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1 **PART B—STUDENT READING SKILLS**2 **IMPROVEMENT GRANTS**3 **SEC. 111. READING FIRST; EARLY READING FIRST.**

4 Part B of title I (20 U.S.C. 6361 et seq.) is
5 amended—

6 (1) by striking the part heading and inserting
7 the following:

8 **“PART B—STUDENT READING SKILLS**9 **IMPROVEMENT GRANTS”;**

10 (2) by redesignating sections 1201 through
11 1212 as sections 1231 through 1242, respectively;
12 and

13 (3) by inserting after the part heading the fol-
14 lowing:

15 **“Subpart 1—Reading First**16 **“SEC. 1201. FINDINGS.**

17 “The Congress finds as follows:

18 “(1) The 2000 National Assessment of Edu-
19 cational Progress found that 68 percent of fourth
20 grade students in the United States are reading
21 below the proficient level.

22 “(2) According to the 2000 National Assess-
23 ment of Educational Progress report on reading, 63
24 percent of African Americans, 58 percent of His-
25 panic Americans, 60 percent of children living in

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1 poverty, and 47 percent of children in urban schools
2 scored 'below basic' in reading.

3 “(3) More than ½ of the students placed in
4 special education classes are identified as learning
5 disabled and, for as many as 80 percent of the stu-
6 dents so identified, reading is the primary difficulty.

7 “(4) It is estimated that, at a minimum,
8 10,000,000 children have difficulty learning to read.
9 10 to 15 percent of those children eventually drop
10 out of high school, and only 2 percent complete a 4-
11 year program at an institution of higher education.

12 “(5) It is estimated that the number of children
13 who are typically identified as poor readers can be
14 significantly reduced through the implementation of
15 early identification and prevention programs that
16 are based on scientifically based reading research.

17 “(6) The report issued by the National Reading
18 Panel in 2000 found that the course of reading in-
19 struction that obtains maximum benefits for stu-
20 dents includes explicit and systematic instruction in
21 phonemic awareness, phonics, vocabulary develop-
22 ment, reading fluency, and reading comprehension
23 strategies.

24 **“SEC. 1202. PURPOSES.**

25 “The purposes of this subpart are as follows:

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1 “(1) To provide assistance to States and local
2 educational agencies in establishing reading pro-
3 grams for students in grades kindergarten through
4 3 that are based on scientifically based reading re-
5 search, in order to ensure that every student can
6 read at grade level or above not later than the end
7 of the third grade.

8 “(2) To provide assistance to States and local
9 educational agencies in preparing teachers, through
10 professional development and other support, so the
11 teachers can identify specific reading barriers facing
12 their students and so the teachers have the tools to
13 effectively help their students learn to read.

14 “(3) To provide assistance to States and local
15 educational agencies in selecting and administering
16 rigorous diagnostic reading and screening assess-
17 ment tools that are valid and reliable, document the
18 effectiveness of this subpart in improving the read-
19 ing skills of students, and improve classroom in-
20 struction.

21 “(4) To provide assistance to States and local
22 educational agencies in selecting or developing effec-
23 tive classroom instructional materials, programs, and
24 strategies to implement scientific research-based

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1 methods that have been proven to prevent or reme-
2 diate reading failure.

3 “(5) To strengthen coordination among schools
4 and early literacy programs in order to improve
5 reading achievement for all children.

6 **“SEC. 1203. FORMULA GRANTS TO STATES.**

7 “(a) IN GENERAL.—

8 “(1) AUTHORIZATION TO MAKE GRANTS.—In
9 the case of each State that in accordance with sec-
10 tion 1204 submits to the Secretary an application
11 for a 5-year period, the Secretary, subject to the ap-
12 plication’s approval, shall make a grant to the State
13 for the uses specified in subsections (c) and (d). For
14 each fiscal year, the funds provided under the grant
15 shall equal the allotment determined for the State
16 under subsection (b).

17 “(2) DURATION OF GRANTS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), a grant under this section shall be
20 awarded for a period of not more than 5 years.

21 “(B) INTERIM REVIEW.—

22 “(i) PROGRESS REPORT.—

23 “(I) SUBMISSION.—Not later
24 than 60 days after the termination of
25 the third year of the grant period,

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1 each State receiving a grant under
2 this section shall submit a progress
3 report to the Secretary.

4 “(II) INFORMATION IN-
5 CLUDED.—The progress report shall
6 include information on the progress
7 the State, and local educational agen-
8 cies within the State, are making in
9 reducing the number of students
10 served under this subpart in the first
11 and second grades who are reading
12 below grade level, as demonstrated by
13 such information as teacher reports
14 and school evaluations of mastery of
15 the essential components of reading
16 instruction. The report shall also in-
17 clude evidence from the State and its
18 local educational agencies that they
19 have significantly increased the num-
20 ber of students reading at grade level
21 or above, significantly increased the
22 percentages of students in ethnic, ra-
23 cial, and low-income populations who
24 are reading at grade level or above,

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1 and successfully implemented this
2 subpart.

3 “(ii) PEER REVIEW.—The progress
4 report described in clause (i) shall be re-
5 viewed by the peer review panel convened
6 under section 1204(c)(2).

7 “(iii) CONSEQUENCES OF INSUFFI-
8 CIENT PROGRESS.—After the submission of
9 the progress report described in clause (i),
10 if the Secretary determines that the State
11 is not making significant progress in meet-
12 ing the purposes of this subpart, the Sec-
13 retary may withhold from the State, in
14 whole or in part, further payments under
15 this section in accordance with section 455
16 of the General Education Provisions Act
17 (20 U.S.C. 1234d) or take such other ac-
18 tion authorized by law as the Secretary
19 deems necessary, including providing tech-
20 nical assistance upon request of the State.

21 “(b) DETERMINATION OF AMOUNT OF ALLOT-
22 MENTS.—

23 “(1) RESERVATIONS FROM APPROPRIATIONS.—
24 From the total amount made available under section

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1 1002(b)(1) to carry out this subpart for a fiscal
2 year, the Secretary—

3 “(A) shall reserve $\frac{1}{2}$ of 1 percent for allot-
4 ments for the Virgin Islands, Guam, American
5 Samoa, and the Commonwealth of the Northern
6 Mariana Islands, to be distributed among these
7 outlying areas on the basis of their relative
8 need, as determined by the Secretary in accord-
9 ance with the purposes of this subpart;

10 “(B) shall reserve $\frac{1}{2}$ of 1 percent for the
11 Secretary of the Interior for programs under
12 this subpart in schools operated or funded by
13 the Bureau of Indian Affairs;

14 “(C) shall reserve not more than 3 percent
15 or \$30,000,000, whichever is less, to carry out
16 section 1206;

17 “(D) may reserve not more than 1 percent
18 to carry out section 1207; and

19 “(E) shall reserve \$5,000,000 to carry out
20 section 1208.

21 “(2) STATE ALLOTMENTS.—From the total
22 amount made available under section 1002(b)(1) to
23 carry out this subpart for a fiscal year and not re-
24 served under paragraph (1), the Secretary shall allot
25 80 percent under this section among each of the 50

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1 States, the District of Columbia, and the Common-
2 wealth of Puerto Rico.

3 “(3) DETERMINATION OF STATE ALLOTMENT
4 AMOUNTS.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), the Secretary shall allot the amount
7 made available under paragraph (2) for a fiscal
8 year among the States described in such para-
9 graph in proportion to the number of children,
10 aged 5 to 17, who reside within the State from
11 families with incomes below the poverty line (as
12 defined by the Office of Management and
13 Budget and revised annually in accordance with
14 section 673(2) of the Community Services
15 Block Grant Act (42 U.S.C. 9902(2)) applica-
16 ble to a family of the size involved for the most
17 recent fiscal year for which satisfactory data
18 are available, compared to the number of such
19 individuals who reside in all such States for
20 that fiscal year.

21 “(B) EXCEPTIONS.—

22 “(i) IN GENERAL.—Subject to clause
23 (ii), no State receiving an allotment under
24 subparagraph (A) may receive less than $\frac{1}{4}$

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1 of 1 percent of the total amount allotted
2 under such subparagraph.

3 “(ii) PUERTO RICO.—The percentage
4 of the amount allotted under subparagraph
5 (A) that is allotted to the Commonwealth
6 of Puerto Rico for a fiscal year may not
7 exceed the percentage that was received by
8 the Commonwealth of Puerto Rico of the
9 funds allocated to all States under subpart
10 2 of part A for the preceding fiscal year.

11 “(4) REALLOTMENT.—If a State described in
12 paragraph (2) does not apply for an allotment under
13 this section for any fiscal year, or if the State’s ap-
14 plication is not approved, the Secretary shall reallocate
15 such amount to the remaining States in accordance
16 with paragraph (3).

17 “(c) SUBGRANTS TO LOCAL EDUCATIONAL AGEN-
18 CIES.—

19 “(1) DISTRIBUTION OF SUBGRANTS.—The Sec-
20 retary may make a grant to a State under this sec-
21 tion only if the State agrees to expend at least 80
22 percent of the amount of the funds provided under
23 the grant for the purpose of making, in accordance
24 with this subsection, competitive subgrants to local
25 educational agencies.

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1 “(2) NOTICE.—A State receiving a grant under
2 this section shall provide notice to all local edu-
3 cational agencies in the State of the availability of
4 competitive subgrants under this subsection and of
5 the requirements for applying for the subgrants.

6 “(3) LOCAL APPLICATIONS.—To be eligible to
7 receive a subgrant under this subsection, a local edu-
8 cational agency shall submit an application to the
9 State at such time, in such manner, and containing
10 such information as the State may reasonably re-
11 quire.

12 “(4) LIMITATION TO CERTAIN LOCAL AGEN-
13 CIES.—A State receiving a grant under this section
14 may award subgrants under this subsection only to
15 local educational agencies—

16 “(A) that have the highest percentages of
17 students in grades kindergarten through 3
18 reading below grade level; and

19 “(B) that—

20 “(i) have jurisdiction over—

21 “(I) a geographic area that in-
22 cludes an area designated as an em-
23 powerment zone, or an enterprise
24 community, under part I of sub-

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1 chapter U of chapter 1 of the Internal
2 Revenue Code of 1986; or

3 “(II) a significant number of
4 schools that are identified for school
5 improvement under section 1116(b);
6 or

7 “(ii) are located in areas having the
8 greatest numbers or percentages of chil-
9 dren aged 5 through 17 from low-income
10 families.

11 “(5) STATE REQUIREMENT.—In distributing
12 subgrant funds to local educational agencies under
13 this subsection, a State shall provide funds in suffi-
14 cient size and scope to enable local educational agen-
15 cies to improve reading instruction, as determined
16 by rigorous diagnostic reading and screening assess-
17 ment tools.

18 “(6) LIMITATION TO CERTAIN SCHOOLS.—In
19 distributing subgrant funds under this subsection, a
20 local educational agency may provide funds only to
21 schools—

22 “(A) that have the highest percentages of
23 students in grades kindergarten through 3
24 reading below grade level; and

25 “(B) that—

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1 “(i) are identified for school improve-
2 ment under section 1116(b); or

3 “(ii) have the greatest numbers or
4 percentages of children aged 5 through 17
5 from low-income families.

6 “(7) LOCAL USES OF FUNDS.—

7 “(A) REQUIRED USES.—Subject to para-
8 graph (8), a local educational agency that re-
9 ceives a subgrant under this subsection shall
10 use the funds provided under the subgrant to
11 carry out the following activities:

12 “(i) Selecting and administering rig-
13 orous diagnostic reading and screening as-
14 sessment tools.

15 “(ii) Selecting and implementing a
16 program or programs of classroom reading
17 instruction based on scientifically based
18 reading research that—

19 “(I) includes the essential compo-
20 nents of reading instruction; and

21 “(II) provides such instruction to
22 all children, including children who—

23 “(aa) may have reading dif-
24 ficulties;

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1 “(bb) are at risk of being
2 referred to special education
3 based on these difficulties;
4 “(cc) have been evaluated
5 under section 614 of the Individ-
6 uals with Disabilities Education
7 Act but, in accordance with sec-
8 tion 614(b)(5) of such Act, have
9 not been identified as being a
10 child with a disability (as defined
11 in section 602 of such Act);
12 “(dd) are being served under
13 such Act primarily due to being
14 identified as being a child with a
15 specific learning disability (as de-
16 fined in section 602 of such Act)
17 related to reading;
18 “(ee) are deficient in their
19 phonemic awareness, phonics
20 skills, vocabulary development,
21 oral reading fluency, or com-
22 prehension strategies; or
23 “(ff) are identified as having
24 limited English proficiency.

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1 “(iii) Procuring classroom instruc-
2 tional materials based on scientifically
3 based reading research.

4 “(iv) Providing professional develop-
5 ment for teachers of grades kindergarten
6 through 3 that—

7 “(I) will prepare these teachers
8 in all of the essential components of
9 reading instruction;

10 “(II) shall include—

11 “(aa) information, instruc-
12 tional materials, programs, strat-
13 egies, and approaches based on
14 scientifically based reading re-
15 search, including early interven-
16 tion and classroom reading mate-
17 rials and remedial programs and
18 approaches; and

19 “(bb) instruction in the use
20 of rigorous diagnostic reading
21 and screening assessment tools
22 and other procedures that effec-
23 tively identify students who may
24 be at risk for reading failure or
25 who are having difficulty reading;

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1 “(III) shall be provided by eligi-
2 ble professional development pro-
3 viders; and

4 “(IV) will assist teachers in be-
5 coming fully qualified in accordance
6 with the requirements of section 1119.

7 “(B) OPTIONAL USES.—Subject to para-
8 graph (8), a local educational agency that re-
9 ceives a subgrant under this subsection may use
10 the funds provided under the subgrant to carry
11 out the following activities:

12 “(i) Providing training to parents and
13 other individuals who volunteer to be read-
14 ing tutors in the essential components of
15 reading instruction.

16 “(ii) Providing family literacy serv-
17 ices, especially to parents enrolled in par-
18 ticipating schools, through the use of li-
19 brary materials and reading programs,
20 strategies, and approaches that are based
21 on scientifically based reading research, to
22 encourage reading and support their chil-
23 dren’s reading development.

24 “(8) LOCAL PLANNING AND ADMINISTRA-
25 TION.—A local educational agency that receives a

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1 subgrant under this subsection may use not more
2 than 2 percent of the funds provided under the
3 subgrant for planning and administration.

4 “(d) OTHER STATE USES OF FUNDS.—

5 “(1) PROFESSIONAL DEVELOPMENT.—

6 “(A) IN GENERAL.—A State that receives
7 a grant under this section may expend not more
8 than 15 percent of the amount of the funds
9 provided under the grant—

10 “(i) to develop and implement a pro-
11 gram of in-service professional development
12 for teachers of kindergarten through third
13 grade that—

14 “(I) will prepare these teachers
15 in all of the essential components of
16 reading instruction;

17 “(II) shall include—

18 “(aa) information on inter-
19 ventions, instructional materials,
20 programs, and approaches based
21 on scientifically based reading re-
22 search, including early interven-
23 tion and reading remediation ma-
24 terials, programs, and ap-
25 proaches; and

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1 “(bb) instruction in the use
2 of rigorous diagnostic reading
3 and screening assessment tools
4 and other procedures to improve
5 instruction and effectively iden-
6 tify students who may be at risk
7 for reading failure or who are
8 having difficulty reading; and

9 “(III) shall be provided by eligi-
10 ble professional development pro-
11 viders;

12 “(ii) to strengthen and enhance pro-
13 fessional development courses for students
14 preparing, at all public institutions of high-
15 er education in the State, to teach kinder-
16 garten through third grades by—

17 “(I) reviewing such courses to de-
18 termine whether their content is con-
19 sistent with the findings of the most
20 current scientifically based reading re-
21 search, including findings on the es-
22 sential components of reading instruc-
23 tion;

24 “(II) following up such reviews
25 with recommendations to ensure that

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1 such institutions offer courses that
2 meet the highest standards; and

3 “(III) preparing a report on the
4 results of such reviews, submitting it
5 to the reading and literacy partner-
6 ship for the State established under
7 section 1204(d), and making it avail-
8 able for public review via the Internet;
9 and

10 “(iii) to make recommendations on
11 how the State’s licensure and certification
12 standards in the area of reading might be
13 improved.

14 “(B) FUNDS NOT USED FOR PROFES-
15 SIONAL DEVELOPMENT.—Any portion of the
16 funds described in subparagraph (A) that a
17 State does not expend in accordance with such
18 subparagraph shall be expended for the purpose
19 of making subgrants in accordance with sub-
20 section (c).

21 “(2) OTHER STATE-LEVEL ACTIVITIES.—A
22 State that receives a grant under this section may
23 expend not more than 3 percent of the amount of
24 the funds provided under the grant for one or more
25 of the following authorized State activities:

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1 “(A) Assisting local educational agencies in
2 accomplishing the tasks required to design and
3 implement a classroom reading program under
4 this subpart, including—

5 “(i) selecting and implementing a pro-
6 gram or programs of classroom reading in-
7 struction based on scientifically based
8 reading research;

9 “(ii) selecting rigorous diagnostic
10 reading and screening assessment tools;
11 and

12 “(iii) identifying eligible professional
13 development providers to help prepare
14 reading teachers to teach students using
15 the programs and assessments described in
16 clauses (i) and (ii);

17 “(B) Providing to students in kindergarten
18 through third grades, through appropriate pro-
19 viders, reading instruction that includes—

20 “(i) rigorous diagnostic reading and
21 screening assessment tools; and

22 “(ii) as need is indicated by such as-
23 sessments, instruction based on scientif-
24 ically based reading research that includes

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1 the essential components of reading in-
2 struction.

3 “(3) PLANNING, ADMINISTRATION, AND RE-
4 PORTING.—

5 “(A) IN GENERAL.—A State that receives
6 a grant under this section shall expend not
7 more than 2 percent of the amount of the funds
8 provided under the grant for the activities de-
9 scribed in this paragraph.

10 “(B) PLANNING AND ADMINISTRATION.—A
11 State that receives a grant under this section
12 may expend funds described in subparagraph
13 (A) for—

14 “(i) planning and administration re-
15 lating to the State uses of funds author-
16 ized under this subpart, including admin-
17 istering the distribution of competitive sub-
18 grants to local educational agencies under
19 this section and section 1205; and

20 “(ii) assessing and evaluating, on a
21 regular basis, local educational agency ac-
22 tivities assisted under this subpart, with
23 respect to whether they have been effective
24 in increasing the number of children in
25 first and second grades served under this

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1 subpart who can read at or above grade
2 level.

3 “(C) ANNUAL REPORTING.—

4 “(i) IN GENERAL.—A State that re-
5 ceives a grant under this section shall ex-
6 pend funds provided under the grant to
7 provide the Secretary annually with a re-
8 port on the implementation of this subpart.
9 The report shall include evidence that the
10 State is fulfilling its obligations under this
11 subpart. The report shall include a specific
12 identification of those schools and local
13 educational agencies that report the largest
14 gains in reading achievement.

15 “(ii) PRIVACY PROTECTION.—Data in
16 the report shall be set forth in a manner
17 that protects the privacy of individuals.

18 “(iii) CONTRACT.—To the extent
19 practicable, a State shall enter into a con-
20 tract with an entity that conducts scientif-
21 ically based reading research, under which
22 contract the entity will produce the reports
23 required to be submitted under this sub-
24 paragraph.

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1 **“SEC. 1204. STATE FORMULA GRANT APPLICATIONS.**

2 “(a) IN GENERAL.—A State that desires to receive
3 a grant under section 1203 shall submit an application
4 to the Secretary at such time and in such form as the
5 Secretary may require. The application shall contain the
6 information described in subsection (b).

7 “(b) CONTENTS.—An application under this section
8 shall contain the following:

9 “(1) An assurance that the Governor of the
10 State, in consultation with the State educational
11 agency, has established a reading and literacy part-
12 nership described in subsection (d), and a descrip-
13 tion of how such partnership—

14 “(A) coordinated the development of the
15 application; and

16 “(B) will assist in the oversight and eval-
17 uation of the State’s activities under this sub-
18 part.

19 “(2) An assurance that the State will submit to
20 the Secretary, at such time and in such manner as
21 the Secretary may reasonably require, a State plan
22 containing a description of a process—

23 “(A) to evaluate programs carried out by
24 local educational agencies under this subpart;

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1 “(B) to assist local educational agencies in
2 identifying rigorous diagnostic reading and
3 screening assessment tools; and

4 “(C) to assist local educational agencies in
5 identifying interventions, and instructional ma-
6 terials, programs and approaches, based on sci-
7 entifically based reading research, including
8 early intervention and classroom reading mate-
9 rials and remedial programs and approaches.

10 “(3) An assurance that the State, and local
11 educational agencies in the State, will participate in
12 all national evaluations under this subpart.

13 “(c) APPROVAL OF APPLICATIONS.—

14 “(1) IN GENERAL.—The Secretary, in consulta-
15 tion with the peer review panel convened under para-
16 graph (2), shall approve an application of a State
17 under this section if such application meets the re-
18 quirements of this section.

19 “(2) PEER REVIEW.—

20 “(A) IN GENERAL.—The Secretary, in con-
21 sultation with the National Institute for Lit-
22 eracy, shall convene a panel to evaluate applica-
23 tions under this section. At a minimum, the
24 panel shall include—

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1 “(i) 3 individuals selected by the Sec-
2 retary;

3 “(ii) 3 individuals selected by the Na-
4 tional Institute for Literacy;

5 “(iii) 3 individuals selected by the Na-
6 tional Research Council of the National
7 Academy of Sciences; and

8 “(iv) 3 individuals selected by the Na-
9 tional Institute of Child Health and
10 Human Development.

11 “(B) EXPERTS.—The panel shall include
12 experts who are competent, by virtue of their
13 training, expertise, or experience, to evaluate
14 applications under this section, and experts who
15 provide professional development to teachers of
16 reading to children and adults, and experts who
17 provide professional development to other in-
18 structional staff, based on scientifically based
19 reading research.

20 “(C) RECOMMENDATIONS.—The panel
21 shall recommend grant applications from States
22 under this section to the Secretary for funding
23 or for disapproval.

24 “(d) READING AND LITERACY PARTNERSHIPS.—

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1 “(1) IN GENERAL.—In order for a State to re-
2 ceive a grant under section 1203, the Governor of
3 the State, in consultation with the State educational
4 agency, shall establish a reading and literacy part-
5 nership.

6 “(2) REQUIRED PARTICIPANTS.—The reading
7 and literacy partnership shall include the following
8 participants:

9 “(A) The Governor of the State.

10 “(B) The chief State school officer.

11 “(C) The chairman and the ranking mem-
12 ber of each committee of the State legislature
13 that is responsible for education policy.

14 “(D) A representative, selected jointly by
15 the Governor and the chief State school officer,
16 of at least one local educational agency that is
17 eligible to receive a subgrant under section
18 1203.

19 “(E) A representative, selected jointly by
20 the Governor and the chief State school officer,
21 of a community-based organization working
22 with children to improve their reading skills,
23 particularly a community-based organization
24 using tutors and scientifically based reading re-
25 search.

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1 “(F) State directors of appropriate Federal
2 or State programs with a strong reading com-
3 ponent.

4 “(G) A parent of a public or private school
5 student or a parent who educates their child or
6 children in their home, selected jointly by the
7 Governor and the chief State school officer.

8 “(H) A teacher who successfully teaches
9 reading and an instructional staff member, se-
10 lected jointly by the Governor and the chief
11 State school officer.

12 “(I) A family literacy service provider se-
13 lected jointly by the Governor and the chief
14 state school officer.

15 “(3) OPTIONAL PARTICIPANTS.—The reading
16 and literacy partnership may include additional par-
17 ticipants, who shall be selected jointly by the Gov-
18 ernor and the chief State school officer, and who
19 may include a representative of—

20 “(A) an institution of higher education op-
21 erating a program of teacher preparation based
22 on scientifically based reading research in the
23 State;

24 “(B) a local educational agency;

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1 “(C) a private nonprofit or for-profit eligi-
2 ble professional development provider providing
3 instruction based on scientifically based reading
4 research;

5 “(D) an adult education provider;

6 “(E) a volunteer organization that is in-
7 volved in reading programs; or

8 “(F) a school library or a public library
9 that offers reading or literacy programs for
10 children or families.

11 **“SEC. 1205. DISCRETIONARY GRANTS TO STATES.**

12 “(a) **IN GENERAL.**—In the case of a State that, in
13 accordance with sections 1203 and 1204, has received ap-
14 proval of an application for a 5-year formula grant, the
15 Secretary may make additional 2-year discretionary
16 grants to the State for the use specified in (d). For each
17 fiscal year, the funds provided under the discretionary
18 grant shall equal the allotment determined for the State
19 under subsection (b).

20 “(b) **DETERMINATION OF AMOUNT OF ALLOT-**
21 **MENTS.**—From the total amount made available under
22 section 1002(b)(1) to carry out this subpart for a fiscal
23 year and not reserved under paragraph (1), the Secretary,
24 upon the recommendation of the peer review panel con-
25 vened under section 1204(c)(2), shall allot 20 percent

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1 under this section among the States described in sub-
2 section (a)—

3 “(1) for fiscal years 2002 and 2003, based
4 upon a determination of such States’ relative likeli-
5 hood of effectively implementing a program under
6 this subpart; and

7 “(2) for fiscal year 2004 and subsequent fiscal
8 years, based upon such States’ applications under
9 subsection (c).

10 “(c) STATE DISCRETIONARY GRANT APPLICA-
11 TIONS.—

12 “(1) IN GENERAL.—A State that desires to re-
13 ceive a grant under this section for a grant period
14 that includes any fiscal year after fiscal year 2003
15 shall submit the information described in paragraph
16 (3) to the Secretary at such time and in such form
17 as the Secretary may require.

18 “(2) PEER REVIEW.—The peer review panel
19 convened under section 1204(c)(2) shall review the
20 information submitted under this subsection. The
21 panel shall recommend such applications to the Sec-
22 retary for funding or for disapproval.

23 “(3) INFORMATION.—The information de-
24 scribed in this paragraph is the following:

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1 “(A) An assurance that the State will
2 award competitive subgrants to local edu-
3 cational agencies consistent with subsection
4 (d)(4).

5 “(B) An assurance that the State will en-
6 sure that local educational agencies that receive
7 a subgrant under subsection (d) use the funds
8 provided under the subgrant in accordance with
9 subsection (d)(5).

10 “(C) Evidence that the State has increased
11 significantly the percentage of students reading
12 at grade level or above.

13 “(D) Evidence that the State has been suc-
14 cessful in increasing the percentage of students
15 in ethnic, racial, and low-income populations
16 who are reading at grade level or above.

17 “(E) Any additional evidence that dem-
18 onstrates success in the implementation of this
19 subpart.

20 “(d) SUBGRANTS TO LOCAL EDUCATIONAL AGEN-
21 CIES.—

22 “(1) IN GENERAL.—The Secretary may make a
23 grant to a State under this section only if the State
24 agrees to expend 100 percent of the amount of the
25 funds provided under the grant for the purpose of

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1 making competitive subgrants in accordance with
2 this subsection to local educational agencies.

3 “(2) NOTICE.—A State receiving a grant under
4 this section shall provide notice to all local edu-
5 cational agencies in the State of the availability of
6 competitive subgrants under this subsection and of
7 the requirements for applying for the subgrants.

8 “(3) APPLICATION.—To be eligible to receive a
9 subgrant under this subsection, a local educational
10 agency shall submit an application to the State at
11 such time, in such manner, and containing such in-
12 formation as the State may reasonably require.

13 “(4) DISTRIBUTION.—

14 “(A) IN GENERAL.—A State shall dis-
15 tribute subgrants under this section through a
16 competitive process based on relative need and
17 the evidence described in this paragraph.

18 “(B) EVIDENCE USED IN ALL YEARS.—
19 For all fiscal years, a State shall distribute sub-
20 grants under this section based on evidence that
21 a local educational agency—

22 “(i) satisfies the requirements of sec-
23 tion 1203(c)(4);

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1 “(ii) will carry out its obligations
2 under this subpart, particularly paragraph
3 (5); and

4 “(iii) will work with other local edu-
5 cational agencies in the State that have
6 not received a subgrant under this sub-
7 section to assist such non-receiving agen-
8 cies in increasing the reading achievement
9 of students.

10 “(C) EVIDENCE USED IN FISCAL YEARS
11 AFTER 2003.—For fiscal year 2004 and subse-
12 quent fiscal years, a State shall distribute sub-
13 grants under this section based on the evidence
14 described in subparagraph (B) and, in addition,
15 evidence that a local educational agency—

16 “(i) has significantly increased the
17 percentage of all students reading at grade
18 level or above;

19 “(ii) has significantly increased the
20 percentage of students in ethnic, racial,
21 and low-income populations who are read-
22 ing at grade level or above; and

23 “(iii) has demonstrated success in the
24 implementation of this subpart.

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1 “(5) LOCAL USES OF FUNDS.—A local edu-
2 cational agency that receives a subgrant under this
3 subsection—

4 “(A) shall use the funds provided under
5 the subgrant to carry out the activities de-
6 scribed in section 1203(c)(7)(A); and

7 “(B) may use such funds to carry out the
8 activities described in section 1203(c)(7)(B).

9 “(e) DEFINITION.—For purposes of this section, the
10 term ‘State’ means each of the 50 States, the District of
11 Columbia, and the Commonwealth of Puerto Rico.

12 **“SEC. 1206. EXTERNAL EVALUATION.**

13 “(a) IN GENERAL.—From funds reserved under sec-
14 tion 1203(b)(1)(C), the Secretary shall contract with an
15 independent outside organization for a 5-year, rigorous,
16 scientifically valid, quantitative evaluation of this subpart.

17 “(b) PROCESS.—Such evaluation shall be conducted
18 by an organization outside of the Department that is capa-
19 ble of designing and carrying out an independent evalua-
20 tion that identifies the effects of specific activities carried
21 out by States and local educational agencies under this
22 subpart on improving reading instruction. Such evaluation
23 shall use only data relating to students served under this
24 subpart and shall take into account factors influencing

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1 student performance that are not controlled by teachers
2 or education administrators.

3 “(c) ANALYSIS.—Such evaluation shall include the
4 following:

5 “(1) An analysis of the relationship between
6 each of the essential components of reading instruc-
7 tion and overall reading proficiency.

8 “(2) An analysis of whether assessment tools
9 used by States and local educational agencies meas-
10 ure the essential components of reading instruction.

11 “(3) An analysis of how State reading stand-
12 ards correlate with the essential components of read-
13 ing instruction.

14 “(4) An analysis of whether the receipt of a dis-
15 cretionary grant under section 1205 results in an in-
16 crease in the number of children who read pro-
17 ficiently.

18 “(5) A measurement of the extent to which spe-
19 cific instructional materials improve reading pro-
20 ficiency.

21 “(6) A measurement of the extent to which spe-
22 cific rigorous diagnostic reading and screening as-
23 sessment tools assist teachers in identifying specific
24 reading deficiencies.

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1 “(7) A measurement of the extent to which pro-
2 fessional development programs implemented by
3 States using funds received under this subpart im-
4 prove reading instruction.

5 “(8) A measurement of how well students pre-
6 paring to enter the teaching profession are prepared
7 to teach the essential components of reading instruc-
8 tion.

9 “(9) An analysis of changes in students’ inter-
10 est in reading and time spent reading outside of
11 school.

12 “(10) Any other analysis or measurement perti-
13 nent to this subpart that is determined to be appro-
14 priate by the Secretary.

15 “(d) PROGRAM IMPROVEMENT.—The findings of the
16 evaluation conducted under this section shall be provided
17 to States and local educational agencies on a periodic basis
18 for use in program improvement.

19 “**SEC. 1207. NATIONAL ACTIVITIES.**

20 “From funds reserved under section 1203(b)(1)(D),
21 the Secretary may provide technical assistance in achiev-
22 ing the purposes of this subpart to States, local edu-
23 cational agencies, and schools requesting such assistance.

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1 **“SEC. 1208. INFORMATION DISSEMINATION.**

2 “(a) IN GENERAL.—From funds reserved under sec-
3 tion 1203(b)(1)(E), the National Institute for Literacy, in
4 collaboration with the Secretary of Education, the Sec-
5 retary of Health and Human Services, and the Director
6 of the National Institute for Child Health and Human
7 Development—

8 “(1) shall disseminate information on scientif-
9 ically based reading research pertaining to children,
10 youth, and adults;

11 “(2) shall identify and disseminate information
12 about schools, local educational agencies, and States
13 that effectively developed and implemented class-
14 room reading programs that meet the requirements
15 of this subpart, including those effective States, local
16 educational agencies, and schools identified through
17 the evaluation and peer review provisions of this
18 subpart; and

19 “(3) shall support the continued identification
20 and dissemination of information on reading pro-
21 grams that contain the essential components of
22 reading instruction as supported by scientifically
23 based reading research, that can lead to improved
24 reading outcomes for children, youth, and adults.

25 “(b) DISSEMINATION.—

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1 “(1) IN GENERAL.—At a minimum, the Na-
2 tional Institute for Literacy shall disseminate such
3 information to—

4 “(A) recipients of Federal financial assist-
5 ance under part A of this title, part A of title
6 III, the Head Start Act, the Individuals with
7 Disabilities Education Act, and the Adult Edu-
8 cation and Family Literacy Act; and

9 “(B) each Bureau funded school (as de-
10 fined in section 1141(3) of the Education
11 Amendments of 1978).

12 “(2) USE OF EXISTING NETWORKS.—In car-
13 rying out this section, the National Institute for Lit-
14 eracy shall, to the extent practicable, utilize existing
15 information and dissemination networks developed
16 and maintained through other public and private en-
17 tities.

18 **“SEC. 1209. DEFINITIONS.**

19 “For purposes of this subpart:

20 “(1) ELIGIBLE PROFESSIONAL DEVELOPMENT
21 PROVIDER.—The term ‘eligible professional develop-
22 ment provider’ means a provider of professional de-
23 velopment in reading instruction to teachers that is
24 based on scientifically based reading research.

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1 “(2) ESSENTIAL COMPONENTS OF READING IN-
2 STRUCTION.—The term ‘essential components of
3 reading instruction’ means explicit and systematic
4 instruction in—

5 “(A) phonemic awareness;

6 “(B) phonics;

7 “(C) vocabulary development;

8 “(D) oral reading fluency; and

9 “(E) reading comprehension strategies.

10 “(3) INSTRUCTIONAL STAFF.—The term ‘in-
11 structional staff’—

12 “(A) means individuals who have responsi-
13 bility for teaching children to read; and

14 “(B) includes principals, teachers, super-
15 visors of instruction, librarians, library school
16 media specialists, teachers of academic subjects
17 other than reading, and other individuals who
18 have responsibility for assisting children to
19 learn to read.

20 “(4) READING.—The term ‘reading’ means a
21 complex system of deriving meaning from print that
22 requires all of the following:

23 “(A) The skills and knowledge to under-
24 stand how phonemes, or speech sounds, are
25 connected to print.

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1 “(B) The ability to decode unfamiliar
2 words.

3 “(C) The ability to read fluently.

4 “(D) Sufficient background information
5 and vocabulary to foster reading comprehen-
6 sion.

7 “(E) The development of appropriate ac-
8 tive strategies to construct meaning from print.

9 “(F) The development and maintenance of
10 a motivation to read.

11 “(5) RIGOROUS DIAGNOSTIC READING AND
12 SCREENING ASSESSMENT TOOLS.—The term ‘rig-
13 orous diagnostic reading and screening assessment
14 tools’ means assessments that—

15 “(A) are valid, reliable, and based on sci-
16 entifically based reading research;

17 “(B) measure progress in developing pho-
18 nemic awareness and phonics skills, vocabulary,
19 reading fluency, and reading comprehension;

20 “(C) identify students who may be at risk
21 for reading failure or who are having difficulty
22 reading; and

23 “(D) are used to improve instruction.

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1 “(6) SCIENTIFICALLY BASED READING RE-
2 SEARCH.—The term ‘scientifically based reading
3 research’—

4 “(A) means the application of rigorous,
5 systematic, and objective procedures to obtain
6 valid knowledge relevant to reading develop-
7 ment, reading instruction, and reading difficul-
8 ties; and

9 “(B) shall include research that—

10 “(i) employs systematic, empirical
11 methods that draw on observation or ex-
12 periment;

13 “(ii) involves rigorous data analyses
14 that are adequate to test the stated
15 hypotheses and justify the general conclu-
16 sions drawn;

17 “(iii) relies on measurements or obser-
18 vational methods that provide valid data
19 across evaluators and observers and across
20 multiple measurements and observations;
21 and

22 “(iv) has been accepted by a peer-re-
23 viewed journal or approved by a panel of
24 independent experts through a comparably
25 rigorous, objective, and scientific review.

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1 **“Subpart 2—Early Reading First**2 **“SEC. 1221. PURPOSES.**

3 “The purposes of this subpart are as follows:

4 “(1) To improve prereading skills in children
5 aged 3 through 5, particularly children from low-in-
6 come families, in high-quality oral language and lit-
7 erature-rich environments.8 “(2) To provide professional development for
9 early childhood teachers that prepares them with sci-
10 entific research-based knowledge of early reading de-
11 velopment to assist in developing the children’s—12 “(A) automatic recognition of the letters of
13 the alphabet;14 “(B) understanding that spoken words are
15 made up of small segments of speech sounds
16 and that certain letters regularly represent such
17 speech sounds;18 “(C) spoken vocabulary and oral com-
19 prehension abilities; and

20 “(D) understanding of semiotic concepts.

21 “(3) To use scientific research-based screening
22 tools or other appropriate measures to determine
23 whether preschool children are developing the skills
24 identified in this section.25 “(4) To identify and provide scientific research-
26 based prereading language and literacy activities and

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1 instructional materials that can be used to assist in
2 the development of prereading skills in children.

3 “(5) To integrate such scientific research-based
4 instructional materials and literacy activities with
5 existing programs of preschools, child care agencies,
6 and Head Start centers, and with family literacy
7 services.

8 **“SEC. 1222. LOCAL EARLY READING FIRST GRANTS.**

9 “(a) PROGRAM AUTHORIZED.—From amounts ap-
10 propriated under section 1002(b)(2), the Secretary shall
11 make awards, on a competitive basis and for periods of
12 not more than 5 years, to eligible applicants to enable such
13 applicants to carry out activities that are consistent with
14 the purposes of this subpart.

15 “(b) DEFINITION OF ELIGIBLE APPLICANT.—In this
16 subpart, the term ‘eligible applicant’ means—

17 “(1) a local educational agency;

18 “(2) one or more public or private organiza-
19 tions, acting on behalf of one or more programs that
20 serve children aged 3 through 5 (such as a program
21 at a child care agency or Head Start center or a
22 family literacy program), which organizations shall
23 be located in a community served by a local edu-
24 cational agency; or

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1 “(3) one or more local educational agencies in
2 collaboration with one or more organizations de-
3 scribed in paragraph (2).

4 “(c) APPLICATIONS.—An eligible applicant that de-
5 sires to receive a grant under this subpart shall submit
6 an application to the Secretary, which shall include a de-
7 scription of—

8 “(1) the programs to be served by the proposed
9 project, including general demographic and socio-
10 economic information on the communities in which
11 the proposed project will be administered;

12 “(2) how the proposed project will enhance the
13 school readiness of children aged 3 through 5 in
14 high-quality oral language and literature-rich envi-
15 ronments;

16 “(3) how the proposed project will provide early
17 childhood teachers with scientific research-based
18 knowledge of early reading development and assist
19 such teachers in developing the children’s prereading
20 skills;

21 “(4) how the proposed project will provide serv-
22 ices and utilize instructional materials that are
23 based on scientifically based reading research on
24 early language acquisition, prereading activities, and
25 the development of spoken vocabulary skills;

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1 “(5) how the proposed project will integrate
2 such instructional materials and literacy activities
3 with existing preschool programs and family literacy
4 services;

5 “(6) how the proposed project will help staff in
6 the programs to meet the diverse needs of children
7 in the community, including children with limited
8 English proficiency and children with learning dis-
9 abilities;

10 “(7) how the proposed project will help chil-
11 dren, particularly children experiencing difficulty
12 with spoken language, prereading, and early reading
13 skills, to make the transition from preschool to for-
14 mal classroom instruction in school;

15 “(8) how the activities conducted under this
16 subpart will be coordinated with the eligible appli-
17 cant’s activities under subpart 1, if the applicant has
18 received a subgrant under such subpart, at the kin-
19 dergarten through third grade levels;

20 “(9) how the proposed project will evaluate the
21 success of the activities supported under this sub-
22 part in enhancing the early language and reading
23 development of children served by the project; and

24 “(10) such other information as the Secretary
25 may require.

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1 “(d) APPROVAL OF LOCAL APPLICATIONS.—The Sec-
2 retary shall select applicants for funding under this sub-
3 part based on the quality of the applications and the rec-
4 ommendations of the peer review panel convened under
5 section 1204(c)(2).

6 “(e) LOCAL USES OF FUNDS.—

7 “(1) REQUIRED ACTIVITIES.—An eligible appli-
8 cant that receives a grant under this subpart shall
9 use the funds provided under the grant to carry out
10 the following activities:

11 “(A) Providing children aged 3 through 5
12 with high-quality oral language and literature-
13 rich environments in which to acquire
14 prereading skills.

15 “(B) Providing professional development
16 for early childhood teachers that prepares them
17 with scientific research-based knowledge of
18 early reading development to assist in devel-
19 oping the children’s—

20 “(i) automatic recognition of the let-
21 ters of the alphabet;

22 “(ii) understanding that spoken words
23 are made up of small segments of speech
24 sounds and that certain letters regularly
25 represent such speech sounds;

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1 “(iii) spoken vocabulary and oral com-
2 prehension abilities; and

3 “(iv) understanding of semiotic con-
4 cepts.

5 “(C) Identifying and providing scientific
6 research-based prereading language and literacy
7 activities and instructional materials for use in
8 developing the children’s—

9 “(i) automatic recognition of the let-
10 ters of the alphabet;

11 “(ii) understanding that spoken words
12 are made up of small segments of speech
13 sounds and that certain letters regularly
14 represent such speech sounds;

15 “(iii) spoken vocabulary and oral com-
16 prehension abilities; and

17 “(iv) understanding of semiotic con-
18 cepts.

19 “(2) OPTIONAL ACTIVITIES.—An eligible appli-
20 cant that receives a grant under this subpart may
21 use the funds provided under the grant to carry out
22 the following activities:

23 “(A) Using scientific research-based
24 screening tools or other appropriate measures

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1 to determine whether preschool children are de-
2 veloping the skills identified in this subsection.

3 “(B) Integrating such instructional mate-
4 rials and literacy activities with programs of ex-
5 isting child care agencies, preschools, and Head
6 Start centers, and with family literacy services.

7 “(f) AWARD AMOUNTS.—The Secretary may estab-
8 lish a maximum award amount, or ranges of award
9 amounts, for grants under this subpart.

10 **“SEC. 1223. FEDERAL ADMINISTRATION.**

11 “The Secretary shall consult with the Secretary of
12 Health and Human Services in order to coordinate the ac-
13 tivities undertaken under this subpart with programs
14 under the Head Start Act (42 U.S.C. 9831 et seq.).

15 **“SEC. 1224. REPORTING REQUIREMENTS.**

16 “Each eligible applicant receiving a grant under this
17 subpart shall report annually to the Secretary regarding
18 the eligible applicant’s progress in addressing the purposes
19 of this subpart.

20 **“SEC. 1225. EVALUATION.**

21 “From the total amount made available under section
22 1002(b)(2) for the period beginning October 1, 2002, and
23 ending September 30, 2006, the Secretary shall reserve
24 not more than \$1,000,000 to conduct an independent eval-
25 uation of the effectiveness of this subpart.

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1 **“SEC. 1226. ADDITIONAL RESEARCH.**

2 “From the amount made available under section
3 1002(b)(2) for each of the fiscal years 2002 through 2006,
4 the Secretary shall reserve not more than \$3,000,000 to
5 conduct, in consultation with the National Institute for
6 Child Health and Human Development, the National In-
7 stitute for Literacy, and the Department of Health and
8 Human Services, additional research on language and lit-
9 eracy development for children aged 3 through 5.”.

10 **SEC. 112. AMENDMENTS TO EVEN START.**

11 Part B of title I (20 U.S.C. 6361 et seq.), as amend-
12 ed by section 111, is further amended—

13 (1) by inserting before section 1231 (as so re-
14 designated by section 111) the following:

15 **“Subpart 3—William F. Goodling Even Start Family**
16 **Literacy Programs”;**

17 (2) in each of sections 1231 through 1242 (as
18 so redesignated by section 111)—

19 (A) by striking “this part” each place such
20 term appears and inserting “this subpart”; and

21 (B) by striking “1002(b)” each place such
22 term appears and inserting “1002(b)(3)”;

23 (3) in section 1231(4), by striking “2252)” and
24 inserting “1209)”;

25 (4) in section 1232—

26 (A) in subsection (b)—

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1 (i) in paragraph (1)(A), by striking
2 “1209;” and inserting “1239;”; and

3 (ii) in paragraph (2), by striking
4 “1211(b)” each place such term appears
5 and inserting “1241(b)”; and

6 (B) in subsection (c)—

7 (i) by amending paragraph (2)(C) to
8 read as follows:

9 “(C) COORDINATION WITH SUBPART 1.—

10 The consortium shall coordinate its activities
11 with the activities of the reading and literacy
12 partnership for the State established under sec-
13 tion 1204(d), if the State receives a grant
14 under section 1203.”; and

15 (ii) in paragraph (3), by striking
16 “2252).” and inserting “1209).”;

17 (5) in section 1233—

18 (A) by striking “1202(d)(1)” each place
19 such term appears and inserting “1232(d)(1)”;
20 and

21 (B) by striking “1210.” and inserting
22 “1240.”;

23 (6) in section 1234—

24 (A) in subsection (b)—

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1 (i) in paragraph (1)(A), by moving
2 the margins of clauses (v) and (vi) 2 ems
3 to the right; and

4 (ii) in paragraph (3), by striking
5 “1202(a)(1)(C)” and inserting
6 “1232(a)(1)(C)”; and

7 (B) in subsection (c)—

8 (i) in paragraph (1)—

9 (I) by striking “1203(a),” and
10 inserting “1233(a),”; and

11 (II) by striking “1203(b)” and
12 inserting “1233(b)”; and

13 (ii) in paragraph (2), by striking
14 “1210.” and inserting “1240.”;

15 (7) in section 1235—

16 (A) in paragraph (10), by striking “2252)”
17 and inserting “1209)”;

18 (B) in paragraph (12), by striking
19 “2252),” and inserting “1209),”; and

20 (C) in paragraph (15), by striking “pro-
21 gram.” and inserting “program to be used for
22 program improvement.”;

23 (8) in section 1237—

24 (A) in subsection (c)(1)—

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1 (i) in subparagraph (B), by striking
2 “1205;” and inserting “1235;”; and

3 (ii) in subparagraph (F), by striking
4 “14306;” and inserting “8306;”; and
5 (B) in subsection (d), by striking “14302.”
6 and inserting “8302.”;

7 (9) in section 1238—

8 (A) in subsection (a)(1)—

9 (i) in subparagraph (A)(ii), by strik-
10 ing “1205;” and inserting “1235;”; and

11 (ii) in subparagraph (F), by striking
12 “1204(b);” and inserting “1234(b);”; and
13 (B) in subsection (b)—

14 (i) in paragraph (3)—

15 (I) by striking “1207(c)(1)(A)”
16 and inserting “1237(c)(1)(A)”; and

17 (II) by striking “1210.” and in-
18 serting “1240.”;

19 (ii) in paragraph (4), by striking
20 “1210,” and inserting “1240,”; and

21 (iii) in paragraph (5)(B), by striking
22 “1204(b).” and inserting “1234(b).”;

23 (10) in section 1239—

24 (A) by striking “1202(b)(1),” and insert-
25 ing “1232(b)(1),”; and

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1 (B) by striking “1205(10)” and inserting
2 “1235(10)”; and
3 (11) in section 1241—
4 (A) in subsection (b)(1)—
5 (i) by striking “1202(b)(2),” and in-
6 serting “1232(b)(2),”; and
7 (ii) by striking “2252);” and inserting
8 “1209);”; and
9 (B) in subsection (c), by striking “2258,”
10 and inserting “1208,”.

11 **SEC. 113. INEXPENSIVE BOOK DISTRIBUTION PROGRAM.**

12 (a) **TRANSFER AND REDESIGNATION.**—Part E of
13 title X (20 U.S.C. 8131) is transferred and redesignated
14 as subpart 4 of part B of title I. Section 10501 is redesi-
15 gnated as section 1251.

16 (b) **PURPOSE.**—Section 1251 (as so redesignated) is
17 amended—

18 (1) by striking subsection (e);

19 (2) by redesignating subsection (d) as sub-
20 section (g);

21 (3) by redesignating subsections (a) through (c)
22 as subsections (b) through (d), respectively; and

23 (4) by inserting before subsection (b) (as so re-
24 designated) the following:

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1 “(a) PURPOSE.—The purpose of this program is to
2 establish and implement a model partnership between a
3 governmental entity and a private entity, to help prepare
4 young children for reading, and motivate older children
5 to read, through the distribution of inexpensive books.
6 Local reading motivation programs assisted under this
7 section shall use such assistance to provide books, training
8 for volunteers, motivational activities, and other essential
9 literacy resources, and shall assign the highest priority to
10 serving the youngest and neediest children in the United
11 States.”.

12 (c) AUTHORIZATION.—Section 1251(b) (as so reded-
13 igned) is amended by striking “books to students, that
14 motivate children to read.” and inserting “books to young
15 and school-aged children that motivate them to read.”.

16 (d) REQUIREMENTS OF CONTRACT.—Section 1251(c)
17 (as so redesignated) is amended—

18 (1) in the matter preceding paragraph (1), by
19 striking “subsection (a)” and inserting “subsection
20 (b)”;

21 (2) in paragraph (4), by inserting “training
22 and” before “technical”.

23 (e) SPECIAL RULES FOR CERTAIN SUBCONTRAC-
24 TORS; MULTI-YEAR CONTRACTS.—Section 1251 (as so re-

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1 designated) is amended by inserting after subsection (d)
2 the following:

3 “(e) SPECIAL RULES FOR CERTAIN SUBCONTRAC-
4 TORS.—

5 “(1) FUNDS FROM OTHER FEDERAL
6 SOURCES.—Subcontractors operating programs
7 under this section in low-income communities with a
8 substantial number or percentage of children with
9 special needs, as described in subsection (c)(3), may
10 use funds from other Federal sources to pay the
11 non-Federal share of the cost of the program, if
12 those funds do not comprise more than 50 percent
13 of the non-Federal share of the funds used for the
14 cost of acquiring and distributing books.

15 “(2) WAIVER AUTHORITY.—Notwithstanding
16 subsection (c), the contractor may waive, in whole or
17 in part, the requirement in subsection (c)(1) for a
18 subcontractor, if the subcontractor demonstrates
19 that it would otherwise not be able to participate in
20 the program, and enters into an agreement with the
21 contractor with respect to the amount of the non-
22 Federal share to which the waiver will apply. In a
23 case in which such a waiver is granted, the require-
24 ment in subsection (c)(2) shall not apply.

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1 “(f) MULTI-YEAR CONTRACTS.—The contractor may
2 enter into a multi-year subcontract under this section, if—

3 “(1) the contractor believes that such sub-
4 contract will provide the subcontractor with addi-
5 tional leverage in seeking local commitments; and

6 “(2) the subcontract does not undermine the fi-
7 nances of the national program.”.

8 (f) CONTINUATION OF AWARDS.—Notwithstanding
9 any other provision of this Act, any person or agency that
10 was awarded a contract under part E of title X (20 U.S.C.
11 8131) prior to the date of the enactment of this Act shall
12 continue to receive funds in accordance with the terms of
13 such contract until the date on which the contract period
14 terminates under such terms.

15 **PART C—EDUCATION OF MIGRATORY CHILDREN**

16 **SEC. 121. STATE ALLOCATIONS.**

17 Section 1303 (20 U.S.C. 6393) is amended—

18 (1) by amending subsection (a) to read as fol-
19 lows:

20 “(a) STATE ALLOCATIONS.—

21 “(1) FISCAL YEAR 2002.—For fiscal year 2002,
22 each State (other than the Commonwealth of Puerto
23 Rico) is entitled to receive under this part an
24 amount equal to—

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1 “(A) the sum of the estimated number of
2 migratory children aged three through 21 who
3 reside in the State full time and the full-time
4 equivalent of the estimated number of migra-
5 tory children aged three through 21 who reside
6 in the State part time, as determined in accord-
7 ance with subsection (d); multiplied by

8 “(B) 40 percent of the average per-pupil
9 expenditure in the State, except that the
10 amount determined under this paragraph shall
11 not be less than 32 percent, nor more than 48
12 percent, of the average expenditure per pupil in
13 the United States.

14 “(2) SUBSEQUENT YEARS.—

15 “(A) BASE AMOUNT.—

16 “(i) IN GENERAL.—Except as pro-
17 vided in subsection (b) and clause (ii), each
18 State (other than the Commonwealth of
19 Puerto Rico) is entitled to receive under
20 this part, for fiscal year 2003 and suc-
21 ceeding fiscal years, an amount equal to—

22 “(I) the amount that such State
23 received under this part for fiscal year
24 2002; plus

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1 “(II) the amount allocated to the
2 State under subparagraph (B).

3 “(ii) NONPARTICIPATING STATES.—In
4 the case of a State (other than the Com-
5 monwealth of Puerto Rico) that did not re-
6 ceive any funds for fiscal year 2002 under
7 this part, the State shall receive, for fiscal
8 year 2003 and succeeding fiscal years, an
9 amount equal to—

10 “(I) the amount that such State
11 would have received under this part
12 for fiscal year 2002 if its application
13 under section 1304 for the year had
14 been approved; plus

15 “(II) the amount allocated to the
16 State under subparagraph (B).

17 “(B) ALLOCATION OF ADDITIONAL
18 AMOUNT.—For fiscal year 2003 and succeeding
19 fiscal years, the amount (if any) by which the
20 funds appropriated to carry out this part for
21 the year exceed such funds for fiscal year 2002
22 shall be allocated to a State (other than the
23 Commonwealth of Puerto Rico) so that the
24 State receives an amount equal to—

25 “(i) the sum of—

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1 “(I) the number of identified eli-
2 gible migratory children, aged 3
3 through 21, residing in the State dur-
4 ing the previous year; and

5 “(II) the number of identified eli-
6 gible migratory children, aged 3
7 through 21, who received services
8 under this part in summer or interses-
9 sion programs provided by the State
10 during such year; multiplied by

11 “(ii) 40 percent of the average per-
12 pupil expenditure in the State, except that
13 the amount determined under this clause
14 may not be less than 32 percent, or more
15 than 48 percent, of the average per-pupil
16 expenditure in the United States.”;

17 (2) by amending subsection (b) to read as fol-
18 lows:

19 “(b) ALLOCATION TO PUERTO RICO.—

20 “(1) IN GENERAL.—For each fiscal year, the
21 grant which the Commonwealth of Puerto Rico shall
22 be eligible to receive under this part shall be the
23 amount determined by multiplying the number of
24 children counted under subsection (a)(1)(A) for the
25 Commonwealth of Puerto Rico by the product of—

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1 “(A) the percentage which the average per
2 pupil expenditure in the Commonwealth of
3 Puerto Rico is of the lowest average per pupil
4 expenditure of any of the 50 States; and

5 “(B) 32 percent of the average per pupil
6 expenditure in the United States.

7 “(2) MINIMUM PERCENTAGE.—The percentage
8 in paragraph (1)(A) shall not be less than—

9 “(A) for fiscal year 2002, 77.5 percent;

10 “(B) for fiscal year 2003, 80.0 percent;

11 “(C) for fiscal year 2004, 82.5 percent;

12 and

13 “(D) for fiscal year 2005 and succeeding
14 fiscal years, 85.0 percent.

15 “(3) LIMITATION.—If the application of para-
16 graph (2) would result in any of the 50 States or
17 the District of Columbia receiving less under this
18 part than it received under this part for the pre-
19 ceding fiscal year, the percentage in paragraph (1)
20 shall be the greater of the percentage in paragraph
21 (1)(A) or the percentage used for the preceding fis-
22 cal year.”; and

23 (3) by striking subsection (d) and redesignating
24 subsection (e) as subsection (d).

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1 **SEC. 122. STATE APPLICATIONS; SERVICES.**

2 (a) PROGRAM INFORMATION.—Section 1304(b) (20
3 U.S.C. 6394(b)) is amended—

4 (1) in paragraph (1), by striking “addressed
5 through” and all that follows through the semicolon
6 at the end and inserting the following:

7 “addressed through—

8 “(A) the full range of services that are
9 available for migratory children from appro-
10 priate local, State, and Federal educational pro-
11 grams;

12 “(B) joint planning among local, State,
13 and Federal educational programs serving mi-
14 grant children, including programs under part
15 A of title III;

16 “(C) the integration of services available
17 under this part with services provided by those
18 other programs; and

19 “(D) measurable program goals and out-
20 comes;”; and

21 (2) in paragraph (5), by striking “the require-
22 ments of paragraph (1);” and inserting “the num-
23 bers and needs of migratory children, the require-
24 ments of subsection (d), and the availability of funds
25 from other Federal, State, and local programs;”.

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1 (b) ASSURANCES.—Section 1304(c) (20 U.S.C.
2 6394(c)) is amended—

3 (1) in paragraph (1), by striking “1306(b)(1);”
4 and inserting “1306(a);”;

5 (2) in paragraph (2), by striking “part F;” and
6 inserting “part H;”

7 (3) in paragraph (3)—

8 (A) by striking “appropriate”;

9 (B) by striking “out, to the extent fea-
10 sible,” and inserting “out”; and

11 (C) by striking “1118;” and inserting
12 “1118, unless extraordinary circumstances
13 make implementation consistent with such sec-
14 tion impractical;”;

15 (4) in paragraph (7), by striking “section
16 1303(e)” and inserting “paragraphs (1)(A) and
17 (2)(B)(i) of section 1303(a)”.

18 **SEC. 123. AUTHORIZED ACTIVITIES.**

19 Section 1306 (20 U.S.C. 6396) is amended to read
20 as follows:

21 **“SEC. 1306. AUTHORIZED ACTIVITIES.**

22 **“(a) IN GENERAL.—**

23 **“(1) FLEXIBILITY.—**Each State educational
24 agency, through its local educational agencies, shall
25 have the flexibility to determine the activities to be

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1 provided with funds made available under this part,
2 except that such funds shall first be used to meet
3 the identified needs of migratory children that result
4 from their migratory lifestyle, and to permit these
5 children to participate effectively in school.

6 “(2) UNADDRESSED NEEDS.—Funds provided
7 under this part shall be used to address the needs
8 of migratory children that are not addressed by serv-
9 ices available from other Federal or non-Federal
10 programs, except that migratory children who are el-
11 ible to receive services under part A of this title
12 may receive those services through funds provided
13 under that part, or through funds under this part
14 that remain after the agency addresses the needs de-
15 scribed in paragraph (1).

16 “(b) CONSTRUCTION.—Nothing in this part shall be
17 construed to prohibit a local educational agency from serv-
18 ing migratory children simultaneously with students with
19 similar educational needs in the same educational settings,
20 where appropriate.

21 “(c) SPECIAL RULE.—Notwithstanding section 1114,
22 a school that receives funds under this part shall continue
23 to address the identified needs described in subsection
24 (a)(1).”.

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1 **SEC. 124. COORDINATION OF MIGRANT EDUCATION ACTIVI-**
2 **TIES.**

3 (a) DURATION.—Section 1308(a)(2) (20 U.S.C.
4 6398(a)(2)) is amended by striking “subpart” and insert-
5 ing “subsection”.

6 (b) STUDENT RECORDS.—Section 1308(b) (20
7 U.S.C. 6398(b)) is amended to read as follows:

8 “(b) STUDENT RECORDS.—

9 “(1) ASSISTANCE.—The Secretary shall assist
10 States in developing effective methods for the trans-
11 fer of student records and in determining the num-
12 ber of migratory children in each State. The Sec-
13 retary, in consultation with the States, shall deter-
14 mine the minimum data elements that each State re-
15 ceiving funds under this part shall collect and main-
16 tain. The Secretary shall assist States to implement
17 a system of linking their student record transfer sys-
18 tems for the purpose of electronic records mainte-
19 nance and transfer for migrant students.

20 “(2) NO COST FOR CERTAIN TRANSFERS.—A
21 State educational agency or local educational agency
22 receiving assistance under this part shall make stu-
23 dent records available to another State or local edu-
24 cational agency that requests the records at no cost
25 to the requesting agency, if the request is made in
26 order to meet the needs of a migratory child.”.

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1 (c) AVAILABILITY OF FUNDS.—Section 1308(c) (20
2 U.S.C. 6398(c)) is amended by striking “\$6,000,000” and
3 inserting “\$10,000,000”.

4 (d) INCENTIVE GRANTS.—Section 1308(d) (20
5 U.S.C. 6398(d)) is amended to read as follows:

6 “(d) INCENTIVE GRANTS.—From the amounts made
7 available to carry out this section for any fiscal year, the
8 Secretary may reserve not more than \$3,000,000 to award
9 grants of not more than \$250,000 on a competitive basis
10 to State educational agencies that propose a consortium
11 arrangement with another State or other appropriate enti-
12 ty that the Secretary determines, pursuant to criteria that
13 the Secretary shall establish, will improve the delivery of
14 services to migratory children whose education is inter-
15 rupted.”.

16 **PART D—NEGLECTED OR DELINQUENT YOUTH**

17 **SEC. 131. NEGLECTED OR DELINQUENT YOUTH.**

18 The heading for part D of title I is amended to read
19 as follows:

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1 **“PART D—PREVENTION AND INTERVENTION**
2 **PROGRAMS FOR NEGLECTED OR DELIN-**
3 **QUENT CHILDREN AND YOUTH”.**

4 **SEC. 132. FINDINGS.**

5 Section 1401(a) (20 U.S.C. 6421(a)) is amended by
6 striking paragraphs (6) through (9) and inserting the fol-
7 lowing:

8 “(6) Youth returning from correctional facilities
9 need to be involved in programs that provide them
10 with high-level skills and other support to help them
11 stay in school and complete their education.

12 “(7) Pregnant and parenting teenagers are a
13 high-at-risk group for dropping out of school and
14 should be targeted by dropout prevention pro-
15 grams.”.

16 **SEC. 133. ALLOCATION OF FUNDS.**

17 Section 1412(b) (20 U.S.C. 6432(b)) is amended to
18 read as follows:

19 **“(b) SUBGRANTS TO STATE AGENCIES IN PUERTO**
20 **RICO.—**

21 **“(1) IN GENERAL.—**For each fiscal year, the
22 amount of the subgrant which a State agency in the
23 Commonwealth of Puerto Rico shall be eligible to re-
24 ceive under this part shall be the amount determined
25 by multiplying the number of children counted under

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1 subparagraph (a)(1)(A) for the Commonwealth of
2 Puerto Rico by the product of—

3 “(A) the percentage which the average per-
4 pupil expenditure in the Commonwealth of
5 Puerto Rico is of the lowest average per-pupil
6 expenditure of any of the 50 States; and

7 “(B) 32 percent of the average per-pupil
8 expenditure in the United States.

9 “(2) MINIMUM PERCENTAGE.—The percentage
10 in paragraph (1)(A) shall not be less than—

11 “(A) for fiscal year 2002, 77.5 percent;

12 “(B) for fiscal year 2003, 80.0 percent;

13 “(C) for fiscal year 2004, 82.5 percent;

14 and

15 “(D) for fiscal year 2005 and succeeding
16 fiscal years, 85.0 percent.

17 “(3) LIMITATION.—If the application of para-
18 graph (2) would result in any of the 50 States or
19 the District of Columbia receiving less under this
20 part than it received under this part for the pre-
21 ceding fiscal year, the percentage in paragraph (1)
22 shall be the greater of the percentage in paragraph
23 (1)(A) or the percentage used for the preceding fis-
24 cal year.”.

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1 **SEC. 134. STATE PLAN AND STATE AGENCY APPLICATIONS.**

2 Section 1414 (20 U.S.C. 6434) is amended to read
3 as follows:

4 **“SEC. 1414. STATE PLAN AND STATE AGENCY APPLICA-**
5 **TIONS.**

6 **“(a) STATE PLAN.—**

7 **“(1) IN GENERAL.—**Each State educational
8 agency that desires to receive a grant under this
9 part shall submit, for approval by the Secretary, a
10 plan for meeting the educational needs of neglected
11 and delinquent youth, for assisting in their transi-
12 tion from institutions to locally operated programs,
13 and which is integrated with other programs under
14 this Act or other Acts, as appropriate, consistent
15 with section 8306.

16 **“(2) CONTENTS.—**Each such State plan shall—

17 **“(A)** describe the program goals, objec-
18 tives, and performance measures established by
19 the State that will be used to assess the effec-
20 tiveness of the program in improving academic
21 and vocational and technical skills of children in
22 the program;

23 **“(B)** provide that, to the extent feasible,
24 such children will have the same opportunities
25 to learn as such children would have if such

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1 children were in the schools of local educational
2 agencies in the State; and

3 “(C) contain assurances that the State
4 educational agency will—

5 “(i) ensure that programs assisted
6 under this part will be carried out in ac-
7 cordance with the State plan described in
8 this subsection;

9 “(ii) carry out the evaluation require-
10 ments of section 1416;

11 “(iii) ensure that the State agencies
12 receiving subgrants under this subpart
13 comply with all applicable statutory and
14 regulatory requirements; and

15 “(iv) provide such other information
16 as the Secretary may reasonably require.

17 “(3) DURATION OF THE PLAN.—Each such
18 State plan shall—

19 “(A) remain in effect for the duration of
20 the State’s participation under this part; and

21 “(B) be periodically reviewed and revised
22 by the State, as necessary, to reflect changes in
23 the State’s strategies and programs under this
24 part.

25 “(b) SECRETARIAL APPROVAL AND PEER REVIEW.—

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1 “(1) SECRETARIAL APPROVAL.—The Secretary
2 shall approve each State plan that meets the re-
3 quirements of this part.

4 “(2) PEER REVIEW.—The Secretary may review
5 any State plan with the assistance and advice of in-
6 dividuals with relevant expertise.

7 “(c) STATE AGENCY APPLICATIONS.—Any State
8 agency that desires to receive funds to carry out a pro-
9 gram under this part shall submit an application to the
10 State educational agency that—

11 “(1) describes the procedures to be used, con-
12 sistent with the State plan under section 1111, to
13 assess the educational needs of the children to be
14 served;

15 “(2) provides assurances that in making serv-
16 ices available to youth in adult correctional facilities,
17 priority will be given to such youth who are likely to
18 complete incarceration within a 2-year period;

19 “(3) describes the program, including a budget
20 for the first year of the program, with annual up-
21 dates to be provided to the State educational agency;

22 “(4) describes how the program will meet the
23 goals and objectives of the State plan under this
24 subpart;

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1 “(5) describes how the State agency will consult
2 with experts and provide the necessary training for
3 appropriate staff, to ensure that the planning and
4 operation of institution-wide projects under section
5 1416 are of high quality;

6 “(6) describes how the agency will carry out the
7 evaluation requirements of section 8651 and how the
8 results of the most recent evaluation are used to
9 plan and improve the program;

10 “(7) includes data showing that the agency has
11 maintained fiscal effort required of a local edu-
12 cational agency, in accordance with section 8501;

13 “(8) describes how the programs will be coordi-
14 nated with other appropriate State and Federal pro-
15 grams, such as programs under title I of the Work-
16 force Investment Act of 1998 (29 U.S.C. 2801 et
17 seq.), vocational and technical education programs,
18 State and local dropout prevention programs, and
19 special education programs;

20 “(9) describes how States will encourage correc-
21 tional facilities receiving funds under this subpart to
22 coordinate with local educational agencies or alter-
23 native education programs attended by incarcerated
24 youth prior to their incarceration to ensure that stu-
25 dent assessments and appropriate academic records

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1 are shared jointly between the correctional facility
2 and the local educational agency or alternative edu-
3 cation program;

4 “(10) describes how appropriate professional
5 development will be provided to teachers and other
6 staff;

7 “(11) designates an individual in each affected
8 institution to be responsible for issues relating to the
9 transition of children and youth from the institution
10 to locally operated programs;

11 “(12) describes how the agency will endeavor to
12 coordinate with businesses for training and men-
13 toring for participating youth;

14 “(13) provides assurances that the agency will
15 assist in locating alternative programs through
16 which students can continue their education if stu-
17 dents are not returning to school after leaving the
18 correctional facility;

19 “(14) provides assurances that the agency will
20 work with parents to secure parents’ assistance in
21 improving the educational achievement of their chil-
22 dren and preventing their children’s further involve-
23 ment in delinquent activities;

24 “(15) provides assurances that the agency
25 works with special education youth in order to meet

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1 an existing individualized education program and an
2 assurance that the agency will notify the youth's
3 local school if such youth—

4 “(A) is identified as in need of special edu-
5 cation services while the youth is in the facility;
6 and

7 “(B) intends to return to the local school;

8 “(16) provides assurances that the agency will
9 work with youth who dropped out of school before
10 entering the facility to encourage the youth to reen-
11 ter school once the term of incarceration has been
12 completed or provide the youth with the skills nec-
13 essary to gain employment, continue the education
14 of the youth, or achieve a secondary school diploma
15 or the recognized equivalent if the youth does not in-
16 tend to return to school;

17 “(17) provides assurances that teachers and
18 other qualified staff are also trained to work with
19 children with disabilities and other students with
20 special needs, taking into consideration the unique
21 needs of such students;

22 “(18) describes any additional services to be
23 provided to youth, such as career counseling, dis-
24 tance learning, and assistance in securing student
25 loans and grants; and

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1 “(19) provides assurances that the program
2 under this subpart will be coordinated with any pro-
3 grams operated under the Juvenile Justice and De-
4 linquency Prevention Act of 1974 (42 U.S.C. 5601
5 et seq.) or other comparable programs, if applica-
6 ble.”.

7 **SEC. 135. USE OF FUNDS.**

8 Section 1415(a) (20 U.S.C. 6435(a)) is amended—

9 (1) in paragraph (1)(B), by inserting “, voca-
10 tional and technical training,” after “secondary
11 school completion”;

12 (2) in paragraph (2)(B)—

13 (A) in clause (i), by inserting “and” after
14 the semicolon;

15 (B) in clause (ii), by striking “; and” and
16 inserting a period; and

17 (C) by striking clause (iii);

18 (3) in paragraph (2)(C), by striking “part F of
19 this title” and inserting “part H”; and

20 (4) in paragraph (2)(D), by striking “section
21 14701” and inserting “section 8651”.

22 **SEC. 136. TRANSITION SERVICES.**

23 Section 1418(a) (20 U.S.C. 6438(a)) is amended by
24 striking “10 percent” and inserting “15 percent”.

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1 SEC. 137. PURPOSE.

2 Section 1421(3) (20 U.S.C. 6451(3)) is amended to
3 read as follows:

4 “(3) operate programs in local schools for youth
5 returning from correctional facilities and programs
6 which may also serve youth at risk of dropping out
7 of school.”.

**8 SEC. 138. PROGRAMS OPERATED BY LOCAL EDUCATIONAL
9 AGENCIES.**

10 Section 1422 (20 U.S.C. 6452) is amended—

11 (1) in subsection (a), by striking “retained”;

12 (2) by amending subsection (b) to read as fol-
13 lows:

14 “(b) SPECIAL RULE.—A local educational agency
15 which includes a correctional facility that operates a school
16 is not required to operate a program of support for chil-
17 dren returning from such school to a school not operated
18 by a correctional agency but served by such local edu-
19 cational agency if more than 30 percent of the youth at-
20 tending the school operated by the correctional facility will
21 reside outside the boundaries of the local educational
22 agency after leaving such facility.”; and

23 (3) by adding at the end the following:

24 “(d) TRANSITIONAL AND ACADEMIC SERVICES.—
25 Transitional and supportive programs operated in local
26 educational agencies under this subpart shall be designed

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1 primarily to meet the transitional and academic needs of
2 students returning to local educational agencies or alter-
3 native education programs from correctional facilities.
4 Services to students at risk of dropping out of school shall
5 not have a negative impact on meeting the transitional and
6 academic needs of the students returning from correc-
7 tional facilities.”.

8 **SEC. 139. LOCAL EDUCATIONAL AGENCY APPLICATIONS.**

9 Section 1423 (20 U.S.C. 6453) is amended by strik-
10 ing paragraphs (4) through (9) and inserting the fol-
11 lowing:

12 “(4) a description of the program operated by
13 participating schools for children returning from cor-
14 rectional facilities and the types of services that such
15 schools will provide such youth and other at-risk
16 youth;

17 “(5) a description of the characteristics (includ-
18 ing learning difficulties, substance abuse problems,
19 and other special needs) of the youth who will be re-
20 turning from correctional facilities and, as appro-
21 priate, other at-risk youth expected to be served by
22 the program and how the school will coordinate ex-
23 isting educational programs to meet the unique edu-
24 cational needs of such youth;

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1 “(6) as appropriate, a description of how
2 schools will coordinate with existing social, health,
3 and other services to meet the needs of students re-
4 turning from correctional facilities, students at risk
5 of dropping out of school, and other participating
6 students, including prenatal health care and nutri-
7 tion services related to the health of the parent and
8 child, parenting and child development classes, child
9 care, targeted reentry and outreach programs, refer-
10 rals to community resources, and scheduling flexi-
11 bility;

12 “(7) as appropriate, a description of any part-
13 nerships with local businesses to develop training,
14 curriculum-based youth entrepreneurship education,
15 and mentoring services for participating students;

16 “(8) as appropriate, a description of how pro-
17 grams will involve parents in efforts to improve the
18 educational achievement of their children, prevent
19 the involvement of their children in delinquent activi-
20 ties, and encourage their children to remain in
21 school and complete their education;

22 “(9) a description of how the program under
23 this subpart will be coordinated with other Federal,
24 State, and local programs, such as job training pro-

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1 grams and vocational and technical education pro-
2 grams serving this at-risk population of youth.”.

3 **SEC. 140. USES OF FUNDS.**

4 Section 1424 (20 U.S.C. 6454) is amended by strik-
5 ing paragraphs (1) through (3) and inserting the fol-
6 lowing:

7 “(1) programs that serve youth returning from
8 correctional facilities to local schools, to assist in the
9 transition of such youth to the school environment
10 and help them remain in school in order to complete
11 their education;

12 “(2) providing assistance to other youth at risk
13 of dropping out of school, including pregnant and
14 parenting teenagers;

15 “(3) the coordination of social, health, and
16 other services, including day care, for participating
17 youth, if the provision of such services will improve
18 the likelihood that such youth will complete their
19 education;

20 “(4) special programs to meet the unique aca-
21 demic needs of participating youth, including voca-
22 tional and technical education, special education, ca-
23 reer counseling, curriculum-based youth entrepre-
24 neurship education, and assistance in securing stu-

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1 dent loans or grants for postsecondary education;
2 and

3 “(5) programs providing mentoring and peer
4 mediation.”.

5 **SEC. 141. PROGRAM REQUIREMENTS.**

6 Section 1425 (20 U.S.C. 6455) is amended—

7 (1) in the section heading, by striking “**THIS**
8 **SECTION**” and inserting “**THIS SUBPART**”;

9 (2) in the matter preceding paragraph (1), by
10 striking “this section” and inserting “this subpart”;

11 (3) in paragraph (1), by striking “where fea-
12 sible, ensure educational programs” and inserting
13 “to the extent practicable, ensure that educational
14 programs”;

15 (4) in paragraphs (3) and (8), by striking
16 “where feasible,” and inserting “to the extent prac-
17 ticable,”;

18 (5) in paragraph (9)—

19 (A) by striking “this program” and insert-
20 ing “this subpart”;

21 (B) by inserting “and technical” after “vo-
22 cational”; and

23 (C) by inserting “(20 U.S.C. 2801 et
24 seq.)” after “Workforce Investment Act of
25 1998”;

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1 (6) in paragraph (10), by inserting “(42 U.S.C.
2 5601 et seq.)” after “Juvenile Justice and Delin-
3 quency Prevention Act of 1974”; and

4 (7) by amending paragraph (11) to read as fol-
5 lows:

6 “(11) if appropriate, work with local businesses
7 to develop training, curriculum-based youth entre-
8 preneurship education, and mentoring programs for
9 youth.”.

10 **SEC. 142. PROGRAM EVALUATIONS.**

11 Section 1431(a) (20 U.S.C. 6471(a)) is amended by
12 striking “sex, and if feasible,” and inserting “gender,”.

13 **PART E—FEDERAL EVALUATIONS AND**
14 **DEMONSTRATIONS**

15 **SEC. 151. EVALUATIONS.**

16 Section 1501 (20 U.S.C. 6491) is amended to read
17 as follows:

18 **“SEC. 1501. EVALUATIONS.**

19 **“(a) NATIONAL ASSESSMENT.—**

20 **“(1) IN GENERAL.—**In accordance with this
21 section, the Secretary shall conduct a national as-
22 sessment of programs assisted under this title.

23 **“(2) ISSUES TO BE EXAMINED.—**In conducting
24 the assessment under this subsection, the Secretary
25 shall examine—

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1 “(A) the implementation of programs as-
2 sisted under this title and the impact of such
3 implementation on increasing student academic
4 achievement, particularly schools with high con-
5 centrations of children living in poverty;

6 “(B) the implementation of State stand-
7 ards, assessments, and accountability systems
8 developed under this title and the impact of
9 such implementation on educational programs
10 and instruction at the local level;

11 “(C) the impact of schoolwide programs
12 and targeted assistance programs under this
13 title on improving student academic achieve-
14 ment;

15 “(D) the extent to which varying models of
16 comprehensive school reform are funded under
17 this title, and the effect of the implementation
18 of such models on improving achievement of
19 disadvantaged students;

20 “(E) the costs as compared to the benefits
21 of the activities assisted under this title;

22 “(F) the impact of school choice options
23 under section 1116 on the academic achieve-
24 ment of disadvantaged students, on schools in

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1 school improvement, and on schools from which
2 students have transferred under such options;

3 “(G) the extent to which actions author-
4 ized under section 1116 of this title are em-
5 ployed by State and local educational agencies
6 to improve the academic achievement of stu-
7 dents in low-performing schools, and the effec-
8 tiveness of the implementation of such actions;

9 “(H) the extent to which technical assist-
10 ance made available under this title is used to
11 improve the achievement of students in low-per-
12 forming schools, and the impact of such assist-
13 ance on such achievement;

14 “(I) the extent to which State and local
15 fiscal accounting requirements under this title
16 limit the flexibility of schoolwide programs;

17 “(J) the impact of the professional devel-
18 opment activities assisted under this title on in-
19 struction and student performance;

20 “(K) the extent to which the assistance
21 made available under this title is targeted to
22 disadvantaged students and schools that need
23 them the most;

24 “(L) the effectiveness of Federal adminis-
25 tration assistance made available under this

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1 title, including monitoring and technical assist-
2 ance; and

3 “(M) such other issues as the Secretary
4 considers appropriate.

5 “(3) SOURCES OF INFORMATION.—In con-
6 ducting the assessment under this subsection, the
7 Secretary shall use information from a variety of
8 sources, including the National Assessment of Edu-
9 cational Progress (carried out under section 411 of
10 the National Education Statistics Act of 1994 (20
11 U.S.C. 9010)), state evaluations, and other research
12 studies.

13 “(4) COORDINATION.—In carrying out this sub-
14 section, the Secretary shall—

15 “(A) coordinate conducting the national
16 assessment with conducting the longitudinal
17 study described in subsection (c); and

18 “(B) ensure that the independent review
19 panel described in subsection (d) participates in
20 conducting the national assessment, including
21 planning for and reviewing the assessment.

22 “(5) REPORTS.—

23 “(A) INTERIM REPORT.—Not later than 3
24 years after the date of enactment of the Leave
25 No Child Behind Act of 2001, the Secretary

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1 shall transmit to the President and the Con-
2 gress an interim report on the national assess-
3 ment conducted under this subsection.

4 “(B) FINAL REPORT.—Not later than 4
5 years after the date of enactment of the Leave
6 No Child Behind Act of 2001, the Secretary
7 shall transmit to the President and the Con-
8 gress a final report on the national assessment
9 conducted under this subsection.

10 “(b) STUDIES AND DATA COLLECTION.—

11 “(1) IN GENERAL.—In addition to other activi-
12 ties described in this section, the Secretary may, di-
13 rectly or through the making of grants to or con-
14 tracts with appropriate entities—

15 “(A) conduct studies and evaluations of
16 the need for, and effectiveness of, each program
17 authorized under this title;

18 “(B) collect the data necessary to comply
19 with the Government Performance and Results
20 Act of 1993; and

21 “(C) provide guidance and technical assist-
22 ance to State education agencies and local edu-
23 cational agencies in developing and maintaining
24 management information systems through
25 which such agencies can develop program per-

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1 formance indicators in order to improve services
2 and performance.

3 “(2) MINIMUM INFORMATION.—Under this sub-
4 section, the Secretary shall collect, at a minimum,
5 trend information on the effect of each program au-
6 thorized under this title, which shall complement the
7 data collected and reported under subsections (a)
8 and (c).

9 “(c) NATIONAL LONGITUDINAL STUDY.—

10 “(1) IN GENERAL.—The Secretary shall con-
11 duct a longitudinal study of schools receiving assist-
12 ance under this title.

13 “(2) ISSUES TO BE EXAMINED.—In carrying
14 out this subsection, the Secretary shall ensure that
15 the study referred to in paragraph (1) provides the
16 Congress and educators with each of the following:

17 “(A) An accurate description and analysis
18 of short-term and long-term effectiveness of the
19 assistance made available under this title upon
20 academic performance.

21 “(B) Information that can be used to im-
22 prove the effectiveness of the assistance made
23 available under this title in enabling students to
24 meet challenging achievement standards.

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1 “(C) An analysis of educational practices
2 or model programs that are effective in improv-
3 ing the achievement of disadvantaged children.

4 “(D) An analysis of the cost-effectiveness
5 of the assistance made available under this title
6 in improving the achievement of disadvantaged
7 children.

8 “(E) An analysis of the effects of the avail-
9 ability of school choice options under section
10 1116 on the academic achievement of disadvan-
11 tagged students, on schools in school improve-
12 ment, and on schools from which students have
13 transferred under such options.

14 “(F) Such other information as the Sec-
15 retary considers appropriate.

16 “(3) SCOPE.—In conducting the study referred
17 to in paragraph (1), the Secretary shall ensure that
18 the study—

19 “(A) bases its analysis on a nationally rep-
20 resentative sample of schools participating in
21 programs under this part;

22 “(B) to the extent practicable, includes in
23 its analysis students who transfer to different
24 schools during the course of the study; and

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1 “(C) analyzes varying models or strategies
2 for delivering school services, including—

3 “(i) schoolwide and targeted services;
4 and

5 “(ii) comprehensive school reform
6 models.

7 “(d) INDEPENDENT REVIEW PANEL.—

8 “(1) IN GENERAL.—The Secretary shall estab-
9 lish an independent review panel (in this subsection
10 referred to as the ‘Review Panel’) to advise the Sec-
11 retary on methodological and other issues that arise
12 in carrying out subsections (a) and (c).

13 “(2) APPOINTMENT OF MEMBERS.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), the Secretary shall appoint members
16 of the Review Panel from among qualified indi-
17 viduals who are—

18 “(i) specialists in statistics, evalua-
19 tion, research, and assessment;

20 “(ii) education practitioners, including
21 teachers, principals, and local and State
22 superintendents; and

23 “(iii) other individuals with technical
24 expertise who would contribute to the over-

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1 all rigor and quality of the program eval-
2 uation.

3 “(B) LIMITATIONS.—In appointing mem-
4 bers of the Review Panel under this subpara-
5 graph (A), the Secretary shall ensure that—

6 “(i) in order to ensure diversity, a
7 majority of the number of individuals ap-
8 pointed under subparagraph (A)(i) rep-
9 resent disciplines or programs outside the
10 field of education; and

11 “(ii) the total number of the individ-
12 uals appointed under subparagraph (A)(ii)
13 or (A)(iii) does not exceed $\frac{1}{3}$ of the total
14 number of the individuals appointed under
15 this paragraph.

16 “(3) FUNCTIONS.—The Review Panel shall con-
17 sult with and advise the Secretary—

18 “(A) to ensure that the assessment con-
19 ducted under subsection (a) and the study con-
20 ducted under subsection (c)—

21 “(i) adhere to the highest possible
22 standards of quality with respect to re-
23 search design, statistical analysis, and the
24 dissemination of findings; and

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1 “(ii) use valid and reliable measures
2 to document program implementation and
3 impacts; and

4 “(B) to ensure—

5 “(i) that the final report described in
6 subsection (a)(5)(B) is reviewed not later
7 than 120 days after its completion by not
8 less than 2 independent experts in pro-
9 gram evaluation;

10 “(ii) that such experts evaluate and
11 comment on the degree to which the report
12 complies with subsection (a); and

13 “(iii) that the comments of such ex-
14 perts are transmitted with the report
15 under subsection (a)(5)(B).”.

16 **SEC. 152. DEMONSTRATIONS OF INNOVATIVE PRACTICES.**

17 (a) **IN GENERAL.**—Section 1502 (20 U.S.C. 6492)
18 is amended—

19 (1) by redesignating subsection (b) as sub-
20 section (c);

21 (2) by striking “(2) **EVALUATION.**—The Sec-
22 retary” and inserting “(b) **EVALUATION.**—The Sec-
23 retary” and by moving such subsection (b) 2 ems to
24 the left;

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1 (3) by striking “Such projects shall include
2 promising” and all that follows through “career
3 guidance opportunities.”;

4 (4) by striking “student performance stand-
5 ards” and inserting “student achievement stand-
6 ards”;

7 (5) by inserting “academic” after “to meet
8 challenging State”; and

9 (6) by striking “(a) DEMONSTRATION PRO-
10 GRAMS” AND ALL THAT FOLLOWS THROUGH “IN
11 GENERAL.—From the” and inserting “(a) IN GEN-
12 ERAL.—From the”.

13 **SEC. 153. ALLEN J. ELLENDER FELLOWSHIP PROGRAM.**

14 (a) IN GENERAL.—Part E of title I (20 U.S.C. 6491
15 et seq.) is further amended by adding at the end the fol-
16 lowing new section:

17 **“SEC. 1503. ALLEN J. ELLENDER FELLOWSHIP PROGRAM**

18 **“(a) FINDINGS.—Congress finds the following:**

19 **“(1) It is a worthwhile goal to ensure that all**
20 **students in America are prepared for responsible**
21 **citizenship and that all students should have the op-**
22 **portunity to be involved in activities that promote**
23 **and demonstrate good citizenship.**

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1 “(2) It is a worthwhile goal to ensure that
2 America’s educators have access to programs for the
3 continued improvement of their professional skills.

4 “(3) Allen J. Ellender, a Senator from Lou-
5 isiana and President pro tempore of the United
6 States Senate, had a distinguished career in public
7 service characterized by extraordinary energy and
8 real concern for young people. Senator Ellender pro-
9 vided valuable support and encouragement to the
10 Close Up Foundation, a nonpartisan, nonprofit foun-
11 dation promoting knowledge and understanding of
12 the Federal Government among young people and
13 educators. Therefore, it is a fitting and appropriate
14 tribute to Senator Ellender to provide fellowships in
15 his name to students of limited economic means, the
16 teachers who work with such students, and older
17 Americans, so that such students, teachers, and
18 older Americans may participate in the programs
19 supported by the Close Up Foundation.

20 “(b) PROGRAM FOR MIDDLE AND SECONDARY
21 SCHOOL STUDENTS.—

22 “(1) ESTABLISHMENT.—

23 “(A) GENERAL AUTHORITY.—In accord-
24 ance with this subsection, the Secretary may
25 make grants to the Close Up Foundation of

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1 Washington, District of Columbia, a non-
2 partisan, nonprofit foundation, for the purpose
3 of assisting the Close Up Foundation in car-
4 rying out its programs of increasing under-
5 standing of the Federal Government among
6 middle and secondary school students.

7 “(B) USE OF FUNDS.—Grants under this
8 subsection shall be used only to provide finan-
9 cial assistance to economically disadvantaged
10 students who participate in the program de-
11 scribed in subparagraph (A). Financial assist-
12 ance received pursuant to this subsection by
13 such students shall be known as Allen J.
14 Ellender fellowships.

15 “(2) APPLICATIONS.—

16 “(A) APPLICATION REQUIRED.—No grant
17 under this subsection may be made except upon
18 an application at such time, in such manner,
19 and accompanied by such information as the
20 Secretary may reasonably require.

21 “(B) CONTENTS OF APPLICATION.—Each
22 application submitted under this paragraph
23 shall contain provisions to assure—

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1 “(i) that fellowship grants are made
2 to economically disadvantaged middle and
3 secondary school students;

4 “(ii) that every effort will be made to
5 ensure the participation of students from
6 rural and small town areas, as well as from
7 urban areas, and that in awarding fellow-
8 ships to economically disadvantaged stu-
9 dents, special consideration will be given to
10 the participation of students with special
11 educational needs, including student with
12 disabilities, ethnic minority students, and
13 gifted and talented students; and

14 “(iii) the proper disbursement of the
15 funds received under this subsection.

16 “(c) PROGRAM FOR MIDDLE AND SECONDARY
17 SCHOOL TEACHERS.—

18 “(1) ESTABLISHMENT.—

19 “(A) GENERAL AUTHORITY.—In accord-
20 ance with this subsection, the Secretary may
21 make grants to the Close Up Foundation of
22 Washington, District of Columbia, a non-
23 partisan, nonprofit foundation, for the purpose
24 of assisting the Close Up Foundation in car-
25 rying out its programs of teaching skills en-

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1 hancement for middle and secondary school
2 teachers.

3 “(B) USE OF FUNDS.—Grants under this subsection
4 shall be used only for financial assistance to teachers who
5 participate in the program described in subparagraph (A).
6 Financial assistance received pursuant to this subpart by
7 such individuals shall be known as Allen J. Ellender fel-
8 lowships.

9 “(2) APPLICATIONS.—

10 “(A) APPLICATION REQUIRED.—No grant
11 under this subsection may be made except upon
12 an application at such time, in such manner,
13 and accompanied by such information as the
14 Secretary may reasonably require.

15 “(B) CONTENTS OF APPLICATION.—Each
16 application submitted under this paragraph
17 shall contain provisions to assure—

18 “(i) that fellowship grants are made
19 only to teachers who have worked with at
20 least one student from such teacher’s
21 school who participates in the programs
22 described in subsection (b);

23 “(ii) that not more than one teacher
24 in each school participating in the pro-

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1 grams assisted under subsection (b) may
2 receive a fellowship in any fiscal year; and

3 “ (iii) the proper disbursement of the
4 funds received under this subsection.

5 “(d) PROGRAMS FOR RECENT IMMIGRANTS, STU-
6 DENTS OF MIGRANT PARENTS AND OLDER AMERICANS.—

7 “(1) ESTABLISHMENT.—

8 “(A) GENERAL AUTHORITY.—

9 “(i) IN GENERAL.—In accordance
10 with this subsection, the Secretary may
11 make grants to the Close Up Foundation
12 of Washington, District of Columbia, a
13 nonpartisan, nonprofit foundation, for the
14 purpose of assisting the Close Up Founda-
15 tion in carrying out its programs of in-
16 creasing understanding of the Federal
17 Government among economically disadvan-
18 tagged older Americans, recent immigrants
19 and students of migrant parents.

20 “(ii) DEFINITION.—For the purpose
21 of this subpart, the term ‘older American’
22 means an individual who has attained 55
23 years of age.

24 “(B) USE OF FUNDS.—Grants under this
25 subsection shall be used for financial assistance

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1 to economically disadvantaged older Americans,
2 recent immigrants and students of migrant par-
3 ents who participate in the program described
4 in subsection (a). Financial assistance received
5 pursuant to this subpart by such individuals
6 shall be known as Allen J. Ellender fellowships.

7 “(2) APPLICATIONS.—

8 “(A) APPLICATION REQUIRED.—No grant
9 under this subsection may be made except upon
10 application at such time, in such manner, and
11 accompanied by such information as the Sec-
12 retary may reasonably require.

13 “(B) CONTENTS OF APPLICATION.—Each
14 application submitted under this paragraph
15 shall contain provisions—

16 “(i) to assure that fellowship grants
17 are made to economically disadvantaged
18 older Americans, recent immigrants and
19 students of migrant parents;

20 “(ii) to assure that every effort will be
21 made to ensure the participation of older
22 Americans, recent immigrants and stu-
23 dents of migrant parents from rural and
24 small town areas, as well as from urban
25 areas, and that in awarding fellowships,

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1 special consideration will be given to the
2 participation of older Americans, recent
3 immigrants and students of migrant par-
4 ents with special needs, including individ-
5 uals with disabilities, ethnic minorities, and
6 gifted and talented students;

7 “(iii) that fully describe the activities
8 to be carried out with the proceeds of the
9 grant; and

10 “(iv) to assure the proper disburse-
11 ment of the funds received under this sub-
12 section.

13 “(e) GENERAL PROVISIONS.—

14 “(1) ADMINISTRATIVE PROVISIONS.—

15 “(A) GENERAL RULE.—Payments under
16 this section may be made in installments, in ad-
17 vance, or by way of reimbursement, with nec-
18 essary adjustments on account of underpayment
19 or overpayment.

20 “(B) AUDIT RULE.—The Comptroller Gen-
21 eral of the United States or any of the Comp-
22 troller General’s duly authorized representatives
23 shall have access for the purpose of audit and
24 examination to any books, documents, papers,

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1 and records that are pertinent to any grant
2 under this section.

3 “(f) LIMITATION.—Of the funds appropriated to
4 carry out this section under section 1002, the Secretary
5 may use not more than 30 percent to carry out subsection
6 (c) of this section.”.

7 (b) CONTINUATION OF AWARDS.—Notwithstanding
8 any other provision of this Act, any person or agency that
9 was awarded a grant under part G of title X (20 U.S.C.
10 8161 et seq.) prior to the date of the enactment of this
11 Act shall continue to receive funds in accordance with the
12 terms of such award until the date on which the award
13 period terminates under such terms.

14 **PART F—COMPREHENSIVE SCHOOL REFORM**

15 **SEC. 161. SCHOOL REFORM.**

16 Part F of title I is amended to read as follows:

17 **“PART F—COMPREHENSIVE SCHOOL REFORM**

18 **“SEC. 1601. COMPREHENSIVE SCHOOL REFORM.**

19 “(a) FINDINGS AND PURPOSE.—

20 “(1) FINDINGS.—Congress finds the following:

21 “(A) A number of schools across the coun-
22 try have shown impressive gains in student per-
23 formance through the use of comprehensive
24 models for schoolwide change that incorporate
25 virtually all aspects of school operations.

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1 “(B) No single comprehensive school re-
2 form model may be suitable for every school,
3 however, schools should be encouraged to exam-
4 ine successful, externally developed comprehen-
5 sive school reform approaches as they under-
6 take comprehensive school reform.

7 “(C) Comprehensive school reform is an
8 important means by which children are assisted
9 in meeting challenging State student perform-
10 ance standards.

11 “(2) PURPOSE.—The purpose of this section is
12 to provide financial incentives for schools to develop
13 comprehensive school reforms, based upon scientif-
14 ically-based research and effective practices that in-
15 clude an emphasis on basic academics and parental
16 involvement so that all children can meet challenging
17 State content and performance standards.

18 “(b) PROGRAM AUTHORIZED.—

19 “(1) IN GENERAL.—The Secretary is authorized
20 to provide grants to State educational agencies to
21 provide subgrants to local educational agencies to
22 carry out the purpose described in subsection (a)(2).

23 “(2) ALLOCATION.—

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1 “(A) RESERVATION.—Of the amount ap-
2 propriated under this section, the Secretary
3 may reserve—

4 “(i) not more than 1 percent for
5 schools supported by the Bureau of Indian
6 Affairs and in the United States Virgin Is-
7 lands, Guam, American Samoa, and the
8 Commonwealth of the Northern Mariana
9 Islands; and

10 “(ii) not more than 1 percent to con-
11 duct national evaluation activities de-
12 scribed under subsection (e).

13 “(B) IN GENERAL.—Of the amount of
14 funds remaining after the reservation under
15 subparagraph (A), the Secretary shall allocate
16 to each State for a fiscal year, an amount that
17 bears the same ratio to the amount appro-
18 priated for that fiscal year as the amount made
19 available under section 1124 to the State for
20 the preceding fiscal year bears to the total
21 amount allocated under section 1124 to all
22 States for that year.

23 “(C) REALLOCATION.—If a State does not
24 apply for funds under this section, the Sec-
25 retary shall reallocate such funds to other

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1 States that do apply in proportion to the
2 amount allocated to such States under subpara-
3 graph (B).

4 “(c) STATE AWARDS.—

5 “(1) STATE APPLICATION.—

6 “(A) IN GENERAL.—Each State edu-
7 cational agency that desires to receive a grant
8 under this section shall submit an application to
9 the Secretary at such time, in such manner and
10 containing such other information as the Sec-
11 retary may reasonably require.

12 “(B) CONTENTS.—Each State application
13 shall also describe—

14 “(i) the process and selection criteria
15 by which the State educational agency,
16 using expert review, will select local edu-
17 cational agencies to receive subgrants
18 under this section;

19 “(ii) how the agency will ensure that
20 only comprehensive school reforms that are
21 based on scientifically-based research re-
22 ceive funds under this section;

23 “(iii) how the agency will disseminate
24 materials regarding information on com-

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1 comprehensive school reforms that are based
2 on scientifically-based research;

3 “(iv) how the agency will evaluate the
4 implementation of such reforms and meas-
5 ure the extent to which the reforms re-
6 sulted in increased student academic per-
7 formance; and

8 “(v) how the agency will provide, upon
9 request, technical assistance to the local
10 educational agency in evaluating, devel-
11 oping, and implementing comprehensive
12 school reform.

13 “(2) USES OF FUNDS.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (E), a State educational agency
16 that receives an award under this section shall
17 use such funds to provide competitive grants to
18 local educational agencies receiving funds under
19 part A.

20 “(B) GRANT REQUIREMENTS.—A grant to
21 a local educational agency shall be—

22 “(i) of sufficient size and scope to
23 support the initial costs for the particular
24 comprehensive school reform plan selected

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1 or designed by each school identified in the
2 application of the local educational agency;

3 “(ii) in an amount not less than
4 \$50,000 to each participating school; and

5 “(iii) renewable for two additional 1-
6 year periods after the initial 1-year grant
7 is made if schools are making substantial
8 progress in the implementation of their re-
9 forms.

10 “(C) PRIORITY.—The State, in awarding
11 grants under this paragraph, shall give priority
12 to local educational agencies that—

13 “(i) plan to use the funds in schools
14 identified as being in need of improvement
15 or corrective action under section 1116(c);
16 or

17 “(ii) demonstrate a commitment to
18 assist schools with budget allocation, pro-
19 fessional development, and other strategies
20 necessary to ensure the comprehensive
21 school reforms are properly implemented
22 and are sustained in the future.

23 “(D) GRANT CONSIDERATION.—In making
24 subgrant awards under this part, the State edu-
25 cational agency shall take into account the equi-

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1 table distribution of awards to different geo-
2 graphic regions within the State, including
3 urban and rural areas, and to schools serving
4 elementary and secondary students.

5 “(E) ADMINISTRATIVE COSTS.—A State
6 educational agency that receives a grant award
7 under this section may reserve not more than 5
8 percent of such award for administrative, eval-
9 uation, and technical assistance expenses.

10 “(F) SUPPLEMENT.—Funds made avail-
11 able under this section shall be used to supple-
12 ment, not supplant, any other Federal, State,
13 or local funds that would otherwise be available
14 to carry out this section.

15 “(3) REPORTING.—Each State educational
16 agency that receives an award under this section
17 shall provide to the Secretary such information as
18 the Secretary may require, including the names of
19 local educational agencies and schools selected to re-
20 ceive subgrant awards under this section, the
21 amount of such award, and a description of the com-
22 prehensive school reform model selected and in use.

23 “(d) LOCAL AWARDS.—

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1 “(1) IN GENERAL.—Each local educational
2 agency that applies for a subgrant under this section
3 shall—

4 “(A) identify which schools eligible for
5 funds under part A plan to implement a com-
6 prehensive school reform program, including the
7 projected costs of such a program;

8 “(B) describe the scientifically-based com-
9 prehensive school reforms that such schools will
10 implement;

11 “(C) describe how the agency will provide
12 technical assistance and support for the effec-
13 tive implementation of the scientifically-based
14 school reforms selected by such schools; and

15 “(D) describe how the agency will evaluate
16 the implementation of such reforms and meas-
17 ure the results achieved in improving student
18 academic performance.

19 “(2) COMPONENTS OF THE PROGRAM.—A local
20 educational agency that receives a subgrant award
21 under this section shall provide such funds to
22 schools that implement a comprehensive school re-
23 form program that—

24 “(A) employs innovative strategies and
25 proven methods for student learning, teaching,

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1 and school management that are based on sci-
2 entifically-based research and effective practices
3 and have been replicated successfully in schools
4 with diverse characteristics;

5 “(B) integrates a comprehensive design for
6 effective school functioning, including instruc-
7 tion, assessment, classroom management, pro-
8 fessional development, parental involvement,
9 and school management, that aligns the school’s
10 curriculum, technology, professional develop-
11 ment into a comprehensive reform plan for
12 schoolwide change designed to enable all stu-
13 dents to meet challenging State content and
14 challenging student performance standards and
15 addresses needs identified through a school
16 needs assessment;

17 “(C) provides high-quality and continuous
18 teacher and staff professional development;

19 “(D) includes measurable goals for student
20 performance and benchmarks for meeting such
21 goals;

22 “(E) is supported by teachers, principals,
23 administrators, and other professional staff;

24 “(F) provides for the meaningful involve-
25 ment of parents and the local community in

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1 planning and implementing school improvement
2 activities;

3 “(G) uses high quality external technical
4 support and assistance from an entity, which
5 may be an institution of higher education, with
6 experience and expertise in schoolwide reform
7 and improvement;

8 “(H) includes a plan for the evaluation of
9 the implementation of school reforms and the
10 student results achieved; and

11 “(I) identifies how other resources, includ-
12 ing Federal, State, local, and private resources,
13 available to the school will be used to coordinate
14 services to support and sustain the school re-
15 form effort.

16 “(3) SPECIAL RULE.—A school that receives
17 funds to develop a comprehensive school reform pro-
18 gram shall not be limited to using the approaches
19 identified or developed by the Department of Edu-
20 cation, but may develop its own comprehensive
21 school reform programs for schoolwide change that
22 comply with paragraph (2).

23 “(e) EVALUATION AND REPORT.—

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1 **“SEC. 1702. FINDINGS.**

2 “Congress finds the following:

3 “(1) While there are rural education initiatives
4 identified at the State and local level, no Federal
5 education policy focuses on the specific and unique
6 needs of rural school districts and schools.

7 “(2) Small school districts often cannot use
8 Federal grant funds distributed by formula because
9 the formula allocation does not provide enough rev-
10 enue to carry out the program the grant is intended
11 to fund.

12 “(3) Rural schools often cannot compete for
13 Federal funding distributed by competitive grants
14 because the schools lack the personnel needed to
15 prepare grant applications and the resources to hire
16 specialists in the writing of Federal grant proposals.

17 “(4) A critical problem for rural school districts
18 involves the hiring and retention of qualified admin-
19 istrators and certified teachers (especially in read-
20 ing, science, and mathematics). As a result, teachers
21 in rural schools are almost twice as likely to provide
22 instruction in three or more subject areas than
23 teachers in urban schools. Rural schools also face
24 other tough challenges, such as shrinking local tax
25 bases, high transportation costs, aging buildings,
26 limited course offerings, and limited resources.

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1 **“Subpart 1—Rural Education Flexibility**2 **“SEC. 1711. FORMULA GRANT PROGRAM AUTHORIZED.**

3 “(a) ALTERNATIVE USES.—

4 “(1) IN GENERAL.—Notwithstanding any other
5 provision of law, an eligible local educational agency
6 may use the applicable funding, that the agency is
7 eligible to receive from the State educational agency
8 for a fiscal year, to carry out local activities author-
9 ized in part A of title I, part A of title II, part A
10 of title III, part A of title IV, or part A or B of title
11 V.

12 “(2) NOTIFICATION.—An eligible local edu-
13 cational agency shall notify the State educational
14 agency of the local educational agency’s intention to
15 use the applicable funding in accordance with para-
16 graph (1) not later than a date that is established
17 by the State educational agency for the notification.

18 “(b) ELIGIBILITY.—

19 “(1) IN GENERAL.—A local educational agency
20 shall be eligible to use the applicable funding in ac-
21 cordance with subsection (a) if—

22 “(A)(i) the total number of students in av-
23 erage daily attendance at all of the schools
24 served by the local educational agency is less
25 than 600; and

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1 “(ii) all of the schools served by the local
2 educational agency are designated with a school
3 locale code of 7 or 8 as determined by the Sec-
4 retary of Education; or

5 “(B) the agency meets the criteria estab-
6 lished in subparagraph (A)(i) and the Sec-
7 retary, in accordance with paragraph (2),
8 grants the local educational agency’s request to
9 waive the criteria described in subparagraph
10 (A)(ii).

11 “(2) CERTIFICATION.—The Secretary shall de-
12 termine whether or not to waive the criteria de-
13 scribed in paragraph (1)(A)(ii) based on a dem-
14 onstration by a local educational agency and concur-
15 rence by the State educational agency that the local
16 educational agency is located in an area defined as
17 rural by a governmental agency of the State.

18 “(c) APPLICABLE FUNDING.—In this section, the
19 term ‘applicable funding’ means funds provided under
20 part A of title II, section 3106, part A of title IV, part
21 A of title V, and section 5212(2)(A).

22 “(d) DISBURSEMENT.—Each State educational agen-
23 cy that receives applicable funding for a fiscal year shall
24 disburse the applicable funding to local educational agen-
25 cies for alternative uses under this section for the fiscal

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1 year at the same time that the State educational agency
2 disburses the applicable funding to local educational agen-
3 cies that do not intend to use the applicable funding for
4 such alternative uses for the fiscal year.

5 “(e) SUPPLEMENT NOT SUPPLANT.—Funds used
6 under this section shall be used to supplement and not
7 supplant any other Federal, State, or local education
8 funds that would otherwise be available for the purpose
9 of this subpart.

10 “(f) APPLICABLE RULE.—Except as otherwise pro-
11 vided in this subpart, funds transferred under this subpart
12 are subject to each of the rules and requirements applica-
13 ble to the funds allocated by the Secretary under the provi-
14 sion to which the transferred funds are transferred.

15 **“SEC. 1712. PROGRAM AUTHORIZED.**

16 “(a) IN GENERAL.—The Secretary is authorized to
17 award grants to eligible local educational agencies under
18 section 1711(b) to enable the local educational agencies
19 to support local or statewide education reform efforts in-
20 tended to improve the academic achievement of elementary
21 school and secondary school students and the quality of
22 instruction provided for the students.

23 “(b) ALLOCATION.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (3), the Secretary shall award a grant to an

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1 eligible local educational agency under section
2 1711(b) for a fiscal year in an amount equal to the
3 initial amount determined under paragraph (2) for
4 the fiscal year minus the total amount received
5 under the provisions of law described under section
6 1711(c) for the preceding fiscal year.

7 “(2) DETERMINATION OF THE INITIAL
8 AMOUNT.—The initial amount referred to in para-
9 graph (1) is equal to \$100 multiplied by the total
10 number of students, over 50 students, in average
11 daily attendance in such eligible agency plus
12 \$20,000, except that the initial amount may not ex-
13 ceed \$60,000.

14 “(3) RATABLE ADJUSTMENT.—

15 “(A) IN GENERAL.—If the amount made
16 available for this subpart for any fiscal year is
17 not sufficient to pay in full the amounts that
18 local educational agencies are eligible to receive
19 under paragraph (1) for such year, the Sec-
20 retary shall ratably reduce such amounts for
21 such year.

22 “(B) ADDITIONAL AMOUNTS.—If addi-
23 tional funds become available for making pay-
24 ments under paragraph (1) for such fiscal year,
25 payments that were reduced under subpara-

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1 graph (A) shall be increased on the same basis
2 as such payments were reduced.

3 “(4) CENSUS DETERMINATION.—

4 “(A) IN GENERAL.—Each local educational
5 agency desiring a grant under this section shall
6 conduct a census not later than December 1 of
7 each year to determine the number of kinder-
8 garten through grade 12 students in average
9 daily attendance at the schools served by the
10 local educational agency.

11 “(B) SUBMISSION.—Each local educational
12 agency shall submit the number described in
13 subparagraph (A) to the Secretary not later
14 than March 1 of each year.

15 “(c) DISBURSAL.—The Secretary shall disburse the
16 funds awarded to a local educational agency under this
17 section for a fiscal year not later than July 1 of that year.

18 “(d) SPECIAL RULE.—A local educational agency
19 that is eligible to receive a grant under this subpart for
20 a fiscal year shall be ineligible to receive funds for such
21 fiscal year under subpart 2.

22 “(e) SUPPLEMENT NOT SUPPLANT.—Funds made
23 available under this section shall be used to supplement
24 and not supplant any other Federal, State, or local edu-
25 cation funds.

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1 **“SEC. 1713. ACCOUNTABILITY.**2 “(a) **ACADEMIC ACHIEVEMENT.—**3 “(1) **IN GENERAL.—**Each local educational
4 agency that uses or receives funds under section
5 1711 or 1712 for a fiscal year shall administer an
6 assessment consistent with section 1111.7 “(2) **SPECIAL RULE.—**Each local educational
8 agency that uses or receives funds under section
9 1711 or 1712 shall use the same assessment de-
10 scribed in paragraph (1) for each year of participa-
11 tion in the program under such section.12 “(b) **STATE EDUCATIONAL AGENCY DETERMINATION**
13 **REGARDING CONTINUING PARTICIPATION.—**Each State
14 educational agency that receives funding under the provi-
15 sions of law described in section 1711(c) shall—16 “(1) after the second year that a local edu-
17 cational agency participates in a program under sec-
18 tion 1711 or 1712 and on the basis of the results
19 of the assessments described in subsection (a), deter-
20 mine whether the schools served by the local edu-
21 cational agency participating in the program per-
22 formed in accordance with section 1111; and23 “(2) only permit those local educational agen-
24 cies that so participated and make adequate yearly
25 progress, as described in section 1111(b)(2), to con-
26 tinue to so participate.

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1 **“Subpart 2—Rural Education Assistance**2 **“SEC. 1721. PROGRAM AUTHORIZED.**

3 “(a) RESERVATIONS.—From amounts appropriated
4 under section 1002(f) for this subpart for a fiscal year,
5 the Secretary shall reserve $\frac{1}{2}$ of 1 percent to make awards
6 to elementary or secondary schools operated or supported
7 by the Bureau of Indian Affairs to carry out the purpose
8 of this subpart.

9 “(b) GRANTS TO STATES.—

10 “(1) IN GENERAL.—From amounts appro-
11 priated under section 1002(f) for this subpart that
12 are not reserved under subsection (a), the Secretary
13 shall award grants for a fiscal year to State edu-
14 cational agencies that have applications approved
15 under section 1723 to enable the State educational
16 agencies to award subgrants to eligible local edu-
17 cational agencies for local authorized activities de-
18 scribed in subsection (c)(2).

19 “(2) ALLOCATION.—From amounts appro-
20 priated for this subpart, the Secretary shall allocate
21 to each State educational agency for a fiscal year an
22 amount that bears the same ratio to the amount of
23 funds appropriated under section 1002(f) for this
24 subpart that are not reserved under subsection (a)
25 as the number of students in average daily attend-
26 ance served by eligible local educational agencies in

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1 the State bears to the number of all such students
2 served by eligible local educational agencies in all
3 States for that fiscal year.

4 “(3) DIRECT AWARDS TO SPECIALLY QUALI-
5 FIED AGENCIES.—

6 “(A) NONPARTICIPATING STATE.—If a
7 State educational agency elects not to partici-
8 pate in the program under this subpart or does
9 not have an application approved under section
10 1723 a specially qualified agency in such State
11 desiring a grant under this subpart shall submit
12 an application under such section directly to the
13 Secretary to receive an award under this sub-
14 part.

15 “(B) DIRECT AWARDS TO SPECIALLY
16 QUALIFIED AGENCIES.—The Secretary may
17 award, on a competitive basis, the amount the
18 State educational agency is eligible to receive
19 under paragraph (2) directly to specially quali-
20 fied agencies in the State.

21 “(c) LOCAL AWARDS.—

22 “(1) ELIGIBILITY.—A local educational agency
23 shall be eligible to receive funds under this subpart
24 if—

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1 “(A) 20 percent or more of the children
2 aged 5 to 17, inclusive, served by the local edu-
3 cational agency are from families with incomes
4 below the poverty line; and

5 “(B) all of the schools served by the agen-
6 cy are designated with a school code of 6, 7, or
7 8 as determined by the Secretary of Education.

8 “(2) USES OF FUNDS.—Grant funds awarded
9 to local educational agencies or made available to
10 schools under this subpart shall be used for—

11 “(A) teacher recruitment and retention, in-
12 cluding the use of signing bonuses and other fi-
13 nancial incentives;

14 “(B) teacher professional development, in-
15 cluding programs that train teachers to utilize
16 technology to improve teaching and to train
17 special needs teachers;

18 “(C) educational technology, including
19 software and hardware as described in part B
20 of title V;

21 “(D) parental involvement activities; or

22 “(E) programs to improve student aca-
23 demic achievement.

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1 **“SEC. 1722. STATE DISTRIBUTION OF FUNDS.**

2 “(a) AWARD BASIS.—A State educational agency
3 shall award grants to eligible local educational agencies—

4 “(1) on a competitive basis; or

5 “(2) according to a formula based on the num-
6 ber of students in average daily attendance served
7 by the eligible local educational agencies or schools
8 (as appropriate) in the State, as determined by the
9 State.

10 “(b) ADMINISTRATIVE COSTS.—A State educational
11 agency receiving a grant under this subpart may not use
12 more than 5 percent of the amount of the grant for State
13 administrative costs.

14 **“SEC. 1723. APPLICATIONS.**

15 “Each State educational agency and specially quali-
16 fied agency desiring to receive a grant under this subpart
17 shall submit an application to the Secretary at such time,
18 in such manner, and accompanied by such information as
19 the Secretary may require. Such application shall include
20 specific measurable goals and objectives relating to in-
21 creased student academic achievement, decreased student
22 dropout rates, or such other factors that the State edu-
23 cational agency or specially qualified agency may choose
24 to measure.

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1 **“SEC. 1724. REPORTS.**

2 “(a) STATE REPORTS.—Each State educational
3 agency that receives a grant under this subpart shall pro-
4 vide an annual report to the Secretary. The report shall
5 describe—

6 “(1) the method the State educational agency
7 used to award grants to eligible local educational
8 agencies and to provide assistance to schools under
9 this subpart;

10 “(2) how local educational agencies and schools
11 used funds provided under this subpart; and

12 “(3) the degree to which progress has been
13 made toward meeting the goals and objectives de-
14 scribed in the application submitted under section
15 1723.

16 “(b) SPECIALLY QUALIFIED AGENCY REPORT.—
17 Each specially qualified agency that receives a grant under
18 this subpart shall provide an annual report to the Sec-
19 retary. Such report shall describe—

20 “(1) how such agency uses funds provided
21 under this subpart; and

22 “(2) the degree to which progress has been
23 made toward meeting the goals and objectives de-
24 scribed in the application submitted under section
25 1723.

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1 “(c) REPORT TO CONGRESS.—The Secretary shall
2 prepare and submit to the Committee on Education and
3 the Workforce for the House of Representatives and the
4 Committee on Health, Education, Labor, and Pensions for
5 the Senate an annual report. The report shall describe—

6 “(1) the methods the State educational agency
7 used to award grants to eligible local educational
8 agencies and to provide assistance to schools under
9 this subpart;

10 “(2) how eligible local educational agencies and
11 schools used funds provided under this subpart; and

12 “(3) progress made in meeting specific measur-
13 able educational goals and objectives.

14 **“SEC. 1725. PERFORMANCE REVIEW.**

15 “Three years after a State educational agency or spe-
16 cially qualified agency receives funds under this part, the
17 Secretary shall review the progress of such agency toward
18 achieving the goals and objectives included in its applica-
19 tion, to determine whether the agency has made progress
20 toward meeting such goals and objectives. To review the
21 performance of each agency, the Secretary shall—

22 “(1) review the use of funds of such agency
23 under section 1721(c)(2); and

24 “(2) deny the provision of additional funds in
25 subsequent fiscal years to an agency only if the Sec-

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1 retary determines, after notice and an opportunity
2 for a hearing, that the agency's use of funds has
3 been inadequate to justify continuation of such fund-
4 ing.

5 **"SEC. 1726. DEFINITIONS.**

6 "In this subpart—

7 “(1) The term ‘poverty line’ means the poverty
8 line (as defined by the Office of Management and
9 Budget, and revised annually in accordance with sec-
10 tion 673(2) of the Community Services Block Grant
11 Act (42 U.S.C. 9902(2))) applicable to a family of
12 the size involved.

13 “(2) The term ‘specially qualified agency’
14 means an eligible local educational agency, located in
15 a State that does not participate in a program under
16 this subpart in a fiscal year, that may apply directly
17 to the Secretary for a grant in such year under sec-
18 tion 1721(b)(3)(A).

19 **"Subpart 3—General Provisions**

20 **"SEC. 1731. DEFINITION.**

21 "In this part, the term ‘State’ means each of the 50
22 States, the District of Columbia, and the Commonwealth
23 of Puerto Rico.

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1 **PART H—GENERAL PROVISIONS OF TITLE I**2 **SEC. 181. GENERAL PROVISIONS.**

3 Title I is amended further by adding at the end the
4 following:

5 **“PART H—GENERAL PROVISIONS**6 **“SEC. 1801. FEDERAL REGULATIONS.**

7 “(a) IN GENERAL.—The Secretary is authorized to
8 issue such regulations as are necessary to ensure reason-
9 able compliance with this title.

10 “(b) NEGOTIATED RULEMAKING PROCESS.—

11 “(1) IN GENERAL.—Prior to publishing in the
12 Federal Register proposed regulations to carry out
13 this title, the Secretary shall obtain the advice and
14 recommendations of representatives of Federal,
15 State, and local administrators, parents, teachers,
16 paraprofessionals, and members of local boards of
17 education involved with the implementation and op-
18 eration of programs under this title.

19 “(2) MEETINGS AND ELECTRONIC EX-
20 CHANGE.—Such advice and recommendation may be
21 obtained through such mechanisms as regional meet-
22 ings and electronic exchanges of information.

23 “(3) PROPOSED REGULATIONS.—After obtain-
24 ing such advice and recommendations, and prior to
25 publishing proposed regulations, the Secretary
26 shall—

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1 “(A) establish a negotiated rulemaking
2 process on a minimum of three key issues,
3 including—

4 “(i) accountability;

5 “(ii) implementation of assessments;

6 and

7 “(iii) use of paraprofessionals;

8 “(B) select individuals to participate in
9 such process from among individuals or groups
10 which provided advice and recommendations, in-
11 cluding representation from all geographic re-
12 gions of the United States; and

13 “(C) prepare a draft of proposed regula-
14 tions that shall be provided to the individuals
15 selected by the Secretary under subparagraph
16 (B) not less than 15 days prior to the first
17 meeting under such process.

18 “(4) PROCESS.—Such process—

19 “(A) shall be conducted in a timely manner
20 to ensure that final regulations are issued by
21 the Secretary not later than 1 year after the
22 date of the enactment of the No Child Left Be-
23 hind Act of 2001; and

24 “(B) shall not be subject to the Federal
25 Advisory Committee Act but shall otherwise fol-

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1 low the provisions of the Negotiated Rule-
2 making Act of 1990 (5 U.S.C. 561 et seq.).

3 “(5) EMERGENCY SITUATION.—In an
4 emergency situation in which regulations to
5 carry out this title must be issued within a very
6 limited time to assist State and local edu-
7 cational agencies with the operation of a pro-
8 gram under this title, the Secretary may issue
9 proposed regulations without following such
10 process but shall, immediately thereafter and
11 prior to issuing final regulations, conduct re-
12 gional meetings to review such proposed regula-
13 tions.

14 “(c) LIMITATION.—Regulations to carry out this part
15 may not require local programs to follow a particular in-
16 structional model, such as the provision of services outside
17 the regular classroom or school program.

18 **“SEC. 1802. AGREEMENTS AND RECORDS.**

19 “(a) AGREEMENTS.—All published proposed regula-
20 tions shall conform to agreements that result from nego-
21 tiated rulemaking described in section 1801 unless the
22 Secretary reopens the negotiated rulemaking process or
23 provides a written explanation to the participants involved
24 in the process explaining why the Secretary decided to de-
25 part from and not adhere to such agreements.

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1 “(b) RECORDS.—The Secretary shall ensure that an
2 accurate and reliable record of agreements reached during
3 the negotiations process is maintained.

4 **“SEC. 1803. STATE ADMINISTRATION.**

5 “(a) RULEMAKING.—

6 “(1) IN GENERAL.—Each State that receives
7 funds under this title shall—

8 “(A) ensure that any State rules, regula-
9 tions, and policies relating to this title conform
10 to the purposes of this title and provide any
11 such proposed rules, regulations, and policies to
12 the committee of practitioners under subsection
13 (b) for their review and comment;

14 “(B) minimize such rules, regulations, and
15 policies to which their local educational agencies
16 and schools are subject;

17 “(C) eliminate or modify State and local
18 fiscal accounting requirements in order to facili-
19 tate the ability of schools to consolidate funds
20 under schoolwide programs; and

21 “(D) identify any such rule, regulation, or
22 policy as a State-imposed requirement.

23 “(2) SUPPORT AND FACILITATION.—State
24 rules, regulations, and policies under this title shall
25 support and facilitate local educational agency and

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1 school-level systemic reform designed to enable all
2 children to meet the challenging State student per-
3 formance standards.

4 “(b) COMMITTEE OF PRACTITIONERS.—

5 “(1) IN GENERAL.—Each State educational
6 agency shall create a State committee of practi-
7 tioners to advise the State in carrying out its re-
8 sponsibilities under this title.

9 “(2) MEMBERSHIP.—Each such committee
10 shall include—

11 “(A) as a majority of its members, rep-
12 resentatives from local educational agencies;

13 “(B) administrators, including the admin-
14 istrators of programs described in other parts
15 of this title;

16 “(C) teachers, including vocational edu-
17 cators;

18 “(D) parents;

19 “(E) members of local boards of education;

20 “(F) representatives of private school chil-
21 dren; and

22 “(G) pupil services personnel.

23 “(3) DUTIES.—The duties of such committee
24 shall include a review, prior to publication, of any
25 proposed or final State rule or regulation pursuant

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1 to this title. In an emergency situation where such
2 rule or regulation must be issued within a very lim-
3 ited time to assist local educational agencies with
4 the operation of the program under this title, the
5 State educational agency may issue a regulation
6 without prior consultation, but shall immediately
7 thereafter convene the State committee of practi-
8 tioners to review the emergency regulation prior to
9 issuance in final form.

10 **“SEC. 1804. LOCAL ADMINISTRATIVE COST LIMITATION.**

11 “(a) LOCAL ADMINISTRATIVE COST LIMITATION.—
12 Each local educational agency may use not more than 4
13 percent of funds received under part A for administrative
14 expenses.

15 “(b) REGULATIONS.—The Secretary, after consulting
16 with State and local officials and other experts in school
17 finance, shall develop and issue regulations that define the
18 term administrative cost for purposes of this title. Such
19 definition shall be consistent with generally accepted ac-
20 counting principles. The Secretary shall publish final regu-
21 lations on this section not later than 1 year after the date
22 of the enactment of the No Child Left Behind Act of 2001.

23 **“SEC. 1805. APPLICABILITY.**

24 “Nothing in this title shall be construed to affect
25 home schools nor shall any home schooled student be re-

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1 quired to participate in any assessment referenced in this
2 title.

3 **“SEC. 1806. PRIVATE SCHOOLS.**

4 “Nothing in this title shall be construed to affect any
5 private school that does not receive funds or services under
6 this title, nor shall any student who attends a private
7 school that does not receive funds or services under this
8 title be required to participate in any assessment ref-
9 erenced in this title.

10 **“SEC. 1807. PRIVACY OF ASSESSMENT RESULTS.**

11 “Any results from individual assessments referenced
12 in this title which become part of the education records
13 of the student shall have the protections as provided in
14 section 444 of the General Education Provisions Act.”.