

**Union Calendar No. 283**

106TH CONGRESS  
2D SESSION

**H. R. 3616**

**[Report No. 106-504]**

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**A BILL**

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965, and for other purposes.

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FEBRUARY 29, 2000

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2000

Mr. HAYES (for himself, Mr. GOODLING, Mr. GREENWOOD, Mr. SCOTT, Mr. EDWARDS, Mr. POMEROY, Mr. HAYWORTH, Mr. KILDEE, Mr. CUNNINGHAM, Mr. THORNBERRY, Mr. MCHUGH, Mr. BILBRAY, Mr. MCCRERY, Mrs. KELLY, Mr. JONES of North Carolina, Mr. KUYKENDALL, Mr. HEFLEY, Mr. YOUNG of Alaska, Mr. CHAMBLISS, Mr. MCKEON, Mr. FLETCHER, Mr. GIBBONS, Mr. NETHERCUTT, Mrs. CUBIN, Mr. KENNEDY of Rhode Island, Mr. SKELTON, Mr. MCINTYRE, Mr. SAXTON, Mr. CALVERT, Mr. WHITFIELD, Mr. PORTER, Mr. PACKARD, Mrs. BONO, Mr. ROHRABACHER, Mr. TERRY, Mr. TANCREDO, and Mr. STUMP) introduced the following bill; which was referred to the Committee on Education and the Workforce

FEBRUARY 29, 2000

Additional sponsors: Mr. COSTELLO, Mr. TAYLOR of Mississippi, Mr. BATEMAN, Mr. CLEMENT, Mr. SMITH of New Jersey, Mrs. MCCARTHY of New York, Mr. GILMAN, Mrs. EMERSON, Mr. DICKS, Mr. HASTINGS of Washington, Mr. GALLEGLY, Mr. PETERSON of Minnesota, Mr. REYES, Mr. THOMAS, Mr. RODRIGUEZ, Mr. DOOLEY of California, Mr. RYUN of Kansas, Mr. PICKETT, Mr. HILLEARY, Mr. OSE, Mr. WEYGAND, Mr. METCALF, Mr. LEWIS of Kentucky, Mr. BARRETT of Nebraska, Mr. SMITH of Washington, Ms. WOOLSEY, Mrs. BIGGERT, Mr. GEJDENSON, Mr. BISHOP, Mr. HOEFFEL, Mr. THUNE, Mr. UDALL of New Mexico, Mr. BROWN of Ohio, Mr. GONZALEZ, and Mr. HALL of Ohio

FEBRUARY 29, 2000

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

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

[For text of introduced bill, see copy of bill as introduced on February 10, 2000]

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## A BILL

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Impact Aid Reauthor-*  
5 *ization Act of 2000”.*

6 **SEC. 2. PURPOSE.**

7       *Section 8001 of the Elementary and Secondary Edu-*  
8 *cation Act of 1965 (20 U.S.C. 7701) is amended—*

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

10                   *(A) by inserting after “educational services*  
11 *to federally connected children” the following:*

12                   *“in a manner that promotes control by local*  
13 *educational agencies with little or no Federal or*  
14 *State involvement”; and*

15                   *(B) by inserting after “certain activities of*  
16 *the Federal Government” the following: “, such*  
17 *as activities to fulfill the responsibilities of the*  
18 *Federal Government with respect to Indian*

1           *tribes and activities under section 514 of the Sol-*  
 2           *diers' and Sailors' Civil Relief Act of 1940 (50*  
 3           *U.S.C. App. 574),”;*

4           *(2) in paragraph (4), by adding “or” at the end;*

5           *(3) by striking paragraph (5);*

6           *(4) by redesignating paragraph (6) as para-*  
 7           *graph (5); and*

8           *(5) in paragraph (5) (as redesignated), by in-*  
 9           *serting before the period at the end the following:*

10          *“and because of the difficulty of raising local revenue*  
 11          *through bond referendums for capital projects due to*  
 12          *the inability to tax Federal property”.*

13   **SEC. 3. PAYMENTS RELATING TO FEDERAL ACQUISITION OF**  
 14                                   **REAL PROPERTY.**

15          *(a) FISCAL YEAR REQUIREMENT.—Section 8002(a) of*  
 16          *the Elementary and Secondary Education Act of 1965 (20*  
 17          *U.S.C. 7702(a)) is amended in the matter preceding para-*  
 18          *graph (1) by striking “1999” and inserting “2005”.*

19          *(b) AMOUNT.—*

20                    *(1) INSUFFICIENT FUNDS.—Section*  
 21          *8002(b)(1)(B) of the Elementary and Secondary Edu-*  
 22          *cation Act of 1965 (20 U.S.C. 7702(b)(1)(B)) is*  
 23          *amended by striking “shall ratably reduce the pay-*  
 24          *ment to each eligible local educational agency” and*  
 25          *inserting “shall calculate the payment for each eligi-*

1        *ble local educational agency in accordance with sub-*  
2        *section (h)”.*

3            (2) *MAXIMUM AMOUNT.—Section 8002(b)(1)(C)*  
4        *of the Elementary and Secondary Education Act of*  
5        *1965 (20 U.S.C. 7702(b)(1)(C)) is amended by adding*  
6        *at the end before the period the following: “, or the*  
7        *maximum amount that such agency is eligible to re-*  
8        *ceive for such fiscal year under this section, whichever*  
9        *is greater”.*

10        (c) *PAYMENTS WITH RESPECT TO FISCAL YEARS IN*  
11        *WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—Sec-*  
12        *tion 8002(h) of the Elementary and Secondary Education*  
13        *Act of 1965 (20 U.S.C. 7702(h)) is amended to read as fol-*  
14        *lows:*

15            “(h) *PAYMENTS WITH RESPECT TO FISCAL YEARS IN*  
16        *WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—For*  
17        *any fiscal year for which the amount appropriated under*  
18        *section 8014(a) is insufficient to pay to each local edu-*  
19        *cational agency the full amount determined under sub-*  
20        *section (b), the Secretary shall make payments to each local*  
21        *educational agency under this section as follows:*

22            “(1) *FOUNDATION PAYMENTS FOR PRE-1995 RE-*  
23        *CIPIENTS.—*

24            “(A) *IN GENERAL.—The Secretary shall*  
25        *first make a foundation payment to each local*

1           *educational agency that is eligible to receive a*  
2           *payment under this section for the fiscal year in-*  
3           *volved and was eligible to receive a payment*  
4           *under section 2 of the Act of September 30, 1950*  
5           *(Public Law 874, 81st Congress) (as such section*  
6           *was in effect on the day preceding the date of the*  
7           *enactment of the Improving America's Schools*  
8           *Act of 1994) for any of the fiscal years 1989*  
9           *through 1994.*

10           “(B) *AMOUNT.*—*The amount of a payment*  
11           *under subparagraph (A) for a local educational*  
12           *agency shall be equal to 37 percent of the pay-*  
13           *ment amount the local educational agency was*  
14           *eligible to receive under section 2 of the Act of*  
15           *September 30, 1950, for fiscal year 1994 (or if*  
16           *the local educational agency was not eligible to*  
17           *receive a payment under such section 2 for fiscal*  
18           *year 1994, the payment that local educational*  
19           *agency was eligible to receive under such section*  
20           *2 for the most recent fiscal year preceding 1994).*

21           “(C) *INSUFFICIENT APPROPRIATIONS.*—*If*  
22           *the amount appropriated under section 8014(a)*  
23           *is insufficient to pay the full amount determined*  
24           *under this paragraph for all eligible local edu-*  
25           *cational agencies for the fiscal year, then the*

1           *Secretary shall ratably reduce the payment to*  
2           *each local educational agency under this para-*  
3           *graph.*

4           “(2) *PAYMENTS FOR 1995 RECIPIENTS.—*

5                   “(A) *IN GENERAL.—From any amounts re-*  
6                   *maining after making payments under para-*  
7                   *graph (1) for the fiscal year involved, the Sec-*  
8                   *retary shall make a payment to each eligible*  
9                   *local educational agency that received a payment*  
10                  *under this section for fiscal year 1995.*

11                  “(B) *AMOUNT.—The amount of a payment*  
12                  *under subparagraph (A) for a local educational*  
13                  *agency shall be determined as follows:*

14                          “(i) *Calculate the difference between*  
15                          *the amount appropriated to carry out this*  
16                          *section for fiscal year 1995 and the total*  
17                          *amount of foundation payments made*  
18                          *under paragraph (1) for the fiscal year.*

19                          “(ii) *Determine the percentage share*  
20                          *for each local educational agency that re-*  
21                          *ceived a payment under this section for fis-*  
22                          *cal year 1995 by dividing the assessed value*  
23                          *of the Federal property of the local edu-*  
24                          *cational agency for fiscal year 1995 deter-*  
25                          *mined in accordance with subsection (b)(3),*

1                   by the total national assessed value of the  
2                   Federal property of all such local edu-  
3                   cational agencies for fiscal year 1995, as so  
4                   determined.

5                   “(iii) Multiply the percentage share de-  
6                   scribed in clause (ii) for the local edu-  
7                   cational agency by the amount determined  
8                   under clause (i).

9                   “(3) *SUBSECTION (i) RECIPIENTS.*—From any  
10                  funds remaining after making payments under para-  
11                  graphs (1) and (2) for the fiscal year involved, the  
12                  Secretary shall make payments in accordance with  
13                  subsection (i).

14                  “(4) *REMAINING FUNDS.*—From any funds re-  
15                  maining after making payments under paragraphs  
16                  (1), (2), and (3) for the fiscal year involved—

17                  “(A) the Secretary shall make a payment to  
18                  each local educational agency that received a  
19                  foundation payment under paragraph (1) for the  
20                  fiscal year involved in an amount that bears the  
21                  same relation to 25 percent of the remainder as  
22                  the amount the local educational agency received  
23                  under paragraph (1) for the fiscal year involved  
24                  bears to the amount all local educational agen-

1           cies received under paragraph (1) for the fiscal  
2           year involved; and

3           “(B) the Secretary shall make a payment to  
4           each local educational agency that is eligible to  
5           receive a payment under this section for the fis-  
6           cal year involved in an amount that bears the  
7           same relation to 75 percent of the remainder as  
8           a percentage share determined for the local edu-  
9           cational agency (in the same manner as percent-  
10          age shares are determined for local educational  
11          agencies under paragraph (2)(B)(ii)) bears to the  
12          percentage share determined (in the same man-  
13          ner) for all local educational agencies eligible to  
14          receive a payment under this section for the fis-  
15          cal year involved, except that for the purpose of  
16          calculating a local educational agency’s assessed  
17          value of the Federal property, data from the  
18          most current fiscal year shall be used.”.

19          (d) *SPECIAL PAYMENTS.*—

20                 (1) *IN GENERAL.*—Section 8002(i)(1) of the Ele-  
21          mentary and Secondary Education Act of 1965 (20  
22          U.S.C. 7702(i)(1)) is amended to read as follows:

23                 “(1) *IN GENERAL.*—For any fiscal year begin-  
24          ning with fiscal year 2000 for which the amount ap-  
25          propriated to carry out this section exceeds the

1        *amount so appropriated for fiscal year 1996 and for*  
2        *which subsection (b)(1)(B) applies, the Secretary shall*  
3        *use the remainder described in subsection (h)(3) for*  
4        *the fiscal year involved (not to exceed the amount*  
5        *equal to the difference between (A) the amount appro-*  
6        *priated to carry out this section for fiscal year 1997*  
7        *and (B) the amount appropriated to carry out this*  
8        *section for fiscal year 1996) to increase the payment*  
9        *that would otherwise be made under this section to*  
10       *not more than 50 percent of the maximum amount*  
11       *determined under subsection (b) for any local edu-*  
12       *cational agency described in paragraph (2).”.*

13                (2) *CONFORMING AMENDMENT.—The heading of*  
14        *section 8002(i) of the Elementary and Secondary*  
15        *Education Act of 1965 (20 U.S.C. 7702(i)) is amend-*  
16        *ed by striking “PRIORITY” and inserting SPECIAL”.*

17                (e) *ADDITIONAL ASSISTANCE FOR CERTAIN LOCAL*  
18        *EDUCATIONAL AGENCIES IMPACTED BY FEDERAL PROP-*  
19        *ERTY ACQUISITION.—Section 8002(j)(2) of the Elementary*  
20        *and Secondary Education Act of 1965 (20 U.S.C.*  
21        *7702(j)(2)) is amended—*

22                        (1) *by striking “(A) A local educational agency”*  
23        *and inserting “A local educational agency”;*

24                        (2) *by redesignating clauses (i) through (v) as*  
25        *subparagraphs (A) through (E), respectively; and*

1           (3) *in subparagraph (C) (as redesignated), by*  
2 *adding at the end before the semicolon the following:*  
3 *“and such agency does not currently have a military*  
4 *installation located within its geographic bound-*  
5 *aries”.*

6           (f) *DATA; PRELIMINARY AND FINAL PAYMENTS.—Sec-*  
7 *tion 8002 of the Elementary and Secondary Education Act*  
8 *of 1965 (20 U.S.C. 7702) is amended by adding at the end*  
9 *the following:*

10          “(l) *DATA; PRELIMINARY AND FINAL PAYMENTS.—*

11           “(1) *IN GENERAL.—The Secretary shall—*

12                   “(A) *not later than 30 days following the*  
13 *application deadline under section 8005(c) for a*  
14 *fiscal year, require any local educational agency*  
15 *that applied for a payment under subsection (b)*  
16 *for the fiscal year to submit such data as may*  
17 *be necessary in order to compute the payment;*

18                   “(B) *as soon as possible after the beginning*  
19 *of any fiscal year, but no later than 60 days*  
20 *after the enactment of an Act making appropria-*  
21 *tions to carry out this title for the fiscal year,*  
22 *provide a preliminary payment under subsection*  
23 *(b) for any local educational agency that applied*  
24 *for a payment under subsection (b) for the fiscal*  
25 *year and was eligible for such a payment for the*

1 preceding fiscal year, in the amount of 60 per-  
2 cent of the payment for the previous year; and

3 “(C) provide a final payment under sub-  
4 section (b) for any eligible local educational  
5 agency not later than 12 months after the appli-  
6 cation deadline established under section  
7 8005(c), except that any local educational agency  
8 failing to submit all of the data required under  
9 subparagraph (A) shall be denied such payment  
10 for the fiscal year for which the application is  
11 made unless funds from a source other than the  
12 Act described in subparagraph (B) are made  
13 available to provide such payment.

14 “(2) *ELIGIBILITY FOR PAYMENTS IN SUBSE-*  
15 *QUENT YEARS.*—*The denial of a payment under sub-*  
16 *section (b) to a local educational agency for a fiscal*  
17 *year pursuant to this subsection shall not affect the*  
18 *eligibility of the local educational agency for a final*  
19 *payment under subsection (b) for a subsequent fiscal*  
20 *year.”.*

21 **SEC. 4. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED**  
22 **CHILDREN.**

23 (a) *MILITARY INSTALLATION HOUSING UNDERGOING*  
24 *RENOVATION OR REBUILDING.*—

1           (1) *IN GENERAL.*—Section 8003(a)(4) of the Ele-  
2           *mentary and Secondary Education Act of 1965 (20*  
3           *U.S.C. 7703(a)) is amended—*

4                   (A) *in the heading, by striking “UNDER-*  
5                   *GOING RENOVATION” and inserting “UNDER-*  
6                   *GOING RENOVATION OR REBUILDING”;*

7                   (B) *by striking “For purposes” and insert-*  
8                   *ing the following:*

9                           “*(A) IN GENERAL.—For purposes*”;

10                   (C) *in subparagraph (A) (as designated by*  
11                   *subparagraph (B)), by inserting “or rebuilding”*  
12                   *after “undergoing renovation”; and*

13                   (D) *by adding at the end the following:*

14                           “*(B) LIMITATIONS.—(i)(I) Except as pro-*  
15                   *vided in subclause (II), children described in*  
16                   *paragraph (1)(D)(i) may be deemed to be chil-*  
17                   *dren described in paragraph (1)(B) with respect*  
18                   *to housing on Federal property undergoing ren-*  
19                   *ovation or rebuilding in accordance with sub-*  
20                   *paragraph (A) for a period not to exceed 2 fiscal*  
21                   *years.*

22                           “*(II) If the Secretary determines, on the*  
23                   *basis of a certification provided to the Secretary*  
24                   *by a designated representative of the Secretary of*  
25                   *Defense, that the expected completion date of the*

1           *renovation or rebuilding of the housing has been*  
2           *delayed by not less than 1 year, then—*

3                     “(aa) *in the case of a determination*  
4                     *made by the Secretary in the 1st fiscal year*  
5                     *described in subclause (I), the time period*  
6                     *described such subclause shall be extended*  
7                     *by the Secretary for an additional 2 years;*  
8                     *and*

9                     “(bb) *in the case of a determination*  
10                    *made by the Secretary in the 2nd fiscal*  
11                    *year described in subclause (I), the time pe-*  
12                    *riod described such subclause shall be ex-*  
13                    *tended by the Secretary for an additional 1*  
14                    *year.*

15                    “(ii) *The number of children described in*  
16                    *paragraph (1)(D)(i) who are deemed to be chil-*  
17                    *dren described in paragraph (1)(B) with respect*  
18                    *to housing on Federal property undergoing ren-*  
19                    *ovation or rebuilding in accordance with sub-*  
20                    *paragraph (A) for any fiscal year may not ex-*  
21                    *ceed the maximum number of children who are*  
22                    *expected to occupy that housing upon completion*  
23                    *of the renovation or rebuilding.”.*

24                    (2) *EFFECTIVE DATE.—The amendments made*  
25                    *by paragraph (1) shall apply with respect to pay-*

1        *ments to a local educational agency for fiscal years*  
2        *beginning before, on, or after the date of the enact-*  
3        *ment of this Act.*

4        *(b) MILITARY ‘BUILD TO LEASE’ PROGRAM HOUS-*  
5        *ING.—Section 8003(a) of the Elementary and Secondary*  
6        *Education Act of 1965 (20 U.S.C. 7703(a)) is amended by*  
7        *adding at the end the following:*

8                *“(5) MILITARY ‘BUILD TO LEASE’ PROGRAM*  
9        *HOUSING.—*

10                *“(A) IN GENERAL.—For purposes of com-*  
11                *puting the amount of payment for a local edu-*  
12                *cational agency for children identified under*  
13                *paragraph (1), the Secretary shall consider chil-*  
14                *dren residing in housing initially acquired or*  
15                *constructed under the former section 2828(g) of*  
16                *title 10, United States Code (commonly known*  
17                *as the ‘Build to Lease’ program), as added by*  
18                *section 801 of the Military Construction Author-*  
19                *ization Act, 1984, to be children described under*  
20                *paragraph (1)(B) if the property described is*  
21                *within the fenced security perimeter of the mili-*  
22                *tary facility upon which such housing is situ-*  
23                *ated.*

24                *“(B) ADDITIONAL REQUIREMENTS.—If the*  
25                *property described in subparagraph (A) is not*

1           *owned by the Federal Government, is subject to*  
2           *taxation by a State or political subdivision of a*  
3           *State, and thereby generates revenues for a local*  
4           *educational agency that is applying to receive a*  
5           *payment under this section, then the Secretary—*

6                     *“(i) shall require the local educational*  
7                     *agency to provide certification from an ap-*  
8                     *propriate official of the Department of De-*  
9                     *fense that the property is being used to pro-*  
10                    *vide military housing; and*

11                    *“(ii) shall reduce the amount of the*  
12                    *payment under this section by an amount*  
13                    *equal to the amount of revenue from such*  
14                    *taxation received in the second preceding*  
15                    *fiscal year by such local educational agency,*  
16                    *unless the amount of such revenue was*  
17                    *taken into account by the State for such sec-*  
18                    *ond preceding fiscal year and already re-*  
19                    *sulted in a reduction in the amount of State*  
20                    *aid paid to such local educational agency.”.*

21 **SEC. 5. MAXIMUM AMOUNT OF BASIC SUPPORT PAYMENTS.**

22            *Section 8003(b)(1) of the Elementary and Secondary*  
23            *Education Act of 1965 (20 U.S.C. 7703(b)(1)) is amended*  
24            *by adding at the end the following:*

1           “(D) INCREASE IN LOCAL CONTRIBUTION  
2           RATE DUE TO UNUSUAL GEOGRAPHIC FAC-  
3           TORS.—If the current expenditures in those local  
4           educational agencies which the Secretary has de-  
5           termined to be generally comparable to the local  
6           educational agency for which a computation is  
7           made under subparagraph (C) are not reason-  
8           ably comparable because of unusual geographical  
9           factors which affect the current expenditures nec-  
10          essary to maintain, in such agency, a level of  
11          education equivalent to that maintained in such  
12          other agencies, then the Secretary shall increase  
13          the local contribution rate for such agency under  
14          subparagraph (C)(iii) by such an amount which  
15          the Secretary determines will compensate such  
16          agency for the increase in current expenditures  
17          necessitated by such unusual geographical fac-  
18          tors. The amount of any such supplementary  
19          payment may not exceed the per-pupil share  
20          (computed with regard to all children in average  
21          daily attendance), as determined by the Sec-  
22          retary, of the increased current expenditures ne-  
23          cessitated by such unusual geographic factors.”.

1 **SEC. 6. BASIC SUPPORT PAYMENTS FOR HEAVILY IM-**  
2 **PACTED LOCAL EDUCATIONAL AGENCIES.**

3 (a) *IN GENERAL.*—Section 8003(b) of the Elementary  
4 and Secondary Education Act of 1965 (20 U.S.C. 7703(b))  
5 is amended—

6 (1) by redesignating paragraphs (2) and (3) as  
7 paragraphs (3) and (4), respectively; and

8 (2) by inserting after paragraph (1) the fol-  
9 lowing:

10 “(2) *BASIC SUPPORT PAYMENTS FOR HEAVILY*  
11 *IMPACTED LOCAL EDUCATIONAL AGENCIES.*—

12 “(A) *IN GENERAL.*—(i) *From the amount*  
13 *appropriated under section 8014(b) for a fiscal*  
14 *year, the Secretary is authorized to make basic*  
15 *support payments to eligible heavily impacted*  
16 *local educational agencies with children de-*  
17 *scribed in subsection (a).*

18 “(ii) *A local educational agency that re-*  
19 *ceives a basic support payment under this para-*  
20 *graph for a fiscal year shall not be eligible to re-*  
21 *ceive a basic support payment under paragraph*  
22 *(1) for that fiscal year.*

23 “(B) *ELIGIBILITY FOR CONTINUING HEAV-*  
24 *ILY IMPACTED LOCAL EDUCATIONAL AGENCIES.*—

25 “(i) *FISCAL YEAR 2001.*—*A heavily im-*  
26 *acted local educational agency is eligible to*

1           *receive a basic support payment under sub-*  
2           *paragraph (A) for fiscal year 2001 with re-*  
3           *spect to a number of children determined*  
4           *under subsection (a)(1) only if the agency*  
5           *received an additional assistance payment*  
6           *under subsection (f) (as such subsection was*  
7           *in effect on the day before the date of the en-*  
8           *actment of the Impact Aid Reauthorization*  
9           *Act of 2000) for fiscal year 2000.*

10           “(i) *FISCAL YEAR 2002 AND SUBSE-*  
11           *QUENT FISCAL YEARS.—A heavily impacted*  
12           *local educational agency described in clause*  
13           *(i) is eligible to receive a basic support pay-*  
14           *ment under subparagraph (A) for fiscal*  
15           *year 2002 and any subsequent fiscal year*  
16           *with respect to a number of children deter-*  
17           *mined under subsection (a)(1) only if the*  
18           *agency—*

19                   “(I) *received a basic support pay-*  
20                   *ment under subparagraph (A) for fis-*  
21                   *cal year 2001; and*

22                   “(II)(aa) *is a local educational*  
23                   *agency whose boundaries are the same*  
24                   *as a Federal military installation;*

1           “(bb) has an enrollment of feder-  
2           ally connected children described in  
3           subsection (a)(1) which constitutes a  
4           percentage of the total student enroll-  
5           ment of such agency which is not less  
6           than 35 percent, has a per-pupil ex-  
7           penditure that is less than the average  
8           per-pupil expenditure of the State in  
9           which the agency is located or the aver-  
10          age per-pupil expenditure of all States  
11          (whichever average per-pupil expendi-  
12          ture is greater), except that a local  
13          educational agency with a total stu-  
14          dent enrollment of less than 350 stu-  
15          dents shall be deemed to have satisfied  
16          such per-pupil expenditure require-  
17          ment, and has a tax rate for general  
18          fund purposes which is at least 95 per-  
19          cent of the average tax rate for general  
20          fund purposes of comparable local edu-  
21          cational agencies in the State; or

22           “(cc) has a total student enroll-  
23           ment of not less than 25,000 students,  
24           of which not less than 50 percent are  
25           federally connected children described

1                    *in subsection (a)(1) and not less than*  
2                    *6,000 of such federally connected chil-*  
3                    *dren are children described in subpara-*  
4                    *graphs (A) and (B) of subsection*  
5                    *(a)(1).*

6                    *“(iii) RESUMPTION OF ELIGIBILITY.—*

7                    *A heavily impacted local educational agen-*  
8                    *cy described in clause (i) or (ii) that be-*  
9                    *comes ineligible under either such clause for*  
10                    *1 or more fiscal years may resume eligi-*  
11                    *bility for a basic support payment under*  
12                    *this paragraph for a subsequent fiscal year*  
13                    *only if the agency meets the requirements of*  
14                    *item (aa), (bb), or (cc) of clause (ii)(II) for*  
15                    *that subsequent fiscal year.*

16                    *“(C) ELIGIBILITY FOR NEW HEAVILY IM-*

17                    *PACTED LOCAL EDUCATIONAL AGENCIES.—*

18                    *“(i) IN GENERAL.—A heavily impacted*  
19                    *local educational agency that did not re-*  
20                    *ceive an additional assistance payment*  
21                    *under subsection (f) (as such subsection was*  
22                    *in effect on the day before the date of the en-*  
23                    *actment of the Impact Aid Reauthorization*  
24                    *Act of 2000) for fiscal year 2000 is eligible*  
25                    *to receive a basic support payment under*

1           *subparagraph (A) for fiscal year 2002 and*  
2           *any subsequent fiscal year with respect to a*  
3           *number of children determined under sub-*  
4           *section (a)(1) only if the agency—*

5                     *“(I) has an enrollment of federally*  
6                     *connected children described in sub-*  
7                     *section (a)(1) which constitutes a per-*  
8                     *centage of the total student enrollment*  
9                     *of such agency which (aa) is not less*  
10                    *than 50 percent if such agency receives*  
11                    *a payment on behalf of children de-*  
12                    *scribed in subparagraphs (F) and (G)*  
13                    *of such subsection or (bb) is not less*  
14                    *than 40 percent if such agency does not*  
15                    *receive a payment on behalf of such*  
16                    *children;*

17                    *“(II)(aa) is a local educational*  
18                    *agency whose boundaries are the same*  
19                    *as a Federal military installation; or*

20                    *“(bb) is a local educational agen-*  
21                    *cy that has a tax rate for general fund*  
22                    *purposes which is at least 95 percent of*  
23                    *the average tax rate for general fund*  
24                    *purposes of comparable local edu-*  
25                    *cational agencies in the State; and*

1                   “(III)(aa) for a local educational  
2                   agency that has a total student enroll-  
3                   ment of 350 or more students, the  
4                   agency has a per-pupil expenditure  
5                   that is less than the average per-pupil  
6                   expenditure of the State in which the  
7                   agency is located; or

8                   “(bb) for a local educational agen-  
9                   cy that has a total student enrollment  
10                  of less than 350 students, the agency  
11                  has a per-pupil expenditure that is less  
12                  than the average per-pupil expenditure  
13                  of a comparable agency in the State in  
14                  which the agency is located.

15                  “(ii) *RESUMPTION OF ELIGIBILITY.*—A  
16                  heavily impacted local educational agency  
17                  described in clause (i) that becomes ineli-  
18                  gible under such clause for 1 or more fiscal  
19                  years may resume eligibility for a basic  
20                  support payment under this paragraph for  
21                  a subsequent fiscal year only if the agency  
22                  meets the requirements of subclauses (I),  
23                  (II), and (III) of clause (i) for that subse-  
24                  quent fiscal year.

1                   “(iii) *APPLICATION.*—With respect to  
2                   the first fiscal year for which a heavily im-  
3                   pacted local educational agency described in  
4                   clause (i) applies for a basic support pay-  
5                   ment under subparagraph (A), or with re-  
6                   spect to the first fiscal year for which a  
7                   heavily impacted local educational agency  
8                   applies for a basic support payment under  
9                   subparagraph (A) after becoming ineligible  
10                  under clause (i) for 1 or more preceding fis-  
11                  cal years, the agency shall apply for such  
12                  payment at least 1 year prior to the start  
13                  of that first fiscal year.

14                  “(D) *MAXIMUM AMOUNT FOR REGULAR*  
15                  *HEAVILY IMPACTED LOCAL EDUCATIONAL AGEN-*  
16                  *CIES.*—(i) *Except as provided in subparagraph*  
17                  *(E), the maximum amount that a heavily im-*  
18                  *pacted local educational agency is eligible to re-*  
19                  *ceive under this paragraph for any fiscal year is*  
20                  *the sum of the total weighted student units, as*  
21                  *computed under subsection (a)(2) (subject to*  
22                  *clause (ii)), multiplied by the greater of—*

23                         “(I) *four-fifths of the average per-pupil*  
24                         *expenditure of the State in which the local*  
25                         *educational agency is located for the third*

1           *fiscal year preceding the fiscal year for*  
2           *which the determination is made; or*

3           “(II) *four-fifths of the average per-*  
4           *pupil expenditure of all of the States for the*  
5           *third fiscal year preceding the fiscal year*  
6           *for which the determination is made.*

7           “(i)(I) *For a local educational agency with*  
8           *respect to which 35 percent or more of the total*  
9           *student enrollment of the schools of the agency*  
10           *are children described in subparagraph (D) or*  
11           *(E) (or a combination thereof) of subsection*  
12           *(a)(1), the Secretary shall calculate the weighted*  
13           *student units of such children for purposes of*  
14           *subsection (a)(2) by multiplying the number of*  
15           *such children by a factor of 0.55.*

16           “(II) *For a local educational agency that*  
17           *has an enrollment of 100 or fewer federally con-*  
18           *ected children described in subsection (a)(1), the*  
19           *Secretary shall calculate the total number of*  
20           *weighted student units for purposes of subsection*  
21           *(a)(2) by multiplying the number of such chil-*  
22           *dren by a factor of 1.75.*

23           “(III) *For a local educational agency that*  
24           *has an enrollment of more than 100 but not*  
25           *more than 750 children described in subsection*

1           (a)(1), the Secretary shall calculate the total  
2           number of weighted student units for purposes of  
3           subsection (a)(2) by multiplying the number of  
4           such children by a factor of 1.25.

5           “(E) MAXIMUM AMOUNT FOR LARGE HEAV-  
6           ILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—

7           (i)(I) Subject to clause (ii), the maximum  
8           amount that a heavily impacted local edu-  
9           cational agency described in subclause (II) is eli-  
10          gible to receive under this paragraph for any fis-  
11          cal year shall be determined in accordance with  
12          the formula described in paragraph (1)(C).

13          “(II) A heavily impacted local educational  
14          agency described in this subclause is a local edu-  
15          cational agency that has a total student enroll-  
16          ment of not less than 25,000 students, of which  
17          not less than 50 percent are federally connected  
18          children described in subsection (a)(1) and not  
19          less than 6,000 of such federally connected chil-  
20          dren are children described in subparagraphs  
21          (A) and (B) of subsection (a)(1).

22          “(ii) For purposes of calculating the max-  
23          imum amount described in clause (i), the factor  
24          used in determining the weighted student units  
25          under subsection (a)(2) with respect to children

1           described in subparagraphs (A) and (B) of sub-  
2           section (a)(1) shall be 1.35.

3           “(F) DATA.—For purposes of providing as-  
4           sistance under this paragraph, the Secretary  
5           shall use student, revenue, expenditure, and tax  
6           data from the third fiscal year preceding the fis-  
7           cal year for which the local educational agency  
8           is applying for assistance under this para-  
9           graph.”.

10          (b) PAYMENTS WITH RESPECT TO FISCAL YEARS IN  
11          WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—Para-  
12          graph (3) of section 8003(b) of the Elementary and Sec-  
13          ondary Education Act of 1965 (20 U.S.C. 7703(b)), as re-  
14          designated, is amended—

15                 (1) in subparagraph (A), by striking “paragraph  
16                 (1)” and inserting “paragraphs (1) and (2)”;

17                 (2) in subparagraph (B)—

18                         (A) in the heading, by inserting after “PAY-  
19                         MENTS” the following: “IN LIEU OF PAYMENTS  
20                         UNDER PARAGRAPH (1)”;

21                         (B) in the matter preceding subclause (I) of  
22                         clause (i), by inserting after “‘threshold pay-  
23                         ment’)” the following: “in lieu of basic support  
24                         payments under paragraph (1)”;

1           (C) in clause (ii), by striking “paragraph  
2           (1)” and inserting “clause (i)”; and

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

4           “(iv) In the case of a local educational  
5           agency that has a total student enrollment of  
6           fewer than 1,000 students and that has a per-  
7           pupil expenditure that is less than the average  
8           per-pupil expenditure of the State in which the  
9           agency is located, the total percentage used to  
10          calculate threshold payments under clause (i)  
11          shall not be less than 40 percent.”;

12          (3) by redesignating subparagraph (C) as sub-  
13          paragraph (D);

14          (4) by inserting after subparagraph (B) the fol-  
15          lowing:

16               “(C) *LEARNING OPPORTUNITY THRESHOLD*  
17               *PAYMENTS IN LIEU OF PAYMENTS UNDER PARA-*  
18               *GRAPH (2).—For fiscal years described in sub-*  
19               *paragraph (A), the learning opportunity thresh-*  
20               *old payment in lieu of basic support payments*  
21               *under paragraph (2) shall be equal to the*  
22               *amount obtained under subparagraph (D) or (E)*  
23               *of paragraph (2), as the case may be.”; and*

24          (5) in subparagraph (D) (as redesignated), by  
25          striking “computation made under subparagraph

1       (B)” and inserting “computations made under sub-  
2       paragraphs (B) and (C)”.

3       (c)    CONFORMING    AMENDMENTS.—(1)    Section  
4    8002(b)(1)(C) of the *Elementary and Secondary Education*  
5    Act of 1965 (20 U.S.C. 7702(b)(1)(C)) is amended by strik-  
6    ing “section 8003(b)(1)(C)” and inserting “paragraph  
7    (1)(C) of section 8003(b) or subparagraph (D) or (E) of  
8    paragraph (2) of such section, as the case may be”.

9       (2) Section 8003 of the *Elementary and Secondary*  
10    Education Act of 1965 (20 U.S.C. 7703) is amended—

11           (A) in subsection (a)(1), by striking “subsection  
12       (b), (d), or (f)” and inserting “subsection (b) or (d)”;

13           (B) in subsection (b)—

14               (i) in paragraph (1)(C), in the matter pre-  
15       ceding clause (i), by striking “this subsection”  
16       and inserting “this paragraph”; and

17               (ii) in paragraph (4) (as redesignated)—

18                   (I) in subparagraph (A), by striking  
19       “paragraphs (1)(B), (1)(C), and (2) of this  
20       subsection” and inserting “subparagraphs  
21       (B) and (C) of paragraph (1) or subpara-  
22       graphs (B) through (D) of paragraph (2),  
23       as the case may be, paragraph (3) of this  
24       subsection”; and

25                   (II) in subparagraph (B)—

1                   (aa) by inserting after “para-  
2                   graph (1)(C)” the following: “or sub-  
3                   paragraph (D) or (E) of paragraph  
4                   (2), as the case may be,”; and

5                   (bb) by striking “paragraph  
6                   (2)(B)” and inserting “subparagraph  
7                   (B) or (C) of paragraph (3)”;

8                   (C) in subsection (c)(1), by striking “paragraph  
9                   (2) and subsection (f)” and inserting “subsection  
10                  (b)(2) and paragraph (2)”;

11                  (D) by striking subsection (f); and

12                  (E) in subsection (i), by striking “sections 8002  
13                  and 8003(b)” and inserting “section 8002 and sub-  
14                  section (b) of this section”.

15 **SEC. 7. BASIC SUPPORT PAYMENTS FOR LOCAL EDU-**  
16 **CATIONAL AGENCIES AFFECTED BY REMOVAL**  
17 **OF FEDERAL PROPERTY.**

18                  Section 8003(b) of the Elementary and Secondary  
19 Education Act of 1965 (20 U.S.C. 7703(b)), as amended  
20 by this Act, is further amended by adding at the end the  
21 following:

22                  “(5) LOCAL EDUCATIONAL AGENCIES AFFECTED  
23 BY REMOVAL OF FEDERAL PROPERTY.—

24                  “(A) IN GENERAL.—In computing the  
25 amount of a basic support payment under this

1            *subsection for a fiscal year for a local edu-*  
2            *cational agency described in subparagraph (B),*  
3            *the Secretary shall meet the additional require-*  
4            *ments described in subparagraph (C).*

5            “(B) *LOCAL EDUCATIONAL AGENCY DE-*  
6            *SCRIBED.—A local educational agency described*  
7            *in this subparagraph is a local educational*  
8            *agency with respect to which Federal property*  
9            *(i) located within the boundaries of the agency,*  
10           *and (ii) on which 1 or more children reside who*  
11           *are receiving a free public education at a school*  
12           *of the agency, is transferred by the Federal Gov-*  
13           *ernment to another entity in any fiscal year be-*  
14           *ginning on or after the date of the enactment of*  
15           *the Impact Aid Reauthorization Act of 2000 so*  
16           *that the property is subject to taxation by the*  
17           *State or a political subdivision of the State.*

18           “(C) *ADDITIONAL REQUIREMENTS.—The*  
19           *additional requirements described in this sub-*  
20           *paragraph are the following:*

21           “(i) *For each fiscal year beginning*  
22           *after the date on which the Federal property*  
23           *is transferred, a child described in subpara-*  
24           *graph (B) who continues to reside on such*  
25           *property and who continues to receive a free*

1           *public education at a school of the agency*  
2           *shall be deemed to be a child who resides on*  
3           *Federal property for purposes of computing*  
4           *under the applicable subparagraph of sub-*  
5           *section (a)(1) the amount that the agency is*  
6           *eligible to receive under this subsection.*

7           “(ii)(I) *For the third fiscal year begin-*  
8           *ning after the date on which the Federal*  
9           *property is transferred, and for each fiscal*  
10           *year thereafter, the Secretary shall, after*  
11           *computing the amount that the agency is*  
12           *otherwise eligible to receive under this sub-*  
13           *section for the fiscal year involved, deduct*  
14           *from such amount an amount equal to the*  
15           *revenue received by the agency for the im-*  
16           *mediately preceding fiscal year as a result*  
17           *of the taxable status of the former Federal*  
18           *property.*

19           “(II) *For purposes of determining the*  
20           *amount of revenue to be deducted in accord-*  
21           *ance with subclause (I), the local edu-*  
22           *cational agency—*

23                   “(aa) *shall provide for a review*  
24                   *and certification of such amount by an*  
25                   *appropriate local tax authority; and*

1                   “(bb) shall submit to the Sec-  
2                   retary a report containing the amount  
3                   certified under item (aa).”.

4 **SEC. 8. ADDITIONAL PAYMENTS FOR LOCAL EDUCATIONAL**  
5                   **AGENCIES WITH HIGH CONCENTRATIONS OF**  
6                   **CHILDREN WITH SEVERE DISABILITIES.**

7           (a) *REPEAL.*—Subsection (g) of section 8003 of the El-  
8           mentary and Secondary Education Act of 1965 (20 U.S.C.  
9           7703(g)) is repealed.

10          (b) *CONFORMING AMENDMENTS.*—(1) Section 8003 of  
11          the Elementary and Secondary Education Act of 1965 (20  
12          U.S.C. 7703) is amended by redesignating subsections (h)  
13          and (i) as subsections (f) and (g), respectively.

14          (2) Section 426 of the General Education Provisions  
15          Act (20 U.S.C. 1228) is amended by striking “subsections  
16          (d) and (g) of section 8003 of such Act” and inserting “sec-  
17          tion 8003(d) of such Act”.

18 **SEC. 9. APPLICATION FOR PAYMENTS UNDER SECTIONS**  
19                   **8002 AND 8003.**

20          Section 8005(d) of the Elementary and Secondary  
21          Education Act of 1965 (20 U.S.C. 7705(d)) is amended—

22               (1) in paragraph (2), by inserting after “not  
23               more than 60 days after a deadline established under  
24               subsection (c)” the following: “, or not more than 60  
25               days after the date on which the Secretary sends writ-

1        *ten notice to the local educational agency pursuant to*  
2        *paragraph (3)(A), as the case may be,”; and*

3                *(2) in paragraph (3) to read as follows:*

4                *“(3) LATE APPLICATIONS.—*

5                        *“(A) NOTICE.—The Secretary shall, as soon*  
6                        *as practicable after the deadline established*  
7                        *under subsection (c), provide to each local edu-*  
8                        *cational agency that applied for a payment*  
9                        *under section 8002 or 8003 for the prior fiscal*  
10                        *year, and with respect to which the Secretary*  
11                        *has not received an application for a payment*  
12                        *under either such section (as the case may be) for*  
13                        *the fiscal year in question, written notice of the*  
14                        *failure to comply with the deadline and instruc-*  
15                        *tion to ensure that the application is filed not*  
16                        *later than 60 days after the date on which the*  
17                        *Secretary sends the notice.*

18                        *“(B) ACCEPTANCE AND APPROVAL OF LATE*  
19                        *APPLICATIONS.—The Secretary shall not accept*  
20                        *or approve any application of a local edu-*  
21                        *cational agency that is filed more than 60 days*  
22                        *after the date on which the Secretary sends writ-*  
23                        *ten notice to the local educational agency pursu-*  
24                        *ant to subparagraph (A).”.*

1 **SEC. 10. PAYMENTS FOR SUDDEN AND SUBSTANTIAL IN-**  
 2 **CREASES IN ATTENDANCE OF MILITARY DE-**  
 3 **PENDENTS.**

4 *Section 8006 of the Elementary and Secondary Edu-*  
 5 *cation Act of 1965 (20 U.S.C. 7706) is repealed.*

6 **SEC. 11. CONSTRUCTION.**

7 *(a) IN GENERAL.—Section 8007 of the Elementary*  
 8 *and Secondary Education Act of 1965 (20 U.S.C. 7707)*  
 9 *is amended to read as follows:*

10 **“SEC. 8007. CONSTRUCTION.**

11 **“(a) CONSTRUCTION PAYMENTS AUTHORIZED.—**

12 **“(1) IN GENERAL.—***From 70 percent of the*  
 13 *amount appropriated for each fiscal year under sec-*  
 14 *tion 8014(e), the Secretary shall make payments in*  
 15 *accordance with this subsection to each local edu-*  
 16 *cational agency that receives a basic support payment*  
 17 *under section 8003(b) for that fiscal year.*

18 **“(2) ADDITIONAL REQUIREMENTS.—***A local edu-*  
 19 *cational agency that receives a basic support payment*  
 20 *under section 8003(b)(1) shall also meet at least 1 of*  
 21 *the following requirements:*

22 **“(A) The number of children determined**  
 23 **under section 8003(a)(1)(C) for the agency for**  
 24 **the preceding school year constituted at least 50**  
 25 **percent of the total student enrollment in the**

1           *schools of the agency during the preceding school*  
2           *year.*

3           “(B) *The number of children determined*  
4           *under subparagraphs (B) and (D)(i) of section*  
5           *8003(a)(1) for the agency for the preceding*  
6           *school year constituted at least 50 percent of the*  
7           *total student enrollment in the schools of the*  
8           *agency during the preceding school year.*

9           “(3) *AMOUNT OF PAYMENTS.—*

10           “(A) *LOCAL EDUCATIONAL AGENCIES IM-*  
11           *PACTED BY MILITARY DEPENDENT CHILDREN.—*  
12           *The amount of a payment to each local edu-*  
13           *cational agency described in this subsection that*  
14           *is impacted by military dependent children for*  
15           *a fiscal year shall be equal to—*

16                   “(i)(II) *35 percent of the amount ap-*  
17                   *propriated under section 8014(e) for such*  
18                   *fiscal year; divided by*

19                           “(II) *the total number of weighted stu-*  
20                           *dent units of children described in subpara-*  
21                           *graphs (B) and (D)(i) of section 8003(a)(1)*  
22                           *for all local educational agencies described*  
23                           *in this subsection (as calculated under sec-*  
24                           *tion 8003(a)(2)), including the number of*  
25                           *weighted student units of such children at-*

1            *tending a school facility described in section*  
2            *8008(a) if the Secretary does not provide*  
3            *assistance for the school facility under that*  
4            *section for the prior fiscal year; multiplied*  
5            *by*

6            *“(ii) the total number of such weighted*  
7            *student units for the agency.*

8            *“(B) LOCAL EDUCATIONAL AGENCIES IM-*  
9            *PACTED BY CHILDREN WHO RESIDE ON INDIAN*  
10           *LANDS.—The amount of a payment to each local*  
11           *educational agency described in this subsection*  
12           *that is impacted by children who reside on In-*  
13           *dian lands for a fiscal year shall be equal to—*

14           *“(i)(I) 35 percent of the amount ap-*  
15           *propriated under section 8014(e) for such*  
16           *fiscal year; divided by*

17           *“(II) the total number of weighted stu-*  
18           *dent units of children described in section*  
19           *8003(a)(1)(C) for all local educational*  
20           *agencies described in this subsection (as cal-*  
21           *culated under section 8003(a)(2)); multi-*  
22           *plied by*

23           *“(ii) the total number of such weighted*  
24           *student units for the agency.*

1           “(4) *USE OF FUNDS.*—Any local educational  
2           agency that receives funds under this subsection shall  
3           use such funds for construction, as defined in section  
4           8013(3).

5           “(b) *SCHOOL FACILITY MODERNIZATION GRANTS AU-*  
6           *THORIZED.*—

7           “(1) *IN GENERAL.*—From 30 percent of the  
8           amount appropriated for each fiscal year under sec-  
9           tion 8014(e), the Secretary shall award grants in ac-  
10          cordance with this subsection to eligible local edu-  
11          cational agencies to enable the local educational agen-  
12          cies to carry out modernization of school facilities.

13          “(2) *ELIGIBILITY REQUIREMENTS.*—A local edu-  
14          cational agency is eligible to receive funds under this  
15          subsection only if—

16                 “(A) such agency (or in the case of a local  
17                 educational agency that does not have the au-  
18                 thority to tax or issue bonds, such agency’s fiscal  
19                 agent) has no capacity to issue bonds or is at  
20                 such agency’s limit in bonded indebtedness for  
21                 the purposes of generating funds for capital ex-  
22                 penditures; and

23                 “(B)(i) such agency received assistance  
24                 under section 8002(a) for the fiscal year and has  
25                 an assessed value of taxable property per student

1           *in the school district that is less than the average*  
2           *of the assessed value of taxable property per stu-*  
3           *dent in the State in which the local educational*  
4           *agency is located; or*

5           *“(i) such agency received assistance under*  
6           *subsection (a) for the fiscal year and has a school*  
7           *facility emergency, as determined by the Sec-*  
8           *retary, that poses a health or safety hazard to the*  
9           *students and school personnel assigned to the*  
10          *school facility.*

11          *“(3) AWARD CRITERIA.—In awarding grants*  
12          *under this subsection the Secretary shall consider 1 or*  
13          *more of the following factors:*

14                 *“(A) The extent to which the local edu-*  
15                 *cational agency lacks the fiscal capacity to un-*  
16                 *dertake the modernization project without Fed-*  
17                 *eral assistance.*

18                 *“(B) The extent to which property in the*  
19                 *local educational agency is nontaxable due to the*  
20                 *presence of the Federal Government.*

21                 *“(C) The extent to which the local edu-*  
22                 *cational agency serves high numbers or percent-*  
23                 *ages of children described in subparagraphs (A),*  
24                 *(B), (C), and (D) of section 8003(a)(1).*

25                 *“(D) The need for modernization to meet—*

1           “(i) the threat that the condition of the  
2           school facility poses to the safety and well-  
3           being of students;

4           “(ii) overcrowding conditions as evi-  
5           denced by the use of trailers and portable  
6           buildings and the potential for future over-  
7           crowding because of increased enrollment;  
8           and

9           “(iii) facility needs resulting from ac-  
10          tions of the Federal Government.

11          “(E) The age of the school facility to be  
12          modernized.

13          “(4) OTHER AWARD PROVISIONS.—

14                 “(A) FEDERAL SHARE.—The Federal funds  
15                 provided under this subsection to a local edu-  
16                 cational agency described in subparagraph (C)  
17                 shall not exceed 50 percent of the total cost of the  
18                 project to be assisted under this subsection. A  
19                 local educational agency may use in-kind con-  
20                 tributions to meet the matching requirement of  
21                 the preceding sentence.

22                 “(B) MAXIMUM GRANT.—A local edu-  
23                 cational agency described in subparagraph (C)  
24                 may not receive a grant under this subsection in

1           *an amount that exceeds \$3,000,000 during any*  
2           *5-year period.*

3           “(C) *LOCAL EDUCATIONAL AGENCY DE-*  
4           *SCRIBED.—A local educational agency described*  
5           *in this subparagraph is a local educational*  
6           *agency that has the authority to issue bonds but*  
7           *is at such agency’s limit in bonded indebtedness*  
8           *for the purposes of generating funds for capital*  
9           *expenditures.*

10          “(5) *APPLICATIONS.—A local educational agency*  
11          *that desires to receive a grant under this subsection*  
12          *shall submit an application to the Secretary at such*  
13          *time, in such manner, and accompanied by such in-*  
14          *formation as the Secretary may require. Each appli-*  
15          *cation shall contain—*

16                 “(A) *documentation certifying such agency’s*  
17                 *lack of bonding capacity;*

18                 “(B) *a listing of the school facilities to be*  
19                 *modernized, including the number and percent-*  
20                 *age of children determined under section*  
21                 *8003(a)(1) in average daily attendance in each*  
22                 *school facility;*

23                 “(C) *a description of the ownership of the*  
24                 *property on which the current school facility is*

1           *located or on which the planned school facility*  
2           *will be located;*

3           “(D) *a description of any school facility de-*  
4           *ficiency that poses a health or safety hazard to*  
5           *the occupants of the school facility and a de-*  
6           *scription of how that deficiency will be repaired;*

7           “(E) *a description of the modernization to*  
8           *be supported with funds provided under this sub-*  
9           *section;*

10          “(F) *a cost estimate of the proposed mod-*  
11          *ernization; and*

12          “(G) *such other information and assurances*  
13          *as the Secretary may reasonably require.*

14          “(6) *EMERGENCY GRANTS.—*

15          “(A) *APPLICATIONS.—Each local edu-*  
16          *cational agency described in paragraph*  
17          *(2)(B)(ii) that desires a grant under this sub-*  
18          *section shall include in the application sub-*  
19          *mitted under paragraph (5) a signed statement*  
20          *from an appropriate local official certifying that*  
21          *a health or safety deficiency exists.*

22          “(B) *PRIORITY.—If the Secretary receives*  
23          *more than 1 application from local educational*  
24          *agencies described in paragraph (2)(B)(ii) for*  
25          *grants under this subsection for any fiscal year,*

1           *the Secretary shall give priority to local edu-*  
2           *cational agencies based on the severity of the*  
3           *emergency, as determined by the Secretary, and*  
4           *when the application was received.*

5           “(C) *CONSIDERATION FOR FOLLOWING*  
6           *YEAR.—A local educational agency described in*  
7           *paragraph (2)(B)(ii) that applies for a grant*  
8           *under this subsection for any fiscal year and*  
9           *does not receive the grant shall have the applica-*  
10          *tion for the grant considered for the following fis-*  
11          *cal year, subject to the priority described in sub-*  
12          *paragraph (B).”.*

13          **(b) DEFINITION.—***Section 8013 of the Elementary and*  
14          *Secondary Education Act of 1965 (20 U.S.C. 7713) is*  
15          *amended by adding at the end the following:*

16               “(13) *MODERNIZATION.—**The term ‘moderniza-*  
17               *tion’ means repair, renovation, alteration, or con-*  
18               *struction, including—*

19                       “(A) *the concurrent installation of equip-*  
20                       *ment; and*

21                       “(B) *the complete or partial replacement of*  
22                       *an existing school facility, but only if such re-*  
23                       *placement is less expensive and more cost-effec-*  
24                       *tive than repair, renovation, or alteration of the*  
25                       *school facility.”.*

1 **SEC. 12. FEDERAL ADMINISTRATION.**

2 *Section 8010(c) of the Elementary and Secondary*  
3 *Education Act of 1965 (20 U.S.C. 7710(c)) is amended—*

4 *(1) by striking paragraph (1);*

5 *(2) by redesignating paragraphs (2) and (3) as*  
6 *paragraphs (1) and (2), respectively; and*

7 *(3) in paragraph (2)(D) (as redesignated), by*  
8 *striking “section 5(d)(2) of the Act of September 30,*  
9 *1950 (Public Law 874, 81st Congress) (as such sec-*  
10 *tion was in effect on the day preceding the date of en-*  
11 *actment of the Improving America’s Schools Act of*  
12 *1994) or”.*

13 **SEC. 13. ADMINISTRATIVE HEARINGS AND JUDICIAL RE-**  
14 **VIEW.**

15 *(a) ADMINISTRATIVE HEARINGS.—*

16 *(1) IN GENERAL.—Section 8011(a) of the Ele-*  
17 *mentary and Secondary Education Act of 1965 (20*  
18 *U.S.C. 7711) is amended by adding at the end before*  
19 *the period the following: “if the local educational*  
20 *agency or State, as the case may be, submits to the*  
21 *Secretary a request for the hearing not later than 60*  
22 *days after the date of the action of the Secretary*  
23 *under this title”.*

24 *(2) EFFECTIVE DATE.—The amendment made by*  
25 *paragraph (1) shall apply with respect to an action*  
26 *of the Secretary under title VIII of the Elementary*

1        *and Secondary Education Act of 1965 (20 U.S.C.*  
2        *7701 et seq.) initiated on or after the date of the en-*  
3        *actment of this Act.*

4        *(b) JUDICIAL REVIEW OF SECRETARIAL ACTION.—*  
5        *Section 8011(b)(1) of the Elementary and Secondary Edu-*  
6        *cation Act of 1965 (20 U.S.C. 7711(b)(1)) is amended by*  
7        *striking “60 days” and inserting “30 working days (as de-*  
8        *termined by the local educational agency or State)”.*

9        **SEC. 14. DEFINITIONS.**

10        *Section 8013(5)(A)(iii) of the Elementary and Sec-*  
11        *ondary Education Act of 1965 (20 U.S.C. 7713(5)(A)(iii))*  
12        *is amended—*

13                *(1) in subclause (I), by striking “or” at the end;*

14        *and*

15                *(2) by adding at the end the following:*

16                        *“(III) affordable housing assisted*  
17                        *under the Native American Housing Assist-*  
18                        *ance and Self-Determination Act of 1996;*  
19                        *or”.*

20        **SEC. 15. AUTHORIZATION OF APPROPRIATIONS.**

21        *(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL*  
22        *PROPERTY.—Section 8014(a) of the Elementary and Sec-*  
23        *ondary Education Act of 1965 (20 U.S.C. 7714(a)) is*  
24        *amended by striking “\$16,750,000 for fiscal year 1995” and*  
25        *inserting “\$32,000,000 for fiscal year 2000”.*

1           **(b) BASIC PAYMENTS.**—Section 8014(b) of the Elemen-  
2 *tary and Secondary Education Act of 1965 (20 U.S.C.*  
3 *7714(b)) is amended—*

4                   (1) *by striking “subsections (b) and (f) of section*  
5 *8003” and inserting “section 8003(b)”;*

6                   (2) *by striking “\$775,000,000 for fiscal year*  
7 *1995” and inserting “\$809,400,000 for fiscal year*  
8 *2000”; and*

9                   (3) *by striking “, of which 6 percent” and all*  
10 *that follows and inserting a period.*

11           **(c) PAYMENTS FOR CHILDREN WITH DISABILITIES.**—  
12 *Section 8014(c) of the Elementary and Secondary Edu-*  
13 *cation Act of 1965 (20 U.S.C. 7714(c)) is amended by strik-*  
14 *ing “\$45,000,000 for fiscal year 1995” and inserting*  
15 *“\$50,000,000 for fiscal year 2000”.*

16           **(d) PAYMENTS FOR INCREASES IN MILITARY CHIL-**  
17 *DREN.*—Subsection (d) of section 8014 of the *Elementary*  
18 *and Secondary Education Act of 1965 (20 U.S.C. 7714)*  
19 *is repealed.*

20           **(e) CONSTRUCTION.**—Section 8014(e) of the *Elemen-*  
21 *tary and Secondary Education Act of 1965 (20 U.S.C.*  
22 *7714(e)) is amended by striking “\$25,000,000 for fiscal*  
23 *year 1995” and inserting “\$10,052,000 for fiscal year*  
24 *2000”.*

1           (f) *FACILITIES MAINTENANCE*.—Section 8014(f) of the  
2 *Elementary and Secondary Education Act of 1965* (20  
3 *U.S.C. 7714(f)*) is amended by striking “\$2,000,000 for fis-  
4 *cal year 1995*” and inserting “\$5,000,000 for fiscal year  
5 *2000*”.

6           (g) *ADDITIONAL ASSISTANCE FOR CERTAIN LOCAL*  
7 *EDUCATIONAL AGENCIES IMPACTED BY FEDERAL PROP-*  
8 *ERTY ACQUISITION*.—Section 8014(g) of the *Elementary*  
9 *and Secondary Education Act of 1965* (20 *U.S.C. 7714(g)*)  
10 *is amended—*

11                 (1) *in the heading, by striking “FEDERAL PROP-*  
12 *ERTY LOCAL EDUCATIONAL AGENCIES” and inserting*  
13 *“LOCAL EDUCATIONAL AGENCIES IMPACTED BY FED-*  
14 *ERAL PROPERTY ACQUISITION”*; and

15                 (2) *by striking “such sums as are necessary be-*  
16 *ginning in fiscal year 1998 and for each succeeding*  
17 *fiscal year” and inserting “\$1,500,000 for fiscal year*  
18 *2000 and such sums as may be necessary for each of*  
19 *the four succeeding fiscal years”*.

20 **SEC. 16. EFFECTIVE DATE.**

21           *This Act, and the amendments made by this Act, shall*  
22 *take effect on October 1, 2000, or the date of the enactment*  
23 *of this Act, whichever occurs later.*