

***In the Senate of the United States,***

*August 2, 1996.*

*Resolved*, That the bill from the House of Representatives (H.R. 3269) entitled “An Act to amend the Impact Aid program to provide for a hold-harmless with respect to amounts for payments relating to the Federal acquisition of real property, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. HOLD-HARMLESS AMOUNTS FOR PAYMENTS RE-***  
2 ***LATING TO FEDERAL ACQUISITION OF REAL***  
3 ***PROPERTY.***

4 *Section 8002 of the Elementary and Secondary Edu-*  
5 *cation Act of 1965 (20 U.S.C. 7702) is amended by adding*  
6 *at the end the following new subsections:*

7 “(g) *FORMER DISTRICTS.*—

8 “(1) *IN GENERAL.*—Where the school district of  
9 any local educational agency described in paragraph

1       (2) is formed at any time after 1938 by the consolida-  
2       tion of two or more former school districts, such agen-  
3       cy may elect (at any time such agency files an appli-  
4       cation under section 8005) for any fiscal year after  
5       fiscal year 1994 to have (A) the eligibility of such  
6       local educational agency, and (B) the amount which  
7       such agency shall be eligible to receive, determined  
8       under this section only with respect to such of the  
9       former school districts comprising such consolidated  
10      school districts as such agency shall designate in such  
11      election.

12           “(2) *ELIGIBLE LOCAL EDUCATIONAL AGEN-*  
13      *CIES.—A local educational agency referred to in*  
14      *paragraph (1) is any local educational agency that,*  
15      *for fiscal year 1994 or any preceding fiscal year, ap-*  
16      *plied for and was determined eligible under section*  
17      *2(c) of the Act of September 30, 1950 (Public Law*  
18      *874, 81st Congress) as such section was in effect for*  
19      *such fiscal year.*

20           “(h) *HOLD-HARMLESS AMOUNTS.—*

21           “(1) *IN GENERAL.—Except as provided in para-*  
22      *graph (2)(A), the total amount that the Secretary*  
23      *shall pay under subsection (b) to a local educational*  
24      *agency that is otherwise eligible for a payment under*  
25      *this section—*

1           “(A) for fiscal year 1995 shall not be less  
2           than 85 percent of the amount such agency re-  
3           ceived for fiscal year 1994 under section 2 of the  
4           Act of September 30, 1950 (Public Law 874, 81st  
5           Congress) as such section was in effect on Sep-  
6           tember 30, 1994; or

7           “(B) for fiscal year 1996 shall not be less  
8           than 85 percent of the amount such agency re-  
9           ceived for fiscal year 1995 under subsection (b).

10          “(2) *RATABLE REDUCTIONS.*—(A)(i) *If necessary*  
11          *in order to make payments to local educational agen-*  
12          *cies in accordance with paragraph (1) for any fiscal*  
13          *year, the Secretary first shall ratably reduce pay-*  
14          *ments under subsection (b) for such year to local edu-*  
15          *cational agencies that do not receive a payment under*  
16          *this subsection for such year.*

17          “(ii) *If additional funds become available for*  
18          *making payments under subsection (b) for such year,*  
19          *then payments that were reduced under clause (i)*  
20          *shall be increased on the same basis as such payments*  
21          *were reduced.*

22          “(B)(i) *If the sums made available under this*  
23          *title for any fiscal year are insufficient to pay the full*  
24          *amounts that all local educational agencies in all*  
25          *States are eligible to receive under paragraph (1)*

1       *after the application of subparagraph (A) for such*  
2       *year, then the Secretary shall ratably reduce pay-*  
3       *ments under paragraph (1) to all such agencies for*  
4       *such year.*

5               *“(ii) If additional funds become available for*  
6       *making payments under paragraph (1) for such fiscal*  
7       *year, then payments that were reduced under clause*  
8       *(i) shall be increased on the same basis as such pay-*  
9       *ments were reduced.”.*

10 **SEC. 2. APPLICATIONS FOR INCREASED PAYMENTS.**

11       *(a) PAYMENTS.—Notwithstanding any other provision*  
12 *of law—*

13               *(1) the Bonesteel-Fairfax School District Number*  
14       *26–5, South Dakota, and the Wagner Community*  
15       *School District Number 11–4, South Dakota, shall be*  
16       *eligible to apply for payment for fiscal year 1994*  
17       *under section 3(d)(2)(B) of the Act of September 30,*  
18       *1950 (Public Law 874, 81st Congress) (as such sec-*  
19       *tion was in effect on September 30, 1994); and*

20               *(2) the Secretary of Education shall use a sub-*  
21       *group of 10 or more generally comparable local edu-*  
22       *cational agencies for the purpose of calculating a pay-*  
23       *ment described in paragraph (1) for a local edu-*  
24       *cational agency described in such paragraph.*

1       (b) *APPLICATION.*—*In order to be eligible to receive a*  
 2 *payment described in subsection (a), a school district de-*  
 3 *scribed in such subsection shall apply for such payment*  
 4 *within 30 days after the date of enactment of this Act.*

5       (c) *CONSTRUCTION.*—*Nothing in this section shall be*  
 6 *construed to require a local educational agency that re-*  
 7 *ceived a payment under section 3(d)(2)(B) of the Act of*  
 8 *September 30, 1950 (Public Law 874, 81st Congress) (as*  
 9 *such section was in effect on September 30, 1994) for fiscal*  
 10 *year 1994 to return such payment or a portion of such pay-*  
 11 *ment to the Federal Government.*

12 **SEC. 3. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED**  
 13 **CHILDREN RESIDING ON MILITARY INSTAL-**  
 14 **LATION HOUSING UNDERGOING RENOVA-**  
 15 **TION.**

16       (a) *IN GENERAL.*—*Section 8003(a) of the Elementary*  
 17 *and Secondary Education Act of 1965 (20 U.S.C. 7703(a))*  
 18 *is amended by adding at the end the following new para-*  
 19 *graph:*

20               “(4) *MILITARY INSTALLATION HOUSING UNDER-*  
 21 *GOING RENOVATION.*—*For purposes of computing the*  
 22 *amount of a payment for a local educational agency*  
 23 *for children described in paragraph (1)(D)(i), the*  
 24 *Secretary shall consider such children to be children*  
 25 *described in paragraph (1)(B) if the Secretary deter-*



1           *purposes of paragraphs (1)(B), (1)(C), and (2) of*  
2           *this subsection, and subsection (e), consider each*  
3           *administrative school district in the State to be*  
4           *a separate local educational agency.*

5           “(B) *COMPUTATION OF MAXIMUM AMOUNT*  
6           *OF BASIC SUPPORT PAYMENT AND THRESHOLD*  
7           *PAYMENT.—In computing the maximum pay-*  
8           *ment amount under paragraph (1)(C) and the*  
9           *learning opportunity threshold payment under*  
10           *paragraph (2)(B) for an administrative school*  
11           *district described in subparagraph (A)—*

12                   “(i) *the Secretary shall first determine*  
13                   *the maximum payment amount and the*  
14                   *total current expenditures for the State as a*  
15                   *whole; and*

16                   “(ii) *the Secretary shall then—*

17                           “(I) *proportionately allocate such*  
18                           *maximum payment amount among the*  
19                           *administrative school districts on the*  
20                           *basis of the respective weighted student*  
21                           *units of such districts; and*

22                           “(II) *proportionately allocate such*  
23                           *total current expenditures among the*  
24                           *administrative school districts on the*  
25                           *basis of the respective number of stu-*

1                   dents in average daily attendance at  
2                   such districts.”.

3           (b) *EFFECTIVE DATE.*—Paragraph (3) of section  
4 8003(b) of the *Elementary and Secondary Education Act*  
5 of 1965, as added by subsection (a), shall apply with respect  
6 to fiscal years after fiscal year 1994.

7 **SEC. 5. DATA AND DETERMINATION OF AVAILABLE FUNDS.**

8           (a) *DATA.*—Paragraph (4) of section 8003(f) of the *El-*  
9 *ementary and Secondary Education Act of 1965 (20 U.S.C.*  
10 *7703(f)) is amended—*

11                   (1) *in the heading, by striking “CURRENT*  
12 *YEAR”;*

13                   (2) *by amending subparagraph (A) to read as*  
14 *follows:*

15                           *“(A) shall use student, revenue, and tax*  
16 *data from the second fiscal year preceding the*  
17 *fiscal year for which the local educational agency*  
18 *is applying for assistance under this sub-*  
19 *section;”;* and

20                   (3) *in subparagraph (B), by striking “such*  
21 *year” and inserting “the fiscal year for which the*  
22 *local educational agency is applying for assistance*  
23 *under this subsection”.*

24           (b) *DETERMINATION OF AVAILABLE FUNDS.*—Para-  
25 *graph (3) of section 8003(f) of the Elementary and Second-*

1 *ary Education Act of 1965 (20 U.S.C. 7703(f)) is amend-*  
2 *ed—*

3 *(1) in the matter preceding subclause (I) of sub-*  
4 *paragraph (A)(iii), by inserting “, except as provided*  
5 *in subparagraph (C),” after “but”; and*

6 *(2) by adding at the end the following new sub-*  
7 *paragraph:*

8 *“(C) DETERMINATION OF AVAILABLE*  
9 *FUNDS.—When determining the amount of funds*  
10 *available to the local educational agency for cur-*  
11 *rent expenditures for purposes of subparagraph*  
12 *(A)(iii) for a fiscal year, the Secretary shall in-*  
13 *clude, with respect to the local educational agen-*  
14 *cy’s opening cash balance for such fiscal year,*  
15 *the portion of such balance that is the greater*  
16 *of—*

17 *“(i) the amount that exceeds the maxi-*  
18 *imum amount of funds for current expendi-*  
19 *tures that the local educational agency was*  
20 *allowed by State law to carry over from the*  
21 *prior fiscal year, if State restrictions on*  
22 *such amounts were applied uniformly to all*  
23 *local educational agencies in the State; or*

1                   “(i) the amount that exceeds 30 per-  
2                   cent of the local educational agency’s oper-  
3                   ating costs for the prior fiscal year.”.

4           (c) *EFFECTIVE DATE.*—The amendments made by sub-  
5 sections (a) and (b) shall apply with respect to fiscal years  
6 after fiscal year 1996.

7 **SEC. 6. PAYMENTS RELATING TO FEDERAL PROPERTY.**

8           Section 8002 of the Elementary and Secondary Edu-  
9 cation Act of 1965 (20 U.S.C. 7702) (as amended by section  
10 1) is further amended by adding at the end thereof the fol-  
11 lowing new subsection:

12           “(i) *PRIORITY PAYMENTS.*—Notwithstanding sub-  
13 section (b)(1)(B), and for any fiscal year beginning with  
14 fiscal year 1997 for which the amount appropriated to  
15 carry out this section exceeds the amount so appropriated  
16 for fiscal year 1996, the Secretary shall first use such excess  
17 amount to increase the payment that would otherwise be  
18 made under this section to not more than 50 percent of the  
19 maximum amount determined under subsection (b) for any  
20 local educational agency that—

21                   “(1) received a payment under this section for  
22                   fiscal year 1996;

23                   “(2) serves a school district that contains all or  
24                   a portion of a United States military academy;

1           “(3) serves a school district in which the local  
2 tax assessor has certified that at least 60 percent of  
3 the real property is federally owned; and

4           “(4) demonstrates to the satisfaction of the Sec-  
5 retary that such agency’s per-pupil revenue derived  
6 from local sources for current expenditures is not less  
7 than that revenue for the preceding fiscal year.”.

8 **SEC. 7. TREATMENT OF IMPACT AID PAYMENTS.**

9           (a) *IN GENERAL.*—The Secretary of Education shall  
10 treat any State as having met the requirements of section  
11 5(d)(2)(A) of the Act of September 30, 1950 (Public Law  
12 874, 81st Congress) for fiscal year 1991 (as such section  
13 was in effect for such fiscal year), and as not having met  
14 those requirements for each of the fiscal years 1992, 1993,  
15 and 1994 (as such section was in effect for fiscal year 1992,  
16 1993, and 1994, respectively), if—

17           (1) the State’s program of State aid was not cer-  
18 tified by the Secretary under section 5(d)(2)(C)(i) of  
19 the Act of September 30, 1950 (Public Law 874, 81st  
20 Congress) for any fiscal year prior to fiscal year  
21 1991;

22           (2) the State submitted timely notice under that  
23 section of the State’s intention to seek that certifi-  
24 cation for fiscal year 1991;

1           (3) *the Secretary determined that the State did*  
2           *not meet the requirements of section 5(d)(2)(A) of*  
3           *such Act for fiscal year 1991; and*

4           (4) *the State made a payment to each local edu-*  
5           *cational agency in the State (other than a local edu-*  
6           *cational agency that received a payment under sec-*  
7           *tion 3(d)(2)(B) of such Act for fiscal year 1991) in*  
8           *an amount equal to the difference between the amount*  
9           *such agency received under such Act for fiscal year*  
10           *1991 and the amount such agency would have re-*  
11           *ceived under such Act for fiscal year 1991 if pay-*  
12           *ments under such Act had not been taken into consid-*  
13           *eration in awarding State aid to such agencies for*  
14           *fiscal year 1991.*

15           (b) *REPAYMENT NOT REQUIRED.—Notwithstanding*  
16           *any other provision of law, any local educational agency*  
17           *in a State that meets the requirements of paragraphs (1)*  
18           *through (4) of subsection (a) and that received funds under*  
19           *section 3(d)(2)(B) of the Act of September 30, 1950 (Public*  
20           *Law 874, 81st Congress) for fiscal year 1991 (as such sec-*  
21           *tion was in effect for such fiscal year) shall not, by virtue*  
22           *of subsection (a), be required to repay those funds to the*  
23           *Secretary of Education.*

1 **SEC. 8. SPECIAL RULE RELATING TO AVAILABILITY OF**  
2 **FUNDS FOR THE LOCAL EDUCATIONAL AGEN-**  
3 **CY SERVING THE NORTH HANOVER TOWN-**  
4 **SHIP PUBLIC SCHOOLS, NEW JERSEY, UNDER**  
5 **PUBLIC LAW 874, 81ST CONGRESS.**

6 *The Secretary of Education shall not consider any*  
7 *funds that the Secretary of Education determines the local*  
8 *educational agency serving the North Hanover Township*  
9 *Public Schools, New Jersey, has designated for a future li-*  
10 *ability under an early retirement incentive program as*  
11 *funds available to such local educational agency for pur-*  
12 *poses of determining the eligibility of such local educational*  
13 *agency for a payment for fiscal year 1994, or the amount*  
14 *of any such payment, under section 3(d)(2)(B) of the Act*  
15 *of September 30, 1950 (Public Law 874, 81st Congress), as*  
16 *such section was in effect for such fiscal year.*

17 **SEC. 9. CORRECTED LOCAL CONTRIBUTION RATE.**

18 *(a) COMPUTATION.—The Secretary of Education shall*  
19 *compute a payment for a local educational agency under*  
20 *the Act of September 30, 1950 (Public Law 874, 81st Con-*  
21 *gress) for each of the fiscal years 1991 through 1994 (as*  
22 *such Act was in effect for each of those fiscal years, as the*  
23 *case may be) using a corrected local contribution rate based*  
24 *on generally comparable school districts, if—*

25 *(1) an incorrect local contribution rate was sub-*  
26 *mitted to the Secretary of Education by the State in*

1       *which such agency is located, and the incorrect local*  
2       *contribution rate was verified as correct by the Sec-*  
3       *retary of Education; and*

4               *(2) the corrected local contribution rate is subject*  
5       *to review by the Secretary of Education.*

6       **(b) PAYMENT.**—*Using funds appropriated under the*  
7       *Act of September 30, 1950 (Public Law 874, 81st Congress)*  
8       *for fiscal years 1991 through 1994 that remain available*  
9       *for obligation (if any), the Secretary of Education shall*  
10       *make payments based on the computations described in sub-*  
11       *section (a) to the local educational agency for such fiscal*  
12       *years.*

13       **SEC. 10. STATE EQUALIZATION PLANS.**

14               *Subparagraph (A) of section 8009(b)(2) of the Elemen-*  
15       *tary and Secondary Education Act of 1965 (20 U.S.C.*  
16       *7709(b)(2)) is amended by striking “more than” and all*  
17       *that follows through the period and inserting “more than*  
18       *25 percent.”.*

Attest:

*Secretary.*

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3269**

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**AMENDMENT**

HR 3269 EAS—2

HR 3269 EAS—3

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