLLABORATE EFFORTS.—Collaborative efforts and programs between urban schools, the private sector, and community groups.

''(7) SUPPLY NEEDS.—Supply needs for teachers in urban schools in the 10-year period beginning on the date of enactment of this Act.

''(d) REPORTS.—

''(1) IN GENERAL.—The Commission shall submit a report that includes recommendations to the President and to the appropriate committees of the Congress on the findings of the study required by this section. The report shall be submitted as soon as practicable.

''(2) PROPOSAL FOR CHANGES IN FEDERAL LEGISLATION.—The report submitted under this section shall include proposals for changes in Federal legislation.

''(e) STAFF.—Such personnel as the Commission deems necessary may be appointed by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and

subtitle III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate of basic pay for level III of the Executive Schedule.

''(f) COMPENSATION.—

''(1) IN GENERAL.—Members of the Commission who are officers or full-time employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

''(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5702 and 5703 of title 5, United States Code.

''(3) SPECIAL RULE.—Members of the Commission who are not officers or full-time employees of the United States may receive a per diem and travel allowance as is provided by the United States Code for persons in the Government service employed intermittently.

''(g) ADMINISTRATION.—

''(1) IN GENERAL.—The Commission or, on the authorization of the Commission, any committee thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings and site and act at such times and such places within the

United States as the Commission or such committee considers advisable.

''(2) CONSULTATION.—In carrying out its duties under this section, the Commission shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

''(3) INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish that information to the Commission.

''(4) CONTRACTS.—The Commission is authorized to enter into contracts to secure the necessary data and information to conduct its work and to obtain the services of experts and consultants.

''(5) COOPERATION.—The heads of all Federal agencies are, to the extent practicable, directed to cooperate with the Commission in carrying out this section.

''(6) SPECIAL RULE.—The Commission is authorized to utilize, with the consent of such agencies, the services, personnel, information, and facilities of

other Federal, State, local, and private agencies with or without reimbursement.

''(h) TERMINATION.—The Commission shall terminate 3 years after the date of its first meeting.

''SEC. 12007. EVALUATION.

''The Secretary is authorized directly, or through grants or contracts to evaluate the programs and activities funded under this title, broadly disseminate such information to other school districts, and to report the results of such evaluation to the Education and Labor Committee of the House of Representatives and the Labor and Human Resources Committee of the Senate.

''PART B—RURAL EDUCATION DEMONSTRATION GRANTS

''SEC. 12101. FINDINGS.

''The Congress finds that—

''(1) rural schools are essential to national efforts to meet the National Education Goals;

''(2) approximately 60 percent of the Nation's public school districts are rural, with populations of less than 2,500;

''(3) about 1 out of every 4 of America's rural school children are living below the poverty level;

''(4) the quality of public education in rural areas has a direct effect on the economic development of our country's rural communities;

''(5) the academic performance of students in the average rural school system is below that of students in most other suburban school systems;

''(6) the average age of rural public school buildings is more than 45 years old, creating poor and demoralizing working and learning conditions;

''(7) shortages of teachers for rural school systems is greater than in other kinds of school systems;

''(8) solving the challenges facing the Nation's rural schools will require the concerted and collaborative efforts of all levels of government and all sectors of the education community; and

''(9) additional Federal funding would contribute significantly to addressing the comprehensive needs of rural schools.

''SEC. 12102. STATEMENT OF PURPOSE.

''It is the purpose of this part to provide financial assistance to rural schools to encourage innovative school reform programs, the enhanced use of telecommunications technology for learning, and inservice training and teacher recruitment initiatives in cooperation with institutions of

higher education designed to augment local school improvement activities.

''SEC. 12103. RURAL SCHOOL GRANTS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to local education agencies serving rural areas or State educational agencies in the case where the State educational agency is the local educational agency for activities designed to assist in local school improvement efforts.

''(b) AUTHORIZED ACTIVITIES.—Funds under this title may be used to—

''(1) assist rural schools in meeting National Education goals and undertaking local school improvement initiatives;

''(2) develop pilot projects that experiment with innovative ways to teach rural public school children more effectively;

''(3) encourage rural school consortia for the purpose of increasing efficiency and course offerings;

''(4) provide meaningful inservice training opportunities for rural public school teachers; and

''(5) assist rural schools in acquiring and improving access to educational technology, including distance learning technologies.

''(c) GENERAL PROVISIONS.—Each eligible entity desiring a grant under this title shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Awards made by the Secretary shall be of sufficient size and scope to achieve significant rural school improvement.

''SEC. 12104. HIGHER EDUCATION GRANTS.

''(a) GRANTS.—The Secretary is authorized to make grants to institutions of higher education, consortia of such institutions, or partnerships between institutions of higher education and local education agencies to assist rural schools and local education agencies serving rural areas in undertaking local school improvement activities.

''(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used to—

''(1) assist rural schools in meeting National Education Goals;

''(2) assist in the recruitment and training of teachers in rural schools;

''(3) assist rural schools in the development of appropriate innovative school improvement initiatives;

''(4) provide inservice training opportunities for teachers in rural schools; and

''(5) provide technical assistance in the use and installation of innovative telecommunications technology.

''(c) GENERAL PROVISIONS.—Each eligible entity desiring 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.

''SEC. 12105. NATIONAL COMMISSION ON RURAL EDUCATION.

''(a) ESTABLISHMENT.—There is established a National Commission on Rural Education.

''(b) MEMBERSHIP.—The Commission shall be composed of 12 members, 4 of whom shall be appointed by the President of the United States, 4 of whom shall be appointed by the Speaker of the House upon the recommendation of the majority leader and the minority leader, and 4 of whom shall be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader and the minority leader. A majority of the members of the Commission shall be individuals involved in rural education, with at least 2 individuals involved in rural postsecondary education. The Chair of the Commission shall be elected by the President from among his 4 appointees and shall continue to serve during the duration of the Com-

mission. Vacancies in the Commission shall be filled in the same manner as the original appointment.

''(c) STUDIES.—The Commission shall conduct a full and complete study on the State of rural education in America. Included in this analysis should be the impact of demographic changes in rural schools, the special needs of these schools, the current and future teacher needs of these schools, the effectiveness of existing Federal education programs in meeting the needs of these schools, the adequacy of financial support for these schools, and any other issues that the Commission deems to be important and essential for a complete and exhaustive examination of the state and condition of rural schools in America.

''(d) STAFF.—The Commission may appoint such staff as may be necessary by the Chair without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay such staff without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS–18 of the General Schedule.

''(e) COMPENSATION AND EXPENSES.—(1) Members of the Commission who are officers or full-time employees of the United States shall serve without compensation in addi-

tion to that received for their services as officers and employees of the United States. Such members may be allowed travel expenses and per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

''(2) Members of the Commission who are not officers or full-time employees of the United States may each receive per diem and travel allowance as is provided by the United States Code for persons in the Government service employed intermittently.

''(f) ADMINISTRATION.—(1) The Commission may organize itself in whatever manner is most appropriate for the conduct of its activities. It may hold such hearings and act at such time and such places within the United States as it may consider advisable. In carrying out its duties, the Commission may consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

''(2) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this section, and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such infor-

mation, suggestions, estimates, and statistics directly to the Commission, upon request by the Chair.

''(3) The Commission may enter into contracts for the acquisition of information, suggestions, estimates, and statistics for the purpose of this section. The Commission is authorized to obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code, and to set pay in accordance with such section.

''(4) The head of such Federal agency shall, to the extent not prohibited by law, cooperate with the Commission in carrying out this section. The Commission is authorized to utilize, with their consent, the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement.

''(g) FINAL REPORT.—The Commission shall report to Congress its findings not later than 3 years after the date of enactment of this Act. Such report may include legislative recommendations. The Commission may make whatever interim reports to Congress that it deems necessary.''.

TITLE II—AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

PART A—APPLICABILITY OF THE GENERAL EDUCATION PROVISIONS ACT

SEC. 211. TITLE; APPLICABILITY; DEFINITIONS.

Section 400 of the General Education Provisions Act (20 U.S.C. 1221 et seq.; referred to in this title as ''the Act'') is amended to read as follows:

''TITLE; APPLICABILITY; DEFINITIONS

''SEC. 400. (a) This title may be cited as the 'General Education Provisions Act'.

''(b)(1) Except as otherwise provided, this title applies to each applicable program of the Department of Education.

''(2) Except as otherwise provided, this title does not apply to any contract made by the Department of Education.

''(c) As used in this title, the following terms have the following meanings:

''(1) The term 'applicable program' means any program for which the Secretary or the Department has administrative responsibility as provided by law or by delegation of authority pursuant to law. The term includes each program for which the Secretary or the Department has administrative responsibility

under the Department of Education Organization Act or under statutes effective after the effective date of that Act.

''(2) The term 'applicable statute' means—

''(A) the Act or the title, part, section, or any other subdivision of an Act, as the case may be, that authorizes the appropriation for an applicable program;

''(B) this title; and

''(C) any other statute that by its terms expressly controls the administration of an applicable program.

''(3) The term 'Department' means the Department of Education.

''(4) The term 'Secretary' means the Secretary of Education.

''(d) Nothing in this title shall be construed to affect the applicability of title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, title V of the Rehabilitation Act of 1973, the Age Discrimination Act, or other statutes prohibiting discrimination, to any applicable program.''.

SEC. 212. REPEAL AND REDESIGNATION.

(a) The following provisions of the Act are repealed:

(1) Sections 400A, 401, 402, 405, 406, 406A, 406B, 406C, 407, 413, 416, 419, 421, 423, 424, 426A, and 429; and

(2) part D.

(b) Sections 403, 408, 409, 411, 412, 414, 415, 417, 420, 421A, 422, 425, 426, 427, 428, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, and 440 are redesignated as 401, 410, 411, 420, 421, 422, 423, 425, 426, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, and 446 respectively.

(c) Part E is redesignated as part D.

PART B—THE DEPARTMENT OF EDUCATION

SEC. 221. NEW HEADING FOR PART A.

The heading for part A of the Act is amended to read as follows:

''PART A—FUNCTIONS OF THE DEPARTMENT OF EDUCATION''.

SEC. 222. OFFICE OF NON-PUBLIC EDUCATION.

Section 401 of the Act (as redesignated) is amended by—

(1) striking the heading of such section and inserting the following new heading:

''OFFICE OF NON-PUBLIC EDUCATION''.

(2) striking subsections (a), (b), and (c); and

(3) striking ''(d)(1) There'' and inserting ''SEC. 401 (1) There''.

SEC. 223. GENERAL AUTHORITY OF THE SECRETARY.

Section 410 of the Act (as redesignated) is amended to read as follows:

''GENERAL AUTHORITY OF THE SECRETARY

''SEC. 410. The Secretary, in order to carry out functions otherwise vested by law or by delegation of authority pursuant to law, and subject to limitations as may be otherwise imposed by law, is authorized to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of, and governing the applicable programs administered by, the Department.''.

SEC. 224. COORDINATION.

The Act is amended by inserting the following new section 412:

''COORDINATION

''SEC. 412. The Advisory Council on Education Statistics, the National Education Goals Panel, the National Education Statistics and Improvement Council, and any other Board established to analyze, address, or approve standards and assessments shall coordinate and interact with one another in order to ensure that each entity does not duplicate activities to assist States in their efforts to reform their educational systems.''.

PART C—APPROPRIATIONS AND EVALUATIONS

SEC. 230. FORWARD FUNDING.

Section 420 of the Act (as redesignated) is amended to read as follows:

''FORWARD FUNDING

''SEC. 420. (a) To the end of affording the responsible State, local, and Federal officers adequate notice of available Federal financial assistance for carrying out ongoing education activities and projects, appropriations for grants, contracts, or other payments under any applicable program are authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year during which such activities and projects shall be carried out.

''(b) In order to effect a transition to the timing of appropriation action authorized by subsection (a), the application of this section may result in the enactment, in a fiscal year, of separate appropriations for an applicable program (whether in the same appropriations Act or otherwise) for 2 consecutive fiscal years.''.

SEC. 231. AVAILABILITY OF APPROPRIATIONS.

(a) The heading for section 421 of the Act (as redesignated) is amended to read as follows: ''AVAILABILITY OF APPROPRIATIONS ON ACADEMIC OR SCHOOL-YEAR BASIS; ADDITIONAL PERIOD FOR EXPENDITURE OF FUNDS''.

(b) Section 421 of the Act (as redesignated) is further amended—

(1) in subsection (b) by striking ''(b) Notwithstanding'' and inserting ''(b)(1) Notwithstanding''; and

(2) in subsection (c) by striking ''section 3679(d)(2) of the Revised Statutes'' and inserting ''section 1341(a) of title 31 of the United States Code''.

SEC. 232. CONTINGENT EXTENSION OF PROGRAMS.

Section 422 of the Act (as redesignated) is amended to read as follows:

''CONTINGENT EXTENSION OF PROGRAMS

''SEC. 422. (a) The authorization of appropriations for, or duration of, an applicable program shall be automatically extended for one additional fiscal year unless Congress, in the regular session that ends prior to the beginning of the terminal fiscal year of such authorization or duration, has passed legislation that becomes law and extends or repeals the authorization or duration of such program.

''(b) The amount authorized to be appropriated for the period of automatic extension of an applicable program under subsection (a) shall be the amount that was authorized to be appropriated for that program during its terminal fiscal year.

''(c) During the period of automatic extension of an applicable program under subsection (a), the Secretary shall administer such program, including the performance of all required acts and determinations, in the same manner required in the termination fiscal year by the applicable statute.

''(d) This section shall not apply to the authorization of appropriations for a commission, council or committee which is required by an applicable statute to terminate on a date certain.''.

SEC. 233. STATE REPORTS.

Subpart 2 of part B of the Act is amended by inserting the following new section 424 at the beginning of such subpart.

''RESPONSIBILITY OF STATES TO FURNISH INFORMATION

''SEC. 424. (a) Each State educational agency shall submit to the Secretary a report on or before March 15 of every second year. Each such report shall include—

''(1) information with respect to the uses of Federal funds in such State in the 2 preceding fiscal years under any applicable program under the jurisdiction of the State educational agency; and

''(2) information with respect to the uses of Federal funds in such State in the 2 preceding fiscal years under any Federal program administered by

the State that provided grants or contracts to a local educational agency in the State.

''(b) Each report submitted as required by subsection (a) shall—

''(1) list, with respect to each program for which information is provided, all grants made to and contracts entered into with local educational agencies and other public and private agencies and institutions within the State during each fiscal year concerned;

''(2) analyze the information included in the report by local educational agency and by program;

''(3) include the total amount of funds available to the State under each such program for each fiscal year concerned; and

''(4) be made readily available by the State to local educational agencies and institutions within the State and to the public.

''(c) If the Secretary does not receive a report by the date required under subsection (a), or receives an incomplete report, the Secretary, not later than 30 days after such report is required to be submitted, shall take all reasonable measures to obtain the delinquent or incomplete information from the State educational agency.

''(d) When the Secretary receives a report required under subsection (a), the Secretary shall provide such information to the National Center for Education Statistics, and shall make such information available, at a reasonable cost, to any individual who requests it.

''(e) The Secretary shall consult with the Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate regarding the costs and feasibility of making the information described in subsection (a) available as part of a telecommunications network that is readily accessible to every member of Congress and other interested parties.

''(f) On or before August 15th of each year in which reports are submitted under subsection (a), the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Such report shall include—

''(1) an analysis of the content and data quality of such reports;

''(2) a compilation of statistical data derived from such reports; and

''(3) information obtained by the Secretary with respect to—

''(A) direct grants made to local educational agencies by the Federal Government; and

''(B) contracts entered into between such agencies and the Federal Government.''.

SEC. 234. BIENNIAL EVALUATION REPORT.

Section 425 of the Act (as redesignated) is amended to read as follows:

''BIENNIAL EVALUATION REPORT

''SEC. 425. Not later than March 31 of each second year beginning with 1995, the Secretary shall transmit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate an evaluation report on the effectiveness of applicable programs during the two preceding fiscal years in achieving their legislated purposes. Such report shall—

''(1) contain program profiles that include legislative citations, multi-year funding histories, and legislated purposes;

''(2) contain recent evaluation information on the progress being made toward the achievement of program objectives, including listings of program performance indicators, data from performance measurement based on the indicators, evaluation information on the costs and benefits of the applicable programs being evaluated.

''(3) contain selected significant program activities, such as initiatives for program improvement, regulations, and program monitoring and evaluation;

''(4) list the principal analyses and studies supporting the major conclusions in such report; and

''(5) be prepared in concise summary form with necessary detailed data and appendices, including available data to indicate the effectiveness of the programs and projects by the race, sex, disability and age of their beneficiaries.''.

SEC. 235. TECHNICAL AMENDMENT.

(a) Section 423 of the Act (as redesignated) is amended by striking ''Commissioner'' and inserting ''Secretary''.

(b) Section 426 of the Act (as redesignated) is amended by—

(1) striking ''title I of'' and all that follows through ''Congress)'' and inserting ''title VIII of the Elementary and Secondary Education Act of 1965''; and

(2) striking ''subparagraph (C) of section 3(d)(2) or section 403(1)(C)'' and inserting in lieu thereof ''sections 8003(c) or residing on property described in section 8012(4)(B)(ii)''.

SEC. 236. COORDINATION.

The National Assessment Governing Board, the Advisory Council on Statistics, the National Education Goals Panel, the National Education Statistics and Improvement Council, and any other Board established to analyze, address, or approve standards and assessments shall coordinate and interact with one another in order to ensure that each entity does not duplicate activities to assist States in their efforts to reform their educational systems.

PART D—ADMINISTRATION OF EDUCATION PROGRAMS

SEC. 241. JOINT FUNDING OF PROGRAMS.

Section 430 of the Act (as redesignated) is amended to read as follows:

''JOINT FUNDING OF PROGRAMS

''SEC. 430. (a)(1) The Secretary is authorized to enter into arrangements with other Federal agencies to jointly carry out projects of common interest, to transfer to such agencies funds appropriated under any applicable program, and to receive and use funds from such agencies, for projects of common interest.

''(2) Funds so transferred or received shall be used only in accordance with the statutes authorizing the appropriation of such funds, and shall be made available by contract or grant only to recipients eligible to receive such funds under such statutes.

''(3) If the Secretary enters into an agreement under this subsection for the administration of a project, the agency administering the project shall use its procedures to award contracts or grants and to administer such awards, unless the parties to the agreement specify the use of procedures of another agency that is a party to the agreement.

''(4) If the Secretary has entered into an agreement authorized under subsection (a) of this section and the Secretary and the heads of the other agencies participating in the agreement determine that joint funding is necessary to address a special need consistent with the purposes and authorized activities of each program that provides funding, the Secretary and the heads of the other participating agencies may develop a single set of criteria for jointly funded projects and require each applicant for those projects to submit a single application for review by the participating agencies.

''(b) The Secretary may develop the criteria for, and require the submission of, joint applications under two or more applicable programs under which awards are made on a competitive basis, and may jointly review and approve such applications separately from other applications under such programs, when the Secretary determines that such joint awards are necessary to address a special need consistent with the purposes and authorized activities of each such

program. An applicant for such a joint award must meet the eligibility requirements of each such program.

''(c) The Secretary may not construe the provisions of this section to take precedence over a limitation on joint funding contained in an applicable statute.

''(d)(1) The Secretary shall provide notice to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate of each joint funding agreement made with other Federal agencies not later than 60 days following the making of such agreements.

''(2) Such notice shall include—

''(A) a description of the purpose and objectives of the joint funding arrangement;

''(B) the amounts and sources, by program, of the funds dedicated to such arrangement; and

''(C) the criteria developed to govern the award of contracts and grants.''.

SEC. 242. COLLECTION AND DISSEMINATION OF INFORMATION.

Section 431 of the Act (as redesignated) is amended by—

(1) striking ''(a) The Commissioner'' and inserting ''The Secretary'';

(2) inserting ''and'' at the end of paragraph (2);

(3) striking ''; and'' at the end of paragraph (3) and inserting ''.''; and

(4) striking paragraph (4) and subsections (b) and (c).

SEC. 243. REVIEW OF APPLICATIONS.

(a) Section 432 of the Act (as redesignated) is amended—

(1) in subsection (a)—

(A) by striking ''Commissioner'' and inserting ''Secretary'';

(B) by striking ''and in the case of the program provided for in title I of the Elementary and Secondary Education Act of 1965,'';

(C) in the third sentence thereof, by inserting a comma after ''the hearing''; and

(D) in the fourth sentence thereof—

(i) by striking the comma after ''guidelines''; and

(ii) by inserting a comma after ''program'';

(2) in subsection (b), by striking ''Commissioner'' each place it appears and inserting ''Secretary''; and

(3) in subsection (d), by striking ''Commissioner'' each time it appears and inserting ''Sec-

retary'' and by inserting before the period ''or issue such other orders as the Secretary may deem appropriate to achieve such compliance''.

(b) All statistics and other data collection and analysis reported under this section shall, whenever feasible, be collected cross-tabulated, analyzed, and reported by sex within race or ethnicity and socioeconomic status. In the event that the Secretary determines that such statistics or data collection and analysis reveals no significant differences among such categories, the Secretary shall include in the relevant report incorporating such statistics or data an explanation of such determination.

SEC. 244. TECHNICAL AMENDMENT.

Section 434 of the Act (as redesignated) is amended in the first sentence by striking ''the Commissioner'' and ''he'' and inserting ''the Secretary'' in lieu of each.

SEC. 245. USE OF FUNDS WITHHELD.

Section 435 of the Act (as redesignated) is amended to read as follows:

''USE OF FUNDS WITHHELD

''SEC. 435. (a) At any time that the Secretary makes an allotment or reallotment to any State under any applicable program, the Secretary shall reduce such allotment or reallotment by such amount as the Secretary determines such allotment or reallotment would have been reduced, had the data on which the allotment or reallotment is based ex-

cluded all data relating to local educational agencies of the State that, on the date of the Secretary's action, are ineligible to receive the Federal financial assistance involved because of failure to comply with title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975.

''(b) The Secretary may use any funds withheld under subsection (a)—

''(1) to increase the allotments of other local educational agencies within the State, or the allotments of all States, in accordance with the statutes governing the program; or

''(2) for grants to local educational agencies of that State in accordance with section 405 of the Civil Rights Act of 1964, or for any other program administered by the Department that is designed to enhance equity in education or redress discrimination on the basis of race, color, national origin, sex, age, or disability.''.

SEC. 246. APPLICATIONS.

Section 436 of the Act (as redesignated) is amended by striking ''for three fiscal years'' and inserting ''for more than one fiscal year''.

SEC. 247. REGULATIONS.

Section 437 of the Act (as redesignated) is amended—

(1) in the heading by striking '': REQUIREMENTS AND ENFORCEMENT*'';*

(2) in subsection (a) by—

(A) striking, in paragraph (1), ''Commissioner'' and inserting ''Secretary''; and

(B) striking, in paragraph (2), ''Department of Health, Education, and Welfare or the Office of Education, or by an official of such agencies'' and inserting ''Secretary'';

(3) in subsection (b) by—

(A) striking ''Commissioner'' each place it appears and inserting ''Secretary''; and

(B) striking the last sentence of paragraph (2)(B);

(4) in subsection (d) by—

(A) striking, in paragraph (1)—

(i) in the second sentence, ''transmission unless the Congress shall, by concurrent resolution, find that the final regulation is inconsistent with the Act from which it derives its authority, and disapprove such final regulation, in whole or in part'' and insert ''transmission'';

(ii) the last sentence; and

(iii) ''(1)'';

(B) striking paragraph (2);

(5) by striking subsections (e) and (f); and

(6) in subsection (g), by striking ''Commissioner'' each place it appears and inserting ''Secretary''.

SEC. 248. RECORDS; REDUCTION IN RETENTION REQUIREMENTS.

Section 443 of the Act (as redesignated) is amended—

(1) in subsection (a)—

(A) by striking out ''grant, subgrant, contract, subcontract, loan, or other arrangement (other than procurement contracts awarded by an administrative head of an educational agency)'' and inserting in lieu thereof ''grant, subgrant, cooperative agreement, loan or other agreement'';

(B) by inserting ''financial or programmatic'' immediately before ''audit.''; and

(C) by striking ''five'' in the last sentence and inserting ''three''; and

(2) in subsection (b), by striking out ''to any records of a recipient which may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements'' and inserting in lieu

thereof ''to any records currently maintained by a recipient that may be related, or pertinent to, grants, subgrants, cooperative agreements, loans, or other arrangements''.

SEC. 249. RELEASE OF RECORDS.

Section 444(b)(1)(E) of the Act (as redesignated) is amended to read as follows:

''(E) State and local officials or authorities to whom such information is specifically allowed to be reported or disclosed pursuant to State statute adopted—

''(i) before November 19, 1974, if the allowed reporting or disclosure concerns the juvenile justice system and its ability to effectively serve the student whose records are released, or

''(ii) after November 19, 1974, if—

''(I) the allowed reporting or disclosure concerns the juvenile justice system and its ability to effectively serve the student whose records are released, and

''(II) the officials and authorities to whom such information is disclosed certify in writing to the educational agency or institution that the information will not be disclosed to any other party except as pro-

vided under State law without the prior written consent of the parent.''.

SEC. 250. PROTECTION OF PUPIL RIGHTS.

Section 445 of the Act (as redesignated) is amended to read as follows:

''PROTECTION OF PUPIL RIGHTS

''SEC. 445. (a) All instructional materials, including teacher's manuals, films, tapes, or other supplementary material which will be used in connection with any survey, analysis, or evaluation as part of any applicable program shall be available for inspection by the parents or guardians of the children.

''(b) No student shall be required, as part of any applicable program, to submit to a survey, analysis, or evaluation that reveals information concerning—

''(1) political affiliations;

''(2) mental and psychological problems potentially embarrassing to the student or his family;

''(3) sex behavior and attitudes;

''(4) illegal, antisocial, self-incriminating, and demeaning behavior;

''(5) critical appraisals of other individuals with whom respondents have close family relationships;

''(6) legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers; or

''(7) income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program),

without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of an unemancipated minor, without the prior written consent of the parent.

''(c) Educational agencies and institutions shall give parents and students effective notice of their rights under this section.

''(d) The Secretary shall take such action as the Secretary determines appropriate to enforce this section, except that action to terminate assistance provided under an applicable program shall be taken only if the Secretary determines that—

''(1) there has been a failure to comply with such section; and

''(2) compliance with such section cannot be secured by voluntary means.

''(e) The Secretary shall establish or designate an office and review board within the Department of Education to investigate, process, review, and adjudicate violations of the rights established under this section.''.

SEC. 251. ENFORCEMENT.

(a) Section 452 of the Act is amended—

(1) in the first sentence of paragraph (2) of subsection (a), by striking ''stating'' and all that follows through the end of such sentence and inserting ''establishing a prima facia case for the recovery of funds, including an analysis reflecting the value of the program services actually obtained in a determination of harm to the federal interest.'';

(2) in the first sentence of paragraph (1) of subsection (b), by striking ''30'' and inserting ''60''; and

(3) in subsection (d) by—

(A) striking ''(d) Upon'' and inserting ''(d)(1) Upon'';

(B) adding a new paragraph (2) as follows: ''(2) During the conduct of such review, there shall not be any ex parte contact between the Secretary and individuals representing the Department or the recipient.''.

(b) Section 459 of the Act is amended—

(1) in paragraph (1) of subsection (a) by striking '', and that the recipient is in all other respects in compliance with the requirements of that program''; and

(2) subsection (c) is amended to read as follows: ''(c) Notwithstanding any other provisions of law, the funds made available under this section shall remain avail-

able for expenditure for a period of time deemed reasonable by the Secretary, but in no case to exceed more than 3 fiscal years following the later of—

''(1) the fiscal year in which final agency action under section 452(e) is taken; or

''(2) if such recipient files a petition for judicial review, the fiscal year in which final judical action under section 458 is taken.''.

SEC. 252. TECHNICAL AMENDMENTS.

(a) The heading for Part C of the Act is amended by striking ''COMMISSIONER OF EDUCATION'' and inserting ''SECRETARY''.

(b) Section 434 of the Act (as redesignated) is amended in the second sentence thereof, by inserting ''is made'' after ''such determination''.

(c) Section 436 of the Act (as redesignated) is amended by striking ''Commissioner'' each place it appears and inserting ''Secretary''.

(d)(1) The heading of section 440 of the Act (as redesignated) is amended by striking ''EDUCATIONAL''.

(2) Section 440 of the Act (as redesignated) is amended—

(A) by striking ''Commissioner'' each place it appears and inserting ''Secretary''; and

(B) by inserting ''(c)'' before the last sentence and by deleting ''paragraph (3)'' in such sentence and inserting ''subsection (b)(3)''.

(e) Section 441 of the Act (as redesignated) is amended—

(1) by striking ''Commissioner'' each place it appears and inserting ''Secretary''; and

(2) in subsection (a)—

(A) by striking the comma after ''submits a plan''; and

(B) by striking ''(subject, in the case of programs under chapter 1 and chapter 2 of title I of the Elementary and Secondary Education Act of 1965, to the provisions of title V of such Act)''.

(f) Section 442 of the Act (as redesignated) is amended—

(1) in subsection (a), by striking ''that local education agency'' and inserting ''that local educational agency''; and

(2) in subsection (b)—

(A) in paragraph (2), by inserting a comma after ''program'';

(B) in paragraph (4), by striking ''Commissioner'' each place it appears and inserting ''Secretary''; and

(C) in paragraph (7), by striking ''handicapped individuals'' and inserting ''individuals with disabilities''.

(g) Section 444 of the Act (as redesignated) is amended—

(1) in subsection (a)(4)(B)(ii), by striking the period at the end thereof and inserting a semicolon;

(2) in subsection (b)—

(A) in paragraph (1)(C), by striking ''(iii) an administrative head of an education agency (as defined in section 408(c)), or (iv)'' and inserting ''or (iii)'';

(B) in paragraph (1)(H), by striking ''1954'' and inserting ''1986''; and

(C) in paragraph (3)—

(i) by striking ''(C) an administrative head of an education agency or (D)'' and inserting ''or (C)''; and

(ii) by striking ''education program'' and inserting ''education programs'';

(3) in subsection (d), by inserting a comma after ''education'';

(4) in subsection (f)—

(A) by striking ''The Secretary, or an administrative head of an education agency,'' and inserting ''The Secretary'';

(B) by striking ''provisions of'' after ''enforce'';

(C) by striking ''according to the provisions of'' and inserting ''in accordance with''; and

(D) by striking ''the provisions of'' after ''with''; and

(5) in subsection (g)—

(A) by striking ''Health, Education, and Welfare'' and inserting ''Education''; and

(B) by striking ''the provisions of''.

SEC. 253. EQUITY FOR STUDENTS, TEACHERS, AND OTHER PROGRAM BENEFICIARIES.

The Act is further amended by inserting after section 426 (as redesignated) a new section 427 to read as follows:

''EQUITY FOR STUDENTS, TEACHERS, AND OTHER PROGRAM BENEFICIARIES

''SEC. 427. (a) The purpose of this section is to assist the Department in implementing its mission to ensure equal access to education and to promote educational excellence throughout the Nation, by ensuring equal opportunities to participate for all eligible students, teachers, and other program beneficiaries in any project or activity car-

ried out under an applicable program and promoting their ability to meet high standards.

''(b) The Secretary shall require each applicant for assistance under an applicable program (other than an individual) to develop and describe in its application the steps it proposes to take to ensure equitable access to, and equitable participation in, the project or activity to be conducted with such assistance, by addressing the special needs of students, teachers, and other program beneficiaries in order to overcome barriers to equitable participation, including barriers based on gender, race, color, national origin, disability, and age.

''(c) The Secretary may establish criteria and provide technical assistance for meeting the requirements of this section.

''(d) Nothing in this section is intended to alter in any way the rights or responsibilities established under the statutes cited in section 400(d) of this Act.''.

PART E—RELATED AMENDMENTS TO OTHER ACTS

SEC. 261. DEPARTMENT OF EDUCATION ORGANIZATION ACT

The Department of Education Organization Act is amended—

(1) by repealing sections 414 and 427;

(2) by redesignating sections 209, 210, 211, 212, 214, 215, 303, 304, 305, 306, 307, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, and 428 as sections 208, 209, 210, 211, 212, 213, 302, 303, 304, 305, 306, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, and 426;

(3) the table of contents is amended to read as follows:

''TABLE OF CONTENTS

''Sec. 1. Short title; table of contents.

''TITLE I—GENERAL PROVISIONS

''Sec. 101. Findings.
''Sec. 102. Purposes.
''Sec. 103. Federal-State Relationships.
''Sec. 104. Definitions.

''TITLE II—ESTABLISHMENT OF THE DEPARTMENT

''Sec. 201. Establishment.
''Sec. 202. Principal officers.
''Sec. 203. Office for Civil Rights.
''Sec. 204. Office of Elementary and Secondary Education.
''Sec. 205. Office of Postsecondary Education.
''Sec. 206. Office of Vocational and Adult Education.
''Sec. 207. Office of Special Education and Rehabilitative Services.
''Sec. 208. Office of Educational Research and Improvement.
''Sec. 209. Office of Bilingual Education and Minority Languages Affairs.
''Sec. 210. Office of General Counsel.
''Sec. 211. Office of Inspector General.
''Sec. 212. Office of Correctional Education.
''Sec. 213. Federal Interagency Committee on Education.

''TITLE III—TRANSFERS OF AGENCIES AND FUNCTIONS

''Sec. 301. Transfers from the Department of Health, Education, and Welfare.
''Sec. 302. Transfers from the Department of Labor.
''Sec. 303. Transfers of programs from the National Science Foundation.
''Sec. 304. Transfers from the Department of Justice.
''Sec. 305. Transfers from the Department of Housing and Urban Development.
''Sec. 306. Effect of transfers.

''TITLE IV—ADMINISTRATIVE PROVISIONS

''PART A—PERSONNEL PROVISIONS

''Sec. 401. Officers and employees.
''Sec. 402. Experts and consultants.
''Sec. 403. Personnel reduction and annual limitations.

''PART B—GENERAL ADMINISTRATIVE PROVISIONS

''Sec. 411. General authority.
''Sec. 412. Delegation.
''Sec. 413. Reorganization.
''Sec. 414. Contracts.
''Sec. 415. Regional and field offices.
''Sec. 416. Acquisition and maintenance of property.
''Sec. 417. Facilities at remote locations.
''Sec. 418. Use of facilities.
''Sec. 419. Copyrights and patents.
''Sec. 420. Gifts and bequests.
''Sec. 421. Technical advice.
''Sec. 422. Working capital fund.
''Sec. 423. Funds transfer.
''Sec. 424. Seal of department.
''Sec. 425. Annual report.
''Sec. 426. Authorization of appropriations.

''TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

''Sec. 501. Transfer and allocation of appropriations and personnel.
''Sec. 502. Effect on personnel.
''Sec. 503. Agency terminations.
''Sec. 504. Incidental transfers.
''Sec. 505. Savings provisions.
''Sec. 506. Separability.
''Sec. 507. Reference.
''Sec. 508. Amendments.
''Sec. 509. Redesignation.
''Sec. 510. Coordination of programs affecting handicapped individuals.
''Sec. 511. Transition.

''TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

''Sec. 601. Effective date.
''Sec. 602. Interim appointments.''.

(4) in section 202(b), by inserting after paragraph (2) the following:

''(3) There shall be in the Department, a Special Assistant for Gender Equity who shall be appointed by the Secretary. The Special Assistant shall promote, coordinate,

and evaluate gender equity programs, including the dissemination of information, technical assistance, coordination of research activities, and the administration of grant programs. The Special Assistant shall report directly to the Secretary, and shall perform such additional functions as the Secretary shall prescribe.''.

TITLE III—AMENDMENTS TO OTHER ACTS

PART A—AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

SEC. 311. ALLOCATIONS UNDER SECTION 611 OF THE IDEA.

(a) GRANT AMOUNTS.—Section 611(a) of the Individuals with Disabilities Education Act (referred to in this title as the ''IDEA'') is amended—

(1) by amending paragraph (1) to read as follows:

''(1) Except as provided in paragraph (5), the maximum amount of the grant for which a State is eligible under this section for any fiscal year is—

''(A) the sum of—

''(i) the number of children with disabilities in the State, aged six through 21, who are receiving special education and related services, as determined under paragraph (3); and

''(ii) the number of such children in the State, aged three through five, if the State is eligible for a grant under section 619; multiplied by

''(B) 40 percent of the average per-pupil expenditure in public elementary and secondary schools in the United States.'';

(2) by amending paragraph (2) to read as follows:

''(2) For the purpose of this section, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.''; and

(3) in paragraph (5)(A)—

(A) in clause (i)—

(i) by striking ''and the State'' and inserting ''or the combined percentage of such children counted by the Secretary for the purpose of making fiscal year 199— allocations under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as in effect the day before the date of the enactment of the Improving America's Schools Act of 1994, whichever is greater, if the State''; and

(ii) by inserting ''and'' at the end thereof;

(B) in clause (ii)—

(i) by striking ''and the State'' and inserting ''or the combined percentage of such children counted by the Secretary for the purpose of making fiscal year 1994 allocations under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as in effect the day before the date of the enactment of the Improving America's Schools Act of 1994, whichever is greater, if the State''; and

(ii) by striking out the semicolon and ''and'' at the end thereof and inserting in lieu thereof a period; and

(C) by striking out clause (iii).

(b) AMOUNT RECEIVED.—Section 611(b) of the IDEA is amended to read as follows:

''(b)(1) Notwithstanding subsections (a) and (g) of this section, no State shall receive an amount under this section for any of the fiscal years 1995 through 1999 that is less than the combined amount it received for fiscal year 1994 under—

''(A) this section; and

''(B) subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 as in effect the day before the date of the enactment of the Improving America's Schools Act of 1994, for children with disabilities aged three through 21.

''(2) If, for fiscal year 1998 or 1999, the number of children determined under subsection (a)(3) for any State is less than the total number of children with disabilities, aged three through 21, counted for such State's fiscal year 1994 grants under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as in effect the day before the date of the enactment of the Improving America's Schools Act of 1994, the amount determined under paragraph (1) for such State shall be reduced by the same percentage by which the number of such children so declined.

''(3) In any fiscal year in which the amount appropriated for grants under this section is less, in real dollar terms, than the amount appropriated in the immediate preceding fiscal year, the amount for each State under this subsection will be reduced proportionately.''.

(c) USES OF FUNDS.—Section 611(c) of the IDEA is amended—

(1) by amending paragraph (1) to read as follows:

''(1) Of the funds received under subsection (a) by any State for any fiscal year—

''(A) the State may use up to 25 percent in accordance with paragraph (2); and

''(B) except as provided in paragraph (4), the State shall distribute at least 75 percent to local educational agencies and intermediate educational units, in accordance with subsection (d), for use in accordance with priorities established under section 612(3).'';

(2) in paragraph (2), by amending subparagraph (A) to read as follows:

''(A) From the funds that any State may use under paragraph (1)(A) for any fiscal year, the State—

''(i) may use 5 percent of the funds received under this section or $450,000, whichever is greater, for administrative costs related to carrying out sections 612 and 613; and

''(ii) shall use the remainder—

''(I) to provide support services and direct services, subject to subparagraph (B), in accordance with priorities established under section 612(3); and

''(II) for the administrative costs of monitoring and complaint investigation, but only to the extent that such costs exceed the costs of administration incurred during fiscal year 1985.''.

(d) STATE FUNDS.—Section 611(d) of the IDEA is amended to read as follows:

''(d)(1) From the total amount of funds available for any fiscal year under subsection (c)(1)(B), the State shall provide to each local educational agency or intermediate educational unit an amount that bears the same ratio to such total amount as the number of children, aged 3 through 21, determined under subsection (a)(3) for such agency or unit bears to the total number of such children determined for all such agencies and units that apply for such funds.

''(2)(A) To the extent necessary, the State—

''(i) shall use funds available under subsection (c)(2)(A)(ii) to ensure that each State-owned or State-operated school or program or State-supported school or program that received fiscal year 1994 funds under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 receives, from the combination of such funds and funds provided under paragraph (1), an amount equal to—

''(I) the number of children, aged 6 through 21, determined under subsection (a)(3) for such agency; multiplied by

''(II) the per-child amount provided under such subpart for fiscal year 1994; and

''(ii) may use such funds to ensure that each local educational agency that received fiscal year 1994 funds under such subpart for children who had transferred from a State-owned, State-operated, or State-supported school or program assisted under such subpart receives, from the combination of such funds and funds provided under paragraph (1), an amount for each such child, aged 3 through 21, determined under subsection (a)(3) for such agency, equal to the per-child amount the agency received under such subpart for fiscal year 1994.

''(B) For the purpose of subparagraph (A), the number of children determined under subsection (a)(3) for any State agency or local educational agency shall not exceed the number of children aged 3 through 21 for whom such agency received funds under such subpart for such fiscal year.

''(3) In any fiscal year in which the amount appropriated for grants under this section is less, in real dollar terms, than the amount appropriated in the preceding fiscal

year, the amount for each State under this subsection will be reduced proportionately.''.

(e) JURISDICTION.—Section 611(e)(1) of the IDEA is amended to read as follows:

''(1) The jurisdictions to which this subsection applies are Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).''.

(f) POSSIBLE RATABLE REDUCTION.—Section 611(g) of the IDEA is amended to read as follows:

''(g)(1)(A) If the sums appropriated under subsection (h) for any fiscal year are not sufficient to pay in full the total of the amounts that all States are eligible to receive under subsection (a), each such amount shall be ratably reduced.

''(B) If additional funds become available for making such payments for any fiscal year, such reduced amounts shall be increased on the same basis as they were reduced.

''(C) Any State that receives any such additional funds shall distribute them in accordance with this section, except that any State that has used funds available under subsection (c)(2)(A)(ii) for the purposes described in subsection (d)(2) may—

''(i) deduct, from the amount that it would otherwise be required to make available to local educational agencies and intermediate educational units, the same amount of such additional funds as it so used; and

''(ii) use such funds in accordance with subsection (c)(2)(A)(ii).

''(2)(A) In any fiscal year for which payments have been reduced and additional funds have not been made available under paragraph (1) to pay in full the amounts for which all States are eligible under this section, each State educational agency shall fix dates by which each local educational agency or intermediate educational unit shall report to the State agency the amount of funds available to it under this section that it estimates it will expend.

''(B) The State educational agency shall, in accordance with this section, reallocate any funds that it determines will not be used during the period of availability by such local educational agencies and intermediate educational units, and by any such agency or unit to which such funds would be available if it applied for them under this part, to such local educational agencies and intermediate educational units that the State educational agency determines will need, and be able to use, additional funds to carry out approved programs.''.

SEC. 312. TREATMENT OF CHAPTER 1 STATE AGENCIES.

Part B of the IDEA is further amended by inserting after section 614 the following new section:

''TREATMENT OF CHAPTER 1 STATE AGENCIES

''SEC. 614A. (a) For the purpose of making payments under sections 611 and 619 of this Act, any State agency that received funds for fiscal year 1994 under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 shall be treated as if it were a local educational agency.

''(b) The State educational agency shall ensure that each State agency that owns or operates or supports a program or school for children with disabilities with funds under this part—

''(1) provides each child with a disability in such school or program a free appropriate public education in accordance with this part, including the due process protections of section 615, as if it were a local educational agency; and

''(2) has on file with the State educational agency an application that meets the requirements of section 614 that the Secretary finds appropriate.

''(c) Section 611(c)(4) shall not apply with respect to a State agency that is eligible for a payment under this part by virtue of this section.''.

SEC. 313. INFANTS AND TODDLERS WITH DISABILITIES.

(a) ALLOTMENTS.—Section 684(c) of the IDEA is amended—

(1) by redesignating paragraph (2) as paragraph (5); and

(2) by striking paragraph (1) and inserting paragraphs (1) through (4) to read as follows:

''(1) Except as provided in paragraphs (3) and (4), from the funds remaining for each fiscal year after the reservation and payments under subsections (a) and (b), the Secretary shall first allot to each State an amount that bears the same ratio to the amount of such remainder as the number of infants and toddlers in the State bears to the number of infants and toddlers in all States.

''(2) For fiscal year 1995 only, the Secretary shall allot $34,000,000 of the remaining funds described in paragraph (1) among the States in proportion to the relative numbers of infants and toddlers who—

''(A) are counted on December 1, 1994; and

''(B) would have been eligible to be counted under section 1221(c)(1) of the Elementary and Secondary Education Act of 1965 as in effect before the enactment of the Improving America's Schools Act of 1994.

''(3) Except as provided in paragraph (4), no State shall receive an amount under this section for any fiscal year that is less than the greater of—

''(A) one-half of one percent of the remaining amount described in paragraph (1), not including any amounts allotted under paragraph (2); or

''(B) $500,000.

''(4)(A) No State shall receive an amount under this section for any of the fiscal years 1995 through 1999 that is less than the combined amount it received for fiscal year 1994 under—

''(i) this part; and

''(ii) subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 for children with disabilities from birth through age two.

''(B) If, for fiscal year 1998 or 1999, the number of infants and toddlers in any State, as determined under paragraph (1), is less than the number of infants and toddlers so determined for fiscal year 1994, the amount determined under subparagraph (A) for that State shall be reduced by the same percentage by which the number of those infants and toddlers so declined.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect beginning in fiscal year 1995.

PART B—EDUCATION FOR HOMELESS CHILDREN AND YOUTH

SEC. 320. AMENDMENTS TO TABLE OF CONTENTS.

Section 101 of the Stewart B. McKinney Homeless Assistance Act is amended by striking subtitles A and B of title VII and inserting the following:

''Subtitle A—Adult Education for the Homeless

''Sec. 701. State literacy initiatives

''Subtitle B—Education for Homeless Children and Youth

''Sec. 721. Statement of policy.
''Sec. 722. Grants for state and local activities for the education of homeless children and youth.
''Sec. 723. Local educational agency grants for the education of homeless children and youth.
''Sec. 724. Secretarial responsibilities.
''Sec. 725. Definitions.
''Sec. 726. Authorization of appropriations.''.

SEC. 321. STATEMENT OF POLICY.

Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

''Subtitle A—Adult Education for the Homeless

''SEC. 701. STATE LITERACY INITIATIVES.

''(a) GENERAL AUTHORITY.—(1) The Secretary of Education is authorized to make grants to State educational agencies to enable each such agency to implement, either directly or through contracts and grants, a program of literacy training and academic remediation for adult homeless individuals within the State, which program shall—

''(A) include outreach activities; and

''(B) be coordinated with other agencies or organizations, such as community-based organizations, nonprofit literacy-action organizations, and funding recipients under the Adult Education Act, title II of the Job Training Partnership Act, the Youth Fair Chance program under title IV of the Job Training Partnership Act, the Volunteers in Service to America program under the Domestic Volunteers Service Act, part C of this title, or the Job Opportunity and Basic Skills program under the Social Security Act.

''(2) The Secretary of Education shall, in awarding grants under this section, give special consideration to the estimates submitted in the application submitted under subsection (b) and make such awards in whatever amounts he or she determines would best serve the purposes of this section.

''(b) APPLICATION.—Each State educational agency desiring to receive a grant under this section shall submit to the Secretary of Education an application at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall include an estimate of the number of homeless individuals in the State and the number of such individuals expected to be served.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the adult literacy and academic remediation programs authorized by this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1999.

''(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).''.

SEC. 322. EDUCATION FOR HOMELESS CHILDREN AND YOUTH.

Subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

''Subtitle B—Education for Homeless Children and Youth

''SEC. 721. STATEMENT OF POLICY.

''It is the policy of the Congress that—

''(1) each State educational agency shall ensure that each child of a homeless individual and each homeless youth has equal access to the same free, appropriate public education, including a public pre-

school education, as provided to other children and youth;

''(2) in any State that has a compulsory residency requirement as a component of its compulsory school attendance laws or other laws, regulations, practices, or policies that may act as a barrier to the enrollment, attendance, or success in school of homeless children and youth, the State will review and undertake steps to revise such laws, regulations, practices, or policies to ensure that homeless children and youth are afforded the same free, appropriate public education as provided to other children and youth;

''(3) homelessness alone should not be sufficient reason to separate students from the mainstream school environment; and

''(4) homeless children and youth should have access to the education and other services that they need to ensure that they have an opportunity to meet the same challenging State performance standards to which all students are held.

''SEC. 722. GRANTS FOR STATE AND LOCAL ACTIVITIES FOR THE EDUCATION OF HOMELESS CHILDREN AND YOUTH.

''(a) GENERAL AUTHORITY.—The Secretary is, in accordance with the provisions of this section, authorized to

make grants to States to carry out the activities described in subsections (d), (e), (f), and (g).

''(b) APPLICATION.—No State may receive a grant under this section unless the State educational agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

''(c) ALLOCATION AND RESERVATIONS.—(1) Subject to paragraph (2) and section 724(c), from the amounts appropriated for each fiscal year pursuant to section 726, the Secretary is authorized to allot to each State an amount that bears the same ratio to the amount appropriated in each such year as the amount allocated under section 1122 of the Elementary and Secondary Education Act of 1965 to the State in that year bears to the total amount allocated to all States, except that no State shall receive less than $100,000.

''(2)(A) The Secretary is authorized to reserve 0.1 percent of the amount appropriated for each fiscal year pursuant to section 726 to be allocated by the Secretary among the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau), according to their respective need, as determined by the Secretary.

''(B)(i) The Secretary is authorized to transfer one percent of the amount appropriated for each fiscal year under section 726 to the Department of the Interior for programs for Indian students served by schools funded by the Secretary of the Interior, as determined under the Indian Self-Determination and Education Assistance Act, that are consistent with the purposes of this Act.

''(ii) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of this part, for the distribution and use of these funds under terms that the Secretary determines best meet the purposes of the covered programs. Such agreement shall set forth the plans of the Secretary of the Interior for the use of the amounts transferred, including appropriate goals, objectives, and milestones.

''(3) As used in this subsection, the term 'State' shall not include the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or Palau.

''(d) ACTIVITIES.—Grants under this section shall be used—

''(1) to carry out the policies set forth in section 721 in the State;

''(2) to provide activities for, and services to, homeless children, including preschool-aged children,

and homeless youth that enable such children and youth to enroll in, attend, and succeed in school, or, if appropriate, in preschool programs;

''(3) to establish or designate an Office of Coordinator of Education of Homeless Children and Youth in the State educational agency in accordance with subsection (f);

''(4) to prepare and carry out the State plan described in subsection (g); and

''(5) to develop and implement professional development programs for school personnel to heighten their awareness of, and capacity to respond to, specific problems in the education of homeless children and youth.

''(e) STATE AND LOCAL GRANTS.—(1)(A) Subject to subparagraph (B), if the amount allotted to the State educational agency for any fiscal year under this subtitle exceeds the amount such agency received for fiscal year 1990 under this subtitle, such agency shall provide grants to local educational agencies for purposes of section 723.

''(B) The State educational agency may reserve not more than the greater of five percent of the amount it receives under this subtitle for any fiscal year, or the amount such agency received under this subtitle for fiscal year 1990,

to conduct activities under subsection (f) directly or through grants or contracts.

''(2) If the amount allotted to a State educational agency for any fiscal year under this subtitle is less than the amount such agency received for fiscal year 1990 under this subtitle, such agency, at its discretion, may provide such grants or may conduct activities under subsection (f) directly or through grants or contracts.

''(f) FUNCTIONS OF THE OFFICE OF COORDINATOR.—The Coordinator of Education of Homeless Children and Youth established in each State shall—

''(1) estimate the number of homeless children and youth in the State and the number of such children and youth served with assistance provided under the grants under this subtitle;

''(2) gather, to the extent possible, reliable, valid, and comprehensive information on the nature and extent of the problems homeless children and youth have in gaining access to public preschool programs and to public elementary and secondary schools, the difficulties in identifying the special needs of such children and youth, any progress made by the State educational agency and local educational agencies in the State in addressing such problems and difficulties, and the success of the program under this subtitle in

allowing homeless children and youth to enroll in, attend, and succeed in school;

''(3) develop and carry out the State plan described in subsection (g);

''(4) prepare and submit to the Secretary not later than October 1, 1997, and on October 1 of every third year thereafter, a report on the information gathered pursuant to paragraphs (1) and (2) and such additional information as the Secretary may require to carry out responsibilities under this subtitle;

''(5) facilitate coordination between the State educational agency, the State social services agency, and other agencies providing services to homeless children and youth and their families, including children who are preschool age; and

''(6) develop relationships and coordinate with other relevant education, child development, or preschool programs and providers of services to homeless children, homeless families, and runaway and homeless youth (including domestic violence agencies, shelter operators, transitional housing facilities, runaway and homeless youth centers, and transitional living programs for homeless youth), to improve the provision of comprehensive services to homeless children and youth and their families.

''(g) STATE PLAN.—(1) Each State shall submit to the Secretary a plan to provide for the education of homeless children and youth within the State, which plan shall describe how such children and youth are or will be given the opportunity to meet the same challenging State performance standards all students are expected to meet, shall describe the procedures the State educational agency will use to identify such children and youth in the State and to assess their special needs, and shall—

''(A) describe procedures for the prompt resolution of disputes regarding the educational placement of homeless children and youth;

''(B) describe programs for school personnel (including principals, attendance officers, teachers and enrollment personnel), to heighten the awareness of such personnel of the specific needs of runaway and homeless youth;

''(C) describe procedures that ensure that homeless children and youth who meet the relevant eligibility criteria are able to participate in Federal, State, or local food programs;

''(D) describe procedures that ensure that—

''(i) homeless children have equal access to the same public preschool programs, adminis-

tered by the State agency, as provided to other children; and

''(ii) homeless children and youth who meet the relevant eligibility criteria are able to participate in Federal, State, or local before- and after-school care programs;

''(E) address problems set forth in the report provided to the Secretary under subsection (f)(4);

''(F) address other problems with respect to the education of homeless children and youth, including problems caused by—

''(i) transportation issues; and

''(ii) enrollment delays that are caused by—

''(I) immunization requirements;

''(II) residency requirements;

''(III) lack of birth certificates, school records, or other documentation; or

''(IV) guardianship issues;

''(G) demonstrate that the State and local educational agencies in the State have developed, and will review and revise, policies to remove barriers to the enrollment and retention of homeless children and youth in schools in the State; and

''(H) contain an assurance that the State educational agency and local educational agencies in the

State will adopt policies and practices to ensure that homeless children and youth are not isolated or stigmatized.

''(2) Each plan adopted under this subsection shall also show how the State will ensure that local educational agencies in the State will comply with the requirements of paragraphs (3) through (9).

''(3)(A) The local educational agency that serves each homeless child and youth shall, according to the child's or youth's best interest, either—

''(i) continue the child's or youth's education in the school of origin—

''(I) for the remainder of the academic year; or

''(II) in any case in which a family becomes homeless between academic years, for the following academic year; or

''(ii) enroll the child or youth in any public school that nonhomeless students who live in the attendance area in which the child or youth is actually living are eligible to attend.

''(B) In determining the best interests of the child or youth under subparagraph (A), the local educational agency shall comply, to the extent possible, with the request made by a parent or guardian regarding school selection.

''(C) For purposes of this paragraph, the term 'school of origin' means the school that the child or youth attended when permanently housed, or the school in which the child or youth was last enrolled.

''(D) The choice regarding placement shall be made regardless of whether the child or youth lives with the homeless parents or has been temporarily placed elsewhere by the parents.

''(4) Each homeless child or youth shall be provided services comparable to services offered to other students in the school selected according to the provisions of paragraph (3), including—

''(A) transportation services;

''(B) educational services for which the child or youth meets the eligibility criteria, such as services provided under title I of the Elementary and Secondary Education Act of 1965 or similar State or local programs, educational programs for children with disabilities, and educational programs for students with limited-English proficiency;

''(C) programs in vocational education;

''(D) programs for gifted and talented students; and

''(E) school meals programs.

''(5) Any record ordinarily kept by the school, including immunization records, academic records, birth certificates, guardianship records, and evaluations for special services or programs, of each homeless child or youth shall be maintained—

''(A) so that the records are available, in a timely fashion, when a child or youth enters a new school district; and

''(B) in a manner consistent with section 438 of the General Education Provisions Act.

''(6) Each local educational agency serving homeless children and youth that receives assistance under this subtitle shall coordinate with local social services agencies and other agencies or programs providing services to such children or youth and their families, including services and programs funded under the Runaway and Homeless Youth Act.

''(7)(A) Each local educational agency in a State that receives a grant under this subtitle shall designate a homelessness liaison to ensure that—

''(i) homeless children and youth enroll and succeed in the schools of such agency; and

''(ii) homeless families, children, and youth receive educational services for which they are eligible, including preschool programs administered by the

local educational agency, and referrals to health care services, dental services, mental health services, and other appropriate services.

''(B) State coordinators and local educational agencies shall inform school personnel, service providers, and advocates working with homeless families of the duties of the liaisons.

''(8) Each State and local educational agency shall review and revise any policies that may act as barriers to the enrollment of homeless children and youth in schools selected in accordance with paragraph (3). In reviewing and revising such policies, consideration shall be given to issues concerning transportation, immunization, residency, birth certificates, school records, and other documentation, and guardianship. Special attention shall be given to ensuring the enrollment and attendance of homeless children and youth who are not currently attending school.

''SEC. 723. LOCAL EDUCATIONAL AGENCY GRANTS FOR THE EDUCATION OF HOMELESS CHILDREN AND YOUTH.

''(a) GENERAL AUTHORITY.—(1) The State educational agency shall, in accordance with section 722(e) and with amounts made available to such agency under section 726, make grants to local educational agencies for the

purpose of facilitating the enrollment, attendance, and success in school of homeless children and youth.

''(2) Unless otherwise specified, services under paragraph (1) may be provided through programs on school grounds or at other facilities. Where services are provided through programs to homeless students on school grounds, schools may provide services to other children and youth who are determined by the local educational agency to be at risk of failing in, or dropping out of, schools, on an incidental basis. To the maximum extent practicable, services shall be provided through existing programs and mechanisms that integrate homeless individuals with nonhomeless individuals.

''(3) Services provided under this section are not intended to replace the regular academic program and shall be designed to expand upon or improve services provided as part of the school's regular academic program.

''(b) APPLICATION.—A local educational agency that desires to receive a grant under this section shall submit an application to the State educational agency at such time, in such manner, and containing or accompanied by such information as the State educational agency may reasonably require according to guidelines issued by the Secretary. Each such application shall include—

''(1) a description of the services and programs for which assistance is sought and the problems to be addressed through the provision of such services and programs;

''(2) an assurance that the local educational agency's combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by such agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year;

''(3) an assurance that the applicant complies with, or will use requested funds to come into compliance with, paragraphs (3) through (9) of section 722(g); and

''(4) a description of policies and procedures that the agency will implement to ensure that activities carried out by the agency will not isolate or stigmatize homeless children and youth.

''(c) AWARDS.—(1) The State educational agency shall, in accordance with section 722(g) and with amounts made available to such agency under section 726, award grants under this section to local educational agencies sub-

mitting an application under subsection (b) on the basis of the need of such agencies.

''(2) In determining need under paragraph (1), the State educational agency may consider the number of homeless children and youth enrolled in preschool, elementary, and secondary schools within the area served by the agency, and shall consider the needs of such children and youth and the ability of the agency to meet such needs. Such agency may also consider—

''(A) the extent to which the proposed use of funds would facilitate the enrollment, retention, and educational success of homeless children and youth;

''(B) the extent to which the application reflects coordination with other local and State agencies that serve homeless children and youth, as well as the State plan required by section 722(g);

''(C) the extent to which the applicant exhibits in the application and in current practice a commitment to education for all homeless children and youth; and

''(D) such other criteria as the agency determines appropriate.

''(3) Grants awarded under this section shall be for terms not to exceed three years.

''(d) AUTHORIZED ACTIVITIES.—(1) A local educational agency may use funds awarded under this section for activities to carry out the purpose of this subtitle, including—

''(A) the provision of tutoring and accelerated instruction and enriched educational services that are linked to the achievement of the same challenging standards the State establishes for other children or youth;

''(B) the provision of expedited evaluations of the strengths and needs of homeless children and youth, including needs and eligibility for programs and services (such as educational programs for gifted and talented students, children with disabilities, and students with limited-English proficiency, services provided under title I of the Elementary and Secondary Education Act of 1965 or similar State or local programs, programs in vocational education, and school meals programs);

''(C) professional development and other activities for educators and other school personnel that is designed to heighten the understanding and sensitivity of such personnel to the needs of homeless children and youth, the rights of such children and youth

under this Act, and the specific educational needs of runaway and homeless youth;

''(D) the provision of referral services to homeless children and youth for medical, dental, mental, and other health services;

''(E) the provision of assistance to defray the excess cost of transportation for students pursuant to sections 722(g)(4) or 722(g)(9), not otherwise provided through Federal, State, or local funding, where necessary to enable students to attend the school selected under section 722(g)(3);

''(F) the provision of developmentally appropriate early childhood education programs, not otherwise provided through Federal, State, or local funding, for preschool-aged children;

''(G) the provision of before- and after-school, mentoring, and summer programs for homeless children and youth in which a teacher or other qualified individual provides tutoring, homework assistance, and supervision of educational activities;

''(H) where necessary, the payment of fees and other costs associated with tracking, obtaining, and transferring records necessary to enroll homeless children and youth in school, including birth certificates, immunization records, academic records, guardian-

ship records, and evaluations for special programs or services;

''(I) the provision of education and training to the parents of homeless children and youth about the rights of, and resources available to, such children and youth;

''(J) the development of coordination between schools and agencies providing services to homeless children and youth, including programs funded under the Runaway and Homeless Youth Act;

''(K) the provision of counseling (including violence prevention counseling), social work, and psychological services, and referrals for such services;

''(L) activities to address the particular needs of homeless children and youth that may arise from domestic violence;

''(M) the adaptation of space and purchase of supplies for nonschool facilities made available under subsection (a)(2) to provide services under this subsection;

''(N) the provision of school supplies; and

''(O) the provision of other extraordinary or emergency assistance needed to enable homeless children and youth to attend school.

"SEC. 724. SECRETARIAL RESPONSIBILITIES.

"(a) REVIEW OF PLANS.—In reviewing the State plans submitted by the State educational agencies under section 722(g), the Secretary shall use a peer review process and shall evaluate whether State laws, policies, and practices described in such plans adequately address the problems of homeless children and youth relating to access to education and placement as described in such plans.

"(b) TECHNICAL ASSISTANCE.—The Secretary shall provide support and technical assistance to the State educational agencies to assist such agencies to carry out their responsibilities under this subtitle.

"(c) EVALUATION AND DISSEMINATION.—The Secretary shall conduct evaluation and dissemination activities of programs designed to meet the educational needs of homeless elementary and secondary school students, and may use funds appropriated under section 726 to conduct such activities.

"(d) SUBMISSION AND DISTRIBUTION.—The Secretary shall require applications for grants under this subtitle to be submitted to the Secretary not later than the expiration of the 60-day period beginning on the date that funds are available for purposes of making such grants and shall make such grants not later than the expiration of the 120-day period beginning on such date.

''(e) DETERMINATION BY SECRETARY.—The Secretary, based on the information received from the States and information gathered by the Secretary under subsection (d), shall determine the extent to which State educational agencies are ensuring that each homeless child and homeless youth has access to a free appropriate public education as described in section 721(1).

''(f) REPORTS.—The Secretary shall prepare and submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate on the programs and activities authorized by this subtitle by December 31, 1997, and every third year thereafter.

''SEC. 725. DEFINITIONS.

''For the purpose of this subtitle, unless otherwise stated—

''(1) the term 'Secretary' means the Secretary of Education; and

''(2) the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''SEC. 726. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this subtitle, there are authorized to be appropriate $30,000,000 for fiscal year

1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.''.

PART C—IMPACT AID STATUTES

SEC. 331. AMENDMENTS TO PUBLIC LAW 815.

(a) SECTION 2.—Section 2 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 632) is amended to read as follows:

''SEC. 2. PORTION OF APPROPRIATIONS AVAILABLE FOR PAYMENTS.

''For each fiscal year the Secretary shall distribute the funds appropriated in accordance with section 1 which shall be available for carrying out the provisions of sections 5, 9, 10, and 14. The funds provided under section 1 for the schools serving military dependents and Indian lands shall be divided equally between section 5 and section 14 of this Act. Funds provided under section 5 of this Act shall be divided equally between the priority categories of section 1(a)(1) and 1(a)(2) of this Act.''.

(b) SECTION 3.—Section 3 of such Act (20 U.S.C. 633) is amended to read as follows:

''SEC. 3. ESTABLISHMENT OF PRIORITIES.

''Applications for construction or modification projects provided for under this Act must be filed by June 30 of the fiscal year prior to the year in which funds are first requested. The Secretary shall use the following order of pri-

ority in approving applications under section 5 and funded in accordance with section 1(a)(1) and section 1(a)(2) of this Act. The priority of payment of application under section 1(a)(1) shall be based on the highest percentage of number of children in need of minimum school facilities. The priority of payment of applications under section 1(a)(2) shall be based on the highest percentage of federally connected students eligible for payment. The Secretary shall use the priorities stated in this section in approving applications in the event the funds appropriated under section 1 of this title and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under section 1 have not already been obligated). Only applications meeting the conditions for approval under this Act (other than section 6(b)(2)(C)) shall be considered applications for purposes of the preceding sentence. Such order of priority shall provide that applications payments based upon increases in the number of children residing on, or residing with a parent employed on property which is party of a low-rent housing project assisted under the United States Housing Act of 1937 shall not be approved for any fiscal year until all other applications

under paragraph (2) of subsection (a) of section 5 have been approved for the fiscal year.''.

(c) SECTION 5.—Section 5 of such Act (20 U.S.C. 635) is amended to read as follows:

''SEC. 5. LIMITATION ON TOTAL PAYMENTS TO ANY LOCAL EDUCATIONAL AGENCY.

''(a) Subject to the limitations in subsection (c) the total of the payments to a local educational agency under this Act may not exceed the sum of—

''(1) the estimated increase, since the base year, in the number of children determined with respect to such agency who live on Federal property and have a parent who works on Federal property multiplied by 100 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

''(2) the estimated increase, since the base year, in the number of children determined with respect to such agency who have a parent who lives on or works on Federal property multiplied by 50 percent of such cost;

''(3) In computing for any local educational agency the number of children in an increase under paragraph (1) or (2), the estimated number of chil-

dren described in such paragraph who will be in the membership of the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in average daily membership of the schools of such agency during the base year. However, the base year average daily membership shall be adjusted to exclude the number of children that formed the basis for previous payments on applications approved 30 or more years prior to the close of the increased period for the current application.

''(b) If two of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child, except that, notwithstanding the election of a local educational agency to have paragraph (2) apply to a child instead of paragraph (1), the determination of the maximum amount for such agency under subsection (a) shall be made without regard to such election.

''(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraphs (1), (2), and (3) of subsection (a) unless the increase in children referred to in such paragraph is at least 20, and in the case of paragraphs (1), (2), and (3) of subsection (a), is—

''(1) equal to at least 6 percent of the number of federally connected children who were in the average daily membership of the schools of such agency during the base year, or

''(2) at least 750,

whichever is the lesser.

''(d) Notwithstanding the provisions of subsection (c) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of the Act, the Secretary may waive or reduce the minimum number requirement or any percentage requirement or requirements in subsection (c).

''(e) In determining under this section the total of the payments which may be made to a local educational agency on the basis of any application, the total number of children counted for purposes of paragraph (1) or (2), as the case may be, of subsection (a) may not exceed—

''(1) the number of children whose membership at the close of the increase period for the application is compared with average daily membership in the base period for purposes of that paragraph, provided that the base year average daily membership does not include any children which formed the basis of pay-

ment in the applications approved 30 or more years ago, minus

''(2) the number of such children whose membership at the close of the increase period was compared with membership in the base year for purposes of such paragraph under the last previous application, provided the application was funded within the last 4 years, if any, of the agency on the basis of which any payments have been or may be made to that agency.''.

(d) SECTION 6.—Section 6 of such Act (20 U.S.C. 636) is amended by adding at the end the following new subsection:

''(d) If the application has not been funded within the 3-year period, the local educational agency must recertify their need to have the application remain active.''.

SEC. 332. REPEAL OF PUBLIC LAW 874.

The Act of September 30, 1950 (Public Law 874, 81st Congress; 20 U.S.C. 236 et seq.) is hereby repealed.

PART D—AMENDMENTS TO ADULT EDUCATION ACT

SEC. 335. AMENDMENTS TO ADULT EDUCATION ACT.

(a) Section 342(c)(11) of the Adult Education Act is amended by inserting ''Even Start,'' after ''1963,''.

(b) Section 384(n) is amended by striking ''and 1995'' and inserting ''1995, and 1996''.

PART E—AMENDMENTS TO EDUCATION COUNCIL ACT OF 1991

SEC. 341. FINDINGS.

Section 201 of the Education Council Act of 1991 (hereafter in this Act referred to as the ''Act'') is amended—

(1) by amending paragraph (2) to read as follows:

''(2) the writing problem has been magnified by the rapidly changing student populations in the Nation's schools and the growing number of students who are at risk because of limited-English proficiency;'';

(2) in paragraph (6)—

(A) by inserting ''writing and reading are both fundamental to learning, yet writing has been historically neglected in the schools and colleges, and'' before ''most''; and

(B) by striking the comma before ''have'';

(3) by amending paragraph (10) to read as follows:

''(10) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, literature, performing arts, and foreign languages;'';

(4) by amending paragraph (15) to read as follows:

''(15) each year over 100,000 teachers voluntarily seek training in National Writing Project intensive summer institutes and workshops and school-year in-service programs through one of the 154 regional sites located in 45 States, the Commonwealth of Puerto Rico, and in 4 sites that serve United States teachers teaching in United States dependent and independent schools;'';

(5) by striking paragraph (17);

(6) by redesignating paragraph (18) as paragraph (17);

(7) in paragraph (17) (as redesignated in paragraph (6)), by striking the period at the end thereof and inserting a semicolon; and

(8) by adding at the end the following new paragraphs:

''(18) independent evaluation studies have found the National Writing Project to be highly cost effective compared to other professional development programs for teachers; and

''(19) during 1991, the first year of Federal support for the National Writing Project, the National Writing Project matched the $1,951,975 in Federal

support with $9,485,504 in matching funds from State, local, and other sources.''.

SEC. 342. NATIONAL WRITING PROJECT.

Section 202 of the Act is amended—

(1) in subsection (d)—

(A) in paragraph (3)—

(i) by striking the subparagraph designation ''(A)''; and

(ii) by striking subparagraph (B); and

(B) by striking paragraph (4);

(2) in subsection (e)—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking ''to enable'' and inserting ''to pay the Federal share of the cost of enabling''; and

(B) by adding at the end the following new paragraph:

''(4) FEDERAL SHARE.—For the purpose of this subsection the term 'Federal share' means, with respect to the costs of activities assisted under this subsection, 50 percent of such costs to the elementary or secondary school teacher.'';

(3) by amending subsection (g) to read as follows:

''(g) EVALUATION.—

''(1) IN GENERAL.—The Secretary shall conduct an independent evaluation of the teacher training programs assisted under this section. Such evaluation shall specify the amount of funds expended by the National Writing Project and each contractor receiving assistance under this section. The results of such evaluation shall be made available to the appropriate committees of the Congress.

''(2) FUNDING LIMITATION.—The Secretary shall reserve not more than $150,000 from the total amount appropriated pursuant to the authority of subsection (i) for fiscal year 1994 and the 4 succeeding fiscal years to conduct the evaluation described in paragraph (1).'';

(4) by amending subsection (h) to read as follows:

''(h) RESEARCH AND DEVELOPMENT ACTIVITIES.—

''(1) GRANTS AUTHORIZED.—From amounts appropriated pursuant to the authority of subsection (i)(2), the National Writing Project shall make grants to individuals and institutions of higher education that either have participated in a National Writing Project institute or are institutions designated as National Writing Project sites, to enable such individ-

uals and institutions to conduct research activities involving the teaching of writing.

''(2) APPLICATION REVIEW.—The National Writing Project shall establish and operate a National Review Board that shall consist of—

''(A) leaders in the field of research in writing; and

''(B) such other individuals as the National Writing Project deems necessary.

''(3) DUTIES.—The National Review Board shall—

''(A) review all applications for assistance under this subsection; and

''(B) recommended applications for assistance under this subsection for funding by the National Writing Project.

''(4) JUNIOR RESEARCHER PRIORITY AND FUNDING RULE.—(A) In awarding grants pursuant to paragraph (1), the National Writing Project shall give priority to awarding such grants to junior researchers.

''(B) The National Writing Project shall award not less than 25 percent of the funds received pursuant to subsection (i)(2) to junior researchers.

''(5) AVAILABILITY OF FINDINGS.—The National Writing Project shall make available to the Secretary and to the network of National Writing Project sites the findings of the research conducted pursuant to the authority of paragraph (1).''; and

(5) in subsection (i)—

(A) in paragraph (1)—

(i) by striking ''1991'' and inserting ''1994''; and

(ii) by striking ''fiscal years 1992 and 1993'' and inserting ''each of the 4 succeeding fiscal years''; and

(B) by amending paragraph (2) to read as follows:

''(2) RESEARCH AND DEVELOPMENT.—In each fiscal year in which the amount appropriated pursuant to the authority of paragraph (1) equals or exceeds $10,000,000, there are authorized to be appropriated $500,000 to carry out the provisions of subsection (h).''.

TITLE IV—NATIONAL EDUCATION STATISTICS

SEC. 401. SHORT TITLE.

This title may be cited as the ''National Education Statistics Act of 1994''.

SEC. 402. FINDINGS; PURPOSE; DEFINITIONS.

(a) FINDINGS.—The Congress finds that—

(1) a Department of Education was established in 1867 ''for the purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and territories, and of diffusing such information respecting the organization and management of schools and school systems and methods of teaching as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country'';

(2) today, while the role of the current Department of Education is much broader, the National Center for Education Statistics within the Department's Office of Educational Research and Improvement continues to perform those crucial original purposes; and

(3) looking to the 21st century, the National Center for Education Statistics must be able to design and undertake, effectively and efficiently, statistical activities that will aid in reform of the Nation's educational systems.

(b) PURPOSE.—It is the purpose of this title to ensure the continuation of an effective mechanism for collecting and reporting statistics and information showing the condi-

tion and progress of education in the United States and other nations in order to promote and accelerate the improvement of American education.

(c) DEFINITIONS.—For the purpose of this title, the term—

(1) ''Assistant Secretary'' means the Assistant Secretary for Educational Research and Improvement, provided for under section 202(b)(1)(E) of the Department of Education Organization Act;

(2) ''Department'' means the Department of Education;

(3) ''institution of higher education'' has the same meaning given such term in section 1201 of the Higher Education Act of 1965;

(4) ''local educational agency'' has the same meaning given such term in section 9101(13) of the Elementary and Secondary Education Act of 1965;

(5) ''Secretary'' means the Secretary of Education;

(6) ''State educational agency'' has the same meaning given such term in section 9101(20) of the Elementary and Secondary Education Act of 1965; and

(7) ''United States'' and ''State'' mean—

(A) other than for the purpose of section 411, each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(B) for the purpose of section 411, mean the same as in subparagraph (A) and include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau (until the effective date of the Compact of Free Association with the Government of Palau).

SEC. 403. NATIONAL CENTER FOR EDUCATION STATISTICS.

(a) ESTABLISHMENT.—There is established, within the Office of Educational Research and Improvement established under section 209 of the Department of Education Organization Act, a National Center for Education Statistics (the ''Center'').

(b) COMMISSIONER AND ASSOCIATE COMMISSIONERS.—(1) The Center shall be headed by a Commissioner of Education Statistics (the ''Commissioner'') who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall—

(A) have substantial knowledge of programs encompassed by the Center;

(B) be paid in accordance with section 5315 of title 5, United States Code; and

(C) serve for a term of 4 years, with the terms to expire every fourth June 21, beginning in 1995.

(2) The Commissioner may appoint such Associate Commissioners as the Commissioner determines are necessary and appropriate.

SEC. 404. DUTIES OF THE CENTER.

(a) DUTIES.—The duties of the Center are to collect, analyze, and disseminate statistics and other information related to education in the United States and in other nations, including—

(1) collecting, acquiring, compiling (where appropriate, on a State by State basis), and disseminating full and complete statistics on the condition and progress of education, at the preschool, elementary, secondary, and postsecondary levels in the United States, including data on—

(A) State and local school reform activities;

(B) student achievement and other educational outcomes at all levels of education;

(C) out of school youth and adults;

(D) teachers, administrators, counselors, and other educational personnel at all levels of education;

(E) the learning and teaching environment;

(F) financing and management of education; and

(G) the socioeconomic status of children;

(2) conducting and publishing reports and analyses of the meaning and significance of such statistics;

(3) conducting longitudinal studies, as well as regular and special surveys and data collections, necessary to report on the condition and progress of education;

(4) collecting, analyzing, cross-tabulating, and reporting, to the extent feasible, so as to provide information by gender, race, socioeconomic status, limited-English proficiency, and other population characteristics when such disaggregated information would facilitate educational and policy decisionmaking;

(5) assisting public and private educational agencies, organizations, and institutions in improving and automating statistical and data collection activities; and

(6) acquiring and disseminating data on educational activities and student achievement in the United States compared with foreign nations.

(b) TRAINING PROGRAM.—The Commissioner may establish a program to train employees of public and private

educational agencies, organizations, and institutions in the use of the Center's standard statistical procedures and concepts and may establish a fellows program to appoint such employees as temporary fellows at the Center in order to assist the Center in carrying out its duties.

SEC. 405. PERFORMANCE OF DUTIES.

(a) IN GENERAL.—In carrying out the duties under this title, the Commissioner may enter into grants, contracts, and cooperative agreements.

(b) GATHERING INFORMATION.—(1) The Commissioner may use the statistical method known as sampling to carry out the purpose of this title.

(2) The Commissioner may, as the Commissioner considers appropriate, use information collected—

(A) from States, local educational agencies, public and private schools, preschools, institutions of higher education, libraries, administrators, teachers, students, the general public, and such other individuals, organizations, agencies, and institutions as the Commissioner may consider appropriate; and

(B) by other offices within the Department and by other Federal departments, agencies, and instrumentalities.

(3) The Commissioner may—

(A) enter into interagency agreements for the collection of statistics;

(B) arrange with an agency, organization, or institution for the collection of statistics; and

(C) assign employees of the Center to any such agency, organization, or institution to assist in such collection.

(4) In order to maximize the effectiveness of Federal efforts to serve the educational needs of children and youth, the Commissioner shall—

(A) provide technical assistance to Department offices that gather data for statistical purposes; and

(B) coordinate closely with other Department offices in the collection of data.

SEC. 406. REPORTS.

(a) REPORT ON THE CONDITION AND PROGRESS OF EDUCATION.—The Commissioner shall, no later than June 1 of each year, submit to the President and the Congress a statistical report regarding the condition and progress of education in the United States.

(b) STATISTICAL REPORTS.—The Commissioner shall issue regular statistical reports to the President and Congress on such education topics as the Commissioner determines to be appropriate.

(c) SPECIAL REPORTS.—The Commissioner may, whenever the Commissioner considers it appropriate, issue special reports on particular education topics.

SEC. 407. ADVISORY COUNCIL ON EDUCATION STATISTICS.

(a) ESTABLISHMENT.—There is established, within the Center, the Advisory Council on Education Statistics (referred to in this title as the ''Council'').

(b) MEMBERSHIP.—(1) The Council shall be composed of—

(A) 18 voting members who are users of education data and who are appointed by the Secretary on the basis of their experience and eminence within the field, of whom at least—

(i) 3 shall be practicing educators at the preschool, elementary, or secondary level;

(ii) 3 shall be education policymakers;

(iii) 3 shall be professional statisticians;

(iv) 3 shall be education researchers; and

(v) 3 shall be experts in educational measurement;

(B) 3 individuals representing the general public, appointed by the Secretary;

(C) the Director of the Census and the Commissioner of Labor Statistics, as voting, ex officio members; and

(D) the Assistant Secretary and the Commissioner, as nonvoting, ex officio members.

(2) The Commissioner shall appoint the presiding officer of the Council from among the voting members.

(3) Members of the Council appointed under paragraph (1)(A) shall be appointed for 3-year terms except that, in the case of initial appointments, the Secretary shall make appointments for shorter terms to the extent necessary to avoid the expiration of the terms of more than 6 members in the same calendar year.

(4)(A) The Council shall meet in public session at the call of the presiding officer, except that it shall meet—

(i) at least 2 times during each calendar year; and

(ii) in addition, whenever 10 voting members request in writing that the presiding officer call a meeting.

(B) 11 voting members of the Council shall constitute a quorum.

(5) The Council shall—

(A) review general policies for the operation of the Center and shall advise the Commissioner on standards to ensure that statistics and other information disseminated by the Center are of high quality and are not subject to partisan political influence;

(B) advise the Commissioner on matters related to the National Assessment of Education Progress, including—

(i) the development of student performance goals;

(ii) assessment design and development;

(iii) analysis, reporting, and dissemination of data;

(iv) interstate, regional, and national comparisons of data; and

(v) recommendations for the improvement of such Assessment.

(6) The Council shall appoint a staff to enable the Council to carry out its duties.

SEC. 408. CONFIDENTIALITY.

(a) GENERAL.—(1)(A) The Center shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section.

(B) This section shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies that receive grants from, or have contracts or cooperative agreements with, the Federal Government.

(2) No person may—

(A) use any individually identifiable information furnished under this title for any purpose other than a statistical purpose;

(B) make any publication whereby the data furnished by any particular person under this title can be identified; or

(C) permit anyone other than the individuals authorized by the Commissioner to examine the individual reports.

(b) ADMINISTRATION.—(1)(A) No department, bureau, agency, officer, or employee of the Government, except the Commissioner in carrying out the purposes of this title, shall require, for any reason, copies of reports that have been filed under this title with the Center or retained by any individual respondent.

(B) Copies of such reports that have been so filed or retained with the Center or any of its employees, contractors, or agents shall be immune from legal process, and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(C) This paragraph shall apply only to individually identifiable information (as defined in paragraph (5)(A)).

(2) Whoever, being or having been an employee or staff member of the Department, having taken or subscribed the

oath of office, or having sworn to observe the limitations imposed by subsection (a)(2), knowingly publishes or communicates any individually identifiable information (as defined in paragraph (5)(A)), the disclosure of which is prohibited by subsection (a)(2), and that comes into such individual's possession by reason of employment (or otherwise providing services) under this title, shall be found guilty of a class E felony and imprisoned for not more than 5 years, or fined as specified in 18 U.S.C. 3571, or both.

(3) The Commissioner may utilize temporary staff, including employees of Federal, State, or local agencies or instrumentalities including local educational agencies, and employees of private organizations to assist the Center in performing its responsibilities, but only if such temporary staff are sworn to observe the limitations imposed by this section.

(4) No collection of information or data acquisition activity undertaken by the Center shall be subject to any review, coordination, or approval procedure except as required by the Director of the Office of Management and Budget under the rules and regulations established pursuant to chapter 35 of title 44, United States Code, except such collection of information or data acquisition activity may be subject to review or coordination if the Commis-

sioner determines that such review or coordination would be beneficial.

(5) For the purposes of this section—

(A) the term ''individually identifiable information'' means any record, response form, completed survey, or aggregation thereof from which information about individuals may be revealed; and

(B) the term ''report'' means a response provided by or about an individual to an inquiry from the Center and does not include a statistical aggregation from which individually identifiable information cannot be revealed.

(6) This paragraph shall not apply to—

(A) the survey required by section 1303(c) of the Higher Education Amendments of 1986; or

(B) to any longitudinal study concerning access, choice, persistence progress, or attainment in postsecondary education.

(7) Any person who uses any data provided by the Center, in conjunction with any other information or technique, to identify any individual student, teacher, administrator, or other individual and who knowingly discloses, publishes, or uses for a purpose other than a statistical purpose, or who otherwise violates subsection (a)(2)(A) or (B), shall be found guilty of a class E felony and imprisoned

for not more than 5 years, or fined as specified in section 3571 of title 18 of the United States Code, or both.

(8) Nothing in this section shall restrict the right of the Secretary, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Librarian of Congress to gain access to any reports or other records, including information identifying individuals, in the Center's possession, except that the same restrictions on disclosure that apply to the Center under subsection (b)(1) and (7) shall apply.

SEC. 409. DISSEMINATION.

(a) GENERAL REQUESTS.—(1) The Center may furnish transcripts or copies of tables and other statistical records and make special statistical compilations and surveys for State and local officials, public and private organizations, and individuals.

(2) The Center shall provide State and local educational agencies opportunities to suggest the development of particular compilations of statistics, surveys, and analyses that would assist such educational agencies.

(b) CONGRESSIONAL REQUESTS.—The Center shall furnish such special statistical compilations and surveys as the Congress may request.

(c) JOINT STATISTICAL PROJECTS.—The Secretary may engage in joint statistical projects related to the pur-

poses of this Act or other statistical purposes authorized by law with nonprofit organizations or agencies, and the cost of such projects shall be shared equitably as determined by the Secretary.

(d) FEES.—(1) Statistical compilations and surveys under this section, other than those carried out pursuant to subsections (b) and (c), may be made subject to the payment of the actual or estimated cost of such work.

(2) All funds received in payment for work or services described in this paragraph shall be deposited in a separate account that may be used to pay directly the costs of such work or services, to repay appropriations that initially bore all or part of such costs, or to refund excess sums when necessary.

(e) ACCESS.—(1) The Center shall cooperate with other Federal agencies having a need for educational data in providing access to educational data received by the Center.

(2) The Center shall, in accordance with such terms and conditions as the Secretary may prescribe, provide all interested parties, including public and private agencies and individuals, direct access to data collected by the Center for the purposes of research and acquiring statistical information.

SEC. 410. COOPERATIVE EDUCATION STATISTICS SYSTEMS.

The Commissioner shall establish 1 or more national cooperative education statistics systems for the purpose of producing and maintaining, with the cooperation of the States, comparable and uniform information and data on elementary and secondary education, postsecondary education, and libraries that are useful for policymaking at the Federal, State, and local levels. In carrying out this section, the Commissioner may provide technical assistance and make grants and enter into contracts and cooperative agreements.

SEC. 411. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.

(a) ESTABLISHMENT.—The Commissioner shall, with the advice of the Council established by section 407, carry out, through grants, contracts, or cooperative agreements with 1 or more qualified organizations, or consortia thereof, a National Assessment of Educational Progress (the ''National Assessment'').

(b) PURPOSE; CONTENTS.—(1) The purpose of the National Assessment is to provide a fair and accurate presentation of educational achievement in reading, writing, and other subjects that are included in National Education Goal Three.

(2) The Commissioner, in carrying out the National Assessment, shall use sampling techniques that produce

data that are representative on a national and regional basis and on a State basis pursuant to paragraph (3). In addition, the Commissioner shall—

(A) collect and report data on a periodic basis, but at least once every 2 years, on students at ages 9, 13, and 17 and in grades 4, 8, and 12 in public and private schools;

(B) report achievement data on a basis that ensures valid and reliable trend reporting;

(C) include information on special groups; and

(D) ensure that achievement data are made available on a timely basis following official reporting, in a manner that facilitates further analysis.

(3)(A)(i) The Commissioner, in carrying out the National Assessment, may conduct State assessments of student achievement in grades 4, 8, and 12.

(ii) Each such State assessment, in each subject area and at each grade level shall be conducted on a trial basis.

(B)(i) States wishing to participate in State assessments shall enter into an agreement with the Secretary pursuant to subsection (d)(2).

(ii) Such agreement shall contain information sufficient to give States full information about the process for consensus decisionmaking on objectives to be tested, and of

the standards for sampling, test administration, test security, data collection, validation, and reporting.

(C) A participating State shall review and give permission for the release of results from any test of its students administered as a part of a State assessment prior to the release of such data. Refusal by a State to release its data shall not restrict the release of data from other States that have approved the release of such data.

(4) In carrying out the National Assessment, the Commissioner shall not collect any data that are not directly related to the appraisal of educational performance, achievement, and traditional demographic reporting variables, or to the fair and accurate presentation of such information.

(5) In carrying out the National Assessment, the Commissioner may provide technical assistance to States, localities, and other parties.

(c) ACCESS.—(1) Except as provided in paragraph (2), the public shall have access to all data, questions, and test instruments of the National Assessment.

(2)(A) The Commissioner shall ensure that all personally identifiable information about students, their educational performance, and their families, and that information with respect to individual schools, remains confiden-

tial, in accordance with section 552a of title 5, United States Code.

(B) Notwithstanding any other provision of law, the Commissioner may decline to make available to the public for a period, not to exceed 10 years after initial use, cognitive questions that the Commissioner intends to reuse in the future.

(C)(i) The Commissioner may, upon the request of a State educational agency or a local educational agency, in a limited number of cases and on a trial basis, make National Assessment test instruments available for assessing aggregate student achievement at the local educational agency level.

(ii)(I) Participation by a local educational agency shall be voluntary.

(II) A State requesting the participation of a local educational agency must accompany this request with a statement of full written concurrence by such agency and that such agency is requesting to participate in the local assessment.

(iii) Before receiving such instruments, an agency shall provide the Commissioner with assurances that confidentiality and security requirements and testing protocols, prescribed by the Commissioner, will be complied with in the use of such instruments.

(d) PARTICIPATION.—(1) Participation in the national and regional assessments by State and local educational agencies shall be voluntary.

(2) Participation in assessments made on a State basis shall be voluntary. The Commissioner shall enter into an agreement with any State that desires to carry out an assessment for the State under this subsection. Each such agreement shall contain provisions designed to ensure that the State will—

(A) participate in the assessment; and

(B) pay from non-Federal sources the non-Federal share of participation.

(3)(A) For each fiscal year, the non-Federal share for the purpose of paragraph (2)(B) shall be—

(i) the cost of conducting the assessment at the school level for all public schools in the State sample, including the analysis and reporting of the data;

(ii) the cost of coordination within the State; and

(iii) other reasonable costs specified by the Secretary in the agreement described in paragraph (2).

(B) The non-Federal share of payments under this paragraph may be in cash or in kind, fairly valued.

(C) The agreement described in paragraph (2) shall describe the manner in which, the costs of administering

the assessment to private nonprofit schools included in the State sample may be met.

(4) The implementation of subparagraph (C) of paragraph (2) of subsection (d) shall involve no cost to the Federal Government.

(e) STUDENT PERFORMANCE GOALS.—(1) The Commissioner shall establish appropriate student performance goals for each age and grade in each subject area to be tested under the National Assessment.

(2) The Commissioner, with the advice of the Council, shall establish rigorous standards for the evaluation of such goals.

(3) Such goals shall be—

(A) devised through a national consensus approach, providing for active participation of teachers, curriculum specialists, local school administrators, parents, and concerned members of the general public;

(B) used on a trial basis until the Commissioner determines, through an evaluation under subsection (f), that such goals meet the standards under paragraph (2) and are reasonable, valid, and informative to the public; and

(C) updated as appropriate.

(f) REVIEW OF NATIONAL AND STATE ASSESSMENTS.—(1) The Commissioner shall provide for continu-

ing reviews by the National Academy of Education or the National Academy of Sciences of the National Assessment, State assessments, local educational agency assessments, and student performance goals. Such reviews shall address whether each trial state assessment is properly administered, produces high quality data that is valid and reliable, produces data on student achievement that is not otherwise available to the State exclusive of data comparing participating States to each other and the Nation, and is a cost-effective method of producing the data. The Commissioner shall also carry out evaluation studies by the Center and solicitation of public comment on the conduct and usefulness of the National Assessment. The Commissioner shall report to the Congress, the President, and the Nation on the findings and recommendations of such reviews.

(2) The Commissioner shall consider the findings and recommendations in designing the competition to select the organization, or organizations, through which the Office carries out the National Assessment.

(g) COVERAGE AGREEMENTS.—(1) The Secretary and the Secretary of Defense may enter into an agreement, including such terms as are mutually satisfactory, to include in the National Assessment the defense dependents education system established under the Defense Dependents' Education Act of 1978.

(2) The Secretary and the Secretary of the Interior may enter into an agreement, including such terms as are mutually satisfactory, to include in the National Assessment schools for Indian children operated or supported by the Bureau of Indian Affairs.

SEC. 412. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, $103,200,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

TITLE V—MISCELLANEOUS

SEC. 501. STUDY OF FEDERAL EFFORTS TO ASSIST IN SCHOOL REFORM.

(a)(1) In addition to the national assessment conducted pursuant to title I of the Elementary and Secondary Education Act as amended by this Act, the Secretary of Education shall conduct a comprehensive study of how the Federal Government has assisted the States to reform their educational systems through the various education laws enacted during the 103d Congress.

(2) Such study shall encompass the changes made in Federal programs pursuant to this Act as well as in any other law enacted during this Congress amending a Federal program assisting pre-elementary, elementary, or secondary education. In addition, such study shall encompass new ini-

tiatives enacted into law, such as the Goals 2000: Educate America Act, and the School-to-Work Opportunities Act.

(b)(1) This study shall include a comprehensive review of these laws and programs to determine their overall effect on—

(A) the readiness of children for schooling,

(B) the improvement in educational attainment of students in elementary and secondary education, and

(C) the improvement in skills needed by students to obtain employment upon completion of high school or further education.

(2) This study shall also include a comprehensive review of these programs to determine their overall effect—

(A) on school reform efforts undertaken by States,

(B) on efforts by States to adopt educational standards to improve schooling for all children, to align their curricula, teacher training, and assessments to such standards, and to bring flexibility to the rules governing how education is to be provided, and

(C) on student populations who have been the traditional beneficiaries of Federal assistance to de-

termine whether their educational attainment has been improved through these changes.

(3) This study shall also evaluate how the National Assessment Governing Board, the Advisory Council on Education Statistics, the National Education Goals Panel, the National Education Statistics and Improvement Council and any other Board established to analyze, address, or approve standards and assessments coordinates, interacts, and/or duplicates efforts to assist the States to reform their educational systems.

(4) This study shall also include a review of these laws and programs in such detail as the Secretary deems appropriate and may involve cooperation with other Federal departments and agencies in order to incorporate their evaluations and recommendations.

(c)(1) The Secretary shall appoint an independent panel to review the plan for this study, to advise on its progress, and to comment, if it so wishes, on the final report.

(2) The Secretary shall submit this report by January 1, 1998, to the Committee on Education and Labor of the United States House of Representatives and to the Committee on Labor and Human Resources.

SEC. 502. BUDGET COMPLIANCE.

Any authority to make payments pursuant to the amendments made by this Act shall be effective only to the extent provided in appropriation Acts.

Amend the title so as to read: ''A bill to extend for five years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes.''.

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