OUTLINE OF PROGRAMS AND SELECTED CHANGES IN THE NO CHILD LEFT BEHIND ACT OF 2001

***Note**: This document provides a preliminary overview of programs and changes included in the No Child Left Behind Act of 2001, signed by the President on January 8, 2002. It is provided as a convenience to readers, is not binding on the Department or others, and may be revised from time to time. Authoritative statements of the Department's interpretation of the Act, and of the amendments it makes to the Elementary and Secondary Education Act of 1965 and other statutes, will be set out in regulations, guidance, and other appropriate documents.*

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OTHER

GRANTS TO LOCAL EDUCATIONAL AGENCIES
(Title I, Part A)

Overview

Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) provides local educational agencies (LEAs, or school districts) with extra resources to help improve instruction in high-poverty schools and ensure that poor and minority children have the same opportunity as other children to meet challenging State academic standards. The No Child Left Behind Act of 2001 (NCLB) reauthorizes the ESEA and incorporates nearly all of the major reforms proposed by President Bush in his own *No Child Left Behind* framework for education reform, particularly in the areas of assessment, accountability, and school improvement. The new law requires States to develop standards in reading and math, and assessments linked to those standards for all students in grades 3-8. LEAs and schools must use Title I funds for activities that scientifically based research suggests will be most effective in helping all students meet these State standards.

States also must develop annual adequate yearly progress (AYP) objectives—disaggregated by student groups based on poverty, race and ethnicity, disability, and limited English proficiency—that will result in all students achieving proficiency in reading and math within 12 years. Biennial State participation in the State-level version of the National Assessment of Educational Progress will provide benchmarks for ensuring the rigor of State standards and assessments.

NCLB also requires LEAs to permit students in schools that fail to meet annual State AYP objectives for two consecutive years to transfer to a better public school. If schools continue to fail to meet AYP, students will be permitted to use Title I funds to obtain educational services from the public- or private-sector provider selected by their parents from a State-approved list.

The new law requires schools identified for improvement (after failing to make AYP for two consecutive years) to develop improvement plans incorporating strategies from scientifically based research. Schools that fail to improve would be subject to increasingly tough corrective actions—such as replacing school staff or significantly decreasing management authority at the school level—and could ultimately face restructuring, which involves a fundamental change in governance, such as a State takeover or placement under private management. To help States, districts, and schools carry out needed improvements, NCLB significantly increases and makes mandatory the reservation of a portion of Part A allocations for school improvement.

NCLB also authorizes State Academic Achievement Awards to schools that significantly close achievement gaps or exceed AYP standards for two or more consecutive years, as well as awards to teachers in such schools. However, the new law punishes States that fail to put in place systems of standards, assessments, and accountability by permitting—and in some cases requiring—the Secretary to withhold a portion of Federal funds provided for the administration of Title I.

Major Changes in NCLB Act

Standards and Assessments

- Requires the development of science standards by the 2005-06 school year.

- Maintains 1994 ESEA requirement for assessments in reading and math at three grade spans (3-5, 6-9, 10-12) through the 2004-2005 school year. Requires annual assessments in reading and math for grades 3-8 beginning in 2005-2006, with the addition of science assessments in 2007-2008 (but only in same three grade spans as the 1994 law). Implementation of new assessments may be deferred if Congress does not appropriate specified levels of funding for assessment development and administration, ranging from $370 million for fiscal year 2002 to $400 million in fiscal year 2005. Subpart 1 of Part A of Title VI authorizes $490 million in fiscal year 2002 for formula-based State assessment grants and a related Grants for Enhanced Assessment Instruments program.

- Requires reading assessments using tests written in English for any student who has attended school in the US (excluding Puerto Rico) for 3 or more consecutive years, with LEA discretion to use tests in another language for up to 2 additional years. States also must annually assess English proficiency for all LEP students beginning with the 2002-03 school year.

- Requires, beginning in school year 2002-03, biennial State participation in NAEP reading and math assessments for 4^{th} and 8^{th} graders so long as the Department pays the costs of administering those assessments.

Program Effectiveness

- Incorporates new language intended to ensure that Title I funds are used only for effective educational practices. The authorization for both schoolwide and targeted assistance programs call for those programs to use effective methods and instructional strategies that are based on scientifically based research. Other provisions call for school improvement plans, professional development, and the technical assistance provided by LEAs to low-performing schools all to be based on scientifically based research.

Accountability

- Requires a single, statewide accountability system for all LEAs and public schools, except that LEAs and schools not receiving Title I funds are not subject to the school improvement provisions of 1116(c).

- Tightens the definition of adequate yearly progress (AYP) to include annual statewide measurable objectives for improved achievement by all students as well as specific groups, including economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and LEP students. The overall goal is for all students to meet the "proficient" level no later than 12 years after the 2001-02 school year. AYP is to be based primarily on State assessments; one

additional academic indicator is required and other indicators are permitted, but they may not be used to reduce the number or change the identity of schools otherwise subject to improvement under Sec. 1116. Each student group must meet the statewide achievement goal for a school to make AYP. If a group does not meet the State goal, the school can be considered to have made AYP if the percentage of students in that group not reaching the proficient level falls by at least 10 percent. At least 95 percent of each group must participate in State assessments. States may average up to three years of data in making AYP determinations.

- Requires State and LEA report cards to the public no later than the beginning of the 2002-2003 school year. Also requires annual State reports to the Secretary, to be transmitted in summary form to the Congress, beginning in 2002-03.

- Requires the Secretary to withhold of 25 percent of funds for State administration from States that have failed to meet the 1994 deadlines for putting in place standards and a system for measuring AYP, and permits the Secretary to withhold an unspecified amount of State administrative funds from a State that fails to meet requirements of new law.

- Adds "Parents Right to Know" provision requiring LEAs to annually notify parents of their right to request information on the professional qualifications of their child's teachers.

School Improvement

The No Child Left Behind Act of 2001 significantly strengthens the school improvement provisions under section 1116 of Title I. The new law puts students first by requiring LEAs to offer choice and supplemental educational services to students attending schools identified for improvement, dedicates substantial new dollars to State and local improvement efforts, and requires progressively tougher improvement measures over time for schools that fail to improve, including potential reconstitution under a restructuring plan.

<u>Funding</u>

- Requires States to reserve 2 percent of Part A allocations for school improvement purposes in fiscal years 2002 and 2003, rising to 4 percent in 2004 and thereafter. (The 1994 law permitted, but did not require, the reservation of .5 percent of allocations for this purpose.) States must distribute 95 percent of these funds to LEAs for schools identified for improvement, corrective action, or restructuring.

- Establishes a separate $500 million authorization for a new Assistance for Local School Improvement grant program under which States would make subgrants ranging from $50,000 to $500,000 to help LEAs comply with the improvement provisions of Sec. 1116.

<u>School Improvement (failing to make AYP for 2 consecutive years)</u>

- Requires schools identified for improvement to develop two-year improvement plans incorporating strategies from scientifically based research on how to strengthen the

core academic subjects and address the specific issues that caused the school to be identified for improvement.

- Requires schools identified for improvement to reserve annually at least 10 percent of their Part A funds for professional development that directly addresses the problems that led to identification for improvement.

- Requires LEAs to immediately provide students attending schools identified for improvement the option of attending another public school, which may include a public charter school, that is not identified for improvement. LEAs must provide or pay for transportation to the new school, with a limit on the portion of Part A funds that may be used for this purpose (see 20 percent cap below).

- Permits students attending schools in the second year of school improvement (failure to make AYP for 3 consecutive years) to use Title I funds to obtain supplemental educational services from the public- or private-sector provider of their choice. Caps the per-child cost of such services at the lesser of the LEA per-child Part A allocation or the cost of services.

- Requires LEAs to "promptly" notify parents of eligible students attending schools identified for improvement, corrective action, or restructuring of their option to transfer their child to a better public school or to obtain supplemental services.

- Requires LEAs to give priority to low-achieving students from low-income families in making available choice and supplemental educational services. Only low-income children are eligible for supplemental services.

- Requires LEAs to use an amount equal to 20 percent of their Part A allocations to pay for transportation of students exercising a choice option or obtaining supplemental educational services for eligible students. In reserving such funds, LEAs may not reduce allocations to schools identified for corrective action or restructuring by more than 15 percent.

- Permits a student who transferred to another school under these provisions to remain in that school through its highest grade, but the LEA is required to provide transportation to the new school only as long as the student's original school is subject to school improvement, corrective action, or restructuring.

Corrective Action

- Strengthens corrective action (required after 2 years in school improvement) to include actions more likely to bring about meaningful change at the school, such as replacing school staff responsible for the continued failure to make AYP, comprehensive implementation of a new curriculum (including professional development), and reorganizing the school internally. Corrective action schools also must continue to provide choice and supplemental services options to their students.

Restructuring

- Adds a new restructuring requirement for schools that fail to respond to corrective actions. If a school fails to make AYP after one year of corrective action, it must

begin planning for restructuring, which involves fundamental change such as reopening the school as a public charter school, replacing all or most of the school's staff, or turning operation of the school over to a private management company with a demonstrated record of effectiveness, and implement its restructuring plan the following year. Schools identified for restructuring also must continue to provide choice and supplemental services options to their students.

Duration of Improvement Status

- Permits LEAs to end school improvement, corrective action, or restructuring if the school involved makes AYP for 2 consecutive years. An LEA may delay implementation of supplemental services requirements, corrective action, or restructuring if a school identified for such measures makes AYP for 1 year.

Rewards

- Authorizes State Academic Achievement Awards to schools that close achievement gaps or exceed AYP requirements, the designation of schools that make the greatest gains as Distinguished Schools, and financial awards to teachers in schools that receive Academic Achievement Awards. States may reserve up to 5 percent of annual Part A increases for Academic Achievement Awards, and 75 percent of these funds must be awarded to high-poverty schools.

LEA Improvement

- Requires LEAs identified for improvement to spend at least 10 percent of their annual Part A allocations on professional development.

Qualifications for Teachers and Paraprofessionals

- Requires LEAs to ensure that all Title I teachers hired after the first day of the first school year following the date of enactment are "highly qualified," which for new teachers means certified by the State (including alternative routes to State certification), holding at least a bachelor's degree, and passing a rigorous State test on subject knowledge and teaching skills (definition is in Title IX General Provisions).

- Requires States to develop plans with annual measurable objectives that will ensure that all teachers teaching in core academic subjects are highly qualified by the end of the 2005-2006 school year. States and LEAs must report annually, beginning with the 2002-03 school year, on progress toward this goal.

- Requires LEAs to use between 5 and 10 percent, inclusive, of their Part A allocations for fiscal years 2002 and 2003, and at least 5 percent thereafter, to ensure that all teachers are highly qualified by the end of the 2005-06 school year.

- Strengthens paraprofessional requirements to include two years of postsecondary education or, for an applicant with a high school diploma, the demonstration of necessary skills on a "formal State or local academic assessment." All new hires must meet these requirements, and existing paraprofessionals have 4 years to comply with them.

- Specifies permitted paraprofessional duties and emphasizes that paraprofessionals "may not provide any instructional services" except under the direct supervision of a teacher.

- Requires principals to "attest annually in writing" that their schools are in compliance with the teacher and paraprofessional qualification requirements in section 1119.

Services to Students in Private Schools

- Requires equitable inclusion of private school parents and teachers in parent involvement and professional development activities under sections 1118 and 1119, respectively.

- Expands consultation requirements to cover who will provide the services, including a "thorough consideration and analysis" of the potential use of third-party providers and a written explanation if an LEA decides not to honor a private school's request that services be provided by a third-party provider. Also requires consultation to include meetings of agency and private school officials, which must continue throughout implementation and assessment of services.

- Requires LEAs to document the required consultation, including affirmation by private school officials that consultation occurred, and to forward such documentation to the SEA. Also outlines complaint procedures if private school officials are dissatisfied with the outcome of the consultation.

- Specifies methods for determining the number of poor children in private schools and permits such determinations to be made biennially.

Other Changes

- Continues to permit States to reserve 1 percent of allocations under parts A, C, and D for State administrative activities, but caps the reservation at the amount a State would reserve if the total appropriation for those parts was $14 billion.

- Lowers the poverty threshold for schoolwide programs to 40 percent.

New Accountability Provisions

The No Child Left Behind Act of 2001 maintains the same general accountability structure—based on standards, assessments, AYP, and school improvement—as the 1994 ESEA reauthorization. However, the NCLB Act includes the following changes that significantly strengthen that structure:

- Requiring annual assessments to cover all children in grades 3-8.

- Tightening AYP requirements by specifying a minimally acceptable rate of progress to ensure that all groups of students—disaggregated by poverty, race and ethnicity, disability, and limited English proficiency—reach proficiency within 12 years.

- Requiring State and local report cards on progress in helping all students meet challenging State academic standards.

- Substantially increasing funding for State and local support for school improvement (from ½ percent of Part A allocations under the 1994 ESEA reauthorization to 2 percent under the NCLB Act, rising to 4 percent in 2004).

- Requiring LEAs to offer students in schools identified for improvement, corrective action, or restructuring the option of attending a better public school, so that no student is trapped in an underperforming school.

- Requiring LEAs to allow students attending chronically underperforming schools (i.e., failing to make AYP for 3 or more years) to use Title I funds to obtain supplemental educational services that can help keep them on track to meet challenging State academic standards.

- Mandating the fundamental restructuring of any school that fails to improve over an extended period of time, including reopening the school as a charter school or turning over school operations either to the State or to a private company with a demonstrated record of effectiveness.

- Rewarding schools and teachers that succeed in narrowing achievement gaps or exceeding AYP requirements through Academic Achievement Awards.

Allocations

Authorizes allocation of Part A funds to local educational agencies that meet the requirements of 4 separate funding formulas: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants. Allocations are based primarily on the number of poor children in each school district (LEA). LEAs receive a single combined allocation that is adjusted by the State under certain circumstances.

The No Child Left Behind Act of 2001 made relatively minor changes to most Part A formula provisions:

- Updates of census poverty estimates are required every year rather than every two years, though only if technically feasible.

- The poverty rate-linked "hold-harmless" of 85%-95% was extended to Concentration Grants.

- LEAs that lose eligibility for Concentration Grants would nevertheless continue to receive them for up to 4 consecutive years.

- The small-State minimum for Basic and Concentration Grants rises to .25 percent of total allocations to States for fiscal year 2001 plus .35 percent of amounts over the

fiscal year 2001 level. The small-State minimum for Targeted Grants and Education Finance Incentive Grants (neither of which was funded prior to fiscal year 2002) is .35 percent.

The Education Finance Incentive Grant formula was significantly modified by changing the count of children from the total population aged 5-17 to the number of Title I formula children (i.e., primarily census poverty counts). In addition, within-State allocations under the Incentive Grant program are now based on a variation of the Targeted Grants formula. As a result of these changes, the Incentive Grant program is now much more targeted to high-poverty urban and rural districts than under the 1994 law.

Set-Asides

Federal –

- None. Evaluations are funded through a separate authorization under Part E of Title I.

State –

- States may reserve up to 1 percent of allocations under parts A, C, and D "to carry out administrative duties" related to those parts.

- States also must reserve 2 percent of Part A allocations, rising to 4 percent in fiscal year 2004, to carry out State and local school improvement activities. States must allocate 95 percent of school improvement funds directly to LEAs.

- States must withhold from their Title I LEA Grant allocations amounts generated by annual counts of delinquent children in local institutions in order to support projects in LEAs with high proportions of children in local correctional facilities.

Local –

- LEAs must use between 5 and 10 percent, inclusive, of their Part A allocations for professional development aimed at ensuring that all teachers are highly qualified by the end of the 2005-06 school year (the requirement changes to a simple 5 percent floor in 2004).

- School improvement, corrective action, and restructuring potentially impose a variety of local set-asides. Both LEAs and schools identified for improvement, for example, must use at least 10 percent of their allocations for professional development aimed at correcting the deficiencies that led to identification for improvement. And LEAs with schools identified for improvement, corrective action, or restructuring may be required to use up to 20 percent of their Part A allocations to pay choice-related transportation costs and to provide supplemental educational services to students whose parents request them.

LOCAL SCHOOL IMPROVEMENT GRANTS
(Title I Sec. 1003 (g))

Overview

Authorizes $500 million for formula grants to States for a new Assistance for Local School Improvement grant program. States, in turn, make subgrants to local educational agencies (LEAs) to support school improvement activities under section 1116 of Part A of Title I.

Program Description

- Requires States to submit applications to the Department describing how they would allocate funds to help ensure compliance with the school improvement, corrective action, and restructuring requirements for schools participating in Part A of Title I.

- Requires States to give priority for subgrants to school districts with low-achieving schools that demonstrate the greatest need for the funds and the strongest commitment to meeting their school improvement goals.

- Grants to LEAs must be large enough to provide between $50,000 and $500,000 for "each participating school," and LEAs may receive up to 3 years of assistance.

Accountability

- Program purpose is to provide financial assistance to help States, LEAs, and schools to meet the accountability requirements of section 1116 of Part A of Title I.

Allocations

- Allocations to States are based on current-year shares of funds received under Parts A, C, and D of Title I by the States, the Bureau of Indian Affairs, and the outlying areas.

- States subgrant at least 95 percent of their allocations to LEAs through a competitive grant process.

Set-Asides

- States may retain up to 5 percent of their allocations to pay for administration, evaluation, and technical assistance activities.

READING FIRST STATE GRANTS
(Title I, Part B, Subpart 1)

Overview

Creates a new authority (replacing the Reading Excellence Act) to help States and local educational agencies utilize scientifically based reading research to implement comprehensive reading instruction for children in kindergarten through third grade.

Major Changes from Current Law

- **Formula Grants to State Educational Agencies –** Most of the funds available to each State will be distributed by formula (the antecedent Reading Excellence Act authorized competitive grants). As for the previous Reading Excellence Act grants, State grant applications would be reviewed by a peer review panel; grants would be for 6 years instead of 3 years. As in current law, States would award subgrants to local communities on a competitive basis.

- **Targeted Assistance Grants to State Educational Agencies –** Beginning in 2004, requires that some funds be awarded competitively to States and LEAs based on evidence that they have increased significantly the percentage of 3rd grade students reading at the proficient level and are improving the reading skills of students in the 1st through 3rd grades.

- **Local Uses of Funds –** Requires subgrantees to select and administer screening, diagnostic, and classroom-based instructional reading assessments to determine which students in kindergarten through grade 3 are at risk of reading failure. Also requires subgrantees to provide professional development, for teachers of students in kindergarten through grade 3 and special education teachers of students in kindergarten through grade 12, in the essential components of reading instruction.

Accountability (new requirements)

- **Federal –** Requires the Department to contract with an independent organization to conduct a 5-year, rigorous, scientifically valid, quantitative evaluation of the Reading First State Grants program. This evaluation must identify the effects of specific activities carried out by States and school districts on improving reading instruction, including the analysis and measurement of 9 specific items as prescribed by law.

- **State/Local –** In lieu of the State evaluation required by current law, requires States receiving a Reading First grant to submit an annual report to the Secretary that, among other things: 1) identifies those schools and LEAs that report the largest gains in reading achievement; 2) describes the progress that the SEA and LEAs in the State are making to reduce the number of students served in this program who are in 1st, 2nd, or 3rd grade and are reading below grade level; and 3) provides evidence on whether the SEA and LEAs in the State have significantly increased the number of students reading at grade level or above and significantly increased the

percentages of students described in Title I AYP provisions (racial/ethnic, low-income, LEP, etc.) who are reading at grade level and above.

In addition, within 60 days of the third year of the grant period, requires that each State submit an interim progress report to the Secretary that includes some of the information that is required in the annual reports.

Allocations

- **Federal to State –** Funds are allocated by formula based on States' relative share of children aged 5 to 17 from families with incomes below the poverty line, with States receiving a minimum of ¼ of 1 percent. Puerto Rico may receive no more than the percentage that it received for Title I, Part A for the preceding fiscal year.

- **State to Local –** Subgrants are awarded competitively to eligible LEAs by the SEA. In awarding subgrants, the SEA must give priority to eligible LEAs that have at least 15 percent of students from families with incomes below the Census poverty line or at least 6,500 children from families with incomes below the poverty line. Any LEA that receives a subgrant must receive, at a minimum, the LEA's relative share of the amount the LEA received for Title I, Part A for the preceding fiscal year. In addition, States must provide subgrants of sufficient size to enable the LEA to improve reading instruction and in amounts related to the number or percentage of students in kindergarten through grade 3 who are reading below grade level.

Set-Asides

- **Federal –** One-half of 1 percent for the outlying areas; ½ of 1 percent for BIA; the lesser of 2.5 percent or $25 million for evaluation and technical assistance; $5 million for information dissemination activities conducted by the National Institute for Literacy; and beginning in 2004, the lesser of 10 percent or $90 million from funds in excess of the FY 2003 appropriation for competitive Targeted Assistance Grants to SEAs.

- **State –** States may reserve up to 20 percent of funds for professional development; technical assistance; and planning, administration, and reporting activities. From this amount, States may spend up to 65 percent on professional development, up to 25 percent for technical assistance for LEAs and schools, and up to 10 percent for planning, administration, and reporting activities.

- **Local –** Up to 3.5 percent for planning and administration.

EARLY READING FIRST
(Title I, Part B, Subpart 2)

Overview

Authorizes the Secretary to make competitive awards for up to 6 years to support local efforts to enhance the early language, literacy, and pre-reading development of preschool-age children, particularly those from low-income families, through strategies and professional development that are based on scientifically based reading research.

Program Description

- **Eligible Entities –** One or more LEAs eligible to receive a subgrant under the Reading First State Grants program and/or one or more public or private organizations located in a community served by an LEA eligible to receive a Reading First State Grants subgrant.

- **Approval of Applications –** Requires that grant awards be based on the recommendations of a Federal peer review panel. The panel must include experts in early reading development and early childhood development.

- **Use of Funds –** Authorizes grantees to use program funds to: (1) provide preschool-age children with high-quality oral language and literature-rich environments; (2) provide professional development that is based on scientifically based reading research knowledge of early language and reading development; (3) identify and provide activities and instructional materials that are based on scientifically based reading research; (4) acquire, provide training for, and implement screening reading assessments or other appropriate measures based on scientifically based reading research; and (5) integrate instructional materials, activities, tools, and measures into the programs offered.

- **Information Dissemination –** Authorizes the National Institute for Literacy to disseminate information regarding Early Reading First projects that have proven to be effective.

Accountability

- **Federal –** Authorizes an independent evaluation of the program. In addition, the Secretary must report to Congress regarding specific measures of the success of the program no later than October 1, 2004 (interim report) and no later than September 30, 2006 (final report).

- **Local –** Requires grantee to report annually to the Secretary regarding the progress made in addressing the program's purposes, including descriptions of measures specified in the law, such as the research-based instruction, materials, and activities being used in the program; the types of programs funded under the grant and the ages of children served by the programs; the qualifications of program staff and the professional development they receive; and the results of the project's evaluation.

ages of children served by the programs; the qualifications of program staff and the professional development they receive; and the results of the project's evaluation.

Allocations

- **Federal –** Competitive awards to eligible entities.

Set-asides

- **Federal –** Not more than $3 million over 4 years (October 1, 2002 through September 30, 2006) for an independent evaluation of program effectiveness.

EVEN START
(Title I, Part B, Subpart 3)

Overview

This program supports family literacy programs that integrate early childhood education, adult education, parenting education, and literacy activities for low-income families, including parents eligible for services under the Adult Education and Family Literacy Act and their children from birth through age 7.

Changes from Current Law

This program was reauthorized in December 2000 as part of the Consolidated Appropriations Act of 2001 (P. L. 106-554), with the following major changes:

- **Research –** In years where the appropriation exceeds the amount appropriated for the previous fiscal year, the Secretary is required to reserve $2 million or 50 percent of the excess amount, whichever is less, for the National Institute for Literacy to carry out scientifically based reading research that focuses on adult literacy. In years where the appropriation is equal to or less than the amount appropriated for the previous fiscal year, the Secretary may reserve only what is needed to continue multi-year activities.

- **Statewide Family Literacy Activities –** Authorizes $1 million for competitive grants to States for Even Start statewide family literacy initiatives in years when the appropriation increases over the previous year. Prior to this reauthorization, as part of the Reading Excellence Act, the Department was required to reserve $10 million annually for this purpose.

- **Technical Assistance for Family Literacy Services –** Adds a provision that allows States to use a portion of program funds to help subgrantees to improve the quality of family literacy services.

- **Staff Qualifications –** Requires that, within 4 years, the majority of individuals providing academic instruction in Even Start whose salaries are paid in whole or in part with Even Start funds have an associate's, bachelor's, or graduate degree in a field related to early childhood education, elementary or secondary school education, or adult education, and, if applicable, meet State qualifications requirements for those areas; all new personnel must meet these requirements beginning on the effective date of the reauthorization (12/21/00). In addition, within 4 years, the individual responsible for the local administration of family literacy services must have received training in the operation of a family literacy program, and paraprofessionals who provide support for academic instruction must have a high school diploma or its equivalent.

- **Scientifically Based Reading Research –** Requires that instructional programs be based on scientifically based reading research.

- **Eligible Participants –** Allows Even Start programs that collaborate with Title I, Part A programs to expand Even Start services to children who are 8 years of age or

older if funds from the Part A program are used to contribute to the cost of providing programs for these children.

The NCLB Act includes one amendment: Under the 2000 reauthorization of the program, States may reserve up to 6 percent of funds for State-level activities, including administration, technical assistance for program improvement through a grant or contract, and administering the Indicators of Program Quality requirements in the law. The reauthorized ESEA allows States to also use these funds for improving the quality of family literacy services provided under Even Start programs.

Accountability

- **Federal –** Requires an independent evaluation of the program to: (1) determine the performance and effectiveness of the program; (2) identify effective Even Start programs; and (3) provide technical assistance to States and subgrantees to ensure that local evaluations provide accurate information on the effectiveness of the program.

- **State –** Requires States to develop indicators of program quality (some are specified in the law) and use them to monitor, evaluate, and improve Even Start programs within the State. (States were required to submit these indicators to the Secretary by June 30, 2001 in order to receive program funds.)

- **Local –** Requires a subgrantee to provide for an independent program evaluation that is to be used for program improvement.

Allocations

- **Federal to State –** Formula allocations are based on each State's current-year share of Title I, Part A funds, with a minimum State allocation of the greater of $250,000 or ½ of 1 percent.

- **State to Local –** SEAs make competitive subgrants to partnerships of LEAs and other organizations, giving priority to proposals that target areas designated as empowerment zones or enterprise communities or that propose to serve families in other high-poverty areas.

Set-Asides

- **Federal –** Requires 6 percent of the annual appropriation for programs serving migrant children, the outlying areas, and Indian tribes and tribal organizations if the appropriated amount for the program exceeds $200 million (or 5 percent when the appropriation is $200 million or less). Requires a grant for an Even Start project in a women's prison. Allows up to 3 percent for evaluation and technical assistance.

  In years in which the appropriation exceeds the amount appropriated for the preceding fiscal year, requires $2 million, or 50 percent of the excess, whichever is less, for the National Institute for Literacy (NIFL) to carry out scientifically based

research on family literacy. When the appropriation is the same or less than the preceding year's appropriation, requires "sufficient funds" for NIFL to continue multi-year research projects.

Authorizes $1 million for competitive grants to States for Even Start statewide family literacy initiatives in years when the appropriation increases over the previous year.

- **State –** Allows SEAs to reserve up to 6 percent of their allocation to administer the program; provide technical assistance for program improvement and replication through subgrants or contracts; develop indicators of program quality and monitor, evaluate, and improve programs based on the State's indicators; and (beginning with the 2001 amendment) improve the quality of family literacy services provided under Even Start programs. An SEA may use up to half of this reservation for program administration.

IMPROVING LITERACY THROUGH SCHOOL LIBRARIES
(Title I, Part B, Subpart 4)

Overview

New program authorizing $250 million to assist schools in providing students with access to: (1) up-to-date school library materials; (2) technologically advanced school library media centers; and (3) professionally certified school library media specialists. Authorizes (1) competitive awards directly to LEAs at appropriation levels below $100 million; and (2) formula allocations to States at appropriation levels of $100 million or more. A State would use its funds to make competitive awards to LEAs.

Program Description

- **Eligible LEAs –** Sets different eligibility rules for the Federal and State awards. For direct awards from the Secretary, LEAs with a child-poverty rate of at least 20 percent. For awards from SEAs, LEAs with a child-poverty rate of (1) at least 15 percent or (2) greater than the statewide child-poverty rate.

- **Applications –** Requires each State desiring assistance to submit an application describing: (1) how it would assist eligible LEAs to meet the requirements of the program and use scientifically based research to implement effective school library media programs; and (2) the standards and techniques it would use to evaluate the quality and impact of the activities carried out with program funds.

  Requires an LEA to submit an application that describes its need for school library media improvement, how it would use program funds, and how the LEA would: (1) involve school library media specialists, teachers, administrators, and parents; (2) coordinate the use of program funds with other Federal, State, and local funds; and (3) collect and analyze data on the quality and impact of activities carried out with program funds.

- **Uses of Funds –** Authorizes LEAs to use funds to: (1) acquire school library media resources; (2) acquire and use technology that can help to develop the information retrieval and critical thinking skills of students; (3) facilitate Internet links and other resource-sharing networks; (4) provide (a) professional development for school library media specialists and (b) activities that foster increased collaboration between school library media specialists, teachers, and administrators; and (5) provide students with access to school libraries during non-school hours.

Accountability

- **Federal –** Requires the Secretary to conduct an independent evaluation not later than three years after the date of enactment of *No Child Left Behind* and biennially thereafter. Requires the Secretary to transmit the annual State reports to Congress.

- **State –** Requires each participating State to compile the annual LEA reports and transmit them to the Secretary.

- **Local –** Requires each LEA receiving a grant to report to the Secretary (or the State if the program is State administered) on: (1) how program funds was used; and (2) the extent to which program funds were used to increase access to, and the use of, school library media resources.

Allocations

- **Federal to LEA –** At appropriations levels below $100 million, the Secretary makes one-year awards directly to eligible LEAs.

- **Federal to State –** At appropriations levels at or above $100 million, the Secretary makes formula awards based on each State's prior-year share of Title I, Part A.

- **Within State –** Competitive awards to eligible LEAs.

Set-Asides

- **Federal –** one-half of 1 percent for the BIA, and one-half of 1 percent for the Outlying Areas.

- **State –** Up to 3 percent to: (1) provide technical assistance; (2) disseminate information on effective school library media programs; and (3) meet administrative expenses.

EDUCATION OF MIGRATORY CHILDREN
(Title I, Part C)

Overview

Retains, without major changes, the current program to provide financial assistance to State educational agencies to establish and improve programs of education for children of migratory farmworkers and fishers.

Changes from Current Law:

- **Hold-Harmless –** Adds a hold-harmless requirement beginning in FY 2003 that would provide every State (other than Puerto Rico) at least 100 percent of the amount that it received in FY 2002. A State (other than Puerto Rico) that did not receive funding in FY 2002 would receive at least 100 percent of the amount that it would have received in FY 2002 if its application had been approved.

- **State Allocations –** Beginning in FY 2003, requires that funds in excess of FY 2002 be allocated to States (other than Puerto Rico) based on actual counts of eligible migratory students who resided in the State in the previous year and who received services in the summer or intersession programs provided by the State. (Under current law, funds are allocated on the basis of full-time-equivalent counts.)

- **Treatment of Puerto Rico –** Phases in changes that, over four years, reduce the restrictions on Puerto Rico's allocation and give Puerto Rico a larger share of total funds (so long as no other State loses funding).

- **Coordination of Migrant Education Activities –** Adds requirements that the Secretary assist States in developing effective methods for the electronic transfer of student records and ensure a linkage of migrant student record systems for the purpose of electronic exchange using the diversity of existing systems. Also requires the Secretary to determine the minimum data elements that each State receiving funds should collect and maintain, and to seek public comment on proposed data elements by publishing them in the Federal Register not later than 120 days after enactment. Requires the Secretary to submit a report to Congress on State progress on, and recommendations for, developing and linking electronic records transfer systems by April 30, 2003.

- Also adds a requirement that an SEA or LEA receiving migrant funds provide records on migrant students to other States and LEAs at no cost. Increases the maximum amount for migrant coordination activities (from $6 million to $10 million), and the maximum amount for Incentive Grants (from $1.5 million to $3 million). Caps Incentive Grant awards at $250,000 each.

Accountability

- None specifically in the Migrant Education (Part C) program. However, under Title I Part A, the law will continue to require that State assessment systems enable disaggregation of results for migrant students.

Allocations

- **Federal to State** - Funds are allocated to States through a formula on the basis of each State's per-pupil education expenditure for education and its count of migratory children, aged 3 through 21, residing within the State and an adjustment for those students receiving summer services.

- **State to Local** - Once the Department determines the State's allocation, the SEA provides MEP services and activities either directly or through subgrants to local operating agencies (LOAs) which can be either local educational agencies (LEAs) or other nonprofit private agencies.

Set-Asides

- **Federal** – Up to $10 million for coordination of Migrant Education activities.

- **State –** Up to 1 percent for State administration.

PREVENTION AND INTERVENTION PROGRAMS FOR NEGLECTED OR DELINQUENT CHILDREN OR YOUTH
(Title I, Part D)

Overview

Retains, with a few changes, the current program to provide financial assistance to: (1) State educational agencies for educational services to neglected and delinquent children and youth under age 21 in State-run institutions for juveniles and in adult correctional institutions, and (2) local educational agencies for educational services to children and youth in local correctional facilities and to other at-risk populations.

Changes from Current Law:

- **State Agency program (Subpart 1) –** Phases in changes that, over four years, reduce the restrictions on Puerto Rico's allocation and give Puerto Rico a larger share of total funds (so long as no other State loses funding).

- **Transition Services –** Increases the amount States may spend on transition activities from a maximum of 10 percent to a maximum of 30 percent (and requires that States spend a minimum of 15 percent).

- **Local Agency program (Subpart 2) –** Retains the program (which States operate by setting aside money from Title I – A), but narrows the program to primarily focus on the academic and other needs of youth released from corrections facilities located in an LEA. (Dropout prevention is also an allowable activity, especially for pregnant and parenting teenagers.)

- **Annual Model Program –** Adds an authority allowing the Secretary to reserve up to 2.5 percent of funds to develop a uniform model to evaluate Title I, Part D programs and to provide technical assistance to support the capacity-building of State agency programs.

Accountability

- Maintains requirements that SEAs and LEAs evaluate their program at least once every three years, using multiple measures to determine program impact on participants achievement, credit accrual, transition from a facility to a regular LEA, and success in completing secondary school and obtaining employment.

- The Subpart 2 program: (1) allows an SEA to reduce or terminate a project if an LEA does not show progress in reducing dropout rates over a three-year period; and (2) requires that local correctional facilities and delinquent institutions, after receiving assistance for three years, demonstrate that there has been an increase in the number of youth returning to school, obtaining a secondary school diploma or its equivalent, or obtaining employment after these youths are released.

Allocations

- **Federal to State** – Funds are allocated to States through a formula based on the number of children in State-operated institutions and per-pupil education expenditures for the State. Each State's allocation is generated by child counts in State institutions that provide at least 20 hours of instruction from non-Federal funds; adult correctional institutions must provide 15 hours a week.

- **State to State Agency –** Once the Department determines the State's allocation, the SEA makes subgrants to each state agency based on its proportionate share of the States adjusted enrollment count of N or D children and youth.

Set-Asides

- **Federal –** up to 2.5 percent for evaluation (and for the development of a uniform model to evaluate Part D) and technical assistance.

- **State –** Up to 1 percent of funds for State administrative costs.

TITLE I EVALUATION AND DEMONSTRATIONS
(Title I, Part E, Sections 1501-1503)

Overview

Retains major features of current law, including requirements for a National Assessment of Title I, an Independent Review Panel to advise on the conduct of the National Assessment, and a longitudinal evaluation of program effectiveness, as well as Secretarial discretion to conduct other evaluation studies of Title I programs. Also retains the Section 1502 Title I demonstrations authority.

Changes from Current Law:

- **Assessment Issues –** Updates issues to be examined to increase emphasis on accountability systems-including assessments, State AYP definitions, and school improvement efforts. Other issues would include the impact of school choice and supplemental service options for students in underperforming schools. Both the national assessment and the longitudinal evaluation also must include cost-benefit analyses of Title I services.

- **Independent Review Panel –** Adds more prescriptive requirements on the composition of the Panel. Also requires that the Panel ensure that the final report on the National Assessment of Title I reviewed by two independent experts in program evaluation.

- **National Longitudinal Study –** Adds requirement that this study use a nationally representative sample of Title I schools. Adds more detailed requirements on the issues to be examined, including the effectiveness of comprehensive school reform models and the impact of school choice options under section 1116 on student achievement.

- **Study of Assessments –** Adds new section 1503 requiring an independent study of assessments used for State accountability purposes and for making decisions about the promotion and graduation of students. Requires that the study be conducted over a period not to exceed 5 years; that the Department use a peer review process to select the contractor, with the reviewers appointed by the Assistant Secretary for Educational Research and Improvement; and that a contract be awarded to an entity capable of conducting independent, rigorous research. Requires that the study synthesize and analyze existing research that meets standards of quality and scientific rigor, and evaluate academic assessment and accountability systems in SEAs, LEAs, and schools. Specifies areas for study, including the effects of achievement on different groups of students. Requires an interim report after 3 years and a final report to Congress and the President. Permits the Secretary to reserve, for the study, up to 15 percent of funds (but not more than $1.5 million) from the amount appropriated for Part E.

CLOSE UP FELLOWSHIPS
(Title I, Part E, Section 1504)

Overview

Authorizes a non-competitive grant to the Close Up Foundation of Washington, D.C. to support fellowships to students from low-income families and their teachers to enable them to participate with other students and teachers in the Close Up program. Participants spend one week in Washington attending seminars on government and current events and meeting with leaders from the three branches of the Federal Government. (Also authorizes similar programs for "new Americans.")

Changes from Current Law

- **Student Participation –** Adds new provisions designed to ensure the participation of students from rural, small town, and urban areas and the participation of students with migrant parents in the Program for Middle School and Secondary School Students and the Program for New Americans.

- **Teachers –** Limits fellowships for teachers in the Program for Middle School and Secondary School Teachers to not more than one per year. Eliminates rule that only one teacher from each participating school can receive a fellowship each year.

- **New Americans –** Replaces the Program for Recent Immigrants, Students of Migrant Parents and Older Americans with a Program for New Americans.

- **Accountability –** Adds accountability provision that requires the Close Up Foundation to measure the "efficacy" of the program.

- **Program Name and Placement –** Changes "Allen J. Ellender Fellowships" to "Close Up Fellowships" and moves the authorization from Programs of National Significance to within Title I-E ("National Assessment of Title I").

Accountability

- In consultation with the Secretary, the Close Up Foundation is required to measure the "efficacy" of its programs, including its ability to: 1) provide young people with an increased understanding of the Federal Government; 2) heighten a sense of civic responsibility among young people; and 3) enhance the skills of educators in teaching young people about civic responsibility, the Federal Government, and attaining citizenship competencies.

COMPREHENSIVE SCHOOL REFORM PROGRAM
(Title I, Part F)

Overview

Retains, without major changes, the current program to support the development, adoption, and implementation of comprehensive school reforms that are based on reliable research and effective practice and that will improve the academic achievement of children in participating schools.

Changes from Current Law

- **Authorization –** Creates a separate authorization for the program in the ESEA (under Title I, new Part F). Previously, the program had no separate statutory authorization; it was created in the Department's fiscal year 1998 appropriations act and was implemented based on instructions included in the reports accompanying the Department's fiscal year 1998 and 1999 appropriations. Congress has appropriated funds for the program under Part E (Federal Evaluations, Demonstrations, and Transition Projects) of Title I and Part A (Fund for the Improvement of Education) of Title X.

- **Targeting –** Limits awards to LEAs that receive funding under Part A of Title I. By comparison, the FY 2001 appropriations made 83 percent of the funding available for LEAs eligible to receive funds under Part A.

- **Additional Reform Component –** In addition to the nine components required currently, adds two new components stipulating that grantees use program funds for comprehensive reforms that: (1) have been found (a) through scientifically based research to improve significantly the academic performance of participating students compared to non-participating students; or (b) show strong evidence that the model would significantly improve the performance of participating students; and (2) provide support for teachers, principals, administrators, and other school staff.

- **Quality Initiatives –** Requires the Secretary to carry out "quality initiatives" consisting of: (1) a public-private effort to assist States, LEAs, and schools in making informed decisions in approving or selecting providers of comprehensive school reform; and (2) activities to (a) foster the development of comprehensive school reform models; and (b) provide effective capacity building for comprehensive school reform providers to expand their work to more schools, ensure quality, and promote financial stability.

- **Emphasis on Proven Strategies –** Requires that grantees implement comprehensive reforms based on scientifically based research.

Accountability

- **Federal –** Requires national evaluation of, among other things, results achieved by schools after 3 years of implementing comprehensive school reforms and the effectiveness of comprehensive school reforms in schools with diverse characteristics.

- **State –** Requires each State to conduct an annual evaluation of the effects of the reforms on student achievement and submit the report to the Secretary.

- **Local –** Requires that schools adopt comprehensive reforms that are based on scientifically based research and effective practices and that include a plan for evaluating annually the implementation of the reforms and their effect on student achievement.

Allocation of Funds

- **Federal to State –** Formula based on each State's prior-year share of Title I Basic Grants (Sec. 1124).

- **Within State –** Competitive awards to LEAs that receive funds under Part A of
- Title I, with a priority for LEAs planning to use funds in schools in improvement or corrective action under Title I.

Set-Asides

- **Federal –** (1) Up to 1 percent for the BIA and Outlying Areas; (2) up to 1 percent for national evaluation activities; and (3) up to 3 percent for Quality Initiatives.

- **State –** Up to 5 percent for administrative, evaluation, and technical assistance expenses.

ADVANCED PLACEMENT
(Title I, Part G)

Overview

Reauthorizes the Advanced Placement Incentive program (currently authorized by the Higher Education Amendments of 1998) as Part G of Title I of the ESEA. The purpose of the program is to increase the number of low-income students participating in Advanced Placement classes and taking Advanced Placement tests. States apply for grants to pay test fees of low-income students. Under the previous authorization, States in which no low-income student paid more than a nominal fee to take Advanced Placement tests could also use funds for other activities designed to increase the access of low-income students to Advanced Placement classes. The reauthorization replaced that formulation with two separate programs – one for test fees, the other for activities designed to increase access to Advanced Placement classes for low-income students.

Changes from Current Law

- **Separate Programs –** Creates two separate programs: the Advanced Placement Test Fee Program authorizes grants to States to pay test fees for low-income students if they are enrolled in an Advanced Placement course; the Advanced Placement Incentive Program Grants authorizes three-year grants for activities such as teacher training and pre-advanced placement course development that are designed to expand access for low-income individuals to Advanced Placement classes. (These grants are no longer limited to States in which no low-income student pays more than a nominal fee to take Advanced Placement tests.)

- **Eligible Entity –** Expands the definition of "eligible entity" for Advanced Placement Incentive Program Grants to include LEAs and national nonprofit educational entities with expertise in Advanced Placement services.

Accountability

- Participating States must submit an annual report to the Secretary on student participation in the Advanced Placement Test Fee Program.

- The Secretary annually compiles State-reported data in a report to the Congress.

Allocations

- Allocations to States under the Test Fee program are based on the number of low-income students in the State in relation to the number of such students in all States.

- Grants under the Incentive program are competitive.

Set-Asides

- None.

SCHOOL DROPOUT PREVENTION
(Title I, Part H)

Overview

Authorizes $125 million for a new program to assist schools with high dropout rates to implement dropout prevention programs.

Program Description

- **Grants Authorized –** At appropriations levels of $75 million or less, authorizes competitive awards to States or LEAs. At appropriations levels greater than $75 million but less than $250 million, authorizes competitive awards to States, with the States, in turn, making subgrants to eligible LEAs. At appropriation levels of $250 million or more, authorizes formula grants to States, with States, in turn, making subgrants to eligible LEAs.

- **Eligibility –** To be eligible for a grant, an LEA must operate at least one school that: (1) serves students in grades 6 through 12; (2) receives funds under Part A of Title I; and (3) serves a student population of at least 50 percent from low-income households (or 50 percent coming from feeder schools with at least 50 percent of students from low-income households).

  At appropriations levels of less than $75 million, funds can be used only to support dropout prevention programs in schools that: (1) serve students in grades 6 through 12; and (2) have annual dropout rates that are greater than the State average in (a) the school itself or (b) the schools that are "feeder schools."

- **Applications –** Requires each State or LEA desiring assistance to submit an application that, among other things: (1) outlines the agency's strategy for (a) reducing its dropout rate, and (b) targeting schools with the highest dropout rates; (2) identifies the schools that have an annual school dropout rate above the State average; (3) describes the instructional strategies that will be implemented; and (4) describes how the activities conform with research knowledge about school dropout prevention and reentry. In addition, each LEA application must include an assurance that it is committed to providing ongoing support for schools for a period of 5 years.

- **Uses of Funds –** Requires grantees to use funds to implement research-based, sustainable, and coordinated school dropout prevention and reentry programs. Identifies 10 allowable activities, including: professional development; reduction in pupil-teacher ratios; counseling and mentoring for at-risk students; and implementing comprehensive school reform models. Requires LEAs to provide technical assistance to any secondary school that receives program funds for two years and has not made progress toward lowering its dropout rate.

- **National Activities –** Requires the Secretary to: (1) establish a national recognition program to identify schools that have been effective in reducing dropout rates; and (2) evaluate the effectiveness of activities funded under the program. Authorizes the Secretary to carry out activities to: (1) collect systematic data on the effectiveness

of programs; (2) establish a national clearinghouse of information on effective school dropout and reentry prevention programs; (3) provide technical assistance to SEAs, LEAs, and schools to assist them to implement effective school dropout prevention programs; (4) establish an inter-agency working group to determine how Federal programs can help reduce school dropout rates; (5) support capacity building and design initiatives; and (6) support technical assistance entities that, prior to enactment of No Child Left Behind, provided training, materials, and technical assistance related to school dropout prevention to at least 100 elementary or secondary schools.

Accountability

- **Federal –** Requires the Secretary to evaluate the effectiveness of activities funded under the program.

- **State –** Requires each State receiving assistance to report annually to the Department on the status of the implementation of activities and outcome data for students in schools receiving program funds.

- **Local –** Requires LEAs receiving program funds to report on the status of the activities funded under the program and dropout data disaggregated by race and ethnicity for schools receiving program funds.

Allocations

- **Federal –** At appropriations levels of less than $75 million, authorizes competitive awards to States or LEAs. At appropriations levels between $75 million and $250 million, authorizes competitive awards to States. At appropriation levels of $250 million or more, authorizes formula grants based on each State's prior-year share under Title I, Part A.

- **Within State –** Competitive awards to eligible LEAs.

Set-Asides

- **Federal –** Permits a reservation of up to 10 percent of the amount appropriated for national activities.

- **State –** Up to 5 percent for administrative expenses and State-level activities. Limits the amount used for administrative expenses to 2 percent.

TITLE I GENERAL PROVISIONS
(Title I, Part I)

Overview

Part I of Title I primarily concerns regulatory and administrative requirements, including deadlines for developing regulations implementing the No Child Left Behind Act of 2001 and a requirement that State rules and regulations related to Title I programs conform to the purposes of the NCLB Act. The regulatory deadlines in two sections seem inconsistent, with section 1901 requiring issuance of final regulations within one year of enactment and section 1908 requiring completion of regulations related to sections 1111 (State Plans) and 1116 (School Improvement) within six months of enactment. Specific provisions include the following:

Description

- **Federal Regulations –** Section 1901 requires a negotiated rulemaking process for, at a minimum, the standards and assessments provisions of the new law. Requires final regulations resulting from negotiated rulemaking to be issued within one year of enactment of the NCLB Act.

- **Agreements and Records –** Section 1902 outlines the procedures to be followed if any proposed regulations do not conform to the agreements reached through negotiated rulemaking and requires the Secretary to keep "an accurate and reliable record" of those agreements.

- **State Administration –** Section 1903 requires State rules, regulations, and policies related to Title I to conform to the purposes of Title I, to be minimal, and to be subject to review by a Committee of Practitioners that must be created by the State to help it carry out its responsibilities under Title I. (Same as current law.)

- **Local Educational Agency Spending Audits –** Section 1904 requires annual GAO audits of at least 6 LEAs receiving Title I, Part A funds to examine "the extent to which funds have been expended for academic instruction in the core curriculum and activities unrelated to academic instruction in the core curriculum, such as the payment of janitorial, utility, and other maintenance services, the purchase and lease of vehicles, and the payment for travel and attendance costs at conferences." (Replaces Senate language prohibiting use of funds for non-instructional purposes.)

- **Prohibition Against Federal Mandates, Direction, or Control –** Section 1905 prohibits the Federal Government from mandating a State's, LEA's, or school's "specific instructional content, academic achievement standards and assessments, curriculum, or program of instruction." (Same as current law)

- **Rule of Construction on Equalized Spending –** Section 1906 states that nothing in Title I mandates equalized spending for a State, LEA, or school. (Same as current law)

- **State Report on Dropout Data –** Section 1907 requires States to report annually to the Secretary on school dropout rates, disaggregated by race and ethnicity.

- **Regulations for Sections 1111 and 1116 –** Section 1908 requires the Secretary to issue regulations for sections 1111 (State Plans) and 1116 (School Improvement) within six months of the enactment of the NCLB Act.

IMPROVING TEACHER QUALITY STATE GRANTS
(Title II, Part A)

Overview

Authorizes a new State formula grant program that combines the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers.

Major Changes from Current Law

- **Increased Flexibility** – Allows LEAs increased flexibility to allocate funds among professional development, class-size reduction, and other teacher quality activities, without the requirements that are in current law.

- **Mathematics and Science Activities –** Eliminates the Eisenhower priority for professional development in mathematics and science and creates a separate Math and Science Partnerships competitive grant program.

- **Competitive Funds –** Caps the amount for competitive grants awarded by State agencies for higher education working in conjunction with the SEA at $125 million, rather than providing that a certain percentage of program funds be reserved for this purpose. This will reduce the percentage of funds available for this part of the program as appropriations increase.

- **State Uses of Funds –** New State activities include, among others, reforming teacher and principal certification/licensing requirements, alternative routes to State certification, teacher and principal recruitment and retention initiatives, reforming tenure systems, teacher testing, and merit pay.

- **Local Uses of Funds –** New local activities include, among others, teacher and principal recruitment and retention initiatives, signing bonuses and other financial incentives, teacher and principal mentoring, reforming tenure systems, merit pay, teacher testing, and pay differentiation initiatives.

- **Class-Size Reduction –** Allows LEAs to use program funds to reduce class size, and does not limit the use of program funds for class-size reduction activities in grades 1 through 3, as current law does.

- **National Activities –** Authorizes the Secretary to: (1) establish a national teacher recruitment campaign, which includes activities carried out through the National Teacher Recruitment Clearinghouse, to assist high-need LEAs in recruiting and training teachers and to conduct a national public service campaign about the resources for, and routes to, entering the field of teaching; (2) make competitive grants to assist high-need LEAs to recruit and train principals and assistant principals; (3) make competitive grants to support teachers seeking advanced certification or advanced credentialing to SEAs, LEAs, the National Council on Teacher Quality working with an LEA or SEA, or another certification or credentialing organization working with an LEA or SEA; (4) make competitive grants to LEAs and

partnerships to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty; and (5) establish a National Panel on Teacher Mobility to study strategies for increasing mobility and employment opportunities for highly qualified teachers. Also authorizes funds for the University of Northern Colorado to assist other IHEs in training special education teachers.

Accountability (new requirements)

- If the SEA determines, based on reports submitted by LEAs describing their performance under the Title I teacher qualification requirements (after these requirements have been in effect for two years), that an LEA in the State has failed to make progress toward meeting its measurable objectives, the LEA must develop an improvement plan to help it meet its objectives. The SEA must provide technical assistance to the LEA and, if applicable, to schools within the LEA while the LEA is developing the improvement plan.

- After an additional year, if the SEA determines that an LEA still has failed to make progress toward meeting its measurable objectives and has failed to make Title I adequate yearly progress for 3 consecutive years, the SEA must enter into an agreement with the LEA on the use of the LEA's funds under this program, including developing professional development strategies and activities and prohibiting the use of Title I, Part A funds for any paraprofessional hired after the determination is made.

- In addition, after 3 years of poor performance, SEAs would also provide funds directly to schools to enable teachers to choose, in consultation with the school principal, the professional development activities in which they would like to participate.

Allocations

- **Federal to State –** Funds are allocated by formula, with each State first receiving its FY 2001 amount for the Eisenhower Professional Development State Grants and Class-Size Reduction programs. Remaining funds are allocated based 35 percent on child population (ages 5 to 17) and 65 percent on child poverty, with each State receiving a minimum of ½ of 1 percent.

- **State to Local –** Subgrants to Local Educational Agencies are suballocated to LEAs by formula. LEAs first receive the amount they received in FY 2001 for the Eisenhower Professional Development State Grants and Class-Size Reduction programs. Remaining funds are allocated based 20 percent on child population (ages 5 to 17) and 80 percent on child poverty. Subgrants to Eligible Partnerships are awarded competitively by the State agency for higher education (SAHE) working in conjunction with the SEA.

Set-Asides

- **Federal –** One-half of 1 percent each for the outlying areas and the BIA.

- **State –** Ninety-five percent of funds for Subgrants to Local Educational Agencies; the lesser of 2.5 percent or $125 million for Subgrants to Eligible Partnerships; and remaining funds are for State-level activities. An SAHE or SEA may use up to 1 percent of its funds for planning and administration.

MATHEMATICS AND SCIENCE PARTNERSHIPS
(Title II, Part B)

Overview

New program authorizing $450 million for competitive 3-year grants to partnerships for activities to improve the academic achievement of students in the areas of mathematics and science. Authorizes competitive awards directly to partnerships at appropriation levels below $100 million and formula allocations to SEAs at appropriation levels of $100 million or more.

Program Description

- **Eligible Applicants –** Partnerships include an SEA (if the Secretary awards the grants); an engineering, math, or science department of an IHE; and a high-need LEA. They may include another engineering, math, science, or teacher training department of an IHE; additional LEAs, public charter schools, or public or private schools; a business; or a nonprofit or for-profit organization of demonstrated effectiveness in improving the quality of math and science teachers.

- **Use of Funds –** Authorizes grantees to use funds to: (1) develop or redesign more rigorous math and science curricula; (2) provide professional development for teachers designed to improve their subject knowledge; (3) promote strong teaching skills that include those based on scientific research and technology-based teaching methods; (4) operate summer workshops or institutes; (5) recruit math, science, and engineering majors into teaching; (6) establish distance learning programs; (7) design programs to prepare teachers to mentor other teachers; (8) operate programs to bring math and science teachers into contact with working scientists, mathematicians, and engineers; (9) design programs to identify and develop exemplary math and science teachers in grades K-8; and (10) develop programs to encourage young women and other underrepresented groups to pursue careers in math, science, engineering, and technology.

Accountability

- **Local –** Requires grantee to develop an evaluation and accountability plan to measure the impact of program activities, including measurable objectives included in the law. Partnerships must report annually to the Secretary on their progress in meeting these objectives.

Allocations

- **Federal to LEA –** At appropriation levels below $100 million, the Secretary makes competitive awards directly to eligible partnerships.

- **Federal to State –** At appropriation levels at or above $100 million, formula allocations to States based on each State's share of children age 5 to 17 from families with incomes below the poverty line, with each State receiving a minimum of ½ of 1 percent.

- **Within State –** Competitive awards to eligible partnerships (if the States receive funds by formula).

TROOPS-TO-TEACHERS
(Title II, Part C, Subpart 1, Chapter A)

Overview

Authorizes the funding and administration of the Troops-to-Teachers program, which was previously authorized as part of the National Defense Authorization Act for fiscal year 2000.

Requires the Secretary of Education to transfer funds for this program (except for a new "Innovative Preretirement Teacher Certification" component) to the Secretary of Defense to: (1) assist eligible members of the Armed Forces to obtain certification or licensing as elementary, secondary, or vocational/technical teachers and to become highly qualified; and (2) facilitate the employment of these individuals by LEAs or public charter schools that receive Title I, Part A grants or are experiencing a shortage of highly qualified teachers.

New Provisions Affecting the Department of Education

- Authorizes the Secretary to award program funds to SEAs, institutions of higher education, or consortia of those entities to develop, implement, and demonstrate Innovative Preretirement Certification programs for members of the Armed Forces. Entities receiving funds would be expected to continue the programs after Federal funding ends. Up to $10 million of Troops-to-Teachers funds could be used for this purpose annually.

- Requires the Secretary to provide to the Secretary of Defense information regarding participation in the program and applications for use in "preseparation counseling" for individuals leaving the military, and allows the Secretary of Education to provide placement assistance and referral services to those individuals.

- Requires the Secretary of Education to submit to Congress a report on the effectiveness of the program in the recruitment and retention of qualified personnel by LEAs and public charter schools no later than March 31, 2006. The report must include information about the number of participants, the schools in which they are employed, the grade levels and academic subjects they teach, and retention rates.

TRANSITION TO TEACHING
(Title II, Part C, Subpart 1, Chapter B)

Overview

Authorizes competitive 5-year grants to partnerships and eligible entities to establish programs to recruit and retain highly qualified mid-career professionals and recent college graduates as teachers in high-need schools, including recruiting teachers through alternative routes to certification, and to encourage alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time. This is a new authority in the reauthorized ESEA, but Congress provided $31 million for similar activities in the FY 2001 appropriations act.

Program Description

- **Eligible Partnerships –** Include an SEA; a high-need LEA (serves at least 10,000 children or 20 percent of children from families with incomes below the poverty line, and has a high percentage of teachers not teaching in their academic subjects or at grade levels in which the teachers were trained to teach or that has a high percentage of teachers with emergency or provisional certification); a for-profit or nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers, in partnership with a high-need LEA or an SEA; an IHE, in partnership with a high-need LEA or an SEA; a regional consortium of SEAs; or a consortium of high-need LEAs.

- **Use of Funds –** Authorizes grantees to use funds for: (1) scholarships, stipends, bonuses, and other financial incentives to eligible participants in an amount not to exceed $5,000 per participant; (2) pre- and post-placement induction or support activities; (3) placement activities to ensure that teachers are placed in fields in which they are highly qualified to teach and are placed in high-need schools in high-need LEAs; (4) payments to schools to provide financial incentives to prospective teachers; (5) collaborations with IHEs in developing and implementing teacher recruitment (including teacher credentialing) and teacher retention programs; and (6) development of long-term recruitment and retention strategies.

- **Period of Service –** Requires program participants to teach in a high-need school (a school that: (1) is located in an area where the percentage of students from families with incomes below the poverty line is at least 30 percent; (2) is located in an area where there is a high percentage of teachers not teaching in the academic subjects or grade levels in which the teachers were trained to teach; (3) is within the top quartile of schools in the State in the number of unfilled available teacher positions; (4) is located in an area with high teacher turnover; or (5) is located in an area where a high percentage of teachers are not certified) in a high-need LEA for at least 3 years. Requires the Secretary to establish guidelines for participants to repay all or a portion of their stipend or other incentive if they fail to complete their service obligation.

Accountability

- **Local –** Requires a grantee to conduct an interim evaluation at the end of the third year of the grant and a final evaluation at the end of the fifth year. Also requires a grantee to submit reports containing the results of the evaluation to the Secretary and directly to Congress. If the Secretary determines that the grantee has not made sufficient progress at the end of the third year, the grantee may not receive payments for the fourth and fifth years of the grant.

Allocations

- **Federal to Grantee –** Competitive awards to eligible partnerships.

Set-Asides

- **Local –** Grantees may use up to 5 percent for administration.

NATIONAL WRITING PROJECT
(Title II, Part C, Subpart 2)

Overview

Authorizes grant to the National Writing Project, a nonprofit educational organization that contracts with institutes of higher education and nonprofit education providers to operate programs that train classroom teachers to teach writing effectively.

Changes from Current Law

- **Cost sharing –** Increases maximum federal share of costs for a contractor from $40,000 to $100,000. Maximum Federal share of costs for a contractor administering at least five sites throughout the State is still $200,000.

- **Authorization –** Deletes authority to use program funds for Classroom Teacher Grants for classroom research, publication of models of student writing, research on effective practices to improve teaching of writing, and other activities to improve the teaching and uses of writing.

Accountability

- No specific provision.

Allocations

- **Noncompetitive grant award to the National Writing Project –** The National Writing Project contracts with institutions of higher education or other nonprofit educational providers to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing.

Set-Asides

- **Federal –** Up to $150,000 in fiscal year 2002 and each of the 5 succeeding fiscal years for an evaluation of the program.

CIVIC EDUCATION
(Title II, Part C, Subpart 3)

Overview

Authorizes grants to improve the quality of civics and government education for students in the United States, foster civic competence and responsibility, and improve civic and economic education in emerging democracies through cooperative exchange programs.

Changes from Current Law

- **Authorization –** Creates a combined authorization for the "We the People" civic education program and the cooperative civic education and economic education exchange (Title II, Part C, subpart 3). Previously, the civic education program was authorized in the ESEA (Part F, section 10601) and the cooperative civic education and economic education exchange was authorized as the International Education Exchange Program in the Goals 2000: Educate America Act (Title VI, section 601).

- **Use of Funds –** Explicitly authorizes grantees to use program funds to provide materials and methods of instruction, including teacher training, that use the latest advancements in educational technology. Also permits the Center for Civic Education to use funds available under the Project Citizen program to address specific problems, such as the prevention of school violence and the abuse of drugs and alcohol.

- **We the People Program –** Expands program availability for We the People program to include schools administered by the Bureau of Indian Affairs and by the Commonwealth of the Northern Mariana Islands.

- **Exchange Programs –** Expands eligibility for Cooperative Civic Education and Economic Education Exchange Program to include the Republic of Ireland, Northern Ireland, and any developing country determined by the Secretary and the Secretary of State to have a democratic form of government. Also, eliminates use of funds for home stays in the United States or in participating countries.

- **Other changes –** Repeals use of Department personnel and technical experts to assist eligible countries in improvements to educational delivery systems, structure, and organization. Repeals required studies of educational systems in other nations, particularly Great Britain, France, Germany, and Japan.

Accountability

- No specific provision.

Allocations

- Noncompetitive grant awards to the Center for Civic Education and the National Council on Economic Education.

Set-Asides

- Up to 40 percent for Cooperative Civic Education and Economic Education Exchange Programs, of which, 37.5 percent is to be awarded to the Center for Civic Education, 37.5 percent to the National Council on Economic Education, and 25 percent for not less than one but not more than 3 grants or contracts to organizations for civic education activities under the Cooperative Education Exchange Program.

TEACHING OF TRADITIONAL AMERICAN HISTORY
(Title II, Part C, Subpart 4)

Overview

Authorizes a discretionary grant program for local educational agencies to promote the teaching of traditional American history in elementary and secondary schools as a separate academic subject (not as a component of social studies). Although this is a new authority in the reauthorized ESEA, in fiscal year 2001 the Congress funded a very similar activity under the Fund for the Improvement of Education through appropriations language.

Program Description

- **Use of Funds –** Grants may be used to improve the quality of history instruction and to provide professional development for teachers of American history.
- **Partnership –** In order to receive a grant, an LEA must agree to carry out the proposed activities in partnership with: (1) an institution of higher education; (2) a nonprofit history or humanities organization; or (3) a library or museum.

Accountability

- No specific accountability provisions.

Allocations

- Grants are made to the highest-quality applications without regard to geography.

Set-Asides

- None.

TEACHER LIABILITY PROTECTION
(Title V, Part C, Subpart 5)

Overview

Subpart 5 of Chapter C of Title II (the "Paul D. Coverdell Teacher Protection Act of 2001"):

- Limits the financial liability of teachers for harm they may cause acting on behalf of the school in disciplining students or maintaining classroom order;

- Shields teachers from liability when they act within the scope of their employment and in accordance with applicable Federal, State, and local laws (including civil rights laws);

- Limits the availability of punitive and non-economic ("pain and suffering") damages against teachers when they are determined to be liable for their acts; and

- Extends protections not only to teachers, but also to administrators and school professionals, nonprofessional employees responsible for maintaining discipline or safety, and individual school board members.

STATE AND LOCAL TECHNOLOGY GRANTS
(Title II, Part D, Subpart 1)

Overview

Consolidates the current Technology Literacy Challenge Fund (TLCF) and Technology Innovation Challenge Grant programs into a single State formula grant program to support the integration of educational technology into classrooms to improve teaching and learning.

Changes from Current Law

- **Within-State Allocations –** Requires each State to award half of the amount available for LEAs through a formula based on Title I shares and half through a competitive process. Currently, States award the entire amount available for LEAs through a competitive process.

- **Targeting –** Requires LEAs to make competitive awards to high-need LEAs or partnerships that include a high-need LEA and at least one entity that can assist the high-need LEA to integrate technology effectively into classroom instruction. Defines a high-need LEA as an LEA that: (1) serves concentrations of poor students; and (2) (a) serves at least one school identified as in need of improvement under Title I or (b) has a substantial need for assistance in acquiring and using technology. Also requires States, when making competitive awards, to give a priority to LEAs that receive a formula allocation that is too small to carry out effectively the purposes of the program.

- **Providing Professional Development –** Requires each LEA receiving formula funds to use at least 25 percent of its formula allocation for high-quality professional development activities to prepare teachers to integrate technology into instruction. (The current statute does not have a similar requirement.) Allows States to exempt from this requirement an LEA that can demonstrate that it already provides high-quality professional development in the integration of technology into instruction.

- **Emphasis on Proven Strategies –** Requires local applicants to describe how they would identify and promote strategies, based on relevant research, that integrate technology effectively into curricula and instruction.

- **National Activities –** Requires a national study (described below) and authorizes the Department to provide technical assistance to recipients of program funds.

Accountability

- **Federal –** Requires the Secretary to conduct an independent study, using an experimental research design, to identify the conditions and practices under which educational technology: (1) is effective in increasing student achievement; and (2) increases the ability of teachers to integrate technology effectively into curricula and instruction. Requires wide dissemination of the study.

- **State and Local –** Requires each State and LEA to develop accountability measures and a process for evaluating the extent to which the activities carried out with program funds are effective in supporting the integration of technology into curricula and instruction.

Allocations

- **Federal to State –** Formula allocations based on each State's current-year share of Title I, Part A funds.

- **Within State –** Requires States to award one-half of the amount available for LEAs by formula based on each LEA's prior-year share of Title I, Part A. States must use the remaining funds for competitive awards to high-need LEAs or partnerships that include high-need LEAs.

Set-Asides

- **Federal –** (1) up to 2 percent for national activities, including conducting the required study and providing technical assistance to grantees; (2) one-half of 1 percent for the Outlying Areas; (3) three-quarters of 1 percent for the BIA; and (4) the amount needed for continuation awards under the Technology Innovation Challenge Grants program.

- **State –** Authorizes SEAs to reserve up to 5 percent for State-level activities, such as providing technical assistance to grantees and developing performance measurement systems to evaluate the effectiveness of technology programs.

- **Local –** No specific set-aside for administrative expenses but, under the Education Department General Administrative Regulations, LEAs can use a reasonable amount for necessary administrative expenses.

READY-TO-LEARN TELEVISION
(Title II, Part D, Subpart 3)

Overview

The Ready-to-Learn Television program supports the development and distribution of educational video and ancillary material for preschool children, elementary school children, and their parents.

Changes from Current Law

- **Clearinghouse –** Eliminates the authority for the Secretary to establish, within the Department, a clearinghouse to compile and provide information, referrals, and model program materials and programming obtained or developed by the program.

- **Digital television and the Internet –** Specifically authorizes the development of material for distribution over digital broadcasting channels and the Internet.

- **Eligibility –** Restricts eligibility to public telecommunications entities; previously, non-profit entities, including public telecommunication entities, were eligible. Requires applicants to have the ability to negotiate contracts in a manner that allows them an appropriate share of any ancillary income from sales of program-related materials.

Accountability

- **Annual Report –** Continues to require recipients of awards to submit an annual report describing program activities to the Secretary.

Allocations

- **Federal –** Discretionary, competitive awards. At least 60 percent of the funds must be used to: facilitate the development of educational programming and support materials and services; facilitate the development or programming and digital content specifically designed for nationwide distribution of public television stations' digital broadcast channels and the Internet; and contract with entities to distribute the programming and materials produced. The remainder of the funds may be used to develop and disseminate education and training materials that are designed to promote school readiness and promote the effective use of the programming and digital resources.

Set-Asides

- None

LANGUAGE INSTRUCTION FOR LIMITED ENGLISH PROFICIENT AND IMMIGRANT STUDENTS (Title III)

Overview

Consolidates the 13 current bilingual and immigrant education programs into a State formula program and significantly increases flexibility and accountability. (Most of the consolidation is accomplished only if the appropriation is at least $650 million.) Maintains the current focus on assisting school districts in teaching English to limited English proficient students and in helping these students meet the same challenging State standards required of all other students.

Major Changes from Current Law

- **Trigger –** If the appropriation exceeds $650 million, authorizes formula awards to States based on the State's share of limited English proficient and recent immigrant students. States, in turn, make competitive subgrants to local educational agencies. If a State does not apply, the Secretary makes competitive awards directly to "specially qualified agencies" (school districts).

- **Discretionary Programs –** If the appropriation is less than $650 million, continues to authorize three discretionary grant programs for instructional services, three support services programs, four professional development programs, and Immigrant Education formula grants. These programs are similar to those in the previous law.

- **State Plans –** Requires States to submit State plans establishing standards and benchmarks for LEP students aligned with State standards.

- **Continuations –** Provides for continuation grants to current instructional service and professional development grantees for the original period of their grant. Consequently, diverts an estimated $209 million from the formula in 2002 and declining amounts thereafter.

- **National Leadership Activities –** Authorizes National Leadership Activities: National Professional Development Project, National Clearinghouse, and evaluation activities. Under the National Professional Development Project, the Secretary makes 5-year competitive grants to institutions of higher education for professional development activities that will improve classroom instruction for limited English proficient students.

- **Small-State Minimum –** Guarantees all States at least $500,000 under the formula program.

Accountability

- States must establish annual achievement objectives for limited English proficient students that are related to gains in English proficiency and meeting challenging State academic standards and that are aligned with Title I achievement standards.

- States must assure that subgrantees will comply with the Title I requirement to annually assess in English children who have been in the United States for 3 or more consecutive years. States must hold subgrantees accountable for making adequate yearly progress as described in Title I and meeting all annual achievement objectives.

Allocations

- **Federal to State –** The Secretary determines formula allocations based on the State's share of limited English proficient students (80 percent) and recent immigrant students (20 percent). In 2002 and 2003, the Secretary calculates State shares using 2000 Census data. Thereafter, the Secretary may use either American Community Survey data from the Department of Commerce or data submitted by the States.

- **State to Local –** States allocate funds to school districts based on share of the limited English proficient student population except that States can reserve up to 15 percent for school districts that have experienced significant increases in the percentage or number of immigrant students or that have limited or no experience in serving immigrant students.

Set-Asides

- One-half of one percent or $5 million (whichever is higher) for schools operated predominantly for Native American students; one-half of one percent for the outlying areas; 6.5 percent for National Leadership Activities; and such sums as necessary for continuation awards.

SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES
(Title IV, Part A)

Overview

Retains, with some changes, State formula grants and national discretionary activities for drug and violence prevention.

Requires (in Title IX General Provisions) States to allow students who attend a persistently dangerous school, or who become a victim of a violent crime at school, to transfer to a safe school; requires States to report on school safety to the public; and requires school districts to implement drug and violence prevention programs of demonstrated effectiveness.

Major Changes from Current Law

- **New Programs –** Within the authorization of appropriations for National Programs, adds several authorities for specific programs that are not in current law, including:

  Community service for expelled or suspended students. This program authorizes formula grants to States to carry out programs under which students expelled or suspended from school are required to perform community service. Funds are allocated to the 50 States, the District of Columbia, and Puerto Rico half on the basis of school-aged population and half on the basis of each State's share of Title I concentration grant funding for the preceding year, with a small State minimum allocation of one-half of one percent of the total.

  School security and technology resource center. This program authorizes the Secretary, the Attorney General, and the Secretary of Energy to enter into an agreement for the establishment at the Sandia National Laboratories, in partnership with the National law Enforcement and Corrections Technology Center—Southeast and the National Center for Rural Law Enforcement in Little Rock, Arkansas, of a center to be know as the "School Security Technology and Resource Center." This Center, which the statute requires to be administered by the Attorney General, would be a resource to local educational agencies for school security assessments, security technology development, evaluation and implementation, and technical assistance relating to improving school security. The Center would also conduct and publish school violence research, coalesce data from victim communities, and monitor and report on schools that implement school security strategies.

  National center for school and youth safety. Authorizes the Secretary and the Attorney General to establish a National Center for School and Youth Safety which is required to carry out four prescribed activities: (1) emergency assistance (including counseling for victims and enhanced security) to local communities to respond to school safety crises; (2) a national, toll-free telephone anonymous student hotline for students to report criminal activity, threats of criminal activity, and other warning signs of potentially violent or criminal behavior; (3) consultation with the public regarding school safety through the use of a toll-free telephone number staffed by individuals with expertise in enhancing school safety; and (4) information and

outreach. Under this last category, the Center would be required to compile information about best practices in school violence prevention, intervention, and crisis management, and serve as a clearinghouse for model school safety program information; and ensure that local governments, school officials, parents, students, and law enforcement officials and agencies, especially those in rural and impoverished communities, are aware of the resources, grants, and expertise available to enhance school safety and prevent school crime.

Grants to reduce alcohol abuse. Authorizes the Secretary, in consultation with the Administrator of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services, to award competitive grants to local educational agencies (LEAs) to develop and implement innovative and effective programs to reduce alcohol abuse in secondary schools. The Secretary may reserve up to 20 percent of the amount used to carry out this section to enable the Administrator of SAMHSA to provide alcohol abuse resources and start-up assistance to the LEAs receiving these grants, and 25 percent of the funds under this program to award grants to low-income and rural LEAs. As a condition of funding, all grantees are required to implement one or more of the proven strategies for reducing underage alcohol abuse as determined by SAMHSA.

Mentoring programs. Authorizes the Secretary to award grants to local educational agencies (LEAs), non-profit community-based organizations, or a partnership of the two to establish and support mentoring programs and activities for children who are at risk of educational failure, dropping out of school, or involvement in criminal or delinquent activities, or who lack strong positive role models. The programs must be designed to link these children (particularly those living in rural areas, high-crime areas, or troubled home environments, or children experiencing educational failure or attending schools with violence problems) with mentors who have received training and support in mentoring and are interested in working with such children to, among other things, provide general guidance and emotional support, promote personal and social responsibility, offer academic assistance and encourage them to excel in school and plan for the future, and discourage illegal use of drugs and alcohol and violence. Funds must be used for activities including but not limited to, hiring and training mentoring coordinators and support staff; recruiting, screening, and training mentors; and disseminating outreach materials. However, the mentors may not be compensated directly with grant funds.

- **Authorization Trigger for National Programs –** Does not authorize an increase in funding for National Programs in any fiscal year in which the appropriation for State grants is not increased by at least 10 percent over the previous year.

- **Safe and Drug-Free Schools and Communities (SDFSC) Advisory Committee –** Establishes a new Advisory Committee composed of representatives of other Federal agencies, State and local governments (including school districts), and researchers and expert practitioners to advise the Secretary of Education and to help coordinate Federal school- and community-based substance abuse and violence prevention programs.

- **Local Plan for Safe and Drug-Free Schools –** Requires LEAs that receive SDFSC funds to have a plan for keeping schools safe and drug-free that includes appropriate and effective discipline policies, security procedures, prevention activities, a student

code of conduct, and a crisis management plan for responding to violent or traumatic incidents on school grounds.

- **New Limit on Local Administrative Costs –** Institutes a cap of 2 percent on the amount of SDFSC formula funds that an LEA may use to administer the program. (There is no LEA cap on administrative costs under current law; however, under the Department's general administrative regulations, LEAs are limited to administrative costs that are reasonable and necessary.)

- **Local Uses of Funds –** Retains the 20 percent cap on the amount of SDFSC funds LEAs may spend for school security-related activities, but doubles this cap to 40 percent for funds used to hire and train school security personnel.

Accountability

- Requires local prevention programs to meet **principles of effectiveness**. To be funded, programs must be: (1) based on an assessment of objective data about the drug and violence problems in the schools and communities to be served; (2) based on performance measures aimed at ensuring that these schools and communities have a safe, orderly, and drug-free learning environment; (3) grounded in scientifically based research that provides evidence that the program to be used will reduce violence and illegal drug use; (4) based on an analysis of the prevalence of "risk factors, protective factors, buffers, assets, or other variables," identified through scientifically based research, that exist in the schools and communities in the State; (5) include consultation with and input from parents; and (6) evaluated periodically against locally selected performance measures, and modified over time (based on the evaluation) to refine, improve, and strengthen the program.

- Establishes a new **Uniform Management Information and Reporting System** under which States will provide information on a school-by-school basis to the public on truancy rates and on the frequency, seriousness, and incidence of violence and drug-related offenses resulting in suspensions and expulsions; and also report to the public on the types of curricula, programs, and services provided by grantees, and on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use and violence by youth.

Allocations

- **Federal to State –** State grant allocations are based 50 percent on the Title I concentration grants formula and 50 percent on population, with a hold-harmless to ensure that no State receives less in 2002 or future years than it received in 2001. Governors may elect to receive up to 20 percent of their State's allocation; the remainder goes to the State educational agency.

- **State to Local –** SEA allocations to LEAs are based 60 percent on Title I basic and concentration grants, and 40 percent on enrollment.

Set-Asides

- **Federal Reservations of State Grant Funds –** (1) 1 percent or $4.750 million (whichever is greater) for the Outlying Areas; (2) 1 percent or $4.750 million (whichever is greater) for the BIA; and (3) 0.2 percent for programs for Native Hawaiians.

- **Federal Reservations of National Programs Funds –** (1) Up to $2 million for a national impact evaluation; and (2) the amount necessary to make continuation awards to grantees under the Safe Schools/Healthy Students initiative.

- **State Reservations of SEA Funds –** Up to 5 percent for program activities and up to 3 percent for administrative costs (and for fiscal year 2002 only, up to 4 percent for administrative costs, if the additional funds are used to implement the required uniform management and reporting system) – provided that, in any fiscal year, at least 93 percent of the SEA's allocation is distributed to LEAs.

- **State Reservations of Governors' Funds –** Up to 3 percent for administrative costs.

21ST CENTURY COMMUNITY LEARNING CENTERS
(Title IV, Part B)

Overview

The reauthorized 21st Century Community Learning Centers program will: (1) allocate funds to States by formula; (2) target funds to schools with the greatest need; and (3) require centers to provide academic enrichment activities.

Changes from Current Law

- **Awarding of Funds –** Converts the 21st Century Community Learning Centers authority to a State formula grant. Currently, the Department makes competitive awards directly to LEAs. Under the reauthorized authority, funds would flow to States based on their share of Title I, Part A funds. States would use their allocations to make competitive awards to eligible entities.

- **Emphasis on Providing Academic Enrichment Opportunities –** Clearly establishes that the purpose of the program is to provide academic enrichment activities to students, particularly students who attend low-performing schools, to help them meet State and local standards. To ensure that centers operate high-quality programs, local grantees are required to develop programs that meet specified principles of effectiveness.

- **Targeting –** Requires States to make awards only to applicants that will primarily serve students who attend schools with concentrations of poor students. Also, requires States to provide a priority for applications proposing to target funds to schools identified for improvement under Title I and submitted jointly by an LEA receiving Title I Part A funds and a community-based organization or other public or private entity.

- **Extends Eligibility to Additional Organizations –** Allows community-based organizations (which would include faith-based organizations) and other public or private entities, in addition to local educational agencies, to compete for program funds.

Accountability

- **Local –** Requires local grantees to implement programs that meet specified principles of effectiveness. In addition, requires grantees to evaluate periodically their programs to assess progress toward achieving the goal of providing high-quality opportunities for academic enrichment.

- **State –** Requires each State to develop performance indicators and performance measures that it can use to evaluate programs and activities.

- **Federal –** No specific accountability provisions, but authorizes the Secretary to reserve up to one percent for, among other things, national evaluation activities.

Allocation of Funds

- **Federal to State –** Formula based on each State's prior-year share of Title I, Part A.

- **Within State –** Competitive awards to eligible entities.

Set-Asides

- **Federal –** (1) The amount necessary to support awards made prior to the reauthorization; (2) up to 1 percent for the BIA and Outlying Areas; and (3) up to
- 1 percent for national activities.

- **State –** (1) Up to 2 percent for administration, peer review, and supervision of awards; and (2) up to 3 percent for, among other things, evaluation and technical assistance activities.

INNOVATIVE PROGRAMS STATE GRANTS
(Title V, Part A)

Overview

Retains, with a few changes, the previous Title VI Innovative Education State Grants program that provides flexible funds to States and LEAs for innovative educational programs.

Major Changes from Current Law

- **Allocations to Local Educational Agencies –** Maintains, for funding up to the FY 2002 level, requirement that States allocate at least 85 percent of their funds to LEAs based on relative enrollments in public and private schools. In addition, however, 100 percent of the funds that a State receives beyond what it received in fiscal year 2002 must be distributed to LEAs. For small States, at least 50 percent of those funds must be distributed to LEAs.

- **State Uses of Funds**

  Administration – Modifies antecedent law so that States may use their entire 15 percent set-aside for administration.

  School Renovation, IDEA, and technology – Adds a provision that allows SEAs to use program funds for certain activities authorized in the Department's fiscal year 2001 Appropriations Act, including urgent school renovation, activities authorized under part B of the Individuals with Disabilities Education Act (IDEA), and technology activities related to school renovation.

  Other new allowable uses – Including the support of charter schools; statewide education reform, school improvement programs and technical assistance and direct grants to LEAs; yearly student assessments; implementation of State and local achievement standards; and independent analyses to measure and report on student achievement; and certain school safety programs.

- **Local Uses of Funds –** New allowable activities include, among other things: professional development and class-size reduction activities; charter schools; community service programs; consumer, economic, and personal finance education; public school choice; programs to hire and support school nurses; school-based mental health services; alternative education programs; prekindergarten programs; academic intervention programs; programs for CPR training in schools; smaller learning communities programs; activities to advance student achievement; programs and activities that use best practice models; same-gender schools and classrooms; service-learning activities; school safety programs; programs that use research-based cognitive and perceptual development approaches and rely on a "diagnostic-prescriptive model" to improve students' learning; Title I supplemental educational services; magnet schools; dropout prevention; gifted and talented education; and parental and community involvement.

Adds new requirements that, within 120 days of enactment, the Secretary issue specific award criteria and other guidelines for LEAs planning to use program funds to provide same gender schools and classrooms.

Accountability (new requirements)

- Eliminates the FY 1998 evaluation requirement in the State application section of current law. Replaces the current-law requirement on the biennial submission of data on the use of funds, types of services provided, and students served with a requirement for an annual statewide summary of how the program is improving student achievement or improving the quality of education for students.

- Adds a requirement that local applications include assurances that programs, services, and activities will be evaluated annually.

Allocations

- **Federal to State –** Funds are allocated by formula based on States' relative share of the school-age population, with each State receiving a minimum of ½ of 1 percent.

- **State to Local –** States must allocate at least 85 percent of their funds to LEAs based on the relative enrollments in public and private schools. This formula must be adjusted, upon approval of the Secretary, to provide higher per-pupil allocations to LEAs that have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as: 1) children living in areas with high concentrations of low-income families, 2) children from low-income families, and 3) children living in sparsely populated areas.

  100 percent of the funds that a State receives beyond what it received in FY 2002 must be distributed to LEAs. For small States, at least 50 percent of those funds must be distributed to LEAs.

Set-Asides

- **Federal –** Up to 1 percent for the outlying areas.

- **State –** Up to 15 percent for State administration.

CHARTER SCHOOLS
(Title V, Part B, Subpart 1)

Overview

Retains, with a few changes, the Charter Schools grants program that awards grants to State educational agencies (SEAs) and charter schools to support the planning, design, and initial implementation of charter schools. The reauthorization makes only minor changes to the current program, except for adding a new authority for Per-Pupil Facilities Aid Grants.

Changes from Current Law

- **Per-Pupil Facilities Aid Grants** - Authorizes a new program of competitive 5-year grants to States with already established per-pupil aid programs to assist charter schools with their school facility costs. These State programs must be specified in State law and provide annual funding on a per-pupil basis for charter school facilities; the financing must include, or be dedicated solely for, the funding of facilities. Federal funds may be used to match funds for State per-pupil facility aid programs. The Federal share of funds decreases each year (from 90 percent in the first year to 20 percent in year 5) and phases out entirely after 5 years.

- **LEA Costs** - Prohibits local educational agencies from reserving administrative fees or expenses from subgrant awards unless agreed to by the LEA and subgrantee.

- **Notification** - Requires that applicants for the Charter Schools Grants program provide copies of applications to the State public chartering authority, if it exists.

Accountability

- **State –** Requires the authorized State public chartering agency to review and evaluate charter schools supported by the program at least once every 5 years to determine whether schools are meeting the terms of their charters and meeting or exceeding State or charter school goals for student academic achievement.

- **Per-Pupil Facilities Aid Programs** - Requires grantees to submit an annual report on their operations and activities to the Secretary.

Allocation of Funds

- **Authorization of Appropriations** - Authorizes the first $200 million for the regular Charter School Grant program and the next $100 million for the Per-Pupil Facilities grants. At appropriations levels above $300 million, funds are evenly divided between the two programs.

- **Charter Schools Program** - Competitive grants to SEAs that have the authority, under the law, to approve charter schools. SEAs, in turn, make competitive grants to

charter schools. If an SEA chooses not to compete, charter schools in the State may apply directly to the Secretary.

- **Per-Pupil Facilities Aid Program** - Competitive awards to SEAs that, in turn, make formula grants to charter schools on a per-pupil basis.

Set- Asides

- **Federal –** 5 percent of the Charter School Grants funds or $5 million, whichever is greater (but not more than $8 million), for national activities including evaluations and technical assistance.

- **Charter School Grants** - Up to 5 percent of the funds may be used for administrative expenses; up to 10 percent for a revolving loan fund; and up to 10 percent for dissemination activities.

- **Per-Pupil Facilities Aid Programs** - Up to 5 percent of the funds may be used for evaluations, technical assistance, and dissemination activities.

CREDIT ENHANCEMENT INITIATIVES TO ASSIST CHARTER SCHOOL FACILITY ACQUISITION, CONSTRUCTION, AND RENOVATION
(Title V, Part B, Subpart 2)

Overview

Authorizes grants for innovative credit enhancement initiatives to help charter schools with the cost of acquiring, constructing, and renovating facilities. The language is almost identical to the Charter Schools Facilities Financing Demonstration program authorized in the 2001 appropriations act.

Changes from Current Law

- One minor change to last year's language is a deletion of a requirement for "one-time" grants.

Program Description

- **Eligible Entities –** private, non-profit, organizations; governmental entities; and consortia of these two types of entities.
- **Use of Funds –** Allows grantees to reserve one-quarter of one percent of the grant for administrative costs. The remainder of the funds must be deposited in a reserve account and be used for one or more of the following purposes:
  - Guaranteeing, insuring, and reinsuring bonds, notes, and other debt used to finance charter school facilities.
  - Guaranteeing and insuring leases of personal and real property.
  - Facilitating charter schools' facilities financing by identifying potential lending sources, encouraging private lending, and other similar activities.
  - Facilitating the issuance of bonds by charter schools, or by other public entities for the benefit of charter schools, by providing technical, administrative, and other appropriate assistance (including the recruitment of bond counsel, underwriters, and potential investors and the consolidation of multiple charter school projects within a single bond issue).

Accountability

- **Federal –** Requires the Department to submit annual reports to Congress on activities conducted under this program.
- **Grant recipients –** Requires grantees to submit annual financial and progress reports to the Department. Permits the Department to revoke funds in the event of inadequate progress.

Allocations

- **Federal –** Awarded competitively to eligible entities. Requires the Department to award at least three grants (unless funding is insufficient), with at least one grant each to the three types of eligible entities as long as the Department receives applications of sufficient quality from each type of entity.

- **Grant recipients –** Grant recipients identify charter schools to benefit from leveraged grant funds.

VOLUNTARY PUBLIC SCHOOL CHOICE
(Title V, Part B, Subpart 3)

Overview

Authorizes competitive awards of up to 5 years to establish or expand programs that provide students and parents with greater public school choice. Grantees may use up to one year for planning or program design.

Program Description

- **Eligible Entities –** SEAs, LEAs, or partnerships that include at least one SEA or LEA working in cooperation with public, for-profit, or non-profit entities.

- **Use of Funds –** Authorizes grantees to use program funds to: (1) plan the public school choice program; (2) make tuition transfer payments to the schools that students choose to attend; (3) increase the capacity of high-demand schools to serve greater numbers of students (except that program funds cannot be used for school construction); (4) carry out public information campaigns to inform parents and students about public school choice opportunities; and (5) pay other costs reasonably necessary to implement a public school choice program.

- **Transportation –** Requires grantees to provide participating students with transportation, or pay transportation costs, to their school of choice.

- **Participation and Selection of Students –** Stipulates that student participation in each program must be voluntary. Also requires that, when more students apply to participate in the program than can be accommodated, grantees must select students to participate on the basis of a lottery.

- **Applications –** Requires that applications for program funds include descriptions of: (1) the public school choice program; (2) how and when parents will be given notice of the existence of the program; (3) how students will be selected for the program; and (4) how the program will be coordinated with other Federal and non-Federal projects.

- **Priorities –** Requires that the Secretary give priority to projects that would: (1) provide the widest variety of choices to all students in the schools participating in the program; (2) have the greatest impact in allowing students in low-performing schools to attend higher-performing schools; and (3) implement an interdistrict public school choice program.

Accountability

- **Federal –** Requires the Secretary to evaluate: (1) the extent to which the programs funded promote educational equity and excellence; (2) the characteristics of participating students; and (3) the effect of the program on the academic achievement of students participating in the program, particularly students who move

from low- to higher-performing schools, and on the overall quality of participating schools and districts.

- **Grantee –** No specific accountability provisions.

Allocations

- **Federal –** Competitive awards to eligible entities.

Set-Asides

- **Federal** – Up to 5 percent for evaluation, information dissemination, and technical assistance.
- **Grantee –** Up to 5 percent for administrative expenses.

MAGNET SCHOOLS ASSISTANCE
(Title V, Part C)

Overview

Retains the current Magnet Schools Assistance program, which provides grants to establish and operate magnet schools in local educational agencies that are under a court ordered or federally-approved voluntary desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools. The reauthorization makes only minor changes to the current statue, except that it deletes the authority for grants for Innovative Programs.

Changes from Current Law

- **Innovative programs –** Deletes the Magnet Schools "Innovative Programs" authority, which authorized up to 5 percent of funds for grants that involve desegregation activities in schools other than magnet schools, such as neighborhood or community schools.

- **Use of Funds –** New allowable uses of funds include activities to: promote sustainability of the local program, such as professional development; enable schools to serve students attending a school but not enrolled in the magnet program; and design magnet schools for students in all grades. Also, increases the cap on the amount of funds that may be used for planning, from 10 percent to 15 percent in a project's third-year. (First- and second-year limits are unchanged.)

- **National Activities –** Expands national activities to include, besides evaluation, technical assistance and dissemination activities. Requires the Secretary to collect and disseminate information on successful magnet school programs.

Accountability

- **Federal –** Authorizes evaluations that address the extent to which magnet school programs; lead to educational quality and improvement; enhance student access to quality education; eliminate, reduce, or prevent minority group isolation; and differ from other programs in terms of the organizational characteristics and resource allocations.

Allocation of Funds

- **Federal to Local –** Competitive grants to LEAs or consortia of LEAs with court-ordered or federally approved voluntary desegregation plans.

Set-Asides

- **Federal –** Up to 2 percent for evaluation, technical assistance, and dissemination.

FUND FOR THE IMPROVEMENT OF EDUCATION
(Title V, Part D, Subpart 1)

Overview

The Fund for the Improvement of Education (FIE) supports activities to promote systemic education reform at the State and local levels, recognition programs, scientifically based studies and evaluations of education reform strategies, activities to support Scholar-Athlete Games, programs to promote voter participation in American elections, demonstrations of the effectiveness of school district or school contracts with private management organizations to reform schools, and other programs that meet the purposes of the Act.

Changes from Current Law

- **Uses of funds –** Updates the list of activities that are specifically authorized. Retains recognition programs, such as Blue Ribbon Schools, but also includes recognition programs for States, local educational agencies, and schools that have made the greatest progress in improving academic achievement for disadvantaged students and in closing the academic gap on academic assessments administered by the State under section 1111.

- **Applications –** Specifies that applicants must establish clear objectives, based on scientifically based research, for their proposed programs and describe how they will meet those objectives.

- **Evaluations –** Adds specific evaluation requirements for each award recipient and requires the Secretary to disseminate the evaluations.

- **Matching Funds –** Permits the Secretary to require matching funds.

- **Required Studies –** Requires the Secretary to conduct studies on unhealthy school buildings, the effects of exposure to violent entertainment, and sexual abuse in schools. The studies must be completed not later than 18 months after enactment of the Act.

Accountability

- **Program Effectiveness –** Requires the Secretary to ensure that programs are designed so that their effectiveness is readily ascertainable and is assessed using rigorous, scientifically based research and evaluations. Requires each recipient to base its program objectives on scientifically based research and to evaluate the effectiveness of its program in achieving those objectives.

Allocations

- Discretionary grants.

Set-Asides

- None specified.

FIE: ELEMENTARY AND SECONDARY SCHOOL COUNSELING PROGRAMS (Title V, Part D, Subpart 2)

Overview

Reauthorizes, within the Fund for the Improvement of Education (FIE), this program of competitive grants to local educational agencies (LEAs) to establish, or to expand the range, availability, quality, and quantity of, counseling services for students in elementary and secondary schools.

Changes from Current Law

- **Eligibility –** Expands eligibility for the program from elementary schools only, to both elementary and secondary schools.
- **Counseling professionals –** Expands the list of professionals who may provide counseling services. Includes school counselors, school psychologists, and school social workers (as does current law) but also adds child and adolescent psychiatrists and "other" qualified psychologists to the list.
- **Services –** Requires that grantees provide counseling services "in settings that meet the range of student needs." (Current law is silent on this issue and, therefore, allows grantees to provide counseling services to students at school only.)
- **Other –** Requires grantees to ensure that counselors, psychologists, social workers, or psychiatrists paid for with funds under this program spend a majority of their time counseling students or in other activities directly related to the counseling process.

Accountability

- **Reporting –** No accountability provisions, other than a requirement that the Secretary make publicly available a report: (1) evaluating the counseling programs funded by these grants; and (2) outlining the ratios of students to school counselors, social workers, and psychologists in the LEAs served.

Allocations

In awarding competitive grants, special consideration is to be given to applications describing programs that: (a) demonstrate the greatest need for new or additional counseling services, in part by providing information on current ratios of students to school counselors, social workers, and psychologists; (b) propose the most promising and innovative approaches for initiating or expanding school counseling; and (c) show the greatest potential for replication and dissemination. The Secretary is also required to ensure an equitable geographic distribution of grants among the regions of the United States and among LEAs located in urban, suburban, and rural areas.

Set-Asides

None.

FIE: CHARACTER EDUCATION
(Title V, Part D, Subpart 3)

Overview

Retains the Character Education program in the Fund for the Improvement of Education with some changes. The program provides Federal funding for character education programs that include such elements as caring, civic virtue and citizenship, justice and fairness, respect, responsibility, trustworthiness, and other elements deemed appropriate by the grantee.

Changes from Current Law

- **Eligible Grantees –** Eliminates current restrictions on who can receive an award, the number of grants made per year, and the total amount of funding each grantee may receive. Previously, only State educational agencies (SEAs) could receive awards, the Department could make no more than 10 grants per year, and each SEA could receive a maximum of $1 million during the life of the program. Under the new program, both SEAs and local educational agencies (LEAs) are eligible to receive grants, and the restrictions on numbers of awards and lifetime funding amounts are removed.

- **Minimum Funding Amounts –** SEAs applying in partnership with one or more LEAs or with one or more LEAs and other organization must receive at least $500,000, subject to the availability of appropriations.

- **Clearinghouse –** Eliminates the requirement that each State grantee develop a clearinghouse, but allows the Secretary to establish a national clearinghouse that includes information on model programs, high-quality materials and curricula, and research findings in the area of character education.

- **National Activities –** Authorizes the Secretary to reserve up to 5 percent of funds for national activities, including research and development, evaluations, technical assistance, and a national clearinghouse.

- **Private Schools –** Explicitly authorizes participation by private-school children and teachers in character education programs and activities.

- **Matching –** Permits the Secretary to require eligible grantees to match funds awarded, up to the full amount of the grant. Requires that a sliding scale be used for matches that takes into account poverty rates and the ability of the grantee to provide matching funds.

- **Increased Emphasis on Proven Strategies –** Requires applicants to demonstrate that the program for which the grant is sought has clear goals and objectives that are based on scientifically based research and includes a sample selection criterion on the extent to which the program has the potential for improving student performance.

Accountability

- **Grantee evaluation and reporting –** Continues the requirement that grantees evaluate their programs and report to the Secretary, and continues to allow grantees to contract with outside sources for the evaluation.

Allocations

- **Federal to State and Local –** At least 95 percent of the funds appropriated must be competitively awarded to State and local educational agencies.

Set-Asides

- **National activities –** Allows the Secretary to reserve up to 5 percent of the funds for national research, dissemination, and evaluation, including evaluations of State and local programs receiving funding.

FIE: SMALLER LEARNING COMMUNITIES
(Title V, Part D, Subpart 4)

Overview

Extends authorization of competitive grants (within FIE) to LEAs to support local efforts to create smaller learning communities within large schools.

Changes from Current Law

- **Moves Authorization –** Reauthorizes the program as Subpart 4 of Part D (FIE) of Title V. The program is currently authorized as Section 10105 of the ESEA.

Program Description

- **Applications –** Requires an application to include, among other things, descriptions of: (1) the strategies and methods the LEA would use to create smaller learning communities; (2) the curriculum and instructional practices that would be used in the smaller learning environment; (3) the process used for involving parents, teachers, and other interested parties in the development of the smaller learning community; and (4) the method for placing students in smaller learning communities to ensure that they are placed at random or by their own choice.

- **Authorized Activities –** Authorizes grantees to use their funds to, among other things: (1) study the feasibility of creating smaller learning communities; (2) research, develop, and implement strategies for creating smaller learning communities; (3) provide professional development for school staff in the teaching methods that would be used in the smaller learning community; and (4) develop and implement strategies to include parents, business representatives, community-based organizations, and other community members in the activities of the smaller learning communities.

- **Current Implementation –** Appropriations language in fiscal year 2000, 2001, and 2002 stipulated that an LEA use its award only to plan, implement, or expand smaller learning communities in its large high schools, which are defined as schools that include grades 11 and 12 and enroll at least 1,000 students in grades 9 and above. The Department makes two types of awards: planning grants and implementation grants.

Accountability

- No specific accountability provisions.

Allocations

- Competitive awards to LEAs.

Set-Asides

- None in statute. However, the 2000, 2001, and 2002 appropriations acts directed the Department to reserve up to 6 percent for national evaluation, technical assistance, networking, peer review, and outreach activities.

FIE: READING IS FUNDAMENTAL-INEXPENSIVE BOOK DISTRIBUTION (Title V, Part D, Subpart 5)

Overview

Authorizes a non-competitive annual award to Reading is Fundamental (RIF) to provide, through aid to local nonprofit groups and volunteer organizations, reading motivation activities through the distribution of inexpensive books. Moves the authorization to the Fund for the Improvement of Education (FIE).

Changes from Current Law

- Allows subcontractors that are operating programs in low-income communities with a substantial number or percentage of children with special needs to use funds from other Federal programs to pay up to 50 percent of the non-Federal share of the cost of the program.
- Allows RIF to waive the non-Federal share requirement for a subcontractor if the subcontractor would otherwise not be able to participate in the program.
- Allows RIF to enter into multi-year subcontracts.

Accountability

- No specific provisions.

FIE: GIFTED AND TALENTED STUDENTS
(Title V, Part D, Subpart 6)

Overview

Reauthorizes grants to initiate a coordinated program of scientifically based research, demonstration projects, innovative strategies, and similar activities designed to build and enhance the ability of elementary and secondary schools nationwide to meet the special educational needs of gifted and talented students. Moves the authorization to the Fund for the Improvement of Education (FIE).

Major Changes from Current Law

- **Research –** Requires that research on methods and techniques for identifying and teaching gifted and talented students and for using gifted and talented programs and methods to serve all students be scientifically based.
- **Use of funds –** Permits grantees to use funds to make materials and services available through State regional educational service centers, institutions of higher education, or other entities.
- **Technology –** Enables grantees to use program funds for challenging, high-level course work, disseminated through technologies (including distance learning), for individual students or groups of students in schools and local educational agencies that would not otherwise have the resources to provide such course work.

Accountability

- **Federal –** Requires the Department to report to Congress on the evaluation of the effectiveness of grantee programs no later than 2 years after the date of enactment.

Allocations

- Discretionary grants
- No more than 30 percent for the National Research Center for the Education of Gifted and Talented Children and Youth.
- 50 percent of applications must address the priority of assisting schools in the identification of, and provision of services to, gifted and talented students (including economically disadvantaged individuals, individuals with limited English proficiency, and individuals with disabilities) who may not be identified and served through traditional assessment methods.
- Funds equal to or less than the fiscal year 2001 appropriation are awarded through competitive awards to SEAs, LEAs, institutions of higher education, other

public agencies, and other private agencies and organizations. Funds in excess of the fiscal year 2001 appropriation must be awarded to SEAs and LEAs on a competitive basis.

Set-Asides

- **Federal –** Up to 0.5% for evaluation.

FIE: STAR SCHOOLS
(Title V, Part D, Subpart 7)

Overview

Retains the Star Schools program, which supports distance education projects designed to improve instruction in mathematics, science, foreign languages, and other subjects, particularly for underserved populations. Moves the authorization to the Fund for Improvement of Education (FIE).

Authorizes grants to eligible telecommunications partnerships to enable them to obtain telecommunications facilities and equipment, develop and acquire educational and instructional programming, and obtain technical assistance in the use of facilities and programming. Authorizes three other types of awards for: (1) statewide networks (which provide full motion two-way video and audio communications and link public colleges and universities and secondary schools); (2) special local networks to demonstrate a high-technology program that includes two-way full motion audio, video, and text communications and links elementary and secondary schools with colleges and universities); and (3) continuing education programs that provide online access to educational services, for programming that leads to a secondary school diploma.

Changes from Current Law

- None

Accountability

- **Grant Renewals –** Recipients of grants under Section 5473 are eligible to receive a 3-year grant renewal after their original grant ends. To be eligible for a renewal, the grantee must demonstrate that it is continuing to provide services in the original subject and geographic areas and use the new grant funds to increase services.

- **Application Assurances –** Applicants must provide an assurance that they will participate in any evaluation of the program conducted by the Secretary.

Allocations

- Competitive discretionary grants.

Set-Asides

- **Federal Set-Aside –** The Secretary may reserve up to 5 percent of the funds for national leadership, evaluation, and peer review activities.

FIE: READY TO TEACH
(Title V, Part D, Subpart 8)

Overview

Retains the Ready to Teach program, which supports two types of grants to nonprofit telecommunications entities: (a) grants to carry out a national telecommunications-based program to improve teaching in core curriculum areas; and (b) grants to enable such entities to develop, produce, and distribute innovative educational and instructional video programming.

Changes from Current Law

- **Expanded Programmatic Activities –** The antecedent program, the Telecommunications Demonstration Project for Mathematics, authorized only a national telecommunications-based demonstration project for mathematics. Under the new program, grantees may conduct telecommunications-based demonstrations in other subject areas and may receive grants to develop, produce, and distribute innovative video programming.

- **Changes to the Telecommunications-Based Program –** The antecedent legislation required grantees to work only in mathematics, to use the existing telecommunications infrastructure to deliver services, and to work in at least 15 States. The new program allows grantees to work in all core content areas, to use the Internet and school digital networks as well as the public broadcasting infrastructure, and to work with school sites throughout the country.

- **New Program Activity –** The new legislation authorizes 3-year grants to local public telecommunications entities to enable them to develop, produce, and distribute innovative educational and instructional video programming. Matching funds of not less than 100 percent of the grant amount are required.

Accountability

- **Annual Reports –** Entities receiving grants for telecommunications-based programs must submit an annual report that includes a description of the activities undertaken, including the curriculum areas, the number of teachers participating in each curriculum area, and the States in which teachers using the program are located.

Allocations

- Competitive discretionary grants.

Set-Asides

- None.

FOREIGN LANGUAGE ASSISTANCE PROGRAM
(Title V, Part D, Subpart 9)

Overview

Retains, with minor changes, the Foreign Language Assistance program, which authorizes both a discretionary grant program for State and local educational agencies and the "elementary school incentive" program. The purpose of the program is to improve the quality and extent of foreign language instruction, particularly in the Nation's elementary schools.

Changes from Current Law

- **Placement –** Moves the program from Title VII, Part B of the Elementary and Secondary Education Act to Title V, Part D, Fund for the Improvement of Education, with no substantive changes**.**

Program Description

The Foreign Language Assistance Act authorizes both a discretionary grant program and an incentive program.

- **Discretionary Grants –** The discretionary provisions authorize the Secretary to make three-year grants to State and local educational agencies to pay the Federal share of the cost of innovative model programs.

- Grants to State educational agencies support systemic approaches to improving foreign language learning in the State.

- Grants to local educational agencies support the establishment, improvement, or expansion of foreign language instruction.

- **Incentive Grants –** The incentive provisions authorize grants to any elementary school that has a foreign language program that provides not less than 45 minutes of instruction at least four days a week. Incentive grants are calculated based on the number of participating students. Although the Secretary is required to use a portion of the Foreign Language Assistance appropriation for Incentive Grants, the Congress has overridden this requirement and not funded the program since fiscal year 1996.

Accountability

- No specific provisions.

Allocations

- Competitive grants to the highest-quality applications without regard to geography.

Set-Asides

- **Federal –** Not more than 5 percent for evaluation.

FIE: CAROL M. WHITE PHYSICAL EDUCATION PROGRAM (Title V, Part D, Subpart 10)

Overview

Reauthorizes a program of competitive grants to local educational agencies (LEAs) and community-based organizations to pay the Federal share of initiating, expanding, and improving physical education programs for kindergarten through 12th-grade students in order to make progress toward meeting State standards for physical education. Funds may be used to provide equipment and support to enable students to participate actively in physical education activities, and for staff and teacher training and education. Moves the program to the Fund for the Improvement of Education (FIE).

Changes from Current Law

Adds community-based organizations as eligible applicants. (Current law limits funding eligibility to LEAs).

Accountability

In order to continue receiving funding after the first year of a multi-year award, a grantee must submit an annual report to the Secretary that demonstrates that it has made progress toward meeting State standards for physical education.

By June 1, 2003, the Secretary is required to submit a report to Congress that documents the success of projects funded under this program in improving physical fitness, and makes recommendations for the continuation and improvement of projects.

Allocations

Competitive grants. The Secretary is required to ensure an equitable geographic distribution of awards among urban and rural areas.

Matching Requirement

The Federal share may not exceed 90 percent of the total cost of a project for the first year, and may not exceed 75 percent of the total cost of a project for the second and each subsequent year.

Set-Asides

- None.

FIE: COMMUNITY TECHNOLOGY CENTERS
(Title V, Part D, Subpart 11)

Overview

Authorizes grants to create and expand community technology centers that provide disadvantaged residents of economically distressed urban and rural communities with access to information technology and related training.

Changes from Current Law

- **Authorization –** Creates a separate authorization for the program in the ESEA under the Fund for the Improvement of Education (Title V, Part D, new subpart 11). Previously, the program had no separate statutory authorization; it was implemented under Section 3122 (Federal Leadership), which authorized the use of funds for "the development of model programs that demonstrate the educational effectiveness of technology in urban and rural areas and economically distressed communities."

Program Description

- **Eligible Entities –** Eligible applicants include State educational agencies, local educational agencies, institutions of higher education, for-profit businesses, public or private non-profit organizations, or a consortium of such entities that have the capacity to expand access to computers and related services in eligible communities.

- **Use of Funds** – Requires grantees to use funds to create or expand community technology centers and to evaluate the effectiveness of their project. Permissible uses of funds include: (1) paying for a coordinator and staff; (2) acquiring equipment and infrastructure; (3) providing after-school, adult education, family literacy, career development, and small business activities; and (4) providing home access to computers and technology.

- **Matching Requirements** – Requires that the Federal share of the cost of any project not exceed 50 percent. (The non-Federal share may be in cash or in kind.)

Accountability

- **Federal –** No specific provisions.

- **Applicants –** must provide a plan for the evaluation of the program, which must include benchmarks to monitor progress toward specific project objectives.

Allocations

- **Federal –** Competitive awards to eligible entities.

Set-Asides

- None.

FIE: EDUCATIONAL, CULTURAL, APPRENTICESHIP, AND EXCHANGE PROGRAMS FOR ALASKA NATIVES, NATIVE HAWAIIANS, AND THEIR HISTORICAL WHALING AND TRADING PARTNERS IN MASSACHUSETTS (Title V, Part D, Subpart 12)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), a new program to develop culturally based educational activities, internships, apprentice programs, and exchanges to assist Alaska Natives, Native Hawaiians, and children and families living in Massachusetts. The program earmarks funds for certain entities in Massachusetts, Alaska, and Hawaii.

Use of Funds

Authorizes the use of funds for:

- Educational programs to increase understanding of cultural diversity and multicultural communication among Alaska Natives, Native Hawaiians, and people in the continental United States, based on historic patterns of trading and commerce.
- Programs that use modern technology to educate people about cultural and trading ties between Alaska Natives, Native Hawaiians, and the people of Massachusetts.
- Cultural exchanges of elders, students, parents, and teachers among Alaska Natives, Native Hawaiians, and the people in Massachusetts.
- Sharing collections among cultural institutions.
- Internship and apprentice programs in cultural institutions to train Alaska Natives, Native Hawaiians, and low-income students of Massachusetts for careers with cultural institutions.

Accountability

- No specific provision.

Funding

- **Earmarks –** $2 million each for: (1) the New Bedford Whaling Museum, in partnership with tne New Bedford Oceanarium, in Massachusetts, and (2) the Inupiat Heritage Center in Alaska. Not less than $1 million each (for the New Trade Winds Project) to: (1) the Alaska Native Heritage Center; (2) the Bishop Museum in Hawaii; and (3) the Peabody-Essex Museum in Massachusetts, and not less than $1 million each, for the same three entities, for internship and apprenticeship programs.

- Also authorizes grants to Alaska Native and Native Hawaiian cultural and education organizations and other cultural and educational organizations.

FIE: EXCELLENCE IN ECONOMIC EDUCATION
(Title V, Part D, Subpart 13)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), a new program to promote economic and financial literacy among students in kindergarten through grade 12 through teacher training, research, assessment, dissemination of best practices, and partnerships between private and public entities at the national, State, and local levels through a grant to a single national entity.

Uses of Funds

- **Grantees –** Authorizes the use of funds to strengthen and expand grantees' relationships with State and local personal finance, entrepreneurial, and economic education organizations; to support teacher training in grades K-12; to conduct research on effective teaching practices; to develop assessment instruments; and to develop and disseminate materials that foster economic literacy.

- **Subgrantees –** Authorizes the use of funds to create and conduct teacher training programs; to provide resources that support curricula in school districts; to evaluate program impact; to conduct research on economic and financial literacy; to support school-based student activities that promote saving, investing, and entrepreneurial education; and to encourage replication of best practices to promote economic and financial literacy.

Accountability

- **Federal –** Report to Congress on program activities within 2 years of funding availability and every 2 years thereafter.

- **Grantee –** Peer review of subgrant applications by a panel including leaders in the fields of economics and education and such other individuals as the grantee determines to be necessary, especially members of the State and local business, banking, and finance communities.

Allocations

- Competitive grant to a national nonprofit educational organization. Grantee must retain 25 percent of funds for national activities and must use the remaining 75 percent of funds to award subgrants to SEAs, LEAs, and State or local economic, personal finance, or entrepreneurial education organizations.

- Federal share of the cost of authorized subgrantee activities is 50 percent. Non-federal share may be paid in cash or through in-kind expenses.

Set-Asides

- Grantees and subgrantees may use up to 5 percent of their award for administrative costs.

FIE: GRANTS TO IMPROVE THE MENTAL HEALTH OF CHILDREN (Title V, Part D, Subpart 14)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), two separate programs whose purpose is to improve the mental health of children.

Grants for the Integration of Schools and Mental Health Systems (section 5541)

- **Program Description –** Authorizes a program of competitive awards to State educational agencies, local educational agencies (LEAs), or Indian tribes, for the purpose of increasing student access to high-quality mental health care by developing innovative programs that link local school systems with the local mental health system.

- **Use of Funds –** Funds may be used to enhance, improve, or develop collaborative efforts between school-based service systems and mental health service systems to provide, enhance, or improve prevention, diagnosis, referral, and treatment services to students; enhance the availability of crisis intervention services; provide training for school personnel and mental health professionals; and provide technical assistance and consultation to school systems, mental health agencies, and families.

- **Accountability –** No specific accountability provisions, other than that the Secretary must evaluate each program funded and disseminate the evaluation findings to appropriate public and private entities.

- **Allocations –** Competitive grants or contracts. The Secretary is also required to ensure an equitable geographic distribution of grants among the regions of the United States and among urban, suburban, and rural populations.

- **Set-Asides –** None.

Promotion of School Readiness Through Early Childhood Emotional and Social Development (section 5542)

- **Program Description –** Authorizes a program of grants to LEAs, local councils (comprised of representatives of local agencies directly affected by early learning programs in addition to parents, community leaders, and other concerned individuals), community-based organizations, and other public or nonprofit entities to assist children to become ready for school through early childhood emotional and social development.

- **Use of Funds –** To deliver services to children and their families that foster children's emotional, behavioral, and social development; coordinate and facilitate access by children and their families to a range of services available through community and other resources, including mental health, physical health, substance abuse educational, domestic violence prevention, child welfare, and social services;

and provide ancillary services such as transportation or child care in order to facilitate the delivery of the above services. Funds may also be used to assess children's eligibility for services under the program. To be eligible, a child must be under 7 years of age and have two or more of the following characteristics: (1) been abused, maltreated, or neglected; (2) been exposed to violence; (3) been homeless; (4) been removed from child care, Head Start, or preschool for behavioral reasons or be at risk of being so removed; (5) been exposed to parental depression or other mental illness; (6) be from a family whose income is below 200 percent of the poverty line; (7) been exposed to parental substance abuse; (8) had a low birth weight; or (9) have a cognitive deficit or developmental disability.

- **Accountability –** No specific accountability provisions, other than that the Secretary must evaluate each program funded and disseminate the evaluation findings to appropriate public and private entities.

- **Allocations –** Competitive grants.

- **Set-Asides –** Grantees may use up to 3 percent for administrative costs, including assessment of children's eligibility for services.

FIE: ARTS IN EDUCATION
(Title V, Part D, Subpart 15)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), national demonstration and Federal leadership activities to encourage the integration of the arts into the school curriculum. Also authorizes non-competitive awards to VSA arts, whose programs encourage the involvement of persons with disabilities in the arts, and to the John F. Kennedy Center for the Performing Arts for its arts education program.

Changes from Current Law

- Requires that, if the amount appropriated for this program is less than $15 million, the entire amount goes to VSA arts and the Kennedy Center. This amount was $9 million under previous law.

- Eliminates the separate Cultural Partnerships for At-Risk Children and Youth program, which authorized demonstration grants to improve the education performance and future potential of at-risk children and youth.

Accountability

- No specific provision.

FIE: PARENTAL ASSISTANCE AND LOCAL FAMILY INFORMATION CENTERS (Title V, Part D, Subpart 16)

Overview

Extends authorization of competitive grants to establish parental information and resource centers that provide training, information, and support to parents, SEAs, LEAs, and other organizations that carry out parent education and family involvement programs.

Creates a new Local Family Information Centers program to make grants to local nonprofit organizations for local family information centers that provide parents with training, information, and support to help their children meet State academic standards.

The statute requires that the first $50 million of the amount appropriated for this program be used for parent information and resource centers. Any amount above $50 million is to be split evenly between the parent information and resource centers and the local family information centers.

Parent Information and Resource Centers (Sections 5562-5565)

Changes from Current Law

- **Moves Authorization –** Reauthorizes the program as Subpart 16 of Part D (FIE) of Title V. The program was authorized as Title IV of the Goals 2000: Educate America Act, which was repealed in the Department's fiscal year 2000 appropriations act.

- **Work with SEAs, LEAs, and schools –** Authorizes centers to provide services to SEAs, LEAs, and other organizations that serve parents (instead of only providing services to parents). Authorizes centers to assist schools in: (1) meeting the Title I parental involvement requirements; (2) developing and implementing Title I school improvement plans; and (3) coordinating Federal, State, and local parent education and family involvement initiatives.

- **Uses of Funds –** Requires grantees to use their funds in at least one of the following areas: (1) to assist parents in helping their children to meet State and local standards; (2) to obtain information about the range of program, services, and resources available nationally and locally for parents and school personnel who work with parents; (3) to help parents use the technology applied in their children's education; (4) to plan, implement, and fund activities for parents that coordinate the education of their children with other programs that serve their children and families; (5) to provide support for State or local educational personnel; and (6) to coordinate and integrate early childhood programs with school-age programs.

- **Specific Use of Funds –** Requires grantees to use at least 30 percent of their awards to establish, expand, or operate Parents as Teachers, Home Instruction for Preshool Youngsters, or other early childhood parent education programs.

Accountability

- **Federal –** Requires the Secretary to disseminate annually to Congress and the public the information included in grantee reports.

- **Grantees –** Requires grantees to report annually to the Secretary on: (1) the number of parents who receive information and training, including the number of minority and limited English proficient parents; (2) the types of training, information, and support provided; (3) the strategies used to reach and serve parents: (a) of minority and limited English proficient children; and (b) with limited literacy skills; (4) the parental involvement policies and practices used by the center and an evaluation of whether the policies and practices are effective; and (5) the effectiveness of the parental involvement activities of LEAs and schools on student achievement.

Allocations

- Competitive awards to nonprofit organizations and consortia of nonprofit organizations and LEAs.

Set-Asides

- None.

Local Family Information Centers (Section 5566)

- **Program Authorized –** Authorizes funding for local nonprofit organizations to support local family information centers that provide parents with training, information, and support so that they can help their children to meet State standards.

- **Activities and uses of funds –** Similar to requirements for parent information and resource centers.

Accountability

- No specific accountability provisions.

Allocations

- Authorizes the Secretary to enter into grants, contracts, or cooperative agreements with local nonprofit parent organizations.

Set-Asides

- None.

FIE: COMBATTING DOMESTIC VIOLENCE
(Title V, Part D, Subpart 17)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), a new program of competitive grants to local educational agencies (LEAs) to combat domestic violence.

Program Description

LEAs receiving grants would be required to work with: (1) experts on domestic violence, sexual assault, and child abuse from the educational, legal, youth, mental health, substance abuse, or victim advocacy fields; or (2) a State or local domestic violence coalition or community-based organization, to enable schools served by the LEA to:

- Provide training to school administrators, faculty, and staff, and provide support services for students and school personnel to develop and strengthen effective prevention and intervention strategies, with respect to issues concerning children who experience domestic violence or who witness domestic violence;

- Provide educational programming for students regarding domestic violence; and

- Develop and implement school system policies regarding appropriate and safe responses to, identification of, and referral procedures for students who are experiencing or witnessing domestic violence.

Information Dissemination – Requires the Secretary to disseminate to elementary and secondary schools any Department policy guidance regarding the prevention of domestic violence and the impact on children of experiencing or witnessing domestic violence.

Accountability

No specific accountability provisions, other than that applications must identify measurable goals for, and expected results from, the use of funds under the grant.

Allocations

Competitive grants. The Secretary is required to ensure an equitable geographic distribution of grants among LEAs located in rural, urban, and suburban areas.

Set-Asides

- None.

FIE: HEALTHY, HIGH-PERFORMANCE SCHOOLS
(Title V, Part D, Subpart 18)

Overview

Authorizes, within the Fund for the Improvement of Education (FIE), a new program to improve the energy efficiency of school buildings and to promote the use of school facilities that do not adversely affect the health of students. Requires that the Departments of Education and Energy and the Environmental Protection Agency jointly administer the program. This program is somewhat similar to the School Renovation program that was in the fiscal year 2001 appropriations act.

Use of Funds

- **States –** Authorizes the use of funds to evaluate the compliance of local educational agencies (LEAs) with statutory requirements of this program and to disseminate information; conduct seminars; provide technical assistance; and collect data on healthy, high-performance school buildings.

- **Local –** Authorizes the use of funds to reduce energy use, meet Federal and State health and safety codes, and support healthful, energy-efficient, and environmentally sound practices.

- **Prohibition –** Prohibits the use of funds to maintain, construct, or renovate school facilities.

Accountability

- **Federal –** Requires the Secretary to conduct a biennial review of State activities and report the results of that review to Congress.

Allocation of Funds

- **Federal –** No specific provision on how funds are allocated from the Federal government to States.

- **States –** No specific provision on how funds are divided between State and local uses or how funds are to be allocated from States to LEAs.

FIE: CAPITAL EXPENSES OF PROVIDING EQUITABLE SERVICES FOR PRIVATE SCHOOL STUDENTS (Title V, Part D, Subpart 19)

Overview

Authorizes grants to States to award subgrants to LEAs to pay for capital expenses incurred in the provision of equitable services for private school students under Part A of Title I.

Changes from Current Law

- **Authority** - Moves the authority from section 1120(e) [Title I, Part A] to Title V, Part D, Subpart 19 and sunsets the program on October 1, 2003.

Program Description

- **Eligible Entities** - Eligible applicants for subgrants include local educational agencies in which private school students receive services under Part A of Title I.
- **Use of Funds** - Requires grantees to use funds for (1) noninstructional goods or services, such as the purchase, lease, or renovation of real and personal property, including mobile educational units and leasing of neutral sites or spaces; (2) insurance and maintenance costs; (3) transportation; and (4) other comparable goods and services.

Accountability

- **Federal -** None.
- **Applicants** – Must submit an application demonstrating a need for capital expenses funds.

Allocations

- **Federal –** State allocations based on State share of private school students receiving services under Part A of Title I in the most recent year for which data are available.
- **State –** Subgrants to LEAs are based on "the degree of need set for their respective applications."

FIE: ADDITIONAL ASSISTANCE FOR CERTAIN LOCAL EDUCATIONAL AGENCIES IMPACTED BY FEDERAL PROPERTY ACQUISITION (Title V, Part D, Subpart 20)

Overview

Earmarks funds for Centennial, Pennsylvania based on the unique characteristics of the school district. The unique characteristics include conditions such as having had a military installation within the local educational agency that was closed as a result of base closure or realignment and not currently having a military installation within the LEA.

Moves this language from Section 8002(j), where it was located under current law as part of Impact Aid Payments for Federal Property, to the Fund for the Improvement of Education.

FIE: WOMEN'S EDUCATIONAL EQUITY ACT
(Title V, Part D, Subpart 21)

Overview

Retains, with minor changes, the current program, which provides competitive grants to promote educational equity for girls and women. Moves the program authority to the Fund for the Improvement of Education (FIE).

Changes from Current Law

- **Continuation of Awards –** Requires continued funding, in accordance with the terms of the agreement, for grants and contracts entered into under the prior statute.

- **Applications -** Removes the provisions that applications include information on how funds will promote the National Education Goals and be consistent with the School-to-Work Opportunities Act of 1994.

Accountability

- **Federal –** Requires the Secretary to evaluate programs funded by the Act and report the results to Congress by January 1, 2005. In addition, the Secretary is required to submit a report on the status of educational equity for girls and women to the President and Congress by January 1, 2006.

Funding

- Competitive grants to public agencies, private nonprofit agencies, organizations, institutions, student groups, community groups, and individuals.

Set-Asides

- Requires that two thirds of the funds be used to award grants that focus on local implementation of gender-equity policies and practices.

GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES
(Title VI, Part A, Subpart 1)

Overview

Authorizes $490 million for: (1) formula grants to States to assist States in developing the assessments required under *No Child Left Behind*; and (2) competitive grants to States, or consortia of States, to support collaborative efforts with IHEs or research institutions to improve the quality of assessments (*Enhanced Assessment Instruments Grants*).

Program Description

- **Appropriations –** Provides a single authorization of appropriations for the two programs. Requires that any amount appropriated in a fiscal year less than or equal to the amount required by statute ("trigger amount") for State assessments be used for State formula grants. Under the assessment trigger, the Title I requirement for States to administer annual assessments in grades 3 through 8 is contingent on the appropriation of specifically authorized funding levels for assessment development grants in fiscal years 2002 through 2005.

  Requires that any amount appropriated in a fiscal year that exceeds the statutory trigger be used for competitive awards.

- **Uses of Funds –** States may use their formula funds to pay the costs of the development of the additional State standards and assessments required by NCLB Act. If a State has already developed the required standards and assessments, it may use its funds to: (1) administer the assessments; or (2) carry out other activities designed to hold LEAs and schools accountable for results, such as:

  - developing challenging State academic content and student academic achievement standards and aligned assessments in subjects areas other than those required under Title I;
  - developing or improving assessments of English language proficiency;
  - ensuring the validity and reliability of State assessments;
  - refining State assessments to ensure continued alignment with the State's standards and to improve the alignment of curricula and instructional materials;
  - developing multiple measures to increase the reliability and validity of State assessment systems;
  - strengthening the capacity of LEAs and schools to improve student achievement;

- expanding the range of accommodations available to students with limited English proficiency and students with disabilities to improve the rates of inclusion of such students; and

- improving the dissemination of information on student achievement and school performance.

- States may use their competitive awards to: (1) improve the quality, validity, and reliability of State assessments; (2) use multiple measures of student academic achievement; (3) chart the progress of students over time; and (4) develop comprehensive academic assessment instruments, such as performance and technology-based academic assessments, to evaluate student achievement.

Accountability

- **Federal –** No specific accountability provisions.

- **State –** States receiving an *Enhanced Assessment Instruments Grant* must provide the Secretary with an annual report describing the activities it carried out under the grant and the results of those activities. Ultimately, States are required to meet the Title I accountability requirements.

Allocations

- **Formula Allocations –** Requires that the amount less than, or equal to, the annual trigger amount ($370 million in 2002 rising to $400 million by 2005) flow to States in the following manner: (1) each State receives $3 million; and (2) the remaining amount is allocated based on each State's share of 5 to 17 population.

- **Competitive Grants –** Requires that any funds appropriated in excess of the trigger amount needed for formula allocations be used for competitive Enhanced Assessment Instrument Grants to States. Requires that a State receive, at a minimum, the same amount as it would receive if the amount available for the competition was allocated on the basis of 5-to-17 population.

  Requires that any amount remaining after the Secretary has funded all approvable applications for competitive awards flow to States based on States' shares of 5-to-17 population.

Set-Asides

- **Formula Allocations –** one-half of 1 percent for the BIA; and one-half of 1 percent for the Outlying Areas.

- **Competitive Allocations –** None

ESEA FLEXIBILITY PROVISIONS
(Title VI, Part A, Subparts 2-4)

Overview

The reauthorized ESEA provides States and LEAs with increased flexibility in their use of Federal funds. NCLB amends the ESEA to authorize several flexibility mechanisms allowing States and LEAs to transfer or consolidate funds. In addition, NCLB extends the authorization, included in the Department's fiscal year 2001 appropriations act, that provides additional flexibility in the use of certain Federal formula funds to small, rural LEAs, and updates the programs included in the Education Flexibility Partnership Act of 1999 to conform to the reauthorized ESEA.

State and Local Transferability (Title VI, Part A, Subpart 2)

- **State Authority –** Allows a State to transfer up to 50 percent of the funds it receives for State administration and State-level activities under the Teacher Quality State Grants, Educational Technology, Innovative Programs, Safe and Drug-Free Schools (including funds reserved for the Governor's Program with the consent of the Governor), and 21st Century Community Learning Centers programs to supplement its State reservation under any of the programs listed above. In addition, a State may use the transferred funds to carry out State-level activities authorized under Part A of Title I.

  Requires each State transferring funds to: (1) notify the Department, at least 30 days prior to the transfer, of its intent to transfer funds; (2) modify each State plan affected by the transfer; and (3) provide the Department, not later than 30 days after the transfer, with a copy of the modified plans.

- **LEA Authority –** Allows an LEA that has not been identified as in need of improvement or corrective action under Title I to transfer up to 50 percent of its formula allocation under the Teacher Quality State Grants, Educational Technology State Grants, Innovative Programs, or Safe and Drug-Free Schools programs to supplement its allocation under any of the programs listed above. It also may use the funds to supplement its Title I allocation.

  An LEA identified as in need of improvement may transfer up to 30 percent of its allocation for the programs listed above only if it transfers the funds to: (1) supplement its school improvement allocation; or (2) carry out Title I LEA improvement activities. An LEA identified as in need of corrective action may not transfer any funds.

  Requires each LEA transferring funds to: (1) notify the SEA, at least 30 days prior to the transfer, of its intent to transfer funds; (2) modify each local plan affected by the transfer; and (3) provide the SEA, not later than 30 days after the transfer, with a copy of the modified plans.

State Flexibility Demonstration Program (Title VI, Part A, Subpart 3, Chapter A)

- **Program Authorized –** Authorizes the Secretary to provide up to 7 States with the authority to consolidate the entire amount available for State-level activities and State administration under: (1) Part A of Title I; (2) Reading First, except for the amount reserved for State-level professional development activities; (3) Teacher Quality State Grants; (4) Educational Technology State Grants; (5) Safe and Drug-Free Schools, including programs reserved for the Governor's Program (with the consent of the Governor); (5) Innovative Programs; and (6) 21st Century Community Learning Centers programs. In addition, a State exercising the flexibility authority may stipulate how LEAs within the State use their Innovative Programs funds.

  Within a State-Flex State, at least 4 and up to 10 LEAs also receive the authority to consolidate their formula allocations under certain Federal programs. These LEAs are subject to the same requirements as LEAs participating in the Local Flexibility Demonstration Program described below, except that they enter into performance agreements with their SEAs rather than the Secretary. At least half of the LEAs given the flexibility authority in a State must have child-poverty rates of at least 20 percent.

- **Selection of SEAs –** Requires the Secretary to select the SEAs competitively using a peer-review process.

- **Eligible States –** To be eligible, an SEA must submit an application and identify 4 to 10 LEAs (of which at least half must have child-poverty rates of at least 20 percent) that have: (1) entered into performance agreements with the SEA; and (2) agreed to use their consolidated funds in a manner consistent with the SEA's use of its consolidated funds.

- **Applications –** Requires each State desiring to be granted the flexibility authority to submit an application that, among other things: (1) demonstrates substantial promise of: (a) assisting the SEA in making adequate yearly progress; (b) aligning State and local reforms; and (c) assisting the LEAs that have entered into performance agreements with the State to make adequate yearly progress; (2) includes the performance agreements entered into by the SEA and LEAs; and (3) includes a 5-year plan describing how the SEA would use the consolidated funds to meet adequate yearly progress and advance the education priorities of the State.

- **SEA Agreements with LEAs –** Requires an SEA's performance agreement with an LEA to, among other things: (1) include a plan for the LEA to use its consolidated funds in a manner consistent with the SEA's plan; and (2) stipulate that the LEA is subject to the same requirements as an LEA entering into a performance agreement with the Secretary under the Local Flexibility Demonstration Program (described below).

- **Use of Consolidated Funds –** A State may use consolidated funds for any educational purpose authorized under the ESEA.

- **Termination and Renewal –** Requires the Secretary to terminate the flexibility authority of an SEA that fails to make adequate yearly progress for 2 consecutive years or fails to comply with the terms of its agreement with the Secretary.

Prohibits the Secretary from renewing the flexibility authority for any SEA that failed to meet the requirements of its agreement with the Secretary.

Requires the Secretary to renew, for an additional 5 years, the agreement of any SEA that meets the requirements of its agreement.

Local Flexibility Demonstration (Title VI, Part A, Subpart 3, Chapter B)

- **Program Authorized –** Authorizes the Secretary to enter into performance agreements with up to 80 LEAs to enable them to consolidate funds received by formula under the: (1) Teacher Quality State Grants; (2) Educational Technology State Grants; (3) Innovative Programs; and (4) Safe and Drug-Free Schools programs.

- **Selection of LEAs –** Requires the Secretary to select LEAs competitively using a peer-review process. Requires the Secretary to provide for an equitable distribution of LEAs serving urban and rural areas when selecting LEAs. Prohibits the Secretary from entering into agreements with more than 3 LEAs from any one State.

  Prohibits an LEA from entering into an agreement with the Secretary for 4 months after the date of enactment of the No Child Left Behind Act of 2001. This provides an SEA with an opportunity to notify the Secretary of its intent to submit an application under the State Flexibility Demonstration program. In addition, an LEA in a State participating in the State-Flex Demonstration program may not enter into a performance agreement with the Secretary.

- **Terms of a Local-Flex Agreement –** Similar to the State-Flex application.

- **Use of Consolidated Funds –** A State may use consolidated funds for any educational purpose authorized under the ESEA. Prohibits an LEA from using more than 4 percent of the consolidated funds for administrative expenses.

- **Termination and Renewal –** Same as State-Flex.

Accountability

- **Local –** Not later than 1 year after an LEA enters into an agreement, and annually thereafter, the LEA must disseminate widely, and transmit to the Secretary and the SEA, a report on how it used the consolidated funds to improve student achievement and reduce achievement gaps.

- **Federal –** Not later than 60 days after receiving a local report, the Secretary must make it available to Congress.

RURAL EDUCATION INITIATIVE
(Title VI, Part B)

Overview

Retains the current *Rural Education Achievement Program* (renamed *Small, Rural School Achievement*), which provides additional formula funds and flexibility in the use of certain Federal funds to small rural districts. Creates a new program to provide additional funds to rural districts that: (1) are ineligible to participate in the *Small, Rural School Achievement* program; and (2) serve concentrations of poor students. Appropriations are to be divided equally between the two programs.

Small, Rural School Achievement Program (Same as the Rural Education Achievement Program authorized in 2001 appropriations act)

Changes from Current Law

- **Increased Flexibility –** Provides participating LEAs with additional flexibility by authorizing them to consolidate their allocations under the Teacher Quality, Innovative Programs (formerly Title VI), Safe and Drug-Free Schools, and Educational Technology programs. Currently, districts are authorized to consolidate funds under the Eisenhower Professional Development, Innovative Education Program Strategies (current Title VI), and Safe and Drug-Free Schools programs.

  Allows LEAs to use their consolidated funds to carry out activities authorized under the Title I, Teacher Quality State Grants (Title II-A), Educational Technology State Grants (Title II-D), Language Acquisition State Grants (Title III), Innovative Program State Grants (Title V-A), and Safe and Drug-Free Schools State Grants (Title IV-A). Under antecedent legislation, LEAs may use consolidated funds to carry out activities authorized under the Title I, Eisenhower Professional Development, Safe and Drug-Free Schools, and Technology Literacy Challenge Fund programs.

- **Expanded Eligibility –** Makes eligible LEAs that: (1) (a) have an average daily attendance of fewer than 600 students; or (b) serve only schools located in counties with a population density of fewer than 10 persons per square mile; and (2) (a) serve only schools with an NCES local code of 7 (rural) or 8 (rural near an urban area); or (b) the Secretary determines are located in an area defined as rural by a governmental agency of the State. Currently, only LEAs that: (1) have an average daily attendance of fewer than 600 students; and (2) serve only schools with an NCES local code of 7 or 8 are eligible.

Accountability

- **Local –** Requires a participating LEA to administer an assessment that is consistent with the Title I requirements.

- **State –** Requires States to: (1) determine, after the third year that an LEA participates, whether the LEA met the State's definition of adequate yearly progress;

(2) permit LEAs that met the definition of adequate yearly progress to continue to participate; and (3) permit an LEA that did not meet the definition of adequate yearly progress to continue to participate only if it agrees to use its consolidated funds for Title I school improvement activities.

- **Federal –** No specific accountability provisions.

Allocations

- **Federal to LEA –** Formula to LEAs in an amount equal to: (1) $20,000 plus $50 for each student in average daily attendance above 50 students in schools served by the LEA, except that no LEA may receive more than $60,000; (2) minus the amount the LEA received the previous year under the Teacher Quality, Innovative Programs, Safe and Drug-Free Schools, and Educational Technology programs.

Set-Asides

- **Federal –** None.

- **Local –** None.

<u>Rural and Low-Income School Program</u> (New)

Program Description

- **Eligible LEAs –** Makes eligible an LEA that: (1) serves only schools with an NCES locale code of 6 (small town),7 (rural), or 8 (rural near an urban area); and (2) has a child-poverty rate of at least 20 percent.

- **Specially Qualified Agencies –** Authorizes eligible LEAs in States that choose not to participate in the program to apply directly to the Secretary for assistance.

- **Applications –** Requires each State or specially qualified agency to establish, at a minimum, specific educational goals and objectives related to: (1) increased student achievement; (2) decreased student dropout rates; or (3) other factors that the SEA or specially qualified agency may choose to measure.

- **Uses of Funds –** Authorizes LEAs to use program funds for: (1) teacher recruitment and retention; (2) professional development; (3) educational technology; (4) parental involvement activities; (5) activities authorized under Safe and Drug-Free Schools; (6) activities authorized under Part A of Title I; and (7) activities authorized under Title III.

Accountability

- **Local –** Requires a participating LEA to administer an assessment that is consistent with the Title I requirements. In addition, specially qualified agencies must provide the Secretary with an annual report on: (1) how the LEA used the funds; and

(2) progress toward the goals and objectives included in its application for funds.

- **State –** Requires States to: (1) determine, after the third year that an LEA participates, whether the LEA met the State's definition of adequate yearly progress; (2) permit LEAs that met the definition of adequate yearly progress to continue to participate; and (3) permit an LEA that did not meet the definition of adequate yearly progress to continue to participate only if it agrees to use its consolidated funds for school improvement activities. In addition, participating States must provide the Secretary with an annual report on: (1) the method used by the SEA to allocate funds to eligible LEAs; (2) how LEAs and schools used the funds; and (3) progress toward the goals and objectives included in the State's application for funds.

- **Federal –** Requires the Secretary to report biennially to Congress on: (1) the methods used by States to allocate funds to eligible LEAs; (2) how LEAs and schools used program funds; and (3) the progress made by States toward the goals and objectives included in their applications for funds.

Allocations

- **Federal to State –** Formula based on each State's share of students in average daily attendance in eligible districts.

- **Within State –** Participating States have the option to allocate funds through: (1) a formula based on an LEA's share of the number of students in average daily attendance in eligible districts within the State; (2) a competitive process; or (3) an alternative formula that, to the satisfaction of the Secretary, more effectively targets funds to high-poverty districts. Requires the Secretary to make awards to specially qualified agencies through: (1) a formula based on an LEA's share of the number of students in average daily attendance in eligible districts within the State; or (2) a competitive process.

Set-Asides

- **Federal – O**ne-half of 1 percent each for the BIA and the Outlying Areas.

- **State –** Up to 5 percent for administrative expenses.

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS
(National Education Statistics Act, Section 411)

Overview

Amends the legislation authorizing, the National Assessment of Educational Progress (NAEP), which provides high-quality data on the achievement of elementary and secondary school students in reading, mathematics, science, and other subjects. Also makes minor changes to the authority for the National Assessment Governing Board (NAGB).

Changes from Current Law

- **State Assessments –** Requires the National Center for Education Statistics (NCES) to conduct biennial State assessments in reading and mathematics in grades 4 and 8. Removes the prohibition on using Federal funds to pay for the administration of State assessments. Authorizes $72 million for fiscal year 2002 and such sums as necessary for 5 succeeding years for administering these assessments.

- **Reporting Subgroups –** Prior legislation required separate reporting, where feasible, by race, ethnicity, socioeconomic status, and gender. The new law adds disability and limited English proficiency.

- **Assessment Frequency –** Prior law required national assessments at least every two years on students at ages 9, 13, and 17 and in grades 4, 8, and 12, and it permitted State assessments at grades 4, 8, and 12. The reauthorized Act mandates biennial national and State assessments in reading and mathematics at grades 4 and 8 and a national assessment in reading and mathematics at grade 12. To the extent that funds are available after conducting those assessments, NCES may conduct national assessments in other subject areas at grades 4, 8, and 12 and may conduct the long-term trend assessments of students at ages 9, 13, and 17. NCES also is permitted to conduct 12th grade State reading and mathematics assessments and State grades 4, 8, and 12 assessments in other subject areas.

- **Prohibitions –** The new legislation specifically prohibits agents of the Federal Government from using NAEP to influence standards, assessments, curriculum, or instructional practices at the State and local level; from using NAEP to evaluate individual students or teachers; or provide rewards or sanctions for individual students, teachers, schools, or school districts. In addition, the statute specifies that nothing in the law shall be construed to prescribe the use of NAEP for student promotion or graduation purposes, and that NAEP should not affect home schools. Maintenance of a system of records containing personally identifiable information on students is prohibited. Assessments must not evaluate or assess personal or family beliefs or attitudes.

- **Access to Assessment Materials –** Maintains the ability for NCES to ensure test integrity by not releasing cognitive test items that will be used in future assessments and continues to provide for public scrutiny of assessment materials in secure settings, but includes new provisions designed to ensure that the public is notified

about access to assessment materials, requires that such access be provided within 45 days in a convenient setting, and establishes procedures for receiving, reviewing, and reporting complaints. Provides criminal penalties for unauthorized release of assessment instruments.

- **Voluntary Participation –** Mandates that participation is voluntary for students and schools, as well as for local educational agencies. State participation continues to be voluntary other than in the reading and mathematics assessments in grades 4 and 8.

- **National Assessment Governing Board (NAGB) –** Gives NAGB final authority over all assessment items, not just cognitive items. Requires NAGB to ensure that all items used in NAEP are secular, neutral, and non-ideological. Specifies the types of technical experts with whom NAGB is to consult in the design of the assessments. Adds to NAGB duties the development of standards and procedures for interstate comparisons. Makes minor modifications to the composition of NAGB.

Accountability

- **Reviews of NAEP –** Continues the requirement for NCES to provide for on-going review of NAEP assessments by professional organizations to ensure quality. Continues to require State NAEP to be considered "developmental" until such review determines that the assessment produces high-quality data. Adds a requirement for NAGB to provide for a review of any trial student achievement levels under development by representatives of a State educational agency or a chief State school officer.

Allocations

- None.

Set-Asides

- None.

INDIAN EDUCATION
(Title VII, Part A)

Overview

Retains, with a few changes, current programs to address the educational needs of Native American children, including formula grants to LEAs, discretionary grants, and national activities for research, evaluation, and data collection.

Changes from Current Law

Integration of Services "Demonstration Project" - Authorizes LEAs receiving funds under the formula program to consolidate funds they receive from Federal programs that provide education and related services and specifically serve Indians. Requires LEAs desiring to make use of the authority to submit consolidation plans to the Secretary, which must be approved or disapproved within 90 days. Requires the Secretary to submit an interim report to Congress on the status of the demonstration project within two years of enactment, and a final report within 5 years.

Indian Preference in Contracting - Expands the current requirement to give preference to Indian Tribes, Tribal organizations, and institutions of higher education for grants under the Special Programs and National Activities authorities to also apply to contracts and cooperative agreements.

In-Service Training for Teachers - Includes a separate authority for discretionary grants to provide professional development programs to teachers in schools with substantial numbers of Indian children. (Currently, professional development is an allowable activity under Special Programs.)

Accountability

- **National** – Requires the Secretary to submit a report to the Secretary of the Interior and to Congress that includes, among other things, results from any competitive grants, if awarded, to BIA schools under the gifted and talented authority.

- **Applicant/Grantee –** Requires, as part of an LEA formula grant application, an assurance that the LEA will comply with any reporting requirements the Secretary may require to determine effectiveness in improving Indian students' educational achievement.

Funding

- **Grants to Local Educational Agencies –** Formula grants to LEAs and BIA-supported schools based on the number of Indian children and the State's per-pupil expenditure for education. Grants go only to LEAs or BIA schools in which the number of Indian children is at least 10 or constitutes at least 25 percent of total enrollment. (However, LEAs in California, Alaska, and Oklahoma, and those located

on or near reservations, are exempted from this requirement.) Each LEA receives at least $3,000.

- **Competitive Grants –** Competitive grants to State and local educational agencies, Indian tribes and organizations, federally supported schools for Indians, and other entities. Currently funded activities include Demonstrations for early childhood projects and Professional Development (including the American Indian Teacher Corps and the American Indian Administrator Corps).

- **National Research, Data Collection, and Evaluation Activities** – These activities are administered through competitions.

EDUCATION OF NATIVE HAWAIIANS
(Title VII, Part B)

Overview

Consolidates current programs that address the educational needs of Native Hawaiians.

Changes from Current Law

- **Authorized Programs --** Consolidates six separate programs into one comprehensive grant program and adds a separate authorization for the Native Hawaiian Education Council. Consolidated programs include: the Native Hawaiian Family-Based Education Centers, the Native Hawaiian Curriculum Development, Teacher Training and Recruitment, the Native Hawaiian Gifted and Talented, the Native Hawaiian Higher Education the Native Hawaiian Special Education, and the Native Hawaiian Community-Based Education Learning Centers.

- **Native Hawaiian Education Council --** Requires the Secretary to appoint members of the Native Hawaiian Education Council based on recommendations from the Native Hawaiian community. Under current law, various entities in Hawaii, such as the State Department of Education and the State Office of Hawaiian Affairs, make these appointments.

- **Native Hawaiian Education Council Grants --** Permits the council to make direct grants to carry out its duties to coordinate the educational and related services and programs available to Native Hawaiians. Requires that, from the Native Hawaiian Education appropriation, the Council receive a minimum of $500,000 annually.

Accountability

- Requires the Education Council to submit annual reports on the Council's activities to the Secretary and Congress, as well as any other reports or recommendations issued by the Council. Requires the Secretary to submit a report to Congress within 4 years of enactment, which summarizes the annual reports, describes the allocation and use of funds, and makes recommendations for policy changes.

Funding Mechanism

- Competitive grants and contracts to eligible applicants.

Set-Asides

- Grantees may use up to 5 percent of funds for project administration.

ALASKA NATIVE EDUCATION
(Title VII, Part C)

Overview

Retains, with some changes, the current program that addresses the educational and cultural needs of Alaskan Natives. Adds earmarking of funds to certain entities in Alaska.

Changes from Current Law

- **Program Consolidation -** Consolidates the three separate programs under current law into one program. Consolidated programs include: the Alaska Native Educational Planning, Curriculum Development, Teacher Training and Recruitment program, the Alaska Native Home Based Education for Preschool Children program, and the Alaska Native Student Enrichment program.

- **New Activities -** Authorizes, among other new activities, the construction of vocational schools in rural areas. Also, requires annual grants of $1 million for cultural education programs operated by the Alaska Native Heritage Center and a cultural exchange program operated by the Alaska Humanities Forum. In addition, earmarks $1 million annually for parenting education activities and $2 million annually for dropout prevention programs. Finally, requires an Alaska Initiative for Community Engagement, which is not described in the law. [However, a similarly named activity received an earmark under FIE in 2001.]

Accountability

- **Federal** – No specific provision.

Funding Mechanism

- Competitive grants and contracts to eligible applicants (which include Alaska Native organizations, educational entities with experience in developing or operating Alaska Native programs or programs of instruction conducted in Alaska Native languages, cultural and community-based organizations, and other entities).

Set-Asides

- Grantees may use up to 5 percent of funds for project administration.

IMPACT AID
(Title VIII)

Overview

Reauthorizes the Impact Aid program, which provides financial assistance to local educational agencies (LEAs) affected by Federal activities. Impact Aid helps replace the lost local revenue that would otherwise be available to LEAs to finance the education of these students. Programs include: Basic Support Payments, Payments for Children with Disabilities, Facilities Maintenance, Payments for Federal Property, and Construction. With the exception of competitive Impact Aid Construction grants, the statutory language for Impact Aid generally remains unchanged from current law (it was reauthorized in 2000).

Changes from Current Law

Continues requirements to award Impact Aid Construction funds both by formula (40 percent) and competitively (60 percent), but changes the priority order for awarding competitive funds as follows:

First, emergency grants for "heavily impacted" school districts and school districts with little or no bonding capacity that receive Impact Aid Construction formula grants.

Second, emergency grants for:

- school districts that (1) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; (2) are at 75 percent or more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average; and

- schools that (1) are not inside an LEA that would otherwise be eligible for an emergency Construction grant; (2) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; and (3) are inside an LEA that is at 75 percent or more of its limit of bonded indebtedness and has an equalized assessed value of property per student that is below the State average.

Third, modernization grants for school districts that (1) receive any type of Impact Aid payment; (2) are either "heavily impacted" or have little or no bonding capacity; and (3) have school facility needs resulting from the presence of the Federal government.

Fourth, modernization grants for:

- school districts that <u>either</u> (1) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; (2) are at 75 percent or more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average; <u>or</u> (1) receive an Impact Aid Payment for Federal Property; (2) are at 75 percent or

more of their limit of bonded indebtedness; and (3) have an equalized assessed value of property per student that is below the State average.

- schools that (1) are not inside an LEA that would otherwise be eligible for a modernization Construction grant; (2) have at least 40 percent federally connected students residing on Indian lands or 40 percent federally connected military students; and (3) are inside an LEA that is at 75 percent or more of its limit of bonded indebtedness and has an equalized assessed value of property per student that is below the State average.

Other Changes – Earmarks an additional LEA, Annette Islands, Alaska, for eligibility for Basic Support Payments for Heavily Impacted LEAs based on unique characteristics of the LEA; moves an earmark for the Centennial, Pennsylvania LEA from Impact Aid Payments for Federal Property to the Fund for the Improvement of Education; and requires that the Secretary accept late grant applications for specified LEAs.

Accountability

- None.

Allocation of Funds

- **Formula and competitive –** With the exception of Facilities Maintenance and the competitive portion of Construction, all Impact Aid funds are awarded on a formula basis. The formula funds are distributed directly to LEAs using formulas that are all based, in part, on the number and type of federally connected students in LEAs.

- **Leveraging –** Competitive Construction funds may not exceed 50 percent of the total cost of the project assisted.

- **Award limit –** Competitive Construction awards to a single LEA may not exceed $4 million during any 4-year period.

Set-Asides

- While funds are not set aside solely for school districts that receive Basic Support Payments for Heavily Impacted LEAs, they are earmarked for eligibility and receive payments before any regular Basic Support Payments are made.

ESEA GENERAL PROVISIONS
(Title IX)

Overview

In general, Title IX of the ESEA continues, with minor and updating changes, many of the types of provisions found in Title XIV of the predecessor law, such as definitions, flexibility provisions relating to consolidated plans and use of administrative funds, Secretarial waivers, uniform provisions, and limitations on the Federal role in education. Summarized below are some of the more significant new general provisions.

Definitions – Section 9101 of the ESEA adds new definitions of terms, including the following: "Beginning Teacher;" "Core Academic Subjects;" "Distance Learning;" "Exemplary Teacher;" "Highly Qualified" (as applied to a teacher); "Limited English Proficient;" "Parental Involvement;" "Poverty Line;" "Professional Development;" "Scientifically Based Research;" and "Teacher Mentoring."

School Prayer – Section 9524 of the ESEA requires the Secretary to publish guidance on constitutionally protected school prayer in the public schools by September 1, 2002, and every second year thereafter. The Secretary must consult with the Department of Justice in preparing the guidance. In order to receive funds under the ESEA, each LEA must certify in writing each year to the SEA that it has no policy that prevents constitutionally protected prayer in the public schools as detailed in the Secretary's guidance. The Secretary is directed to bring enforcement action against any LEA that fails to submit the required certification or that provides its certification in bad faith. (Under current law, the Secretary is directed to withhold ESEA funds from any SEA or LEA that is determined by a Federal court to have willfully violated a Federal court order to refrain from violating the constitutional right of any student with respect to prayer in the public schools.)

Boy Scouts of America Equal Access – Section 9525 of the ESEA prohibits an SEA, LEA, or public school that receives funds from the Department and permits outside youth or community groups to meet on school premises before or after school from denying equal access to those facilities to the Boy Scouts based on the latter's membership criteria or oath of allegiance. The Secretary is directed to enforce the requirement of equal access through administrative means.

Armed Forces Recruiting – Section 9528 of the ESEA requires each LEA that receives funds under the ESEA to provide, on request by a military recruiter or an institution of higher education, access to the names, addresses, and telephone listings for secondary students. However, parents may request that such information not be released for their child without prior written parental consent. LEAs must give military recruiters the same right of access to secondary students as they provide generally to postsecondary institutions and prospective employers.

Unsafe School Choice Option – Section 9532 of the ESEA requires each State that receives ESEA funds to implement a statewide policy that offers to the parents of each student who attends a "persistently dangerous" public school (as determined by the State), or "who becomes a victim of a violent criminal offense" (as determined by State law) while on school grounds the option to attend a safe public school within the same LEA.

Regulations – Section 9535 of the ESEA directs the Secretary to issue regulations under the ESEA "only to the extent that such regulations are necessary to ensure that there is compliance with [the ESEA's] specific requirements and assurances." However the Conference Report to H.R. 1 clarifies that this statutory language was not intended "to prohibit the Secretary from issuing regulations that are reasonably necessary to ensure timely and orderly grant-making, high-quality applications that respond to priority needs, or grantee accountability."

COMPREHENSIVE REGIONAL ASSISTANCE CENTERS
(Title X, Parts B and G – Amendments to the Educational Research, Development, Dissemination, and Improvement Act, Parts J and K)

Overview

The No Child Left Behind Act of 2001 transfers and redesignates the statutory language for the Comprehensive Regional Assistance Centers program from Part A of Title XIII of the ESEA, to part K of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (ERDDIA), with no changes except for authorizing continued funding of the current Centers until the ERDDIA is reauthorized.

Program Description

The Comprehensive Regional Assistance Centers program funds 15 university-based or non-profit centers that offer technical assistance to States, school districts, and schools on such topics as curriculum, instruction, assessments, professional development, program evaluation, meeting the needs of at-risk populations, creation of a safe and drug-free school environment, and implementing educational technologies.

EISENHOWER REGIONAL MATHEMATICS AND SCIENCE CONSORTIA
(Title X, Parts B and G – Amendments to the Educational Research, Development, Dissemination, and Improvement Act, Parts J and M)

Overview

The No Child Left Behind Act of 2001 transfers and redesignates the statutory language for the Eisenhower Regional Mathematics and Science Consortia from Part C of Title XIII of the ESEA, to Part M of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (ERDDIA).

Authorizes funding for the remaining years of the current grant, and permits extensions, on a year-to-year basis, if the grant expires before the ERDDIA is reauthorized.

Program Description

The Eisenhower Regional Mathematics and Science Consortia program funds 10 multi-state consortia composed of institutions of higher education, nonprofit organizations, elementary or secondary schools, State educational agencies, or regional educational laboratories. The consortia disseminate exemplary mathematics and science educational materials and provide technical assistance in the implementation of teaching methods and assessment tools for use in elementary and schools.

REGIONAL TECHNOLOGY IN EDUCATION CONSORTIA
(Title X, Parts B and G – Amendments to the Educational Research, Development, Dissemination, and Improvement Act of 1994, Parts J and N)

Overview

The No Child Left Behind Act of 2001 authorizes funding for the remaining years of the current grant to the Regional Technology in Education Consortia under Part J of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (ERDDIA). Extensions on a year-to-year basis are also authorized if the grant expires before the ERDDIA is reauthorized.

Program Description

The Regional Technology in Education Consortia (R*TEC) program funds 10 multi-state consortia composed of institutions of higher education, nonprofit organizations, or State educational agencies. The R*TECs provide professional development, technical assistance, and dissemination of information on the various types and effective uses of hardware, software, and electronic networks to districts, schools, and others to help students meet challenging academic standards.

EDUCATION FOR HOMELESS CHILDREN AND YOUTH
(Title X, Part C, amendments to the McKinney-Vento Homeless Assistance Act)

Overview

Retains, with some changes, the current program to provide grants to States to help ensure that homeless children and youth have access to the same free and appropriate public education, including preschool education, as other children and youth.

Changes from Current Law

- **Separate Schools for Homeless Children and Youth –** Prohibits States that receive McKinney-Vento funds from segregating homeless students, except for short periods of time for health and safety emergencies or to provide temporary, special, supplementary services. Exempts States with separate schools for homeless children or youth operating in fiscal year 2000 in a covered county (San Joaquin County, CA; Orange County, CA; San Diego County, CA; and Maricopa County, AZ). Requires the Secretary of Education to report on separate schools and LEAs that operate such schools not later than 2 years after the date of enactment.

- **Transportation** - Requires an LEA (at the request of the parent or guardian) to provide, or arrange for, transportation to the homeless child's school of origin when that school is within the LEA. When the school of origin is in a different LEA from the LEA where the homeless child is living, requires both LEAs to agree on a method for sharing transportation responsibility and costs.

- **Enrollment in School of Choice –** Requires that, pending resolution of a dispute about school placement, an LEA immediately enroll a homeless student in the student's school of choice and provide a written explanation of the rights of appeal to the parent or guardian and student.

- **Reservation of Funds for State Activities –** Permits State reservations of up to 25 percent (or, in the case of States receiving the minimum award, 50 percent) for State activities. Formerly, States could reserve up to 5 percent of their award or up to the hold-harmless (the amount of their 1990 allocation), whichever was greater. At the 2002 appropriation level, most States would be allowed to reserve larger amounts for State activities.

- **Subgrants –** Requires that subgrants to LEAs be awarded competitively. Under previous law, subgrants were awarded based on need.

- **Local Liaison –** Requires all districts, not just districts receiving subgrants, to designate local liaisons for homeless children and youth.
- **Distribution of Funds –** Requires, rather than authorizes, 1 percent to be transferred to the Department of the Interior for BIA schools, and increases the State minimum award amount to the greater of $150,000, ¼ of 1 percent, or the amount of the State's fiscal year 2001 award.

Accountability

- **Federal –** Requires the Secretary to report on the status of education of homeless children and youths, including information on: (1) the education of homeless children and youth, and (2) the actions of the Secretary and the effectiveness of the programs supported under the subtitle. Report is due 4 years after the date of enactment.

- **States –** Requires States to collect and report (to the Secretary) information on the nature and extent of problems homeless children and youth have in gaining access to the same free appropriate public education as their non-homeless peers.

- **Separate Schools –** Requires separate schools to meet the same academic requirements as regular public schools. Secretary must report to Congress within 2 years on the operations of these schools.

Allocations

- **Federal to State –** Formula based upon each State's current year Title I share.

- **Within State –** Competitive awards to LEAs.

Set-Asides

- **Federal –** 0.1 percent for the Outlying Areas, 1 percent for BIA schools, and the Secretary may reserve funds for technical assistance, evaluation, and dissemination.

- **State –** Up to 25 percent (or up to 50 percent in the case of States receiving minimum awards) may be reserved for State leadership activities.

PREPARING TOMORROW'S TEACHERS TO USE TECHNOLOGY
(Title X, Part E, Amendments to Title II of the Higher Education Act of 1965)

Overview

Amends Title II of the Higher Education Act of 1965 to authorize grants, contracts, and competitive agreements to consortia for carrying out programs that prepare prospective teachers to use technology to improve student learning, and programs that improve the ability of institutions of higher education to carry out such programs.

Changes from Current Law

- **Consortia requirements –** Funds are awarded only to consortia that include at least one institution of higher education, one State or local educational agency, and one other entity. Current law has no requirements for consortia, but current regulations require a minimum of two entities, including at least one non-profit.

- **Application requirements –** Requires applicants to describe the project, demonstrate and describe the commitment and involvement of each participating entity, describe how the project will be continued after Federal funding, and provide a plan for the evaluation of the project. Current law and regulations have no requirements.

- **Use of funds –** Requires consortia to use funds to create programs that prepare teachers to use technology to prepare students to meet academic achievement standards. Not more than 10 percent of funds may be used to purchase equipment. Current law has no requirements for use of funds or restrictions on equipment purchases.

- **Matching requirement –** Requires consortia to provide 50 percent of the cost of the project, in cash or in kind, except that equipment purchases must be matched in cash. Current regulations require a dollar-for-dollar match.

Accountability

- Requires consortia to evaluate the effectiveness of their projects.

Distribution of Funds

- Competitive grants.

Set-Asides

- None

PROTECTION OF PUPIL RIGHTS
(Title X, Part F, amending Section 445 of the General Education Provisions Act)

Overview

The Act amends section 445 of the General Education Provisions Act (Protection of Pupil Rights) by adding new provisions relating to student privacy, parental access to information, and the administration of physical exams to students who are minors.

Description

As amended, section 445 requires each LEA that receives funds under any program administered by the Department of Education to adopt policies on the following:

- Permitting parents to inspect any third-party surveys of students before they are administered, including policies to protect student privacy if the survey delves into certain sensitive subjects identified in the law.

- Permitting parents to inspect any instructional material used in the curriculum.

- The administration of any physical examinations or screenings the school may administer.

- The collection and use of personal information collected from students for the purpose of marketing that information (except for the purpose of developing educational products or services).

In addition to adopting these policies, each LEA must notify parents, at least annually at the beginning of the school year, about the content of these policies. The notice must also explain that parents have the right to "opt the student out of participation" in the following activities (and identify when during the school year they are scheduled to occur):

- The collection or use of personal information gathered from students for the purpose of marketing that information (except for the development of educational products or services).

- The administration of any survey that delves into the sensitive subjects identified in the law.

- The administration of any non-emergency, invasive physical examination or screening that is not otherwise permitted or required by State law, including those without parental notification.

ESEA Programs – Authorizations of Appropriations

	Authorization Amount (for 2002 & subsequent years)
TITLE I	
Local School Improvement Grants (I-1003(g))	$500 million & such sums
Title I-A Basic Programs Operated by LEAs (I-A)	$13.5 billion in FY2002 $16 billion in FY2003 $18.5 billion in FY2004 $20.5 billion in FY2005 $22.75 billion in FY2006 $25 billion in FY2007
Reading First (I-B-1)	$900 million & such sums
Early Reading First (I-B-2)	$75 million & such sums
Even Start (I-B-3)	$260 million & such sums
Improving Literacy Through School Libraries (I-B-4)	$250 million & such sums
Education of Migratory Children (I-C)	$410 million & such sums
Neglected and Delinquent Children (I-D)	$50 million & such sums
Evaluation (I-E)	such sums
Close Up Fellowship Program (I-E)	such sums
Comprehensive School Reform (I-F)	such sums
Advanced Placement (I-G)	such sums
School Dropout Prevention (I-H)	$125 million & such sums
TITLE II	
Title II-A Grants to States	$3.175 billion & such sums
Mathematics and Science Partnerships (II-B)	$450 million & such sums
Troops to Teachers/Transition to Teaching (II-C-1)	$150 million & such sums
National Writing Project (II-C-2)	$15 million & such sums
Civic Education (II-C-3)	$30 million & such sums
Teaching of Traditional American History (II-C-4)	such sums
State and Local Technology Grants (II-D-1 & 2)	$1 billion and such sums
Ready to Learn Television (II-D-3)	such sums
TITLE III	
Grants for English Language Acquisition and Enhancement (III)	$750 million & such sums
Emergency Immigrant (III, Sec. 3001(a)(2))	Such sums
TITLE IV	
Safe and Drug-Free Schools and Communities State Grants (IV-A-1)	$650 million & such sums
Safe and Drug-Free Schools and Communities National Programs (IV-A-2)	such sums
21st Century Community Learning Centers (IV-B)	$1.25 billion & adds $250 million each year through 2007
TITLE V	
Title V Innovative State Grants (V-A)	$450 million & adds $25 million each year through 2007
Charter Schools (V-B-1)	$300 million & such sums
Charter School Facilities – Credit Enhancement Initiatives (V-B-2)	$150 million & such sums
Voluntary Public School Choice (V-B-3)	$100 million & such sums
Magnet Schools Assistance (V-C)	$125 millions & such sums

	Authorization Amount (for 2002 & subsequent years)
TITLE V (cont.)	
Fund for the Improvement of Education (V-D-1)	$550 million & adds $25 million each year through 2007
Elementary and Secondary School Counseling (V-D-2)	no separate authorization
Character Education (V-D-3)	no separate authorization
Smaller Learning Communities (V-D-4)	no separate authorization
Inexpensive Book Distribution (RIF) (V-D-5)	no separate authorization
Gifted and Talented Students (V-D-6)	no separate authorization
Star Schools (V-D-7)	no separate authorization
Ready to Teach (V-D-8)	no separate authorization
Foreign Language Assistance (V-D-9)	no separate authorization
Physical Education (V-D-10)	no separate authorization
Community Technology Centers (V-D-11)	no separate authorization
Exchange Programs for Alaska Natives, Native Hawaiians, and Trading Partners (V-D-12)	no separate authorization
Excellence in Economic Education (V-D-13)	no separate authorization
Mental Health Grants (includes separate School Readiness Grant program) (V-D-14)	no separate authorization
Arts in Education (V-D-15)	no separate authorization
Parent Assistance and Local Family Information Centers (V-D-16)	no separate authorization
Combatting Domestic Violence (V-D-17)	no separate authorization
Healthy, High-Performance Schools (V-D-18)	no separate authorization
Capital Expenses for Private School Children (V-D-19)	no separate authorization
Additional Assistance for LEAs Impacted by Federal Property Acquisition (V-D-20)	no separate authorization
Women's Educational Equity (V-D-21)	no separate authorization
TITLE VI	
Grants for State Assessments and Enhanced Assessments (VI-A-1)	$490 million & such sums
Flexibility (Transferability and State and Local Flexibility) (VI-A-2, 3, 4)	no authorization
Rural Education (Small Rural Schools and Rural and Low-Income School Programs) (VI-B)	$300 million & such sums
National Assessment of Educational Progress VI-C (am. Sec. 411 of NESA)	no authorization
TITLE VII	
Indian Education Grants to LEAs (VII-A-1)	$96.4 million & such sums
Indian Education Special Programs & National Activities (VII-A-2&3)	$24 million & such sums
Education of Native Hawaiians (VII-B)	such sums
Alaska Native Education (VII-C)	such sums
TITLE VIII	
Impact Aid Construction (Section 8007)	$150 million & such sums
Other Impact Aid Programs	such sums